



**HOP FUNG GROUP**

合豐集團控股有限公司

**HOP FUNG GROUP HOLDINGS LIMITED**

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

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 2320

Interim Report

中期報告

2007

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The board of directors (the “Directors”) of Hop Fung Group Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30th June, 2007 together with comparative figures for the corresponding period in 2006 as follows:

合豐集團控股有限公司（「本公司」）董事會（「董事」）欣然宣佈本公司及其附屬公司（統稱「本集團」）截至二零零七年六月三十日止六個月之未經審核簡明綜合業績，連同二零零六年同期之比較數字如下：

## CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE, 2007

## 簡明綜合收益表

截至二零零七年六月三十日止六個月

		Six months ended	
		截至六月三十日止六個月	
		30.6.2007	30.6.2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Turnover	營業額	440,795	390,116
Cost of sales	銷售成本	<b>(347,853)</b>	(310,127)
Gross profit	毛利	<b>92,942</b>	79,989
Other income	其他收入	<b>10,582</b>	8,736
Distribution costs	分銷成本	<b>(20,611)</b>	(18,190)
Administrative expenses	行政開支	<b>(21,943)</b>	(19,439)
Other expenses	其他開支	<b>(11,102)</b>	(9,305)
Finance costs	財務成本	<b>(3,014)</b>	(4,732)
Change in fair value of structured borrowing	結構借貸公平值之變動	<b>4,156</b>	-
Changes in fair value of derivative financial instruments	衍生金融工具公平值之變動	<b>1,334</b>	647
Profit before taxation	稅前利潤	<b>52,344</b>	37,706
Taxation	稅項	<b>(1,004)</b>	(602)
Profit for the period	期間利潤	<b>51,340</b>	37,104
Dividends	股息	<b>8,107</b>	6,060
Earnings per share	每股盈利		
– basic (HK cents)	– 基本 (港仙)	<b>12.1</b>	10
– diluted (HK cents)	– 攤薄 (港仙)	<b>11.9</b>	9.8

Notes  
附註

## CONDENSED CONSOLIDATED BALANCE SHEET 簡明綜合資產負債表

AT 30TH JUNE, 2007

於二零零七年六月三十日

			<b>30.6.2007</b>	31.12.2006
			於二零零七年 六月三十日	於二零零六年 十二月三十一日
	Notes 附註		<b>HK\$'000</b>	HK\$'000
			千港元	千港元
			<b>(unaudited)</b>	(audited)
			<b>(未經審核)</b>	(經審核)
<b>Non-current assets</b>		<b>非流動資產</b>		
Property, plant and equipment	9	物業、廠房及設備	<b>387,540</b>	348,596
Prepaid lease payments on land use rights		土地使用權預付租賃款項	<b>20,288</b>	20,537
Prepayments under processing arrangement		根據加工安排之預付款項	<b>2,087</b>	2,118
Deposits paid for the acquisition of property, plant and equipment		購置物業、廠房及設備所付訂金	<b>143,678</b>	32,805
			<b>553,593</b>	404,056
<b>Current assets</b>		<b>流動資產</b>		
Inventories		存貨	<b>99,549</b>	79,450
Trade and other receivables	10	貿易及其他應收款項	<b>137,698</b>	119,035
Deposits and prepayments		按金及預付款	<b>18,269</b>	8,333
Prepaid lease payments on land use rights		土地使用權預付租賃款項	<b>478</b>	439
Prepayments under processing arrangement		根據加工安排之預付款項	<b>61</b>	61
Taxation recoverable		可退回稅項	-	42
Derivative financial instruments		衍生金融工具	<b>846</b>	9
Bank balances and cash		銀行結餘及現金	<b>128,325</b>	231,605
			<b>385,226</b>	438,974

			<b>30.6.2007</b>	31.12.2006
			於二零零七年	於二零零六年
			六月三十日	十二月三十一日
	Notes		<b>HK\$'000</b>	HK\$'000
	附註		千港元	千港元
			<b>(unaudited)</b>	(audited)
			<b>(未經審核)</b>	(經審核)
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	11	<b>77,341</b>	84,824
Taxation payable	應付稅項		<b>19,389</b>	18,475
Derivative financial instruments	衍生金融工具		<b>4,143</b>	4,640
Bank borrowings	銀行借貸	12	<b>91,638</b>	65,611
Structured borrowing	結構借貸	13	<b>7,800</b>	7,765
			<b>200,311</b>	181,315
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>184,915</b>	257,659
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>738,508</b>	661,715
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	14	<b>42,390</b>	42,390
Share premium and reserves	股份溢價及儲備		<b>477,057</b>	441,706
			<b>519,447</b>	484,096
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank borrowings	銀行借貸	12	<b>182,885</b>	133,527
Structured borrowing	結構借貸	13	<b>35,510</b>	43,426
Deferred taxation	遞延稅項		<b>666</b>	666
			<b>219,061</b>	177,619
			<b>738,508</b>	661,715

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH JUNE, 2007

## 簡明綜合權益變動表

截至二零零七年六月三十日止六個月

		Share capital	Share premium	Special reserve	Translation reserve	Share options reserve	Retained profits	Total
		股本	股份溢價	特別儲備	匯兌儲備	購股權儲備	保留利潤	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st January, 2006	於二零零六年一月一日	36,792	171,446	(107,444)	1,673	2,144	233,714	338,325
Exchange differences arising on translation of foreign operations recognised directly in equity	於權益直接確認換算海外業務之匯兌差額	-	-	-	(142)	-	-	(142)
Profit for the period	期間利潤	-	-	-	-	-	37,104	37,104
Exercise of share options	行使購股權	1,563	16,757	-	-	-	-	18,320
Recognition of equity-settled share based payments	確認股權結算之股份支付的支出	-	-	-	-	1,000	-	1,000
Final dividends paid in respect of 2005 (Note 7)	已派二零零五年末期股息(附註7)	-	-	-	-	-	(15,857)	(15,857)
At 30th June, 2006	於二零零六年六月三十日	38,355	188,203	(107,444)	1,531	3,144	254,961	378,750
At 1st January, 2007	於二零零七年一月一日	42,390	262,303	(107,444)	4,197	2,555	280,095	484,096
Exchange differences arising on translation of foreign operations recognised directly in equity	於權益直接確認換算海外業務之匯兌差額	-	-	-	3,180	-	-	3,180
Profit for the period	期間利潤	-	-	-	-	-	51,340	51,340
Total recognised income for the period	期間確認收入總額	-	-	-	3,180	-	51,340	54,520
Recognition of equity-settled share based payments	確認股權結算之股份支付的支出	-	-	-	-	500	-	500
Final dividends paid in respect of 2006 (Note 7)	已派二零零六年末期股息(附註7)	-	-	-	-	-	(19,669)	(19,669)
At 30th June, 2007	於二零零七年六月三十日	42,390	262,303	(107,444)	7,377	3,055	311,766	519,447

Note: Special reserve represents the difference between the costs of investments in subsidiaries of the Company and the aggregate amount of the non-voting deferred share capital of Fung Kong Hop Fung Paper Ware Factory Limited and Gong Ming Hop Fung Paper Ware Factory Limited and the nominal value of the share capital of the subsidiaries acquired as a result of the group reorganisation in 2003.

附註：特別儲備指本公司於附屬公司之投資成本，與鳳崗合豐紙品廠有限公司及公明合豐紙品廠有限公司無投票權遞延股本總額及二零零三年因集團重組而收購之附屬公司之股本面值之差額。

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE, 2007

## 簡明綜合現金流量表

截至二零零七年六月三十日止六個月

		<b>Six months ended</b>	
		截至六月三十日止六個月	
		<b>30.6.2007</b>	30.6.2006
		二零零七年	二零零六年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(unaudited)</b>	(unaudited)
		(未經審核)	(未經審核)
<b>Net cash from operating activities</b>	經營活動產生之現金淨額	<b>9,999</b>	35,888
<b>Investing activities</b>	投資活動		
Purchases of property, plant and equipment	購買物業、廠房及設備	<b>(53,609)</b>	(48,270)
Other investing cash flows	其他投資現金流量	<b>(109,327)</b>	(13,147)
<b>Net cash used in investing activities</b>	投資活動使用之現金淨額	<b>(162,936)</b>	(61,417)
<b>Financing activities</b>	融資活動		
New bank loans raised	新增銀行貸款	<b>104,584</b>	66,470
Repayment of bank loans	償還銀行貸款	<b>(32,923)</b>	(81,058)
Dividends paid	已派股息	<b>(19,669)</b>	(15,857)
Other financing cash flows	其他融資之現金流量	<b>(5,515)</b>	12,810
<b>Net cash from (used in) financing activities</b>	融資活動產生(使用)之現金淨額	<b>46,477</b>	(17,635)
<b>Net decrease in cash and cash equivalents</b>	現金及現金等值減少淨額	<b>(106,460)</b>	(43,164)
<b>Cash and cash equivalents at beginning of the period</b>	期初之現金及現金等值	<b>231,605</b>	156,037
<b>Effect of foreign exchange rate changes</b>	匯率變動影響	<b>3,180</b>	(142)
<b>Cash and cash equivalents at end of the period</b>	期末之現金及現金等值	<b>128,325</b>	112,731
<b>Analysis of the balances of cash and cash equivalents</b>	現金及現金等值之結餘分析		
Bank balances and cash	銀行結餘及現金	<b>128,325</b>	112,731

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH JUNE, 2007

### 1. GENERAL

The Company is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate holding company is Hop Fung Industries (Holdings) Limited, a company incorporated in the British Virgin Islands.

### 2. BASIS OF PREPARATION

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

### 3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2006.

## 簡明綜合財務報表附註

截至二零零七年六月三十日止六個月

### 1. 一般資料

本公司根據開曼群島法例第22章公司法(一九六一年第3條法例·經綜合及修訂)於開曼群島註冊成立為獲豁免有限公司·其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之最終控股公司則為於英屬處女群島註冊成立之Hop Fung Industries (Holdings) Limited。

### 2. 編製基準

未經審核簡明綜合財務報表乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄16之適用披露規定及香港會計師公會發出之香港會計準則第34號「中期財務報告」而編製。

### 3. 主要會計政策

未經審核簡明綜合財務報表乃按歷史成本法編製·惟若干金融工具按公平值列賬(倘適用)除外。

未經審核簡明綜合財務報表所用之會計政策·與本集團在其截至二零零六年十二月三十一日止年度之全年財務報表內所用之編製基準相同。



In the current period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (hereinafter collectively referred to as “new HKFRSs”) issued by the HKICPA that are effective for accounting periods beginning on 1st January, 2007.

