



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



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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, 2008 together with comparative figures for the corresponding period in 2007 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」/「集團」)截至二零零八年六月三十日止六個月之未經審核簡明綜合業績，連同二零零七年同期之比較數字如下：

## CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE, 2008

## 簡明綜合收益表

截至二零零八年六月三十日止六個月

			Six months ended	
			截至六月三十日止六個月	
			30.6.2008	30.6.2007
			二零零八年	二零零七年
			HK\$'000	HK\$'000
			千港元	千港元
			(unaudited)	(unaudited)
			(未經審核)	(未經審核)
Turnover	營業額	4	500,383	424,013
Cost of sales	銷售成本		(390,387)	(331,071)
Gross profit	毛利		109,996	92,942
Other income	其他收入		10,646	8,172
Selling and distribution costs	銷售及分銷成本		(23,533)	(20,611)
Administrative expenses	行政開支		(32,674)	(21,943)
Other expenses	其他開支		(12,204)	(11,102)
Finance costs	財務成本		(3,524)	(3,014)
Realised changes in fair value of derivative financial instruments	衍生金融工具公平值之已變現變動		3,926	2,410
Unrealised changes in fair value of derivative financial instruments	衍生金融工具公平值之未變現變動		190	1,334
Change in fair value of structured borrowing	結構借貸公平值之變動		(2,896)	4,156
Profit before taxation	稅前利潤	5	49,927	52,344
Taxation	稅項	6	(2,506)	(1,004)
Profit for the period	期間利潤		47,421	51,340
Dividends	股息	7	-	8,107
Earnings per share	每股盈利	8		
- basic (HK cents)	- 基本(港仙)		9.8	12.1
- diluted (HK cents)	- 攤薄(港仙)		9.8	11.9

**CONDENSED CONSOLIDATED BALANCE SHEET**

AT 30TH JUNE, 2008

**簡明綜合資產負債表**

於二零零八年六月三十日

			<b>30.6.2008</b>	31.12.2007
			於二零零八年 六月三十日	於二零零七年 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)
			(未經審核)	(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>867,917</b>	794,645
Prepaid lease payments on land use rights		土地使用權預付 租賃款項	<b>35,100</b>	35,347
Deposits paid for the acquisition of property, plant and equipment		購置物業、廠房及 設備所付訂金	<b>89,818</b>	52,621
			<b>992,835</b>	882,613
<b>Current assets</b>		<b>流動資產</b>		
Inventories		存貨	<b>205,410</b>	191,998
Trade and other receivables	10	貿易及其他應收款項	<b>140,516</b>	131,425
Deposits and prepayments		按金及預付款	<b>26,892</b>	19,816
Prepaid lease payments on land use rights		土地使用權預付 租賃款項	<b>809</b>	809
Derivative financial instruments		衍生金融工具	<b>1,432</b>	2,141
Bank balances and cash		銀行結餘及現金	<b>103,633</b>	153,735
			<b>478,692</b>	499,924

			<b>30.6.2008</b>	31.12.2007
			於二零零八年	於二零零七年
			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)
			(未經審核)	(經審核)
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and bills payables	貿易及票據應付款項	11	<b>85,066</b>	60,129
Other payables and accrued charges	其他應付款項及應計支出		<b>77,281</b>	54,516
Taxation payable	應付稅項		<b>18,697</b>	17,471
Derivative financial instruments	衍生金融工具		<b>319</b>	1,218
Bank borrowings	銀行借貸	12	<b>227,170</b>	236,848
Structured borrowing	結構借貸	13	<b>7,800</b>	7,800
			<b>416,333</b>	377,982
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>62,359</b>	121,942
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>1,055,194</b>	1,004,555
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	14	<b>48,292</b>	48,292
Share premium and reserves	股份溢價及儲備		<b>727,372</b>	695,450
<b>Total equity</b>	<b>權益總額</b>		<b>775,664</b>	743,742
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank borrowings	銀行借貸	12	<b>249,354</b>	230,914
Structured borrowing	結構借貸	13	<b>25,065</b>	26,069
Deferred taxation	遞延稅項		<b>5,111</b>	3,830
			<b>279,530</b>	260,813
			<b>1,055,194</b>	1,004,555

