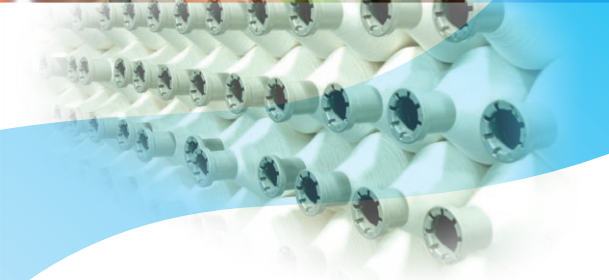


2008 INTERIM REPORT

中 期 報 告



HUAFENG
華 豐

HUAFENG GROUP HOLDINGS LIMITED

華豐集團控股有限公司

Stock Code 股份代號 : 364

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Cai Zhenrong (*Chairman*)

Mr. Cai Zhenyao

Mr. Cai Zhenying

Mr. Cai Yangbo

Mr. Choi Wing Toon

Independent Non-Executive Directors

Mr. Lawrence Gonzaga

Ms. Choy So Yuk

Mr. Wong Siu Hong

AUDIT COMMITTEE

Mr. Lawrence Gonzaga (*Chairman*)

Ms. Choy So Yuk

Mr. Wong Siu Hong

REMUNERATION COMMITTEE

Mr. Lawrence Gonzaga (*Chairman*)

Ms. Choy So Yuk

Mr. Wong Siu Hong

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Mr. Li Mow Ming, Sonny *SB St. J., FCPA, CPA (Aust.)*

董事會

執行董事

蔡振榮先生 (*主席*)

蔡振耀先生

蔡振英先生

蔡揚波先生

蔡永團先生

獨立非執行董事

Lawrence Gonzaga先生

蔡素玉女士

黃兆康先生

審核委員會

Lawrence Gonzaga先生 (*主席*)

蔡素玉女士

黃兆康先生

薪酬委員會

Lawrence Gonzaga先生 (*主席*)

蔡素玉女士

黃兆康先生

公司秘書及合資格會計師

李茂銘先生 *SB St. J., FCPA, CPA (Aust.)*

CORPORATE INFORMATION

公司資料

REGISTERED OFFICE

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

註冊辦事處

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2107, West Tower
Shun Tak Centre
200 Connaught Road Central
Hong Kong

總辦事處暨香港主要營業地點

香港干諾道中200號
信德中心西翼2107室

REGISTRARS

Principal Share Registrar and Transfer Office

Bank of Bermuda (Cayman) Limited
36C Bermuda House, 3rd Floor
P.O. Box 513 GT
Dr. Roy's Drive, George Town
Grand Cayman
British West Indies

股份過戶登記處

股份過戶登記總處

Bank of Bermuda (Cayman) Limited
36C Bermuda House, 3rd Floor
P.O. Box 513 GT
Dr. Roy's Drive, George Town
Grand Cayman
British West Indies

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited
Rooms 1901-02, Fook Lee Commercial Centre
Town Place, 33 Lockhart Road
Wanchai, Hong Kong

香港股份過戶登記分處

聯合證券登記有限公司
香港灣仔
駱克道33號中央廣場
福利商業中心1901-02室

CORPORATE INFORMATION

公司資料

AUDITORS

RSM Nelson Wheeler
Certified Public Accountants
29th Floor, Caroline Centre
Lee Gardens Two
28 Yun Ping Road
Hong Kong

LEGAL ADVISERS

As to Cayman Islands laws:

Conyers Dill & Pearman

As to Hong Kong laws:

D. S. Cheung & Co.

PRINCIPAL BANKERS

Bangkok Bank Public Co. Ltd. HK Branch
Citic Ka Wah Bank Limited
DBS Bank Guangzhou Branch
Hang Seng Bank Limited
UOB Asia Limited

STOCK CODE

364

核數師

中瑞岳華(香港)會計師事務所
執業會計師
香港恩平道28號
利園2期
嘉蘭中心29字樓

法律顧問

開曼群島法律方面：

Conyers Dill & Pearman

香港法律方面：

張岱樞律師事務所

主要往來銀行

Bangkok Bank Public Co. Ltd. 香港分行
中信嘉華銀行有限公司
星展銀行廣州分行
恒生銀行有限公司
UOB Asia Limited

股份代號

364

INTERIM RESULTS 中期業績

The board of directors (the “Board”) of Huafeng Group Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31 March 2008 (the “Period”). The interim results for the Period are unaudited, but have been reviewed by the audit committee of the Company (the “Audit Committee”) and RSM Nelson Wheeler, the auditor of the Company, in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

華豐集團控股有限公司（「本公司」）董事會（「董事會」）欣然公佈本公司及其附屬公司（「本集團」）截至二零零八年三月三十一日止六個月（「期間」）之未經審核簡明綜合業績。期間之中期業績未經審核，惟已由本公司審核委員會（「審核委員會」）審閱並經由本公司核數師中瑞岳華（香港）會計師事務所，根據國際審閱委聘準則第2410號「由實體獨立核數師執行之中期財務資料審閱」作出審閱。

INDEPENDENT REVIEW REPORT

獨立審閱報告

RSM Nelson Wheeler

中瑞岳華(香港)會計師事務所

Certified Public Accountants

TO THE BOARD OF DIRECTORS OF HUAFENG GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

致華豐集團控股有限公司董事

(於開曼群島註冊成立之有限責任公司)

INTRODUCTION

We have reviewed the interim financial information set out on pages 8 to 22 which comprises the condensed consolidated balance sheet of Huafeng Group Holdings Limited (the "Company") as at 31 March 2008 and the related condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

引言

本核數師(以下簡稱「吾等」)已審閱華豐集團控股有限公司(「貴公司」)載於第8至22頁之中期財務資料，此中期財務資料包括於二零零八年三月三十一日之簡明綜合資產負債表及截至該日止六個月期間之相關簡明綜合收益表、權益變動表及現金流量表及重大會計政策概要，以及其他說明附註。根據香港聯合交易所有限公司證券上市規則規定，就中期財務資料編製之報告必須符合當中有關條文及國際會計準則委員會頒佈之國際會計準則第34號「中期財務報告」。貴公司董事須負責根據國際會計準則第34號「中期財務報告」編製及呈列本中期財務資料。吾等之責任是根據審閱結果，對本中期財務資料作出結論，並根據委聘之條款僅向整體董事會報告，除此之外本報告別無其他目的。吾等不會就本報告之內容向任何其他人士負上或承擔任何責任。

INDEPENDENT REVIEW REPORT

獨立審閱報告

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Federation of Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

RSM Nelson Wheeler

Certified Public Accountants

Hong Kong

24 June 2008

審閱範圍

吾等已根據國際會計準則委員會頒佈之國際審閱委聘準則第2410號「由實體獨立核數師執行之中期財務資料審閱」作出審閱工作。審閱中期財務資料主要包括向負責財務和會計事務之人員作出查詢，並應用分析性和其他審閱程序。審閱範圍遠較根據國際核數準則進行審核之範圍為少，故吾等無法保證吾等將知悉在審核中可能發現之所有重大事項。因此，吾等並不會發表審核意見。