在本期間，本集團首次應用多項由香港會計師公會發出之新準則、修訂及詮釋（文內統稱為「新香港財務報告準則」），此等準則由二零零七年一月一日開始之會計期間生效。

HKAS 1 (Amendment)  
香港會計準則第1號（修訂本）

Capital disclosures<sup>1</sup>  
資本披露<sup>1</sup>

HKFRS 7  
香港財務報告準則第7號

Financial instruments: Disclosures<sup>1</sup>  
金融工具：披露事項<sup>1</sup>

HK (IFRIC)-INT 7  
香港（國際財務報告準則詮釋委員會）－詮釋第7號

Applying the restatement approach under HKAS 29 – Financial Reporting in Hyperinflationary Economies<sup>2</sup>  
根據香港會計準則第29號於惡性通貨膨脹經濟中之財務報告重列方法<sup>2</sup>

HK (IFRIC)-INT 8  
香港（國際財務報告準則詮釋委員會）－詮釋第8號

Scope of HKFRS 2<sup>3</sup>  
香港財務報告準則第2號之範疇<sup>3</sup>

HK (IFRIC)-INT 9  
香港（國際財務報告準則詮釋委員會）－詮釋第9號

Reassessment of embedded derivatives<sup>4</sup>  
附帶內在衍生工具之重新評估<sup>4</sup>

HK (IFRIC)-INT 10  
香港（國際財務報告準則詮釋委員會）－詮釋第10號

Interim financial reporting and impairment<sup>5</sup>  
中期財務報告及減值<sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2007

<sup>2</sup> Effective for annual periods beginning on or after 1st March, 2006

<sup>3</sup> Effective for annual periods beginning on or after 1st May, 2006

<sup>4</sup> Effective for annual periods beginning on or after 1st June, 2006

<sup>5</sup> Effective for annual periods beginning on or after 1st November, 2006

<sup>1</sup> 於二零零七年一月一日或其後開始之年度期間生效。

<sup>2</sup> 於二零零六年三月一日或其後開始之年度期間生效。

<sup>3</sup> 於二零零六年五月一日或其後開始之年度期間生效。

<sup>4</sup> 於二零零六年六月一日或其後開始之年度期間生效。

<sup>5</sup> 於二零零六年十一月一日或其後開始之年度期間生效。

The adoption of these new HKFRSs had no material effect on how the financial statements of the Group are prepared and presented for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective. The Directors of the Company anticipate that the application of these standards, amendment or interpretations will have no material impact on how the results and the financial position of the Group are prepared and presented except for HKFRS 8. They have commenced considering the potential impact of HKFRS 8 but are not yet in a position to determine whether HKFRS 8 would have a significant impact on how its results and operations and financial position are prepared and presented.

採用此等新香港財務報告準則對本集團本期間或以往會計期間財務報表之編製及呈列方式並無重大影響。因此，並無需就以往期間作出調整。

本集團並無提早應用下列已頒佈但尚未生效之新準則、修訂或詮釋。除香港財務報告準則第8號外，本公司董事預期應用該等準則、修訂或詮釋將不會對本集團之業績及財務狀況的編製及呈列有重大影響。董事正考慮香港財務報告準則第8號之潛在影響，但尚未能釐定香港財務報告準則第8號會否及如何對本集團的業績、營運及財務狀況的編製及呈列方式產生重大影響。

HKFRS 8 香港財務報告準則第8號	Operating segments <sup>1</sup> 經營分部 <sup>1</sup>
HK (IFRIC)-INT 11 香港（國際財務報告準則詮釋委員會）－詮釋第11號	HKFRS 2 – Group and treasury share transactions <sup>2</sup> 香港財務報告準則第2號 －集團及庫存股份交易 <sup>2</sup>
HK (IFRIC)-INT 12 香港（國際財務報告準則詮釋委員會）－詮釋第12號	Service concession arrangements <sup>3</sup> 服務經營權安排 <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2009

<sup>2</sup> Effective for annual periods beginning on or after 1st March, 2007

<sup>3</sup> Effective for annual periods beginning on or after 1st January, 2008

<sup>1</sup> 於二零零九年一月一日或其後開始之年度期間生效。

<sup>2</sup> 於二零零七年三月一日或其後開始之年度期間生效。

<sup>3</sup> 於二零零八年一月一日或其後開始之年度期間生效。

#### 4 TURNOVER AND SEGMENT INFORMATION

##### Turnover

Turnover represents the net amount received and receivable for goods sold during the period.

##### Segment information

All of the Group's turnover and contribution to operating profit are attributable to the manufacturing and sales of paper-ware products and over 90% of the Group's turnover and contribution to operating profit is attributable to customers who have their manufacturing base in the People's Republic of China (the "PRC"). Accordingly, no segment analysis is presented.

As at 31st December, 2006 and 30th June, 2007, all the Group's assets and liabilities are located in the PRC, including Hong Kong and Macau.

#### 5. PROFIT BEFORE TAXATION

#### 4. 營業額及分部資料

##### 營業額

營業額乃本期間銷售貨品之已收及應收款項淨額。

##### 分部資料

本集團所有營業額及經營溢利貢獻均來自紙品生產與銷售，本集團超過90%之營業額及經營溢利貢獻來自在中華人民共和國（「中國」）設有生產基地之客戶，因此並無呈列分部分析。

於二零零六年十二月三十一日及於二零零七年六月三十日，本集團之資產及負債均位於中國，包括香港及澳門。

#### 5. 稅前利潤

		<b>Six months ended</b>	
		截至六月三十日止六個月	
		<b>30.6.2007</b>	30.6.2006
		二零零七年	二零零六年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(unaudited)</b>	(unaudited)
		(未經審核)	(未經審核)
Profit before taxation has been arrived at after charging (crediting):	稅前利潤乃扣除（計入）下列項目後得出：		
Amortisation on prepaid lease payments	預付租賃款項之攤銷	<b>216</b>	177
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>17,153</b>	13,365
Interest income	利息收入	<b>(1,509)</b>	(1,166)

## 6. TAXATION

## 6. 稅項

		<b>Six months ended</b>	
		<b>截至六月三十日止六個月</b>	
		<b>30.6.2007</b>	<b>30.6.2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>千港元</b>	<b>千港元</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
		<b>(未經審核)</b>	<b>(未經審核)</b>
The charge comprises:	稅項包括：		
Current taxation	即期稅項		
Hong Kong Profits Tax	香港利得稅	<b>944</b>	602
Other region in the PRC	中國其他地區	<b>60</b>	-
		<b>1,004</b>	602

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) on the estimated assessable profit for the period. Taxation arising in the PRC is calculated at the rates prevailing in the PRC.

香港利得稅按期間估計應課稅溢利的17.5%（二零零六：17.5%）之稅率計算。於中國之稅項乃按中國之適用稅率計算。

A portion of the Group's profits are earned by the Macau subsidiaries of the Group incorporated under the Macau SAR's Offshore Law. Pursuant to the Macau SAR's Offshore Law, such portion of profits are exempted from Macau complimentary tax, which is currently at 12% of the profits. Further, in the opinion of the directors, that portion of the Group's profit is not at present subject to taxation in any other jurisdiction in which the Group operates.

本集團部分利潤乃由本集團根據澳門特別行政區離岸法律註冊成立之澳門附屬公司所賺取。根據澳門特別行政區離岸法律，該部分利潤毋須繳付澳門優惠稅（目前按利潤之12%徵收）。此外，董事認為，目前本集團該部分利潤亦毋須於本集團經營所在之任何其他司法權區內繳納稅項。

Pursuant to the relevant laws and regulations in the PRC, the major operating PRC subsidiaries of the Group are exempted from PRC income tax for two years starting from the first profit-making year, followed by a 50% reduction in the income tax rate in the following three years.

根據中國有關法例及法規，本集團旗下之主要中國附屬公司自首個獲利年度起計兩年獲豁免繳交中國所得稅，其後三年獲減免50%所得稅。

## 7. DIVIDENDS

On 15th June, 2006 and 4th July, 2006, a dividend of 4.17 HK cents per share, amounting to approximately HK\$15,857,000, was paid to the shareholders as final dividend for the year ended 31st December, 2005.

On 15th June, 2007, a dividend of 4.64 HK cents per share, amounting to approximately HK\$19,669,000, was paid to the shareholders as final dividend for the year ended 31st December, 2006.

An interim dividend for the six months ended 30th June, 2007 of 1.68 HK cents per share, amounting to approximately HK\$8,107,000, has been declared by the directors (six months ended 30th June, 2006: 1.58 HK cents per share, amounting to approximately HK\$6,060,000).

## 7. 股息

於二零零六年六月十五日及二零零六年七月四日，本公司向股東派付截至二零零五年十二月三十一日止年度末期股息每股4.17港仙，派息總額約達15,857,000港元。

於二零零七年六月十五日，本公司向股東派付截至二零零六年十二月三十一日止年度末期股息每股4.64港仙，派息總額約達19,669,000港元。

董事已就截至二零零七年六月三十日止六個月宣佈派發中期股息每股1.68港仙，派息總額約為8,107,000港元（截至二零零六年六月三十日止六個月：每股1.58港仙，總額約為6,060,000港元）。

## 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

## 8. 每股盈利

每股基本及攤薄盈利是按以下數據為計算基準：

		<b>Six months ended</b>	
		<b>截至六月三十日止六個月</b>	
		<b>30.6.2007</b>	30.6.2006
		二零零七年	二零零六年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(unaudited)</b>	(unaudited)
		(未經審核)	(未經審核)
<b>Earnings</b>	<b>盈利</b>		
Profit for the period	期間利潤	<b>51,340</b>	37,104
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of shares for the purpose of basic earnings per share	計算每股基本盈利之加權平均股數	<b>423,898,000</b>	372,799,238
Effect of dilutive potential shares in respect of share options	購股權有關之潛在攤薄股份之影響	<b>8,335,409</b>	6,360,501
Weighted average number of shares for the purpose of diluted earnings per share	計算每股攤薄盈利之加權平均股數	<b>432,233,409</b>	379,159,739

## 9. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$50 million and HK\$6 million (for the year ended 31st December, 2006: approximately HK\$48 million and HK\$34 million) on construction in progress and other property, plant and equipment respectively.

Borrowing costs amounting to approximately HK\$3 million (for the year ended 31st December, 2006: approximately HK\$3 million) was capitalised to property, plant and equipment.

## 10. TRADE AND OTHER RECEIVABLES

The Group has a policy of allowing credit periods ranging from 5 – 150 days which may be extended to selected trade customers depending on their trade volume and history of settlement with the Group.