結論

按照吾等之審閱，吾等並無發現任何事項，令吾等相信中期財務資料在各重大方面未有根據國際會計準則第34號「中期財務報告」編製。

中瑞岳華(香港)會計師事務所

香港執業會計師

二零零八年六月二十四日

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

For the six months ended 31 March 2008

截至二零零八年三月三十一日止六個月

| | | Six months ended 31 March 截至三月三十一日止六個月 | |
|--|------------------|---|--|
| | | 2008 二零零八年 HK\$'000 千港元 (unaudited) (未經審核) | 2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核) (restated) (經重列) |
| | Note 附註 | | |
| TURNOVER | 營業額 | 380,398 | 320,984 |
| Cost of services provided and cost of sales | 提供服務成本 及銷售成本 | (285,898) | (223,517) |
| Gross profit | 毛利 | 94,500 | 97,467 |
| Other income | 其他收入 | 6,467 | 5,078 |
| Selling and distribution expenses | 銷售及分銷開支 | (10,586) | (12,552) |
| Administrative expenses | 行政開支 | (19,421) | (24,618) |
| Other operating expenses | 其他經營開支 | (14) | (92) |
| PROFIT FROM OPERATIONS | 經營業務溢利 | 70,946 | 65,283 |
| Finance costs | 財務成本 | (12,445) | (10,501) |
| PROFIT BEFORE TAX | 除稅前溢利 | 58,501 | 54,782 |
| Income tax expense | 所得稅開支 | (1,681) | (1,332) |
| PROFIT FOR THE PERIOD | 期間溢利 | 56,820 | 53,450 |
| Attributable to: | 以下人士應佔權益： | | |
| Equity holders of the Company | 本公司權益持有人 | 56,785 | 53,696 |
| Minority interests | 少數股東權益 | 35 | (246) |
| | | 56,820 | 53,450 |
| DIVIDENDS | 股息 | 19,183 | 22,012 |
| EARNINGS PER SHARE | 每股盈利 | | |
| Basic | 基本 | HK5.0 cents 港仙 | HK5.8 cents 港仙 |
| Diluted | 攤薄 | HK4.9 cents 港仙 | HK5.8 cents 港仙 |

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

At 31 March 2008

於二零零八年三月三十一日

| | | | 31 March 2008 二零零八年 三月三十一日 HK\$'000 千港元 (unaudited) (未經審核) | 30 September 2007 二零零七年 九月三十日 HK\$'000 千港元 (audited) (經審核) |
|--|--------------------|----|---|---|
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 9 | 641,898 | 578,521 |
| Prepaid land lease payments | 預付土地租賃款項 | | 60,619 | 56,975 |
| Intangible assets | 無形資產 | | 41,007 | 40,964 |
| Available-for-sale financial assets | 可供出售金融資產 | | 3,502 | 3,257 |
| Deposits paid for acquisition of long-term assets | 收購長期資產已付 之按金 | | 77,640 | 65,993 |
| | | | 824,666 | 745,710 |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | | 110,780 | 106,247 |
| Trade receivables | 應收貿易賬款 | 10 | 165,585 | 182,070 |
| Prepayments, deposits and other receivables | 預付款項、按金 及其他應收款項 | | 106,314 | 45,457 |
| Prepaid land lease payments | 預付土地租賃款項 | | 1,352 | 1,263 |
| Bank and cash balances | 銀行及現金結餘 | | 469,262 | 229,320 |
| | | | 853,293 | 564,357 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Trade payables | 應付貿易賬款 | 11 | 45,195 | 51,463 |
| Other payables and accruals | 其他應付款項及應計費用 | | 173,549 | 151,419 |
| Due to a related company | 應付一間關連公司款項 | | 3,330 | 3,097 |
| Interest-bearing borrowings | 計息借貸 | | 175,490 | 169,832 |
| Current tax liabilities | 即期稅項負債 | | 5,650 | 5,534 |
| | | | 403,214 | 381,345 |
| NET CURRENT ASSETS | 流動資產淨值 | | 450,079 | 183,012 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 總資產減流動負債 | | 1,274,745 | 928,722 |

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

At 31 March 2008

於二零零八年三月三十一日

| | | | 31 March 2008 二零零八年 三月三十一日 HK\$'000 千港元 (unaudited) (未經審核) | 30 September 2007 二零零七年 九月三十日 HK\$'000 千港元 (audited) (經審核) |
|---|------------|------------------|---|---|
| | Note 附註 | | | |
| NON-CURRENT LIABILITIES | | 非流動負債 | | |
| Interest-bearing borrowings | | 計息借貸 | 166,417 | 187,067 |
| Deferred tax liabilities | | 遞延稅項負債 | 15,803 | 14,697 |
| | | | 182,220 | 201,764 |
| NET ASSETS | | 資產淨值 | 1,092,525 | 726,958 |
| CAPITAL AND RESERVES | | 股本及儲備 | | |
| Share capital | 12 | 股本 | 12,395 | 8,805 |
| Reserves | | 儲備 | 1,078,348 | 716,406 |
| Equity attributable to equity holders of the Company | | 本公司權益持有人 應佔權益 | 1,090,743 | 725,211 |
| Minority interests | | 少數股東權益 | 1,782 | 1,747 |
| TOTAL EQUITY | | 總權益 | 1,092,525 | 726,958 |

Approved by the Board of Directors on 24 June 2008

於二零零八年六月二十四日由董事會通過

Cai Yangbo

蔡揚波

Director

董事

Choi Wing Toon

蔡永團

Director

董事

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 31 March 2008

截至二零零八年三月三十一日止六個月

(unaudited)
(未經審核)
Attributable to equity holders of the Company
本公司權益持有人應佔權益

| | Note 附註 | Reserves 儲備 | | | | | | | Minority interests 少數股東權益 | Total 總計 |
|---|---------------------------|---|---|---|--|---|--|--------------------------------|---------------------------------|-------------|
| | | Share capital 股本 HK\$'000 千港元 | Share premium 溢價 HK\$'000 千港元 | Properties revaluation reserve 物業 重估儲備 HK\$'000 千港元 | Share-based payment reserve 以股份付款 之款項儲備 HK\$'000 千港元 | Translation reserve 換算儲備 HK\$'000 千港元 | Retained profits 保留溢利 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 | | |
| At 1 October 2006 | 於二零零六年十月一日 | 8,805 | 164,835 | 22,128 | — | 12,468 | 383,771 | 592,007 | 8,160 | 600,167 |
| Exchange differences on translation of foreign operations | 換算海外業務之匯兌差額 | — | — | — | — | 43 | — | 43 | — | 43 |
| Net income recognised directly in equity | 直接於權益確認收入淨額 | — | — | — | — | 43 | — | 43 | — | 43 |
| Profit for the period | 期間溢利 | — | — | — | — | — | 53,696 | 53,696 | (246) | 53,450 |
| Total recognised income and expense for the period | 期內已確認收支總額 | — | — | — | — | 43 | 53,696 | 53,739 | (246) | 53,493 |
| Recognition of share-based payments | 確認以股份支付之款項 | — | — | — | 5,403 | — | — | 5,403 | — | 5,403 |
| Dividends paid | 已付股息 | 7 | — | — | — | — | (4,402) | (4,402) | — | (4,402) |
| At 31 March 2007 | 於二零零七年三月三十一日 | 8,805 | 164,835 | 22,128 | 5,403 | 12,511 | 433,065 | 646,747 | 7,914 | 654,661 |
| Representing: | 代表： | | | | | | | | | |
| At 31 March 2007 after proposed interim dividend | 於二零零七年三月三十一日 (擬派中期股息後) | | | | | | | 629,137 | | |
| Proposed interim dividend | 擬派中期股息 | 7 | | | | | | 17,610 | | |
| Equity attributable to equity holders of the Company | 本公司權益持有人應佔權益 | | | | | | | 646,747 | | |
| At 1 October 2007 | 於二零零七年十月一日 | 8,805 | 164,835 | 28,133 | 5,403 | 50,915 | 467,120 | 725,211 | 1,747 | 726,958 |
| Exchange differences on translation of foreign operations | 換算海外業務之匯兌差額 | — | — | — | — | 67,922 | — | 67,922 | — | 67,922 |
| Shares issue expenses paid | 已付發行股份費用 | — | (29,390) | — | — | — | — | (29,390) | — | (29,390) |
| Net income recognised directly in equity | 直接於權益確認收入淨額 | — | (29,390) | — | — | 67,922 | — | 38,532 | — | 38,532 |
| Profit for the period | 期間溢利 | — | — | — | — | — | 56,785 | 56,785 | 35 | 56,820 |
| Total recognised income and expense for the period | 期內已確認收支總額 | — | (29,390) | — | — | 67,922 | 56,785 | 95,317 | 35 | 95,352 |
| Shares issued in the form of KDR | 以轉讓類託證券形式 發行之股份 | 12(a) | 3,000 | 280,200 | — | — | — | 283,200 | — | 283,200 |
| Issue of bonus shares | 發行紅股 | 12(b) | 590 | (590) | — | — | — | — | — | — |
| Dividends paid | 已付股息 | 7 | — | — | — | — | (12,985) | (12,985) | — | (12,985) |
| At 31 March 2008 | 於二零零八年三月三十一日 | 12,395 | 415,055 | 28,133 | 5,403 | 118,837 | 510,920 | 1,090,743 | 1,782 | 1,092,525 |
| Representing: | 代表： | | | | | | | | | |
| At 31 March 2008 after proposed interim dividend | 於二零零八年三月三十一日 (擬派中期股息後) | | | | | | | 1,084,545 | | |
| Proposed interim dividend | 擬派中期股息 | 7 | | | | | | 6,198 | | |
| Equity attributable to equity holders of the Company | 本公司權益持有人應佔權益 | | | | | | | 1,090,743 | | |

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

For the six months ended 31 March 2008

截至二零零八年三月三十一日止六個月

| | | Six months ended 31 March 截至三月三十一日止六個月 | |
|---|--------------------|---|--|
| | | 2008 二零零八年 HK\$'000 千港元 (unaudited) (未經審核) | 2007 二零零七 HK\$'000 千港元 (unaudited) (未經審核) |
| | Note 附註 | | |
| NET CASH GENERATED FROM OPERATING ACTIVITIES | 經營業務產生現金淨額 | 60,559 | 62,409 |
| Purchases of property, plant and equipment | 購置物業、廠房及設備 | (50,558) | (16,805) |
| Acquisition of a subsidiary | 收購一間附屬公司 | — | (56,807) |
| Deposits paid for acquisition of long-term assets | 收購長期資產已付之按金 | (6,680) | (17,764) |
| Other investing cash flows (net) | 其他投資現金流量(淨額) | 4,407 | 2,532 |
| NET CASH USED IN INVESTING ACTIVITIES | 投資活動使用現金淨額 | (52,831) | (88,844) |
| Inception of bank loans | 新籌措銀行借貸 | 60,878 | 132,104 |
| Repayment of bank loans | 償還銀行借貸 | (82,863) | (84,459) |
| Proceeds from issue of share in the form of KDR | 以韓國預託證券形式發行股份所得款項 | 283,200 | — |
| Share issue expenses paid | 已付發行股份費用 | (29,390) | — |
| Dividends paid | 已付股息 | (12,985) | (4,402) |
| Finance costs paid | 已付財務成本 | (12,445) | (10,501) |
| NET CASH GENERATED FROM FINANCING ACTIVITIES | 融資活動產生現金淨額 | 206,395 | 32,742 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 現金及現金等值增加淨值 | 214,123 | 6,307 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 期初現金及現金等值 | 229,320 | 191,797 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | 外幣匯率變動影響 | 25,819 | 43 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 期終現金及現金等值 | 469,262 | 198,147 |
| Bank and cash balances | 銀行及現金結餘 | 469,262 | 198,147 |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 31 March 2008

截至二零零八年三月三十一日止六個月

1. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. SIGNIFICANT ACCOUNTING POLICIES AND ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

These condensed financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain buildings which are carried at their fair values.

The accounting policies and basis of preparation used in the preparation of the condensed financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2007.

The condensed financial statements for the six months ended 31 March 2007 are prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants.

1. 編製基準

本簡明綜合財務報告乃根據國際會計準則委員會頒佈之國際會計準則第34號「中期財務報告」及香港聯合交易所有限公司之證券上市規則之適用披露規定而編製。

2. 重大會計政策及採納新增及經修訂之國際財務報告準則

本簡明財務報表乃按照歷史成本慣例編製，並就重估按公平值列賬之若干樓宇作出調整。

編製本簡明財務報表採用之會計政策及編製基準與編製截至二零零七年九月三十日止年度之年度財務報表所採用者一致。

截至二零零七年三月三十一日止六個月之簡明財務報表乃根據香港會計師公會頒佈之香港財務報告準則（「香港財務報告準則」）所編製。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

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In the current period, the Group has adopted all the new and revised International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board that are relevant to its operations and effective for accounting periods beginning on 1 October 2007. IFRSs comprise International Financial Reporting Standards (“IFRSs”); International Accounting Standards (“IAS”); and Interpretations. The adoption of these new and revised IFRSs did not result in substantial changes to the Group’s accounting policies and amounts reported for the current period and prior periods. The effect on adoption of the IFRSs in current period compared with condensed financial statements prepared in accordance with the HKFRSs is stated below.

Business combinations

The Group ceased amortisation of goodwill since its first adoption of IFRSs from 1 October 2003.

The adoption of IFRS 3 “Business Combinations” resulted in changes in the amounts reported in the financial statements as follows:

本集團已於本期間採納所有由國際會計準則委員會頒佈與本集團業務有關及於二零零七年十月一日起開始之會計期間生效之新增及經修訂國際財務報告準則（「國際財務報告準則」）。國際財務報告準則包括國際財務報告準則（「國際財務報告準則」）、國際會計準則（「國際會計準則」）及詮釋。採納此等新增及經修訂國際財務報告準則不會令本集團之會計政策及本期間與過往期間呈報之金額出現重大變動。以下乃與根據香港財務報告準則編製之簡明財務報表比較，本期間採納國際財務報告準則之影響。

業務合併

本集團自二零零三年十月一日首次採納國際會計報告準則起終止攤銷商譽。

採納國際財務報告準則第3號「業務合併」導致財務報表內所呈報金額變動如下：

| | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
|------------------------------|--------|----------------------------------|----------------------------------|
| Increase in goodwill | 商譽增加 | — | 6,027 |
| Increase in retained profits | 保留溢利增加 | — | 6,027 |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 31 March 2008

截至二零零八年三月三十一日止六個月

The Group has not applied the new IFRSs that have been issued but are not effective. The Group has already commenced an assessment of the impact of these new IFRSs but is not yet in a position to state whether these new IFRSs would have a material impact on its results of operations and financial position.

本集團並未採用已頒佈但尚未生效之新增國際財務報告準則。本集團已開始評估該等新增國際財務報告準則之影響，惟暫未能說明該等新增國際財務報告準則是否會對其經營業績及財務狀況構成重大影響。

3. SEGMENT INFORMATION

Geographical segments based on the location of customers

3. 分部資料

根據顧客所在位置之地區分部

| | | The Philippines 菲律賓 | | Greater China 大中華地區 | | Africa, Australia and North America 非洲、澳洲及北美洲 | | Consolidated 綜合 | |
|-----------------|------|--|-------------|--|-------------|---|-------------|--|-------------|
| | | Six months ended 31 March 截至三月三十一日止六個月 | | Six months ended 31 March 截至三月三十一日止六個月 | | Six months ended 31 March 截至三月三十一日止六個月 | | Six months ended 31 March 截至三月三十一日止六個月 | |
| | | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| | | 二零零八年 | 二零零七年 | 二零零八年 | 二零零七年 | 二零零八年 | 二零零七年 | 二零零八年 | 二零零七年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) |
| Segment revenue | 分部收入 | 131,111 | 120,678 | 213,151 | 167,933 | 36,136 | 32,373 | 380,398 | 320,984 |
| Segment results | 分部業績 | 54,720 | 56,367 | 8,332 | 11,877 | 9,090 | 15,121 | 72,142 | 83,365 |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 31 March 2008

截至二零零八年三月三十一日止六個月

4. FINANCE COSTS

4. 財務成本

| | | Six months ended 31 March 截至三月三十一日止六個月 | |
|---|----------------|---|---|
| | | 2008 二零零八年 HK\$'000 千港元 (unaudited) (未經審核) | 2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核) |
| Interest on bank loans and overdraft | 銀行貸款 及透支之利息 | 12,020 | 10,501 |
| Bank charges | 銀行費用 | 425 | — |
| | | 12,445 | 10,501 |

5. INCOME TAX EXPENSE

5. 所得稅開支

| | | Six months ended 31 March 截至三月三十一日止六個月 | |
|--|-------------------|---|---|
| | | 2008 二零零八年 HK\$'000 千港元 (unaudited) (未經審核) | 2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核) |
| Current tax — PRC enterprise income tax | 即期稅項 — 中國企業所得稅 | 1,681 | 1,332 |

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit during the period (2007: HK\$Nil).