An aged analysis of the trade receivables is as follows:

		<b>30.6.2007</b> 於二零零七年 六月三十日 <b>HK\$'000</b> 千港元 <b>(unaudited)</b> (未經審核)	31.12.2006 於二零零六年 十二月三十一日 <b>HK\$'000</b> 千港元 <b>(audited)</b> (經審核)
Current	即期	<b>115,259</b>	104,034
Overdue 1 to 30 days	逾期1至30日	<b>20,455</b>	14,843
		<b>135,714</b>	118,877
Other receivables	其他應收款項	<b>1,984</b>	158
		<b>137,698</b>	119,035

The fair values of the Group's trade and other receivables at the balance sheet date approximate their corresponding carrying amounts.

## 9. 物業、廠房及設備

期間，本集團分別就在建工程以及其他物業、廠房及設備支付約50,000,000港元及6,000,000港元(截至二零零六年十二月三十一日年度：約48,000,000港元及34,000,000港元)。

金額約為3,000,000港元之借貸成本(截至二零零六年十二月三十一日年度：約3,000,000港元)已資本化為物業、廠房及設備。

## 10. 貿易及其他應收款項

本集團訂有一項政策，給予其貿易客戶5至150日信貸期，且可以根據特定客戶與本集團之貿易量及過往付款情況延長該信貸期。

貿易應收款項之賬齡分析如下：

	<b>30.6.2007</b> 於二零零七年 六月三十日 <b>HK\$'000</b> 千港元 <b>(unaudited)</b> (未經審核)	31.12.2006 於二零零六年 十二月三十一日 <b>HK\$'000</b> 千港元 <b>(audited)</b> (經審核)
Current	<b>115,259</b>	104,034
Overdue 1 to 30 days	<b>20,455</b>	14,843
	<b>135,714</b>	118,877
Other receivables	<b>1,984</b>	158
	<b>137,698</b>	119,035

本集團於結算日的貿易及其他應收款項之公平值與其相應賬面值相若。

## 11. TRADE AND OTHER PAYABLES

An aged analysis of the trade payables is as follows:

		<b>30.6.2007</b> 於二零零七年 六月三十日 <b>HK\$'000</b> 千港元 <b>(unaudited)</b> (未經審核)	31.12.2006 於二零零六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Current	即期	<b>38,299</b>	46,369
Overdue 1 to 30 days	逾期1至30日	<b>6,202</b>	6,251
Overdue 31 to 60 days	逾期31至60日	<b>160</b>	107
Overdue for more than 60 days	逾期60日以上	<b>372</b>	244
		<b>45,033</b>	52,971
Other payables and accrued charges	其他應付款項及 應計之支出	<b>32,308</b>	31,853
		<b>77,341</b>	84,824

The fair values of the Group's trade and other payables at the balance sheet date approximate their corresponding carrying amounts.

## 12. BANK BORROWINGS

		<b>30.6.2007</b> 於二零零七年 六月三十日 <b>HK\$'000</b> 千港元 <b>(unaudited)</b> (未經審核)	31.12.2006 於二零零六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Unsecured bank borrowings comprise:	無抵押銀行借貸 包括:		
Trust receipt loans	信託收據貸款	<b>16,878</b>	11,695
Bank loans	銀行貸款	<b>257,645</b>	187,443
		<b>274,523</b>	199,138

The bank loans obtained by the Group were used to finance the acquisition of property, plant and equipment.

## 11. 貿易及其他應付款項

貿易應付款項之賬齡分析如下:

		<b>30.6.2007</b> 於二零零七年 六月三十日 <b>HK\$'000</b> 千港元 <b>(unaudited)</b> (未經審核)	31.12.2006 於二零零六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Current	即期	<b>38,299</b>	46,369
Overdue 1 to 30 days	逾期1至30日	<b>6,202</b>	6,251
Overdue 31 to 60 days	逾期31至60日	<b>160</b>	107
Overdue for more than 60 days	逾期60日以上	<b>372</b>	244
		<b>45,033</b>	52,971
Other payables and accrued charges	其他應付款項及 應計之支出	<b>32,308</b>	31,853
		<b>77,341</b>	84,824

本集團於結算日的貿易及其他應付款項之公平值與其相應賬面值相若。

## 12. 銀行借貸

		<b>30.6.2007</b> 於二零零七年 六月三十日 <b>HK\$'000</b> 千港元 <b>(unaudited)</b> (未經審核)	31.12.2006 於二零零六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Unsecured bank borrowings comprise:	無抵押銀行借貸 包括:		
Trust receipt loans	信託收據貸款	<b>16,878</b>	11,695
Bank loans	銀行貸款	<b>257,645</b>	187,443
		<b>274,523</b>	199,138

本集團所獲銀行貸款乃用於融資以購置物業、廠房及設備。



### 13. STRUCTURED BORROWING

### 13. 結構借貸

		<b>30.6.2007</b>	31.12.2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(unaudited)</b>	(audited)
		(未經審核)	(經審核)
Structured borrowing, classified as:	結構借貸，分類為：		
Current (Note)	即期（附註）	<b>7,800</b>	7,765
Non-current	非即期	<b>35,510</b>	43,426
		<b>43,310</b>	51,191

The structured borrowing contains embedded derivatives which are not closely related to the host contract, hence the entire combined contract was designated as at fair value through profit or loss upon initial recognition.

Note: The current portion represents the minimum amount repayable to the bank within one year.

The entire combined contract was measured at fair value as estimated using discounted cash flow analysis and the applicable yield curve at each balance sheet date and change in its fair value of HK\$4,156,000 (six months ended 30th June, 2006: nil) has been charged to the unaudited condensed consolidated income statement.

結構借貸包含與主合約並無密切關係之附屬衍生工具，因此，於首次確認時該合併合約全數指定為以公平值計入損益表。

附註：即期部份即須於一年內向銀行償還之最低金額。

整份合併合約的公平值乃運用貼現現金流量分析及於每個結算日之適用收益曲線估計而計算。公平值4,156,000港元（截至二零零六年六月三十日止六個月：無）的增減已計入未經審核簡明綜合收益表。

## 14. SHARE CAPITAL

## 14. 股本

		Number of shares 股份數目	Nominal value 面值 HK\$'000 千港元
Shares of HK\$0.10 each	每股面值0.10港元 之股份		
Authorised:	法定股本：		
At 1st January, 2007 and 30th June, 2007	於二零零七年一月 一日及二零零七年 六月三十日	1,000,000,000	100,000
Issued and fully paid:	已發行及繳足股本：		
At 1st January, 2007 and 30th June, 2007	於二零零七年 一月一日及 二零零七年 六月三十日	423,898,000	42,390

## 15. CAPITAL COMMITMENTS

## 15. 資本承擔

		30.6.2007 於二零零七年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2006 於二零零六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	已訂約但未於 簡明綜合財務 報表提撥之 物業、廠房及 設備之收購 資本開支	<b>203,667</b>	232,340

## 16. RELATED PARTY TRANSACTIONS

- (a) The Group has engaged Hop Fung (Australia) Pty Ltd, a company in which a director of the Company has beneficial interest, as the Group's purchase agent in Australia at an annual fee of HK\$1 for the agency services rendered to the Group.
- (b) Key management compensation:

## 16. 關連人士交易

- (a) 本集團聘用本公司一名董事於當中擁有實益權益之公司 Hop Fung (Australia) Pty Ltd 為本集團於澳洲之採購代理人，並就其向本集團提供之代理服務支付年費 1 港元。
- (b) 主要管理人員酬金：

		<b>Six months ended</b>	
		<b>截至六月三十日止六個月</b>	
		<b>30.6.2007</b>	<b>30.6.2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>千港元</b>	<b>千港元</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
		<b>(未經審核)</b>	<b>(未經審核)</b>
Salaries and other	薪酬及其他短期		
short-term employee	僱員福利		
benefits		<b>6,176</b>	5,764
Post employment benefits	終止聘用後之福利	<b>93</b>	53

## 17. CONTINGENT LIABILITIES

On 9th December, 2004, a tax audit was commenced by the Hong Kong Inland Revenue Department (the "IRD") on certain subsidiaries of the Company, namely, Gong Ming Hop Fung Paper Ware Factory Limited ("GMHF"), Fung Kong Hop Fung Paper Ware Factory Limited and Hop Fung (Overseas) Trading Limited (the "Subsidiaries"), in respect of the years of assessment 1998 / 1999 to 2003 / 2004. On 26th January, 2005, 5th January, 2006 and 2nd June, 2006, whilst these cases are still under investigation, the IRD issued protective assessments for the years of assessment 1998 / 1999, 1999 / 2000 and 2000 / 2001 to 2003 / 2004 respectively to the above-mentioned subsidiaries in order not to jeopardise the assessment powers of the IRD which will be time-barred after 6 years of assessment. In addition, the IRD issued an additional assessment to GMHF for the year of assessment 2004 / 2005 on 2nd June, 2006. Objections have been filed against all these assessments and, accordingly, no provision has been made in the unaudited condensed consolidated financial statements in respect of any potential tax liabilities.

Subsequent to the lodgement of objections by the Subsidiaries, tax reserve certificates of HK\$1,880,000 and banker's undertakings of HK\$13,197,000 as security for payment of the taxes in dispute in respect of the assessments for Gong Ming Hop Fung Paper Ware Factory Limited and Fung Kong Hop Fung Paper Ware Factory Limited, pending the outcome of the tax audits and the objections, have been purchased and arranged by the Group.

In the opinion of the Company's directors, the potential tax liabilities that may arise as a result of the tax audits, if any, would not have any significant effects on the unaudited condensed consolidated financial statements of the Group.

## 17. 或然負債

於二零零四年十二月九日，香港稅務局（「稅務局」）就本公司若干附屬公司公明合豐紙品廠有限公司（「公明合豐」）、鳳崗合豐紙品廠有限公司及Hop Fung (Overseas) Trading Limited（「附屬公司」）於一九九八年／一九九九年至二零零三年／二零零四年評稅年度展開稅務審核。有關審核尚在進行期間，於二零零五年一月二十六日、二零零六年一月五日及二零零六年六月二日，稅務局分別就上述附屬公司之一九九八年／一九九九年、一九九九年／二零零零年及二零零零年／二零零一年至二零零三年／二零零四年評稅年度發出保障性評稅單，以免影響稅務局須於有關評稅年度後六年內行使之評稅權力。此外，稅務局於二零零六年六月二日就公明合豐另發出二零零四年／二零零五年評稅年度之評稅單。本集團已就所有該等評稅提出反對，因此，並無就任何潛在稅務負債於未經審核簡明綜合財務報表作出撥備。

本集團就公明合豐紙品廠有限公司及鳳崗合豐紙品廠有限公司之評稅，已購買及安排（於附屬公司提出反對後）1,880,000港元儲稅券及13,197,000港元之銀行承擔，作為支付稅項糾紛之抵押，以待稅務審核及提出反對之結果。

本公司董事認為，有關稅務審核可能產生潛在稅務負債，惟即使產生有關負債，亦不會對本集團未經審核簡明綜合財務報表構成任何重大影響。

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

In the period under review, Hop Fung Group (hereafter “the Group” or “we”) actively developed our upstream paper manufacturing business, and strived to expand our market share in the downstream corrugated packaging business, delivering strong growth in Mainland China domestic sales in the period. The proportion of the Group’s sales going to Mainland China is on the rise on the back of the buoyant domestic economy and rising household income.