由於本集團於期間內並無產生任何應課稅溢利，故並無就香港利得稅作出撥備（二零零七年：零港元）。

Tax charge on profits assessable in the PRC had been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

中國應課稅溢利稅項支出乃按本集團經營所在司法權區之現行適用之稅率及根據有關之現行法例、詮釋及慣例計算。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 31 March 2008

截至二零零八年三月三十一日止六個月

6. PROFIT FOR THE PERIOD

The Group's profit for the period is arrived at after charging:

6. 期間溢利

本集團之期內溢利乃於扣除以下各項後列賬：

| | | Six months ended 31 March 截至三月三十一日止六個月 | |
|--|------------|---|---|
| | | 2008 二零零八年 HK\$'000 千港元 (unaudited) (未經審核) | 2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核) |
| Amortisation of technical know-how | 技術知識攤銷 | 550 | 485 |
| Depreciation | 折舊 | 27,755 | 20,439 |
| Directors' remuneration | 董事薪酬 | | |
| Fees | 袍金 | 180 | 180 |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物利益 | 874 | 1,243 |
| Retirement benefit scheme contributions | 退休福利計劃供款 | 6 | 12 |
| | | 1,060 | 1,435 |
| Write off of property, plant and equipment | 撇銷物業、廠房及設備 | 16 | — |

7. DIVIDENDS

7. 股息

| | | Six months ended 31 March 截至三月三十一日止六個月 | |
|---|--|---|---|
| | | 2008 二零零八年 HK\$'000 千港元 (unaudited) (未經審核) | 2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核) |
| Proposed interim dividend — HK0.5 cent (2007: HK2 cents) per ordinary share | 擬派中期股息 — 每股普通股0.5港仙 (二零零七年：2港仙) | 6,198 | 17,610 |
| Final dividend for the year ended 30 September 2007 approved and paid — HK1.1 cents (2006: HK0.5 cent) per ordinary share | 截至二零零七年九月三十日止年度已批准並已派付之末期股息 — 每股普通股1.1港仙 (二零零六年：0.5港仙) | 12,985 | 4,402 |
| | | 19,183 | 22,012 |

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簡明財務報表附註

For the six months ended 31 March 2008

截至二零零八年三月三十一日止六個月

8. EARNINGS PER SHARE

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

8. 每股盈利

每股基本及攤薄盈利之計算基準如下：

| | | Six months ended 31 March 截至三月三十一日止六個月 | |
|--|----------------------------|---|--|
| | | 2008 二零零八年 HK\$'000 千港元 (unaudited) (未經審核) | 2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核) (restated) (經重列) |
| Earnings | 盈利 | | |
| Profit attributable to equity holders of the Company, used in the basic and diluted earnings per share calculation | 用以計算每股基本及攤薄盈利之本公司權益持有人應佔溢利 | 56,785 | 53,696 |
| Number of shares | 股份數目 | | |
| Weighted average number of ordinary shares except for bonus issue | 發行紅股以外之加權平均普通股數目 | 1,088,676,321 | 880,479,600 |
| Effect of bonus issue | 發行紅股之影響 | 54,433,816 | 44,023,980 |
| Weighted average number of ordinary shares used in basic earnings per share calculation | 用以計算每股基本盈利之加權平均普通股數目 | 1,143,110,137 | 924,503,580 |
| Effect of dilutive potential ordinary shares arising from share options | 因購股權而產生之潛在攤薄普通股影響 | 13,336,771 | 39,453 |
| Weighted average number of ordinary shares used in diluted earnings per share calculation | 用以計算每股攤薄盈利之加權平均普通股數目 | 1,156,446,908 | 924,543,033 |

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簡明財務報表附註

For the six months ended 31 March 2008

截至二零零八年三月三十一日止六個月

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 March 2008, the Group acquired property, plant and equipment of approximately HK\$50,558,000 (2007: HK\$16,805,000).

10. TRADE RECEIVABLES

The Group normally allows credit terms to well-established customers ranging from 30 to 120 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The aging analysis of trade receivables as at the balance sheet date, based on the date of recognition of the service income or goods sold, is as follows:

9. 物業、廠房及設備

截至二零零八年三月三十一日止六個月，本集團購買之物業、廠房及設備約值50,558,000港元（二零零七年：16,805,000港元）。

10. 應收貿易賬款

本集團一般對有穩定關係之顧客給予30天至120天之信貸期。本集團力求對其未收取之應收款項保持嚴格控制。董事經常檢討過期賬項。

根據確認服務收入或已售貨品之日期計算，應收貿易賬款於結算日之賬齡分析如下：

| | | 31 March 2008 二零零八年 三月三十一日 HK\$'000 千港元 (unaudited) (未經審核) | 30 September 2007 二零零七年 九月三十日 HK\$'000 千港元 (audited) (經審核) |
|--------------|----------|---|---|
| 0 — 30 days | 0 — 30天 | 74,342 | 64,234 |
| 31 — 60 days | 31 — 60天 | 38,914 | 60,974 |
| 61 — 90 days | 61 — 90天 | 34,775 | 40,888 |
| Over 90 days | 90天以上 | 17,554 | 15,974 |
| | | 165,585 | 182,070 |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 31 March 2008

截至二零零八年三月三十一日止六個月

11. TRADE PAYABLES

The Group normally obtains credit terms ranging from 30 to 90 days from its suppliers.

The aging analysis of the trade payables as at the balance sheet date, based on the date of receipt of consumables or goods purchased, is as follows:

11. 應付貿易賬款

本集團一般獲供應商授予30天至90天之信貸期。

根據收取所購買之消耗品或貨品日期計算，應付貿易賬款於結算日之賬齡分析如下：

| | | 31 March 2008 二零零八年 三月三十一日 HK\$'000 千港元 (unaudited) (未經審核) | 30 September 2007 二零零七年 九月三十日 HK\$'000 千港元 (audited) (經審核) |
|--------------|----------|---|---|
| 0 — 30 days | 0 — 30天 | 21,965 | 20,115 |
| 31 — 60 days | 31 — 60天 | 11,149 | 20,153 |
| 61 — 90 days | 61 — 90天 | 8,243 | 6,323 |
| Over 90 days | 90天以上 | 3,838 | 4,872 |
| | | 45,195 | 51,463 |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 31 March 2008