The Group’s first corrugating medium production line started production back in March 2006, and satisfied approximately 40% of the Group’s requirement for its key raw materials in the period under review. This vertically integrated business model largely offset the impact from raw materials cost increases and supply instability. In addition, utilization of upstream equipment rose from 70% in the same period of last year to 100% in this period, which allowed the Group’s gross and net profits to improve.

In the period, the Group’s focus was on the construction of the infrastructure needed for the second phase of the Green Forest (QingXin) Paper Industrial Limited (“Green Forest”), the upstream kraft linerboard production plant. With the help of the Group’s experience in building a corrugating medium production line, the foundation works for that plant have been completed, and assembly of the production facilities started in May this year. The Group expects production at this plant to formally start in the first quarter of 2008. The plant has total annual capacity of 200,000 tonnes, twice the capacity of the Groups’ currently operating corrugating medium production line.

## 管理層討論及分析

### 業務回顧

合豐集團於回顧期內繼續積極發展上游原紙業務，並致力擴大下游瓦楞紙品之市場份額，使期內之中國本土內銷有所增長。而中國經濟蓬勃發展，國民生活水平日漸提升，有利集團進一步擴大中國內銷業務之比重。

集團之第一條上游瓦楞芯紙生產線早於二零零六年三月已正式投產，於期內可滿足集團約近四成的原材料需求，此縱向整合的生產模式大大抵銷原材料價格上升及供應不穩的影響。此外，上游的生產設備使用率由去年同期的70%增加至期內的約100%，這使集團於期內之毛利及純利得以提升。

期內，集團重點興建位於廣東省清遠市清新縣之森葉（清新）紙業有限公司（“森葉紙業”）第二期上游牛咭生產線的基建工程。憑藉集團興建芯紙生產線的經驗，該牛咭生產線已按照原定計劃完成鞏固地基工程，並已於今年五月開始安裝生產線的組件。集團預計森葉紙業的牛咭生產線將於二零零八年第一季正式投產，牛咭的年產能將達二十萬噸，為現時瓦楞芯紙年產能的兩倍。

The Group has strived to produce high quality corrugated cardboard packaging products, to provide excellent quality and high value added products as well as exceptional and timely service. The Group improved its operating efficiency and shipment workflows in the period, lifting sales volume and equipment utilization. At the same time, through purchasing advanced and highly effective production equipment, enhancing computerized production processes and effectively distributed workload across our production lines, we fully optimized our production lines and maximized the positive impact from our vertically integrated business model.

## Financial Review

### Operating results

For the six months ended 30th June, 2007, the Group's turnover was HK\$440,795,000 and net profit attributable to shareholders was HK\$51,340,000, representing an increase of 13% and 38.4% respectively over the corresponding period of last year. The basic earnings per share was 12.1 HK cents as compared to 10 HK cents for the corresponding period of last year. The Directors had declared the payment of an interim dividend of 1.68 HK cents per share (corresponding period in 2006: 1.58 HK cents per share).

The increases in turnover and net profit were mainly resulted from rise in market share of corrugated paper-ware products and full utilization of corrugating medium production line.

集團一直致力生產優質的包裝瓦楞紙品，以提供高質量、高增值之產品及更優質準時的服務予客戶。集團在期內提高營運效率及改善運輸流程，使銷售量及設備使用率提升。同時，集團透過添置先進高效之生產設施，強化電腦化生產程序及將生產線有效地分流，務求使縱向整合營運模式發揮其最高效能。

## 財務回顧

### 營運業績

截至二零零七年六月三十日止六個月，本集團之營業額及股東應佔溢利分別為440,795,000港元及51,340,000港元，較去年同期分別增長約13%及38.4%。每股基本盈利為12.1港仙，而去年同期為10港仙。董事已宣佈派發中期股息每股1.68港仙（二零零六年同期：每股1.58港仙）。

營業額及純利增長主要是由於瓦楞紙品市場份額上升及瓦楞芯紙生產線全面投產所致。

### **Turnover and Gross Profit**

In the first half of 2007, turnover of the Group increased approximately by 13% to HK\$440,795,000 (corresponding period in 2006: HK\$390,116,000). The increase was mainly attributable to the expansion of the market share of the corrugated cardboard packaging business through increased operating efficiency. Besides, the full utilization of the Group's corrugating medium production line and effective sales and cost strategy had been stimulating the growth of the sale of corrugating medium during the first half of 2007. On the other side, cost of sales increased by 12.2% which was due to rise in purchase and consumption of direct materials and overhead costs in order to cope with the full operation of the corrugating medium production line. The successful operation of self supply of the corrugating medium led to significant cost saving, resulting in growth in the Group's overall gross profit by 16.2% and improvement in gross profit margin from 20.5% to 21.1%.

### **Distribution costs, Administrative and Other expenses**

In the first half of 2007, distribution costs increased by 13.3% from HK\$18,190,000 to HK\$20,611,000. It was due to rise in transportation costs for delivering corrugating medium from Qingyuan city to Dongguan city and Shenzhen city for the Group's production of paper-ware products. Administrative expenses increased by 12.9% from HK\$19,439,000 to HK\$21,943,000. The increase was primarily attributable to staff costs arising from full operation of corrugating medium production line and increment in the overall salaries level of the Group. Other expenses increased by 19.3% from HK\$9,305,000 to HK\$11,102,000 which was due to increase in full period depreciation charge for the corrugating medium plant.

### **營業額及毛利**

二零零七年上半年，本集團的營業額增加約13%至440,795,000港元（二零零六年同期：390,116,000港元）。該增加主要由於營運效率提高，促使包裝瓦楞紙品業務市場份額擴大。此外，本集團位於清遠市的瓦楞芯紙生產線全面投產，高效銷售及成本控制策略帶動二零零七年上半年的瓦楞芯紙銷售增長。另一方面，為配合全面投產的瓦楞芯紙生產線，直接原材料的採購額及耗用量均有所增加，因而令銷售成本增加了12.2%。而自給自足瓦楞芯紙廠的營運模式，大大節省成本，令本集團整體毛利增加16.2%，毛利率則由20.5%上升至21.1%。

### **分銷成本、行政及其他開支**

二零零七年上半年，分銷成本由18,190,000港元增加13.3%至20,611,000港元，乃由於從清遠市付運瓦楞芯紙至東莞市及深圳市用作生產本集團紙品的運輸成本增加所致。行政開支由19,439,000港元增加12.9%至21,943,000港元。該增加主要由於瓦楞芯紙生產線全面投產後帶來之員工成本以及本集團整體薪金水平上升所致。其他開支由9,305,000港元增加19.3%至11,102,000港元，是由於瓦楞芯紙廠全期折舊費用增加。

### **Finance costs**

Finance costs decreased by 36.3% from HK\$4,732,000 to HK\$3,014,000. The fall was due to repayment of bank loans in the first half of 2007. Moreover, the Group had drawn down additional bank loans to finance the second phase construction of the kraft linerboard production line. Accordingly, bank interests arising from those bank loans were capitalized to the construction.

### **Changes in fair values of derivative financial instruments and structured borrowing**

Changes in fair values of derivative financial instruments and structured borrowing were recognized in the income statement for accounting purpose only. They were non-cash in nature and will be reversed to zero at maturity date.

During 2006 and the first half of 2007, the Group had entered into certain forward exchange contracts to minimize the exposure to foreign exchange rate risk in acquiring the kraft linerboard production line in RMB and in purchasing raw materials in USD. The amount of HK\$1,334,000 recognized in the income statements as change in fair value was due to the reversal of the provision made as at 31st December, 2006.

In the second half of 2006, the Group also entered into a contract of structured borrowing with a bank for a period of five years to finance its kraft linerboard plant at a cheaper borrowing cost. The contract was proved to be effective as no interest was incurred last year and in the first half of 2007. The amount of HK\$4,156,000 recognized in the income statements as change in fair value was due to the reversal of the provision made as at 31st December, 2006.

### **財務成本**

財務成本由4,732,000港元減少36.3%至3,014,000港元，其減少是由於償還銀行貸款所致。此外，二零零七年上半年，本集團提取額外銀行貸款為牛咭生產線第二期建設工程融資。因此，該等銀行貸款的銀行利息撥作建設工程的成本。

### **衍生金融工具及結構借貸公平值之變動**

衍生金融工具及結構借貸公平值之變動僅供會計處理之用，並於收益表中確認。有關公平值變動為非現金性質，並於到期日回撥為零。

於二零零六年及二零零七年上半年，本集團訂立若干遠期外匯合約，減低以人民幣添置牛咭生產線及以美元採購原材料的匯率風險。於二零零六年十二月三十一日所準備之公平值撥備回撥而導致的公平值變動1,334,000港元在收益表確認。

二零零六年下半年，本集團亦與銀行訂立為期五年的結構借貸合約，以較低的借貸成本為牛咭生產廠房融資。由於去年及截至二零零七年上半年沒有產生利息支出，該合約已證實為有效。於二零零六年十二月三十一日所準備之公平值撥備回撥而導致的公平值變動4,156,000港元在收益表確認。



## Liquidity, financial and capital resources

The shareholders' fund of the Group was HK\$519.4 million as at 30th June, 2007 (31st December, 2006: HK\$484.1 million). As at 30th June, 2007, bank balances and cash decreased by HK\$103.3 million to HK\$128.3 million (31st December, 2006: HK\$231.6 million). In November 2006, the Group received net proceeds of HK\$77.7 million from the placing of shares that led to large amount of cash remained in the bank balances as at 31st December, 2006. However, the cash was subsequently invested in the Group's capital expenditures for kraft linerboard plant. Net current assets and current ratio (current assets divided by current liabilities) was HK\$184.9 million (31st December, 2006: HK\$257.7 million) and 1.92 (31st December, 2006: 2.42) respectively.

In the first half of 2007, the Group spent additional HK\$160 million deposits for the acquisition of kraft linerboard production line and construction of the plant. The construction of plant and dormitory and installation of machinery were in progress. They were financed by placing of shares and bank borrowings.