截至二零零八年三月三十一日止六個月

12. SHARE CAPITAL

12. 股本

| | | 31 March 2008 二零零八年 三月三十一日 HK\$'000 千港元 (unaudited) (未經審核) | 30 September 2007 二零零七年 九月三十日 HK\$'000 千港元 (audited) (經審核) |
|---|--|---|---|
| Authorised: | 法定： | | |
| 2,000,000,000 ordinary shares of HK\$0.01 each | 2,000,000,000股每股 面值0.01港元之普通股 | 20,000 | 20,000 |
| Issued and fully paid: | 已發行及繳足： | | |
| 1,239,503,580 (At 30 September 2007: 880,479,600) ordinary shares of HK\$0.01 each | 1,239,503,580股 (於二零零七年 九月三十日： 880,479,600股) 每股面值0.01港元 之普通股 | 12,395 | 8,805 |

A summary of the movements in the issued share capital of the Company is as follows:

本公司已發行股本之變動概述如下：

| | | Note 附註 | Number of shares issued 已發行 股份數目 '000 千股 | Nominal value of shares issued 已發行 股份面值 HK\$'000 千港元 |
|---|---|------------|---|--|
| At 1 October 2006, 30 September 2007 and 1 October 2007 | 於二零零六年 十月一日、 二零零七年 九月三十日及 二零零七年 十月一日 | | 880,480 | 8,805 |
| Shares issued in the form of KDR | 以韓國預託證券 形式發行之股份 | (a) | 300,000 | 3,000 |
| Issue of bonus shares | 發行紅股 | (b) | 59,024 | 590 |
| At 31 March 2008 | 於二零零八年 三月三十一日 | | 1,239,504 | 12,395 |

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簡明財務報表附註

For the six months ended 31 March 2008

截至二零零八年三月三十一日止六個月

Note:

- (a) On 26 November 2007, the Company issued 6,000,000 units which represents 300,000,000 ordinary new shares at a subscription price of Korean Won 5,600 (approximately HK\$0.944 per share) per unit under the Korea Depository Receipts Programme ("KDR") on the Korea Exchange for a total cash consideration of approximately HK\$283 million.
- (b) On 23 January 2008, the directors recommended a bonus issue of shares ("Bonus Issue") and approved in the Company's annual general meeting held on 18 March 2008. The Bonus Issue has been made on the basis of 1 share, credited as fully paid, for every 20 existing shares then held.

附註：

- (a) 於二零零七年十一月二十六日，本公司透過韓國預託證券計劃以總額約283,000,000港元之現金代價於韓國交易所發行6,000,000單位（即300,000,000股新普通股），每單位認購價為5,600韓圓（約每股0.944港元）。
- (b) 於二零零八年一月二十三日，董事建議發行紅股（「發行紅股」），並於二零零八年三月十八日舉行之本公司股東週年大會上批准有關建議。紅股發行之基準為當時每持有20股現有股份，可獲發1股入賬列作繳足股份。

13. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 31 March 2008 (At 30 September 2007: HK\$Nil).

13. 或然負債

於二零零八年三月三十一日，本集團並無任何重大或然負債（二零零七年九月三十日：零港元）。

14. CAPITAL COMMITMENTS

14. 資本承擔

| | 31 March 2008 二零零八年 三月三十一日 HK\$'000 千港元 (unaudited) (未經審核) | 30 September 2007 二零零七年 九月三十日 HK\$'000 千港元 (audited) (經審核) |
|--|---|---|
| Contracted but not provided for Construction of buildings | 54,317 | 31,521 |
| Purchase of a parcel of land | 13,400 | 12,462 |
| Purchase of plant and machinery | 46,418 | 22,752 |
| | 114,135 | 66,735 |

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 24 June 2008.

15. 批准財務報表

董事會已於二零零八年六月二十四日批准及授權刊發本財務報表。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group continues to record healthy business growth in its key textile industry despite increased competition experienced by the industry and additional stringent textile product import requirements in the EU countries.

Shareholders of the Group voted in favour of changing the Company's name to Huafeng Group Holdings Limited in the annual general meeting ("AGM") which was held on 18 March 2008. While the Group will leverage on its core textile business, it will seek opportunities to diversify the Group's future business scopes in further enhancing the Group's profitability.

With the secondary listing of the Company in Korea last year, the Group raised a capital of about HK\$283.2 million (before expenses). The Group will utilise this fund on facilities enhancement, business diversifications and internationalization for the benefits of its loyal investors.

儘管本集團之主要紡織業面對之市場競爭日趨激烈，歐盟國家對紡織品進口之規定更加嚴謹，然而本集團仍於本行業繼續錄得穩健業務增長。

本集團之股東於本集團於二零零八年三月十八日舉行之股東週年大會上就更改本公司名稱為華豐集團控股有限公司投贊成票。本集團憑藉其核心紡織業務，同時將尋求機遇使本集團未來業務範圍更趨多元化，以進一步提高本集團之盈利能力。

去年本公司於韓國作第二上市令本集團集資籌得股本約283,200,000港元（扣除開支前）。本集團將利用該筆資金繼續進行其設施提升工程、令業務邁向多元化及國際化發展，以上舉措均對其長期投資者有利。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

For the six months ended 31 March 2008, the Group's turnover increased by 18.5% to HK\$380.4 million (as compared to HK\$321.0 million in corresponding period in 2007) with gross profit decreased by 3.0% to HK\$94.5 million (as compared to HK\$97.5 million in corresponding period in 2007). Profit attributable to equity shareholders grew to HK\$56.8 million (as compared to HK\$53.7 million in corresponding period in 2007), which represents a 5.8% increase over that of the previous year.

The Group targeted to invest Renminbi ("RMB") 200.0 million in a high-quality yarn manufacturing facility in Jiangxi Province to enhance the Group's yarn production capacity and profitability in this sector. New production lines in Lingfeng Dyeing and Weaving Co. Ltd. ("Lingfeng") and Huafeng Knitting Co., Ltd. ("Huafeng Knitting") were also under construction since April 2008. These facilities are expected to contribute an extra RMB350.0 million per annum to the Group's revenues when these new facilities go into full operation in 2009 onwards.

財務回顧

截至二零零八年三月三十一日止六個月，本集團營業額攀升18.5%至380,400,000港元（二零零七年同期：321,000,000港元），毛利下降3.0%至94,500,000港元（二零零七年同期：97,500,000港元）。權益持有人應佔溢利較往年增加5.8%至56,800,000港元（二零零七年同期：53,700,000港元）。

本集團目標投資人民幣200,000,000元作位於江西省之興建高質量紡紗製造設施以提高本集團紡紗產能及該分部之盈利能力。自二零零八年四月起，石獅市凌峰漂染織造有限公司（「凌峰」）及華豐針織有限公司（「華豐針織」）亦已開始興建新生產線。預期該等設施於二零零九年以後全面運作時，能為本集團帶來額外每年人民幣350,000,000元之收益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

Many textile manufacturers suffered from lower profit margins caused by the appreciation of RMB and decreased income led by the depreciation of US dollars ("USD"). However, as the Group deals mainly with domestic clients, and serves overseas fabric manufacturing clients who handle their export directly, with payments settled mainly in RMB, therefore the Group was little affected by the worsening forex volatility.

As the purchasing power in China remains strong, the demand for high quality fabrics is on the increase. However, the industry will be developing towards an up-market competition in future with players competing on technology and innovative and creative edges. Having a major proportion of its business in high-end products, the Group remains in a good position to continue its leadership under such a market environment.

業務回顧

不少紡織生產商因人民幣升值而須面對毛利降低問題，此外，亦因美元貶值令收入減少。然而，由於本集團主要與國內客戶進行交易，並為直接處理其出口之海外布料生產客戶提供服務，並主要以人民幣結算付款，因此，本集團受持續轉壞之外匯波動之影響不大。

隨著中國之購買力維持強勁，對高質量布料之需求繼續增加。然而，本行業在未來將繼續往上游市場競爭發展，並與對手於科技以及創新及創意範疇上競爭。本集團之業務主要部分為高檔次產品，因而處於有利位置，並會以在該市場環境上繼續其領先地位。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PROSPECTS

China's textile industry is expected to remain strong and maintain consistent growths. As one of China's premier fabric processors, the Group will continue with its quest for quality enhancement and technology innovation in fabric output to keep abreast of the market, and continue to enhance good profit margins by means of economies of scale and tapping upstream products markets. Expansion and facility enhancement will be ongoing to increase productivity and enlarge market share in China.