## 流動資金、財務及資本資源

於二零零七年六月三十日，本集團的股東資金為519,400,000港元（二零零六年十二月三十一日：484,100,000港元）。於二零零七年六月三十日，銀行結餘及現金減少103,300,000港元至128,300,000港元（二零零六年十二月三十一日：231,600,000港元）。於二零零六年十二月三十一日，本集團銀行結存的大量現金乃來自二零零六年十一月配售股份所得款項的淨額77,700,000港元。然而，其後大部分現金均投放於本集團牛咭生產廠房的資本開支。流動資產淨值及流動比率（流動資產除以流動負債）分別為184,900,000港元（二零零六年十二月三十一日：257,700,000港元）及1.92（二零零六年十二月三十一日：2.42）。

二零零七年上半年，本集團額外支付訂金160,000,000港元為添置牛咭生產線及建設廠房。廠房及宿舍的建設工程以及機械安裝仍在進行，資金乃來自配售股份及銀行借貸。

The Group generally generated internal cashflow from its operations of corrugating medium plant and corrugated paper-ware plants, using the funds for financing its daily operations. The Group's total bank borrowings increased by HK\$71.6 million from HK\$238 million to HK\$309.6 million. Increase in total bank borrowings (including trust receipt loans, bank borrowings and structured borrowing) comprised of short term and long term bank borrowings' increases by HK\$26.1 million and HK\$45.6 million respectively. New bank borrowings were mainly used for financing the investment in kraft linerboard plant. The net gearing ratio (measured by total bank borrowings net of cash to equity attributable to shareholders) was 34.9% (31st December, 2006: 1.3%). A higher net gearing ratio was resulted from additional bank loans raised for financing the construction of kraft linerboard plant and acquisition of kraft linerboard machinery. The Group's financial position remains strong and liquid. The Group has sufficient cash and credit facilities to support its working capital requirements and future investments.

### Contingent Liabilities

Tax audit has been conducted by the Inland Revenue Department in December 2004. The Inland Revenue Department issued protective assessments for the years of assessment 1998 / 1999 to 2004 / 2005 to certain subsidiaries of the Group during the period. As the tax audit is still in progress, in the opinion of the Directors, the outcome and impact of this matter cannot be determined with reasonable certainty at this stage.

本集團內部產生的現金一般從瓦楞芯紙及瓦楞紙品業務營運而來，用作應付日常業務經營所需。本集團的銀行借貸總額由238,000,000港元增加71,600,000港元至309,600,000港元。銀行借貸總額（包括信託收據貸款、銀行借貸及結構借貸）的增加包括短期與長期銀行借貸分別增加的26,100,000港元及45,600,000港元。新增銀行借貸主要為投資於牛咭生產廠房而融資。淨資本負債比率（按總銀行借貸減現金除以股東應佔權益計算）為34.9%（二零零六年十二月三十一日：1.3%）。淨資本負債比率增加乃由於為融資興建牛咭生產廠房及添置牛咭生產機器而增加額外銀行貸款所致。本集團的財務狀況維持穩健，流動資金充裕。本集團有足夠現金及信貸金融工具以應付營運資金及日後投資的需求。

### 或然負債

稅務局於二零零四年十二月進行了稅務稽查。稅務局就截至一九九八年／一九九九年至二零零四年／二零零五年之課稅年度向本集團若干附屬公司發出保障性評稅單。由於仍在進行稅務稽查程序，董事認為現階段未能合理確定此事宜之結果及影響。

## Prospects

Looking ahead to the second half of 2007, we will dedicate our efforts towards building the Group's first kraft linerboard production line, to ensure that the line will start production on schedule. The Group will also continue to expand our downstream business to complement the development of our upstream business, and move towards a fully vertically integrated business model. At the same time, the Group is aiming to expand market share, effectively improve our sales and marketing policy and grasp the enormous opportunities available in the China domestic and global corrugated cardboard industry.

With the launch of production of the kraft linerboard line in the first quarter of 2008, plus existing supplies of corrugating medium, the Group's upstream production will be enough to meet 100% of the Group's requirements for key raw materials. This self-sufficient business model not only allows the Group to reduce its dependence on externally acquired raw materials and reduce production costs but also let the Group produce raw materials based on customers' exact requirements, reduce wastage and improve product quality.

## 展望

展望二零零七年下半年，集團將會繼續加緊興建牛咭生產線的廠房，務求於預期內投產。集團亦繼續以擴展下游業務為基礎來配合上游業務的發展，全面邁向縱向整合的營運模式。同時，集團將以擴大市場份額為目標，有效地改進營銷政策，掌握在中國本土以至全球瓦楞包裝紙品行業的龐大商機。

隨著牛咭生產線將於二零零八年第一季投產，加上既有的瓦楞芯紙供應，集團的上游產量將能滿足集團百分之百的主要原材料需求。此自給自足的營運模式除了進一步減低集團對外採購原材料的依賴，令生產成本降低外，更令集團可靈活地按客戶需求生產最合適的原材料，減低損耗和提升產品質素。

To take advantage of opportunities in the market and complement our upstream business, the Group plans to build its fourth downstream corrugated cardboard packaging plant in Dongguan City, which should be completed by the third quarter of 2008. This would increase the Group's corrugated packaging production capacity by 25%. The Group's downstream cardboard packaging facilities in Qingyuan, part of Green Forest, will also start production in the fourth quarter of 2008, which will accompany our expansion upstream. At the same time, the Group is striving to improve internal operations and production equipment, enhance enterprise resource planning systems, in order to raise capacity and produce a greater variety of corrugated cardboard packaging products.

The Group's current market share in Guangdong province is approximately 5%. To cater to China's strong domestic demand and expand market share, the Group is aggressively expanding its corrugated cardboard packaging business, developing new customers and seeking appropriate acquisition targets. We aim to increase our market share to 10% in the next five years. The Group management believes that, with an integrated business model, the Group will be able to achieve satisfactory results. Going forward, the Group will continue to improve operating efficiency, raise our margins and competitiveness, and deliver superior returns to our shareholders.

為抓緊市場商機及配合上游業務的發展，集團正計劃於東莞市興建第四家下游瓦楞紙品生產廠房，預計於二零零八年第三季投產。屆時，集團的瓦楞紙品年產能將增加25%。而集團位於清遠市的森葉紙業下游瓦楞紙品廠亦預計於二零零八年第四季投產，從而進一步加強對拓展上游業務的配合。同時，集團亦著力優化內部運作及生產設備，改善企業資源規劃之管理系統，以提高產能及生產更多元化的瓦楞紙品。

合豐集團現時於廣東省的市場佔有率約為5%，為迎接中國強勁的內部需求及達到擴大市場份額的目標，集團現積極擴展瓦楞紙品的業務，尋求新客戶群及合適的收購對象，力求在未來五年內把市場佔有率提升至10%。管理層深信，在縱向整合的營運模式下，集團將會得到令人鼓舞的成果。展望未來，集團定必繼續提升營運效益，積極令邊際利潤及競爭力進一步攀升，為股東帶來更豐厚的盈利回報。

## DISCLOSURE OF INTERESTS

### Directors' Interests in Shares, Underlying Shares and Debentures

As at 30th June, 2007, the interests and / or short positions of the Directors and their associates in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

#### (a) Shares

Name of director 董事姓名	Company / Name of associated corporation 本公司／相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本概約百分比
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人／受控法團權益	252,000,000 shares Long position (Note 1) 252,000,000股股份 好倉(附註1)	59.45%
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Beneficial owner 實益擁有人	4,810,000 shares Long position 4,810,000股股份 好倉	1.13%
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Interest of spouse 配偶之權益	500,000 shares Long position 500,000股股份 好倉	0.12%
Mr. Hui Sum Ping 許森平先生	Company 本公司	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人／受控法團權益	252,000,000 shares Long position (Note 1) 252,000,000股股份 好倉(附註1)	59.45%
Mr. Hui Sum Ping 許森平先生	Company 本公司	Beneficial owner 實益擁有人	3,236,000 shares Long position 3,236,000股股份 好倉	0.76%

## 權益披露

### 董事於股份、相關股份及債券之權益

於二零零七年六月三十日，按照本公司根據證券及期貨條例（「證券及期貨條例」）第352條之規定置存之登記冊所記錄，或根據上市公司董事進行證券交易的標準守則已知會本公司及聯交所者，董事及彼等之聯繫人士於本公司及其相聯法團（定義見證券及期貨條例）之股份、相關股份及債券中擁有之權益及／或淡倉如下：

#### (a) 股份

Name of director 董事姓名	Company / Name of associated corporation 本公司／相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行 股本概約百分比
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Interest of a controlled corporation 受控法團權益	Nil (Note1) 無(附註1)	-
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Beneficial owner 實益擁有人	3,926,000 shares Long position 3,926,000股股份 好倉	0.93%
Mr. Wong Wing Por 王榮波先生	Company 本公司	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人／ 受控法團權益	Nil (Note 1) 無(附註1)	-
Mr. Wong Wing Por 王榮波先生	Company 本公司	Beneficial owner 實益擁有人	2,700,000 shares Long position 2,700,000股股份 好倉	0.64%
Ms. Hui Yuen Li 許婉莉女士	Company 本公司	Beneficial owner 實益擁有人	500,000 shares Long position 500,000股股份 好倉	0.12%
Mr. Liu Kwok Fai, Alvan 廖國輝先生	Company 本公司	Beneficial owner 實益擁有人	250,000 shares Long position 250,000股股份 好倉	0.06%
Mr. Hui Sum Kwok 許森國先生	Hop Fung Industries Limited ("Hop Fung Industries")	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人／ 受控法團權益	7,886 shares of US\$0.01 each Long position (Notes 1 and 2) 7,886股每股面值0.01美元 之股份 好倉(附註1及2)	78.86%
Mr. Hui Sum Ping 許森平先生	Hop Fung Industries	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人／ 受控法團權益	7,886 shares of US\$0.01 each Long position (Notes 1 and 2) 7,886股每股面值0.01美元 之股份 好倉(附註1及2)	78.86%
Mr. Hui Sum Tai 許森泰先生	Hop Fung Industries	Beneficial owner 實益擁有人	857 shares of US\$0.01 each Long position (Notes 1 and 2) 857股每股面值0.01美元之股份 好倉(附註1及2)	8.57%
Mr. Wong Wing Por 王榮波先生	Hop Fung Industries	Founder of a discretionary trust / interest of a controlled corporation 全權信託創立人／ 受控法團權益	1,257 shares of US\$0.01 each Long position (Notes 1 and 2) 1,257股每股面值0.01美元 之股份 好倉(附註1及2)	12.57%