Yarn spinning and dyeing continued to be the Group's core business despite the Board's determination to diversify the Group's business lines to sustain a healthy long-term growth. In addition to the existing plants in Fujian, the Group is expecting to see the completion of its new plant in Jiangxi by the fourth quarter of 2008. This will bring an increase of yarn spinning capacity by 100,000 spindles per annum, which implies further strengthening of the current yearly fabric processing capability of 146,000 tonnes. Furthermore, this new facility is expected to add RMB200.0 million to the Group's revenue per year.

展望

預期中國紡織業將維持強勁及持續增長。作為中國首屈一指之布料染整商之一，本集團將繼續於布料出產上力求質量提升及科技創新以緊貼市場，並通過規模經濟及開發上游產品市場，從而繼續提升良好毛利。擴充設施及設施提升將繼續進行，以增加生產能力及擴大於中國之市場佔有率。

儘管董事會決意使本集團業務多元化以取得長遠穩健之增長，紡紗及漂染繼續為本集團之核心業務。除我們位於福建之現有廠房外，本集團預期於二零零八年第四季見證其位於江西新之廠房竣工。此代表紡紗能力將增加多每年100,000紗錠，並象徵進一步加強現時每年146,000噸之布料染整能力。此外，新設施預期為本集團每年增加人民幣200,000,000元收益。

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Meanwhile, a new production line was being built in Lingfeng to tap the high-end product market. Another new production line was also under construction at Huafeng Knitting to enhance the Group's production capability. The new facilities are scheduled to be operational in the third quarter of 2008. The combined additional capacity is expected to add another RMB150.0 million to the Group's revenue per annum.

LIQUIDITY AND FINANCIAL RESOURCES

At 31 March 2008, the Group had current assets of approximately HK\$853.3 million (30 September 2007: HK\$564.4 million) and current liabilities of approximately HK\$403.2 million (30 September 2007: HK\$381.3 million). The current ratio (calculated as current assets to current liabilities) increased from 1.48 as at 30 September 2007 to 2.12 as at 31 March 2008. The gearing ratio (calculated as the total bank borrowings to total shareholders' equity) had dropped from 0.49 as at 30 September 2007 to 0.31 as at 31 March 2008. These ratios were at reasonably adequate levels as at 31 March 2008 while the Group had sufficient resources in meeting its short-term and long-term obligations.

同時，凌峰正建立一條新生產線以開發高檔次產品市場。華豐針織亦在建另一條新生產線以提高本集團之生產能力。該等新設施預期於二零零八年第三季投入運作。預期該合併生產能力能額外每年為本集團增加人民幣150,000,000元之收益。

流動資金及財務資源

於二零零八年三月三十一日，本集團之流動資產約為853,300,000港元（二零零七年九月三十日：564,400,000港元），流動負債約為403,200,000港元（二零零七年九月三十日：381,300,000港元）。流動比率（按流動資產對流動負債計算）由二零零七年九月三十日之1.48增加至二零零八年三月三十一日之2.12。資本負債比率（按銀行借貸總額對股東權益總額計算）由二零零七年九月三十日之0.49下降至二零零八年三月三十一日之0.31。於二零零八年三月三十一日，有關比率乃屬合理足夠水平，而本集團備有足夠資源以應付其短期及長期債項。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the six months ended, the Group principally met its funding requirements by cash flows from operations and bank borrowings. The net cash inflow from operating activities and financing activities were approximately HK\$60.6 million and HK\$206.4 million respectively.

Total bank borrowings decreased around 4.2% to approximately HK\$341.9 million (30 September 2007: HK\$356.9 million) which was mostly in nature of loan repayment.

At 31 March 2008, the Group had total bank borrowings of approximately HK\$341.9 million, of which approximately HK\$175.5 million was repayable within one year and approximately HK\$166.4 million was repayable more than one year. Approximately 24.3% of the total bank borrowings was subject to fixed interest rates while approximately 75.7% was subject to floating interest rates. The Group's bank borrowings were primarily denominated in RMB, USD and Hong Kong dollars ("HKD"). For the Group's total bank borrowings as at 31 March 2008, 24.3% of the balance was denominated in RMB, 8.7% of the balance was denominated in USD and 67.0% of the balance was denominated in HKD. There are no seasonal adjustments with respect to the Group's borrowings.

於回顧的六個月，本集團主要以經營業務之現金流量及銀行借貸應付其資金需要。經營業務及融資活動之現金流入淨額分別約為60,600,000港元及206,400,000港元。

銀行借貸總額下降約4.2%至約341,900,000港元（二零零七年九月三十日：356,900,000港元），主要為償還貸款款項。

於二零零八年三月三十一日，本集團之銀行借貸總額約為341,900,000港元，其中約175,500,000港元須於一年內償還，約166,400,000港元則須於一年後償還。銀行借貸總額中約24.3%是以固定息率計算，其餘約75.7%則以浮動息率計算。本集團之銀行借貸主要以人民幣、美元及港元列值。至於本集團於二零零八年三月三十一日之銀行借貸總額，其中24.3%結餘乃以人民幣列值，8.7%結餘以美元列值，而67.0%結餘則以港元列值。本集團之借貸並無季節性調整。

MANAGEMENT DISCUSSION AND ANALYSIS

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At 31 March 2008, the Group's bank borrowings were secured by (i) certain plant and machinery of the Group; (ii) certain prepaid land lease payments and buildings of the Group; (iii) corporate guarantees given by its subsidiaries; and (iv) charges over the equity of its subsidiaries.

CAPITAL STRUCTURE

During the six months ended 31 March 2008, there were changes in capital structure and the total number of issued share capital of the Company as at 31 March 2008 was 1,239,503,580 shares. On 26 November 2007, the Company issued 6,000,000 units which represents 300,000,000 ordinary new shares at a subscription price of Korean Won 5,600 (approximately HK\$0.944 per share) per unit under the Korea Depository Receipts Programme ("KDR") on the Korea Exchange for a total cash consideration of approximately HK\$283.2 million. On 23 January 2008, the directors recommended a bonus issue of shares ("Bonus Issue") and approved in the Company's AGM held on 18 March 2008. The Bonus Issue has been made on the basis of 1 share, credited as fully paid, for every 20 existing shares then held.

於二零零八年三月三十一日，本集團之銀行借貸以(i)本集團若干廠房及機器；(ii)本集團若干預付土地租賃款項及樓宇；(iii)其附屬公司提供之公司擔保；及(iv)其附屬公司權益作抵押。

股本架構

截至二零零八年三月三十一日止六個月內，本公司之股本架構出現變動。本公司於二零零八年三月三十一日之已發行股本總數為1,239,503,580股。於二零零七年十一月二十六日，本公司透過韓國預託證券計劃以總額約283,200,000港元之現金代價於韓國交易所發行6,000,000單位(即300,000,000股新普通股)每單位認購價為5,600韓圓(約每股0.944港元)。董事會於二零零八年一月二十三日建議發行紅股(「發行紅股」)，並已於本公司於二零零八年三月十八日舉行之股東週年大會上獲批准。發行紅股按每持有20股現有已發行股份獲派1股入賬列作繳足之股份為基準。

MANAGEMENT DISCUSSION AND ANALYSIS

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FOREIGN EXCHANGE EXPOSURE

Most assets, liabilities and transactions of the Group are denominated in RMB, except overseas sales which are denominated in USD and HKD. In view of the currency peg between HKD and USD and a relatively strong RMB at HKD1.00 equal to RMB0.90 (as at 31 March 2008) the fluctuations of foreign currencies did not have a significant impact on the performance of the Group.