Name of director 董事姓名	Company / Name of associated corporation 本公司／相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行 股本概約百分比
Mr. Hui Sum Kwok 許森國先生	Hop Fung Industries (Holdings) Limited ("Hop Fung Industries BVI")	Beneficial owner / founder of a discretionary trust / interest of a controlled corporation 實益擁有人／ 全權信託創立人／ 受控法團權益	5,000 shares of US\$0.01 each Long position (Notes 1 and 3) 5,000股每股面值0.01美元 之股份 好倉(附註1及3)	50%
Mr. Hui Sum Ping 許森平先生	Hop Fung Industries BVI	Beneficial owner / founder of a discretionary trust / interest of a controlled corporation 實益擁有人／ 全權信託創立人／ 受控法團權益	5,000 shares of US\$0.01 each Long position (Notes 1 and 3) 5,000股每股面值0.01美元 之股份 好倉(附註1及3)	50%
Mr. Hui Sum Kwok 許森國先生	Gong Ming Hop Fung Paper Ware Factory Limited ("Hop Fung GM") 公明合豐紙品廠 有限公司 ("合豐公明")	Interest of controlled corporations / short position of controlled corporations 受控法團權益／ 受控法團淡倉	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1 and 4) 3,000,000股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1及4)	100%
Mr. Hui Sum Ping 許森平先生	Hop Fung GM 合豐公明	Founder of a discretionary trust / interest of controlled corporations / short position of controlled corporations 全權信託創立人／ 受控法團權益／ 受控法團淡倉	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1 and 4) 3,000,000股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1及4)	100%
Mr. Hui Sum Tai 許森泰先生	Hop Fung GM 合豐公明	Interest of a controlled corporation / short position of a controlled corporation 受控法團權益／ 受控法團淡倉	Nil (Notes 1 and 4) 無(附註1及4)	-
Mr. Wong Wing Por 王榮波先生	Hop Fung GM 合豐公明	Interest of a controlled corporation / short position of a controlled corporation 受控法團權益／ 受控法團淡倉	Nil (Notes 1 and 4) 無(附註1及4)	-

Name of director 董事姓名	Company / Name of associated corporation 本公司／相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行 股本概約百分比
Mr. Hui Sum Kwok 許森國先生	Fung Kong Hop Fung Paper Ware Factory Limited ("Hop Fung FG") 鳳崗合豐紙品廠 有限公司 (「合豐鳳崗」)	Interest of controlled corporations / short position of controlled corporations 受控法團權益／ 受控法團淡倉	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1, 4 and 5) 3,000,000股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1、4及5)	100%
Mr. Hui Sum Ping 許森平先生	Hop Fung FG 合豐鳳崗	Founder of a discretionary trust / interest of controlled corporations / short position of controlled corporations 全權信託創立人／ 受控法團權益／ 受控法團淡倉	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1, 4 and 5) 3,000,000股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1、4及5)	100%
Mr. Hui Sum Tai 許森泰先生	Hop Fung FG 合豐鳳崗	Interest of a controlled corporation / short position of a controlled corporation 受控法團權益／ 受控法團淡倉	Nil (Notes 1, 4 and 5) 無(附註1、4及5)	-
Mr. Wong Wing Por 王榮波先生	Hop Fung FG 合豐鳳崗	Interest of a controlled corporation / short position of a controlled corporation 受控法團權益／ 受控法團淡倉	Nil (Notes 1, 4 and 5) 無(附註1、4及5)	-
Mr. Hui Sum Kwok 許森國先生	Applewood Forest Limited	Founder of a discretionary trust 全權信託創立人	1 share of US\$1 Long position (Notes 1 and 6) 1股面值1美元之股份 好倉(附註1及6)	100%
Mr. Hui Sum Kwok 許森國先生	Profit Luck Limited 利萊有限公司	Founder of a discretionary trust 全權信託創立人	100 shares of HK\$1 Long position (Notes 1, 6 and 7) 100股每股面值 1港元之股份 好倉(附註1、6及7)	100%



Notes:

1. The 252,000,000 shares are owned by Hop Fung Industries. The issued share capital of Hop Fung Industries is owned as to 78.86%, 12.57% and 8.57% by Hop Fung Industries BVI, Delight Ocean Limited (“Delight”) and Mr. Hui Sum Tai respectively.

The issued share capital of Hop Fung Industries BVI is owned as to 11.81%, 11.81%, 38.19% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood Holdings Limited (“Fullwood”) and Goldspeed Holdings Limited (“Goldspeed”) respectively. Fullwood is wholly owned by Pinicity Investments Limited (“Pinicity”) and Pinicity is wholly owned by HSBC International Trustee Limited (“HSBC”) in its capacity as the trustee of Hui & Wong 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Kwok and the discretionary objects of which include family members of Mr. Hui Sum Kwok. Goldspeed is wholly owned by Goldkeen Assets Management Limited (“Goldkeen”) and Goldkeen is wholly owned by HSBC in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include family members of Mr. Hui Sum Ping. Accordingly, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping will be deemed to be interested in the 252,000,000 shares under the SFO.

Delight is wholly owned by Richfaith Assets Management Limited (“Richfaith”) and Richfaith is wholly owned by HSBC in its capacity as the trustee of Wong’s 2004 Family Trust, a discretionary trust the founder of which is Mr. Wong Wing Por and the discretionary objects of which include family members of Mr. Wong Wing Por.

附註:

1. 該252,000,000股股份由Hop Fung Industries擁有。Hop Fung Industries已發行股本分別由Hop Fung Industries BVI、Delight Ocean Limited(「Delight」)及許森泰先生擁有78.86%、12.57%及8.57%。

Hop Fung Industries BVI之已發行股本分別由許森國先生、許森平先生、Fullwood Holdings Limited(「Fullwood」)及Goldspeed Holdings Limited(「Goldspeed」)擁有11.81%、11.81%、38.19%及38.19%。Fullwood由Pinicity Investments Limited(「Pinicity」)全資擁有，而Pinicity由HSBC International Trustee Limited(「HSBC」)以Hui & Wong 2004 Family Trust受託人之身分全資擁有。該信託為一項全權信託，其創立人為許森國先生，全權信託對象包括許森國先生之家族成員。Goldspeed由Goldkeen Assets Management Limited(「Goldkeen」)全資擁有，而Goldkeen由HSBC以HSP 2004 Family Trust受託人之身分全資擁有。該信託為一項全權信託，其創立人為許森平先生，全權信託對象包括許森平先生之家族成員。因此，根據證券及期貨條例，許森國先生及許森平先生各自被視為擁有該252,000,000股股份之權益。

Delight 由 Richfaith Assets Management Limited(「Richfaith」)全資擁有，而Richfaith由HSBC以Wong’s 2004 Family Trust受託人之身分全資擁有。該信託為一項全權信託，其創立人為王榮波先生，全權信託對象包括王榮波先生之家族成員。

2. Hop Fung Industries is a holding company of the Company and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung Industries is US\$100 divided into 10,000 shares of US\$0.01 each which is owned as to 7,886, 1,257 and 857 shares by Hop Fung Industries BVI, Delight and Mr. Hui Sum Tai respectively. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to be interested in the 7,886 shares of US\$0.01 each and Mr. Wong Wing Por is deemed to be interested in the 1,257 shares of US\$0.01 each in Hop Fung Industries.
3. Hop Fung Industries BVI is a holding company of Hop Fung Industries and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung Industries BVI is US\$100 divided into 10,000 shares of US\$0.01 each which is owned as to 1,181, 1,181, 3,819 and 3,819 shares by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood and Goldspeed respectively. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is interested and / or deemed to be interested in an aggregate of 5,000 shares of US\$0.01 each in Hop Fung Industries BVI.
4. Hop Fung GM is a subsidiary of the Company and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung GM is HK\$3,000,100 divided into 100 ordinary shares of HK\$1 each and 3,000,000 non-voting deferred shares of HK\$1 each. The 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM are beneficially owned by Hop Fung Group (HK) Limited ("Hop Fung Group HK") which is owned as to 78.86%, 12.57% and 8.57% by Hop Fung Holdings Limited ("Hop Fung Holdings (BVI)"), Mr. Wong Wing Por and Mr. Hui Sum Tai respectively.
2. Hop Fung Industries 乃本公司之控股公司，因此根據證券及期貨條例，屬本公司之相聯法團。Hop Fung Industries 之全部已發行股本為 100 美元，分為 10,000 股每股面值 0.01 美元之股份，分別由 Hop Fung Industries BVI、Delight 及許森泰先生擁有 7,886、1,257 及 857 股。根據證券及期貨條例，許森國先生及許森平先生均被視為擁有 Hop Fung Industries 7,886 股每股面值 0.01 美元股份之權益，而王榮波先生則被視為擁有 Hop Fung Industries 1,257 股每股面值 0.01 美元股份之權益。
3. Hop Fung Industries BVI 乃 Hop Fung Industries 之控股公司，因此根據證券及期貨條例，屬本公司之相聯法團。Hop Fung Industries BVI 之全部已發行股本為 100 美元，分為 10,000 股每股面值 0.01 美元之股份，分別由許森國先生、許森平先生、Fullwood 及 Goldspeed 擁有 1,181、1,181、3,819 及 3,819 股。根據證券及期貨條例，許森國先生及許森平先生擁有及／或被視為擁有 Hop Fung Industries BVI 合共 5,000 股每股面值 0.01 美元股份之權益。
4. 合豐公明乃本公司之附屬公司，因此根據證券及期貨條例，屬本公司之相聯法團。合豐公明之全部已發行股本為 3,000,100 港元，分為 100 股每股面值 1 港元之普通股及 3,000,000 股每股面值 1 港元之無投票權遞延股。該 3,000,000 股每股面值 1 港元之合豐公明無投票權遞延股由合豐集團（香港）有限公司（「合豐集團香港」）實益擁有，而合豐集團香港則分別由 Hop Fung Holdings Limited（「Hop Fung Holdings (BVI)」）、王榮波先生及許森泰先生擁有 78.86%、12.57% 及 8.57%。

The issued share capital of Hop Fung Holdings (BVI) is owned as to 50%, 11.81% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping and Goldspeed respectively. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to be interested in the 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM.

Pursuant to an option deed dated 19th August, 2003, Hop Fung Group HK and its nominee granted to Hop Fung Group Company Limited ("Hop Fung Group (BVI)"), a wholly owned subsidiary of the Company, an option to purchase from them such 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM. Accordingly, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to have a short position in the underlying shares of the option granted under the option deed pursuant to the SFO.

5. Hop Fung FG is a subsidiary of the Company and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung FG is HK\$3,000,100 divided into 100 ordinary shares of HK\$1 each and 3,000,000 non-voting deferred shares of HK\$1 each. The 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung FG are beneficially owned by Hop Fung Group HK. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to be interested in the 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung FG.

Pursuant to an option deed dated 19th August, 2003, Hop Fung Group HK and its nominee granted to Hop Fung Group (BVI) an option to purchase from them such 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung FG. Accordingly, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to have a short position in the underlying shares of the option granted under the option deed pursuant to the SFO.

Hop Fung Holdings (BVI)之已發行股本分別由許森國先生、許森平先生及Goldspeed擁有50%、11.81%及38.19%。根據證券及期貨條例，許森國先生及許森平先生被視為擁有合豐公明3,000,000股每股面值1港元無投票權遞延股之權益。

根據日期為二零零三年八月十九日之購股權契據，合豐集團香港及其代名人向本公司之全資附屬公司Hop Fung Group Company Limited (「Hop Fung Group (BVI)」) 授出購股權，以自彼等購買3,000,000股每股面值1港元之合豐公明無投票權遞延股。因此，根據證券及期貨條例，許森國先生及許森平先生均被視為擁有根據購股權契據所授出購股權涉及之相關股份之淡倉。

5. 合豐鳳崗乃本公司之附屬公司，因此根據證券及期貨條例，屬本公司之相聯法團。合豐鳳崗之全部已發行股本為3,000,100港元，分為100股每股面值1港元之普通股及3,000,000股每股面值1港元之無投票權遞延股。該3,000,000股每股面值1港元之合豐鳳崗無投票權遞延股由合豐集團香港實益擁有。根據證券及期貨條例，許森國先生及許森平先生均被視為擁有3,000,000股每股面值1港元之合豐鳳崗無投票權遞延股之權益。

根據日期為二零零三年八月十九日之購股權契據，合豐集團香港及其代名人向Hop Fung Group (BVI)授出購股權，以自彼等購買3,000,000股每股面值1港元之合豐鳳崗無投票權遞延股。因此，根據證券及期貨條例，許森國先生及許森平先生均被視為擁有根據購股權契據所授出購股權涉及之相關股份之淡倉。

6. Applewood Forest Limited (“Applewood”) is a company incorporated in the British Virgin Islands. The entire issued share capital of Applewood is US\$1 comprises 1 share of US\$1 which is owned by HSBC in its capacity as the trustee of Hui & Wong 2004 Family Trust. Applewood is an associated corporation of the Company under the SFO. Under the SFO, Mr. Hui Sum Kwok is deemed to be interested in the 1 share of US\$1 in Applewood owned by HSBC in its capacity as the trustee of Hui & Wong 2004 Family Trust.
6. Applewood Forest Limited (「Applewood」) 乃於英屬處女群島註冊成立之公司。Applewood之全部已發行股本為1美元，包括1股面值1美元之股份。該股股份由HSBC以Hui & Wong 2004 Family Trust受託人之身分擁有。根據證券及期貨條例，Applewood屬本公司之相聯法團。根據證券及期貨條例，許森國先生被視為擁有由HSBC以Hui & Wong 2004 Family Trust受託人身分擁有之Applewood 1股面值1美元股份之權益。
7. Profit Luck Limited (“Profit”) is a company incorporated in Hong Kong. The entire issued share capital of Profit is HK\$100 comprises 100 shares of HK\$1 each which is indirectly owned by HSBC through its wholly owned subsidiary, Applewood. Details of Applewood are set out in note 6 above.
7. 利萊有限公司(「利萊」) 乃於香港註冊成立之公司。利萊之全部已發行股本為100港元，分為100股每股面值1港元之股份，由HSBC透過其全資附屬公司Applewood間接擁有。Applewood之詳情載於上文附註6。

### **(b) Share options**

Details of the Directors’ and their associates’ interests in share options of the Company are set out in the Section headed “Share Options” below.

Other than as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30th June, 2007.

### **(b) 購股權**

董事及彼等之聯繫人士於本公司購股權之權益詳情載於下文「購股權」一節。

除上文披露者外，於二零零七年六月三十日，董事及彼等之聯繫人士概無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。

## Substantial Shareholders

As at 30th June, 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

## 主要股東

於二零零七年六月三十日，本公司根據證券及期貨條例第336條置存之主要股東名冊顯示，以下股東已知會本公司彼等持有本公司已發行股本之相關權益及淡倉：

Name of shareholder 股東名稱/姓名	Capacity 身分	Number of issued shares held 持有已發行 股份數目	Note(s) 附註	Approximate percentage of issued share capital 佔已發行股份 概約百分比
Hop Fung Industries	Beneficial owner 實益擁有人	252,000,000	1	59.45%
Hop Fung Industries BVI	Interest of a controlled corporation 受控法團權益	252,000,000	1, 2	59.45%
Fullwood	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 4	59.45%
Pinecity	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 4	59.45%
Goldspeed	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 5	59.45%
Goldkeen	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 5	59.45%
HSBC	Trustee of discretionary trust / interest of controlled corporations 全權信託受託人/受控法團權益	252,000,000	1, 2, 3, 4, 5	59.45%
Mr. Hui Sum Kwok 許森國先生	Beneficial owner / founder of a discretionary trust / interest of controlled corporations / interest of spouse 實益擁有人/全權信託創立人/ 受控法團權益/配偶之權益	257,310,000	1, 2, 3, 4, 6	60.70%

Name of shareholder 股東名稱/姓名	Capacity 身分	Number of issued shares held 持有已發行 股份數目	Note(s) 附註	Approximate percentage of issued share capital 佔已發行股份 概約百分比
Mr. Hui Sum Ping 許森平先生	Beneficial owner / founder of a discretionary trust / interest of controlled corporations 實益擁有人/全權信託創立人/ 受控法團權益	255,236,000	1, 2, 3, 5, 7	60.21%
Montpelier Asset Management Limited	Investment manager 投資經理	26,798,000	-	6.32%
Value Partners Limited 惠理基金管理公司	Investment manager 投資經理	24,826,000	8	5.86%

Notes:

1. The 252,000,000 shares are owned by Hop Fung Industries.
2. The issued share capital of Hop Fung Industries is owned as to 78.86%, 12.57% and 8.57% by Hop Fung Industries BVI, Delight and Mr. Hui Sum Tai respectively and Hop Fung Industries BVI is deemed to be interested in the 252,000,000 shares under the SFO.
3. The issued share capital of Hop Fung Industries BVI is owned as to 11.81%, 11.81%, 38.19% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood and Goldspeed respectively.
4. The entire issued share capital of Fullwood is indirectly held by HSBC through its 100% controlled corporation, Pinicity in its capacity as the trustee of Hui & Wong 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Kwok and the discretionary objects of which include family members of Mr. Hui Sum Kwok. Accordingly, each of Fullwood, Pinicity, HSBC and Mr. Hui Sum Kwok is deemed to be interested in the 252,000,000 shares under the SFO.

附註:

1. 該252,000,000股股份由Hop Fung Industries擁有。
2. Hop Fung Industries之已發行股本由Hop Fung Industries BVI、Delight及許森泰先生分別擁有78.86%、12.57%及8.57%，而根據證券及期貨條例，Hop Fung Industries BVI被視為擁有該252,000,000股股份之權益。
3. Hop Fung Industries BVI之已發行股本分別由許森國先生、許森平先生、Fullwood及Goldspeed擁有11.81%、11.81%、38.19%及38.19%。
4. Fullwood之全部已發行股本由HSBC透過其100%受控法團Pinicity以Hui & Wong 2004 Family Trust受託人之身分間接持有。Hui & Wong 2004 Family Trust乃一項全權信託，其創立人為許森國先生；而全權信託對象包括許森國先生之家族成員。因此，根據證券及期貨條例，Fullwood、Pinicity、HSBC及許森國先生各自被視為擁有該252,000,000股股份之權益。

5. The entire issued share capital of Goldspeed is indirectly held by HSBC through its 100% controlled corporation, Goldkeen in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include family members of Mr. Hui Sum Ping. Accordingly, each of Goldspeed, Goldkeen, HSBC and Mr. Hui Sum Ping is deemed to be interested in the 252,000,000 shares under the SFO.
5. Goldspeed之全部已發行股本由HSBC透過其100%受控法團Goldkeen以HSP 2004 Family Trust之受託人身分間接持有。HSP 2004 Family Trust乃一項全權信託，其創立人為許森平先生；而全權信託對象包括許森平先生之家族成員。因此，根據證券及期貨條例，Goldspeed、Goldkeen、HSBC及許森平先生各自被視為擁有該252,000,000股股份之權益。
6. Of 257,310,000 shares, Ms. Wong Mui is directly interested in 500,000 shares in the Company and is deemed to be interested in 256,810,000 shares under the SFO as she is the spouse of Mr. Hui Sum Kwok, a director of the Company.
6. 於257,310,000股股份中，黃梅女士直接持有本公司500,000股股份權益，以及由於彼為本公司董事許森國先生之配偶，根據證券及期貨條例，黃梅女士被視為擁有該256,810,000股股份之權益。
7. Ms. Jian Jian Yi is deemed to be interested in 255,236,000 shares under the SFO as she is the spouse of Mr. Hui Sum Ping, a director of the Company.
7. 根據證券及期貨條例，由於簡健儀女士為本公司董事許森平先生之配偶，簡健儀女士被視為擁有該255,236,000股股份之權益。
8. Mr. Cheah Cheng Hye is deemed to be interested in 24,826,000 shares in the Company as he beneficially owns 35.65% of Value Partners Limited.
8. 謝清海先生由於彼實益擁有惠理基金管理公司之35.65%權益被視為擁有本公司24,826,000股股份之權益。

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30th June, 2007.

除上文披露者外，於二零零七年六月三十日，本公司並無獲悉任何其他人士於本公司已發行股本中擁有相關權益或淡倉。

## Share Options

The Company's share option scheme ("the Scheme") was adopted pursuant to a resolution passed on 4th September, 2003 for the primary purpose of providing incentives or rewards to selected participants for their contribution to the Group. The Scheme will expire on 3rd September, 2013.