The Group has entered into an interest rate swap contract with Deutsche Bank to hedge significant future transactions and cash flows. At the balance sheet date, the total notional amount of outstanding interest rate swap contract to the Group is USD80.0 million. These arrangements are designed to address exposures of change in future interest rate. The fair value of the interest rate swap contract is immaterial at the balance sheet date. Before entering into the contract, the management has studied the structured product well and has sought professional advice. The management considered the financial risks arising from the structured product would be under proper control and would not create substantial adverse effect on the Group's financial position.

外匯風險

本集團大部分資產、負債及交易均以人民幣列值，惟海外銷售則以美元及港元列值。鑒於港元與美元掛鈎，而人民幣相對強勁滙率為1.00港元兌人民幣0.90元（於二零零八年三月三十一日），外幣波動對本集團之表現並無重大影響。

本集團與德銀已訂立一項息率掉期合約，以對沖重大未來交易及現金流量。於結算日，本集團已承擔之尚未到期息率掉期合約之名義總額為80,000,000美元。該等安排為應付未來之息率變動。息率掉期合約之公平值於結算日並不重大。於訂立合約前，管理層已對結構性產品作出仔細研究並已尋求專業意見。管理層認為該等結構性產品產生之金融風險受到適當控制，且不會對本集團之財務狀況造成重大負面影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CAPITAL EXPENDITURES AND MATERIAL ACQUISITION

During six months end, the total capital expenditure of the Group for the expansion of various plants and erection of new buildings was approximately HK\$50.6 million.

CHARGES ON ASSETS

The Group's bank borrowings are secured by prepaid land lease payments, buildings and plant and machinery of certain subsidiaries of the Group with a total carrying value of approximately HK\$146.7 million at 31 March 2008 (30 September 2007: HK\$150.5 million), corporate guarantees given by subsidiaries of the Company and charges over the equity of the subsidiaries of the Company.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 March 2008 (30 September 2007: HK\$Nil).

資本開支及重大收購

於回顧之六個月，本集團之資本開支總額約為50,600,000港元，用作擴充各間廠房及興建新樓宇。

資產抵押

本集團以本公司若干附屬公司於二零零八年三月三十一日總賬面值約146,700,000港元(二零零七年九月三十日：150,500,000港元)之預付土地租賃款項、樓宇及廠房和機器、本公司附屬公司提供之公司擔保及本公司之附屬公司權益為其銀行借貸提供抵押。

或然負債

於二零零八年三月三十一日，本集團並無任何重大或然負債(二零零七年九月三十日：零港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group did not have material acquisition or disposal of subsidiaries and associated companies during the Period.

EMPLOYMENT INFORMATION

At 31 March 2008, the Group had a total of 2,312 (2007: 2,200) employees in Hong Kong, Macau and the PRC. The Group's emoluments policies are based on the performance of individual employees and on the basis of the salary trends in various regions, and are reviewed periodically.

For the period ended 31 March 2008, the total staff costs (including directors' emoluments) amounted to approximately HK\$25.6 million (2007: HK\$27.0 million).

The Company maintains a share option scheme for the purpose of providing incentives and rewards to the eligible participants for their contributions to the Group and no share option has been exercised during the Period.

附屬公司及聯營公司重大收購或出售

期間，本集團並無附屬公司及聯營公司重大收購或出售。

僱員資料

於二零零八年三月三十一日，本集團於香港、澳門及中國共有2,312名（二零零七年：2,200名）僱員。本集團根據個別僱員之表現及有關地區之薪酬趨勢訂定薪酬政策，並作定期檢討。

截至二零零八年三月三十一日止期間，員工成本總額（包括董事酬金）約為25,600,000港元（二零零七年：27,000,000港元）。

本公司設立購股權計劃，旨在鼓勵及回饋對本集團有所貢獻之合資格參與者，而於本期間並無行使購股權。

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

CHANGE OF COMPANY NAME

The change of the Company name from “Huafeng Textile International Group Limited 華豐紡織國際集團有限公司” to “Huafeng Group Holdings Limited 華豐集團控股有限公司” was approved by the shareholders at the AGM of the Company held on 18 March 2008.

INTERIM DIVIDEND

The Board has resolved to pay an interim dividend of HK0.5 cent per share for the six months ended 31 March 2008 (2007: HK2 cents). The total dividend will be approximately HK\$6,198,000 (2007: HK\$17,610,000). The dividend will be payable on or around 18 August 2008 (Monday) to shareholders whose names appear on the Register of Members on 28 July 2008 (Monday).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 23 July 2008 (Wednesday) to 28 July 2008 (Monday) (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates, must be lodged with the Company’s Registrar, Union Registrars Limited, at Rooms 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong no later than 4:00 p.m. on 22 July 2008 (Tuesday).

更改公司名稱

於二零零八年三月十八日舉行之股東週年大會上，股東通過將本公司名稱由「Huafeng Textile International Group Limited 華豐紡織國際集團有限公司」更改為「Huafeng Group Holdings Limited 華豐集團控股有限公司」。

中期股息

董事會已議決派付截至二零零八年三月三十一日止六個月之中期股息每股0.5港仙（二零零七年：2港仙）。股息總額將約為6,198,000港元（二零零七年：17,610,000港元）。股息將於二零零八年八月十八日（星期一）或前後支付予於二零零八年七月二十八日（星期一）名列股東名冊之股東。

暫停辦理股份過戶登記

本公司股東名冊將會由二零零八年七月二十三日（星期三）至二零零八年七月二十八日（星期一）（首尾兩天包括在內）暫停辦理股份過戶登記，期間股份轉讓將不予受理。所有過戶文件連同有關股票，必須最遲於二零零八年七月二十二日（星期二）下午四時正前，交到本公司之股份過戶登記處聯合證券登記有限公司，地址為香港灣仔駱克道33號中央廣場福利商業中心1901-02室，方合資格分派中期股息。

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2008, the interests and short positions of the directors and chief executives of the Company or their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Cap. 571, Laws of Hong Kong) (the "SFO")) which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company or the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies (the "Model Code") in the Listing Rules were as follows:

Long positions

Ordinary Shares of HK\$0.01 each of the Company

董事及行政總裁於股份、相關股份及債券之權益及淡倉

於二零零八年三月三十一日，本公司董事及行政總裁或彼等各自之聯繫人於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有依據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉（包括根據證券及期貨條例該等條文彼等被當作或視作擁有之權益或淡倉）；或本公司記錄於依據證券及期貨條例第352條須存置之登記冊；或依據上市規則上市公司董事進行證券交易之標準守則（「標準守則」）須知會本公司或聯交所之權益或淡倉如下：

好倉

本公司每股面值0.01港元之普通股

| Name of director | Capacity | Type of interest | Number of shares held | Approximate percentage of shareholding in the Company 於本公司之概約持股百分比 |
|---------------------------|---------------------------|------------------|-----------------------|---|
| 董事名稱 | 地位 | 權益類別 | 持有股份數目 | |
| Mr. Cai Zhenrong 蔡振榮先生 | Beneficial owner 實益擁有人 | Personal 個人 | 451,122,000 | 36.40% |
| Mr. Cai Yangbo 蔡揚波先生 | Beneficial owner 實益擁有人 | Personal 個人 | 1,050,000 | 0.08% |

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

Save as disclosed above, as at 31 March 2008, none of the directors and chief executives of the Company or their respective associates had any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be maintained pursuant to Section 352 of the SFO, or as otherwise to be notified to the Company or the Stock Exchange pursuant to the Model Code in the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2008, to the best knowledge of the directors of the Company, the following person (other than a director and chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provision 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 pursuant to Section 336 of the SFO:

除上文所披露外，於二零零八年三月三十一日，本公司董事及行政總裁或彼等各自之聯繫人概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有依據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例該等條文彼等被當作或視作擁有之權益或淡倉）；或記錄於依據證券及期貨條例第352條須存置之登記冊；或依據上市規則標準守則須知會本公司或聯交所之權益或淡倉。

主要股東於股份及相關股份之權益及淡倉

於二零零八年三月三十一日，據本公司董事所深知，以下人士（本公司董事及行政總裁除外）於本公司股份及相關股份擁有須根據證券及期貨條例第XV部第2及3分部條文向本公司披露；或記錄於本公司根據證券及期貨條例第336條規定存置之登記冊之權益或淡倉：

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

Long positions

好倉

Ordinary Shares of HK\$0.01 each of the Company

本公司每股面值0.01港元之普通股

| Name of shareholder 股東姓名 | Capacity 地位 | Number of shares held 持有股份數目 | Approximate percentage of shareholding in the Company 於本公司之 概約持股百分比 |
|-----------------------------|--|------------------------------------|--|
| | | | |
| Ms. Su Liyuan 蘇麗鴛女士 | Interest of spouse 配偶權益 (Note) (附註) | 451,122,000 | 36.40% |

Note: These 451,122,000 shares are held and beneficially owned by Mr. Cai Zhenrong, an executive director of the Company. Under the SFO, Ms. Su Liyuan, the wife of Mr. Cai Zhenrong, is deemed to be interested in these 451,122,000 shares.

附註：此等451,122,000股股份由本公司執行董事蔡振榮先生持有及實益擁有。根據證券及期貨條例，蘇麗鴛女士（蔡振榮先生之妻子）被視為擁有此等451,122,000股股份之權益。

Save as disclosed above, as at 31 March 2008, no person, other than the directors and chief executives of the Company whose interests are set out in the section "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" above, had any interest or short positions in the shares or underlying shares of the Company which are required to be notified to the Company and the Stock Exchange 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 pursuant to Section 336 of the SFO.

除上文所披露外，於二零零八年三月三十一日，本公司董事及行政總裁（其權益載於「董事及行政總裁於股份、相關股份及債券之權益及淡倉」）以外之人士概無於本公司之股份或相關股份中擁有依據證券及期貨條例第XV部第2及3分部之條文須知會本公司及聯交所；或記錄於依據證券及期貨條例第336條須由本公司存置之登記冊之權益或淡倉。

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the headings "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" and "Share option schemes", at no time during the Period was the Company, its subsidiaries or any of its associated corporations (within the meaning of Part XV of the SFO) a party to any arrangements to enable the directors of the Company or their associates (as defined in the Listing Rules) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

The following table discloses details of the Company's share options held by the directors and employees of the Group pursuant to the Company's share option scheme adopted on 30 August 2002 and movements in such holdings during the Period.

| Name or category of participant | Date of grant | Exercise period | Exercise price | Outstanding as at 1.10.2007 於二零零七年十月一日 尚未行使 | Granted during the Period | Number of share option 購股權數目 | | | Outstanding as at 31.3.2008 於二零零八年三月三十一日 尚未行使 |
|---------------------------------|---------------|-------------------------|--------------------|---|---------------------------|---------------------------------|----------------------------|-----------------------------|---|
| | | | | | | Lapsed during the Period | Exercise during the Period | Outstanding as at 31.3.2008 | |
| 參與者姓名 或類別 | 授出日期 | 行使期 | 行使價 HK\$ 港幣元 | | 於期間 授出 | 於期間 失效 | 於期間 行使 | | |
| Directors 董事 | — | — | — | — | — | — | — | — | |
| Employees 僱員 | 23.3.2007 | 23.3.2007- 22.3.2010 | 0.49714 | 92,400,000 | — | — | — | 92,400,000 | |
| | | | | 92,400,000 | — | — | — | 92,400,000 | |

董事購買股份或債權證之權利

除「董事及行政總裁於股份、相關股份及債券之權益及淡倉」以及「購股權計劃」所披露外，期間本公司、其附屬公司或其任何相聯法團（定義見證券及期貨條例第XV部）概無訂立任何安排，以使本公司董事或其聯繫人（定義見上市規則）可透過收購本公司或任何其他法人團體之股份或債權證而獲取利益。

購股權計劃

下表披露本集團各董事及僱員根據本公司於二零零二年八月三十日採納之購股權持有之本公司購股權詳情，以及期間所持購股權之變動。

DISCLOSURE OF ADDITIONAL INFORMATION 附加資料披露

During the Period, no share options were granted or exercised under the Company's share option scheme.

期間，本公司之購股權計劃之下概無授出或行使購股權。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

購回、出售或贖回本公司上市證券

於期間內，本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Code of Conduct regarding securities transactions by directors as set out in Appendix 10 of the Listing Rules during the Period and all directors have complied with required standard of dealings set out therein.

董事進行證券交易之標準守則

本公司已於期間內採納上市規則附錄十所載有關董事進行證券交易之行為守則，而所有董事均已遵守所規定之交易準則。

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules during the six months ended 31 March 2008 except for the following deviations:

企業管治

董事認為，本公司於截至二零零八年三月三十一日止六個月期間一直遵守上市規則附錄十四載列之企業管治常規守則（「企業管治守則」），惟以下者有所偏離：

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

Code A.2.1

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not at present have any officer with the title of “chief executive officer” but the Chairman of the Board, Mr. Cai Zhenrong, provides overall leadership for the Board and takes the lead to ensure the Board acts in the best interest of the Group. The daily management of the Group’s business is shared among the executive directors of the Company. The Group will endeavour to ensure that there is a clear division of these responsibilities at the Board level to maintain a balance of power and authority.

Code A.4.1

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The current independent non-executive directors of the Company, namely Ms. Choy So Yuk, Mr. Lawrence Gonzaga and Mr. Wong Siu Hong are not appointed for specific terms, but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company’s articles of association.

第A.2.1條守則

根據企業管治守則第A.2.1條之守則條文，主席與行政總裁之角色應有區分，並不應由一人同時兼任。本公司現時未有任何人員出任「行政總裁」一職，而董事會主席蔡振榮先生為董事會提供整體領導，並帶頭確保董事會凡事以本集團最大利益為先。本公司執行董事互相分擔本集團業務之日常管理工作。本集團將致力確保能清晰分辨此等於董事會中之責任，以維持權力平衡。

第A.4.1條守則

根據企業管治守則第A.4.1條之守則條文，非執行董事應有指定任期，並須予重選連任。本公司現時之獨立非執行董事蔡素玉女士、Lawrence Gonzaga先生及黃兆康先生概無委以特定任期，惟須根據本公司之組織章程細則於本公司股東週年大會上輪值告退及膺選連任。

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

AUDIT COMMITTEE

The Company has established an Audit Committee in accordance with the requirements of the CG Code for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive directors of the Company. The interim results for the period are unaudited, but have been reviewed and approved by the Audit Committee, and reviewed by RSM Nelson Wheeler, the auditor of the Company. During the Period, a regular meeting of the Audit Committee has been held.

On behalf of the Board

Cai Zhenrong

Chairman

Hong Kong, 24 June 2008

審核委員會

本公司根據企業管治守則之規定設有審核委員會，其職責為對本集團之財務報告程序及內部監控進行審閱並提供監督。該審核委員會由本公司三名獨立非執行董事組成。本中期業績未經本公司核數師審核，但已由審核委員會審閱及通過並經由本公司核數師中瑞岳華（香港）會計師事務所作出審閱。期間內，審核委員會已舉行一次定期會議。

代表董事會

主席

蔡振榮

香港，二零零八年六月二十四日



HUAFENG
華 豐

HUAFENG GROUP HOLDINGS LIMITED
華 豐 集 團 控 股 有 限 公 司