## 購股權

根據於二零零三年九月四日通過之決議案，本公司已採納購股權計劃（「該計劃」），主要目的為向指定參與者授予購股權，以鼓勵或獎賞彼等對本集團作出之貢獻。該計劃將於二零一三年九月三日屆滿。

The following table discloses movements in the Company's share options during the period:

下表披露本公司購股權於期內之變動：

Category	Option type	Date of grant	Exercisable price	Outstanding at beginning of the period	Granted during the period	Exercised during the period	Cancelled during the period	Outstanding at end of the period
類別	購股權種類 (Note 1) (附註1)	授出日期	行使價 HK\$ 港元	期初 尚未行使	期內授出	期內行使	期內註銷	期末 尚未行使
<b>Directors</b>								
<b>董事</b>								
Mr. Hui Sum Kwok (Note 2)	B	29.7.2004	1.330	450,000	-	-	-	450,000
許森國先生 (附註2)	C	4.11.2004	1.104	2,250,000	-	-	-	2,250,000
	D	29.5.2007	2.640	-	1,893,000	-	-	1,893,000
Mr. Hui Sum Ping	B	29.7.2004	1.330	950,000	-	-	-	950,000
許森平先生	C	4.11.2004	1.104	2,250,000	-	-	-	2,250,000
	D	29.5.2007	2.640	-	1,893,000	-	-	1,893,000
Mr. Hui Sum Tai	B	29.7.2004	1.330	70,000	-	-	-	70,000
許森泰先生	C	4.11.2004	1.104	2,250,000	-	-	-	2,250,000
	D	29.5.2007	2.640	-	3,678,360	-	-	3,678,360
Mr. Wong Wing Por	B	29.7.2004	1.330	970,000	-	-	-	970,000
王榮波先生	C	4.11.2004	1.104	2,250,000	-	-	-	2,250,000
	D	29.5.2007	2.640	-	1,500,000	-	-	1,500,000
Ms. Hui Yuen Li	B	29.7.2004	1.330	3,170,000	-	-	-	3,170,000
許婉莉女士	D	29.5.2007	2.640	-	1,100,000	-	-	1,100,000
Mr. Liu Kwok Fai, Alvan	D	29.5.2007	2.640	-	120,000	-	-	120,000
廖國輝先生								
Mr. Chee Man Sang, Eric	D	29.5.2007	2.640	-	120,000	-	-	120,000
池民生先生								
Mr. Wong Chu Leung	D	29.5.2007	2.640	-	120,000	-	-	120,000
黃珠亮先生								
				14,610,000	10,424,360	-	-	25,034,360
Other employees	B	29.7.2004	1.330	2,016,000	-	-	-	2,016,000
其他僱員	D	29.5.2007	2.640	-	7,950,000	-	-	7,950,000
				2,016,000	7,950,000	-	-	9,966,000
Total all categories				16,626,000	18,374,360	-	-	35,000,360



Notes:

1. The vesting period of the share options granted is determined by Directors at each time when the options are granted. Holders of share options granted under the Company's share option scheme may only exercise their options during the exercisable periods as follows:

Option type B B類購股權	Option type C C類購股權	Option type D D類購股權	Maximum % of share options exercisable 可行使購股權之最高百分比
1.1.2005 – 31.12.2005	1.3.2005 – 28.2.2006	1.3.2008 – 28.2.2009	up to 50% 最高可達50%
1.1.2006 – 31.12.2006	1.3.2006 – 28.2.2007	1.3.2009 – 28.2.2010	up to 75% (to the extent not already exercised) 最高可達75% (以尚未行使者為限)
1.1.2007 – 31.12.2007	1.3.2007 – 29.2.2008	1.3.2010 – 28.2.2011	up to 100% (to the extent not already exercised) 最高可達100% (以尚未行使者為限)

2. Out of the 1,893,000 share options granted, Mr. Hui Sum Kwok was directly interested in 1,393,000 share options and was deemed to be interested in 500,000 share options owned by Ms. Wong Mui, who is the spouse of Mr. Hui Sum Kwok and a member of the senior management of the Group.

附註:

1. 授出購股權之歸屬期由董事於每次授出購股權時釐定。本公司購股權計劃項下購股權持有人僅可於以下行使期行使彼等之購股權：

2. 於已授出之1,893,000份購股權中，許森國先生於1,393,000份購股權中持有直接權益，並被視為於黃梅女士（許森國先生之配偶及本集團高級管理層成員）擁有之500,000份購股權中持有權益。

The weighted average closing price of the Company's shares on the five trading days immediately before the dates on which the options were exercised was HK\$2.60 per share.

本公司股份於緊接行使購股權日期前五個交易日之加權平均收市價為每股2.60港元。

At 30th June, 2007, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 35,000,360, representing approximately 8.26% of the shares of the Company in issue at that date.

於二零零七年六月三十日，根據該計劃授出而尚未行使購股權涉及之股份數目為35,000,360股，約佔本公司當日已發行股份8.26%。

## OTHER INFORMATION

### Interim Dividend and Closure of Register of Members

The Directors had declared an interim dividend of 1.68 HK cents per share for the six months ended 30th June, 2007 (corresponding period in 2006: 1.58 HK cents per share) to be payable on or about 12th October, 2007 to those shareholders whose names appear on the register of members of the Company on 5th October, 2007.

The register of members of the Company will be closed from 3rd October, 2007 to 5th October, 2007, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all completed transfer forms together with relevant share certificates must be lodged with the Company's branch share registrar and transfer agent in Hong Kong, Tricor Abacus Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on 2nd October, 2007.

### Human Resources

As at 30th June, 2007, the Group and the processing factories employed a total workforce of around 1,500 full time staff (31st December, 2006: 1,400). The increase was mainly attributable to our continuous business growth and upstream production. Competitive remuneration packages were offered to employees. The Group may also grant share options and discretionary bonuses to eligible employees based on the performance of the Group and individuals.

## 其他資料

### 中期股息及暫停辦理股份過戶登記手續

董事已就截至二零零七年六月三十日止六個月宣佈派發中期股息每股1.68港仙(二零零六年同期: 每股1.58港仙), 此等股息將於二零零七年十月十二日或前後派付予於二零零七年十月五日名列本公司股東名冊之股東。

本公司將由二零零七年十月三日至二零零七年十月五日(包括首尾兩天)暫停辦理股份過戶登記手續, 期間概不辦理任何股份過戶之手續。為符合收取中期股息之資格, 所有填妥之過戶表格連同有關之股票, 必須於二零零七年十月二日下午四時正前交回本公司之股份過戶登記處香港分處卓佳雅柏勤有限公司, 地址為香港皇后大道東28號金鐘匯中心26樓。

### 人力資源

於二零零七年六月三十日, 本集團及加工廠房僱用工人總數約為1,500名全職員工(二零零六年十二月三十一日: 1,400名)。增加主因是本集團之業務持續增長及上游生產。本集團向僱員提供具競爭力之薪酬福利。本集團亦會授出購股權及酌情花紅予合資格之僱員, 授出之基準按本集團之業績及個人之表現而釐定。

## Purchase, Sale or Redemption of Shares

During the six months ended 30th June, 2007, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities on the Stock Exchange.

## Audit Committee

The Audit Committee comprises three independent non-executive directors namely, Mr. Liu Kwok Fai, Alvan (Chairman), Mr. Chee Man Sang, Eric and Mr. Wong Chu Leung. The audit committee has reviewed with the management the unaudited condensed consolidated financial statements of the Group for the six months ended 30th June, 2007 and has discussed auditing, internal control, the accounting principles and practices adopted by the Group.

## Compliance with Code on Corporate Governance Practices

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules on the Stock Exchange, during the six months ended 30th June, 2007, except with the following deviations:

### *Code Provision A.2.1*

- Code Provision A.2.1 stipulates that the division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing.

## 購買、出售或贖回股份

截至二零零七年六月三十日止六個月，本公司及其任何附屬公司並無於聯交所購買、贖回或出售任何本公司之上市證券。

## 審核委員會

審核委員會包括三名獨立非執行董事，即廖國輝先生（主席）、池民生先生及黃珠亮先生。審核委員會已與管理層審閱截至二零零七年六月三十日止六個月之本集團未經審核簡明綜合財務報表，並已討論本集團採用之審核程序、內部監控、會計原則及慣例。

## 遵守企業管治常規守則

截至二零零七年六月三十日止六個月，本公司已遵守聯交所上市規則附錄14企業管治常規守則所載之守則條文，惟以下之偏離除外：

### *守則條文A.2.1條*

- 守則條文A.2.1條規定清楚地制定主席與行政總裁之職責範圍，並以書面列出。

- There is no written terms on division of responsibilities between the chairman and the chief executive officer. The Directors consider that the responsibilities of the chairman and chief executive officer respectively are clear and distinctive and hence written terms thereof are not necessary.
- 本公司並無書面列出主席與行政總裁之職責範圍。董事認為，主席與行政總裁各自之職責均有明確界定，故毋須編製彼等之書面職權範圍。

#### *Code Provision A.4.2*

- Code Provision A.4.2 stipulates that all Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment.
- In accordance with the Company's Articles of Association, Directors appointed to fill a casual vacancy are subject to re-election at next annual general meeting.

#### *Code Provision B.1.3*

- A major deviation from the Code Provision B.1.3 is that the Remuneration Committee of the Company reviews and makes recommendations to the Directors on the remuneration packages of the Executive Directors only but not senior management.
- Currently, the remuneration of senior management is attended by the Chairman and / or Chief Executive Officer of the Company.

#### *守則條文A.4.2條*

- 守則條文A.4.2條規定所有填補臨時空缺而獲委任之董事須於委任後之首次股東大會上接受股東選舉。
- 根據本公司組織章程，填補臨時空缺而獲委任之董事須於下屆股東週年大會上重選。

#### *守則條文B.1.3條*

- 主要之偏離為守則條文B.1.3規定本公司薪酬委員會僅就執行董事（而非就高級管理層）之薪酬進行檢討及向董事作出建議。
- 目前，高級管理層之薪酬由本公司主席及／或行政總裁處理。

## Model Code for Securities Transactions

The Company has adopted its own code of conduct for securities transactions by Directors (the "Own Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the Own Code throughout the six months ended 30th June, 2007.

## Appreciation

The Directors would like to take this opportunity to express our sincere thanks to our shareholders and all other associates for their supports and to our staff for their commitment and diligence during the period.

By Order of the Board

**HUI Sum Kwok**  
*Chairman*

Hong Kong, 14th September, 2007

## Board of Directors:

### *Executive Directors*

Mr. Hui Sum Kwok  
Mr. Hui Sum Ping  
Mr. Hui Sum Tai  
Mr. Wong Wing Por  
Ms. Hui Yuen Li

### *Independent Non-Executive Directors*

Mr. Liu Kwok Fai, Alvan  
Mr. Chee Man Sang, Eric  
Mr. Wong Chu Leung

## 證券交易之標準守則

本公司已採納其條款嚴格程度不低於上市規則附錄10載列之上市發行人董事進行證券交易標準守則載列之所規定標準之本身董事證券交易守則（「本身守則」）。在向本公司全體董事作出具體查詢後，所有董事已確認彼等於截至二零零七年六月三十日止六個月已遵守本身守則。

## 致謝

董事謹此對本公司股東及所有其他業務夥伴於本期間對本公司之支持以及員工之努力不懈與盡忠職守致以衷心謝意。

承董事會命  
主席  
許森國

香港，二零零七年九月十四日

## 董事會：

### 執行董事

許森國先生  
許森平先生  
許森泰先生  
王榮波先生  
許婉莉女士

### 獨立非執行董事

廖國輝先生  
池民生先生  
黃珠亮先生