**CONDENSED CONSOLIDATED  
STATEMENT OF CHANGES IN EQUITY**  
FOR THE SIX MONTHS ENDED 30TH JUNE, 2008

**簡明綜合權益變動表**

截至二零零八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, 2008	於二零零八年一月一日	48,292	425,382	(107,444)	8,243	5,206	364,063	743,742
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	-	-	-	3,040	-	-	3,040
Profit for the period	期間利潤	-	-	-	-	-	47,421	47,421
Total recognised income for the period	期間確認收入總額	-	-	-	3,040	-	47,421	50,461
Recognition of equity-settled share based payments	確認股權結算之股份支付的支出	-	-	-	-	2,323	-	2,323
Final dividends paid in respect of 2007 (Note 7)	已派二零零七年末期股息(附註7)	-	-	-	-	-	(20,862)	(20,862)
At 30th June, 2008	於二零零八年六月三十日	48,292	425,382	(107,444)	11,283	7,529	390,622	775,664
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
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, 2008

**簡明綜合現金流量表**

截至二零零八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>30.6.2008</b>	30.6.2007
		二零零八年	二零零七年
		<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>94,670</b>	9,999
<b>Investing activities</b>	投資活動		
Purchases of property, plant and equipment	購買物業、廠房及設備	<b>(35,598)</b>	(53,609)
Other investing cash flows	其他投資現金流量	<b>(89,257)</b>	(109,327)
<b>Net cash used in investing activities</b>	投資活動使用之現金淨額	<b>(124,855)</b>	(162,936)
<b>Financing activities</b>	融資活動		
New bank loans raised	新增銀行貸款	<b>55,017</b>	104,584
Repayment of bank loans	償還銀行貸款	<b>(50,155)</b>	(32,923)
Dividends paid	已派股息	<b>(20,862)</b>	(19,669)
Other financing cash flows	其他融資之現金流量	<b>(8,145)</b>	(5,515)
<b>Net cash (used in) from financing activities</b>	融資活動(使用)產生之現金淨額	<b>(24,145)</b>	46,477
<b>Net decrease in cash and cash equivalents</b>	現金及現金等值減少淨額	<b>(54,330)</b>	(106,460)
<b>Cash and cash equivalents at beginning of the period</b>	期初之現金及現金等值	<b>153,735</b>	231,605
<b>Effect of foreign exchange rate changes</b>	匯率變動影響	<b>4,228</b>	3,180
<b>Cash and cash equivalents at end of the period</b>	期末之現金及現金等值	<b>103,633</b>	128,325
<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>103,633</b>	128,325

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2008

### 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 parent is Hop Fung Industries Limited, a company incorporated in the British Virgin Islands and its ultimate holding company is Hop Fung Industries (Holdings) Limited, a company also incorporated in the British Virgin Islands.

### 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements ("unaudited 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 and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

## 簡明綜合財務報表附註

截至二零零八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。本公司之母公司為英屬處女群島註冊成立之Hop Fung Industries Limited,而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(「未經審核報表」)乃根據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(「香港會計師公會」)發出之香港會計準則(「香港會計準則」)第34號「中期財務報告」而編製。



### 3. PRINCIPAL ACCOUNTING POLICIES

The unaudited 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 statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2007, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which include all Hong Kong Financial Reporting Standards, HKASs, and Interpretations) as disclosed below. The unaudited statements should be read in conjunction with the annual financial statements for the year ended 31st December, 2007.

In the current period, the Group has applied, for the first time, the following new and revised HKFRSs issued by the HKICPA which are effective for the financial period beginning on 1st January, 2008.

HK (IFRIC) – INT 11  
香港(國際財務報告詮釋委員會)  
— 詮釋第11號

HK (IFRIC) – INT 12  
香港(國際財務報告詮釋委員會)  
— 詮釋第12號

HK (IFRIC) – INT 14  
香港(國際財務報告詮釋委員會)  
— 詮釋第14號

### 3. 主要會計政策

未經審核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。

未經審核報表所用之會計政策，與本集團在其截至二零零七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，惟下列所披露之新增及經修訂香港財務報告準則(「香港財務報告準則」，包括全部香港財務報告準則、香港會計準則及詮釋)除外。未經審核報表需與截至二零零七年十二月三十一日止年度之全年財務報表一併閱讀。

在本期間，本集團首次應用下列由香港會計師公會頒佈並於二零零八年一月一日開始之財政期間生效之新增及經修訂香港財務報告準則。

HKFRS 2 – Group and Treasury Share Transactions  
香港財務報告準則第2號—集團及庫存股份交易

Service Concession Arrangements  
服務經營權安排

HKAS 19 – The Limit on a Defined Benefit Asset,  
Minimum Funding Requirements and their Interaction  
香港會計準則第19號—界定福利資產之限制、最低資金  
要求及兩者之互動關係

The adoption of these new interpretations 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 and revised standards, amendments or interpretation that have been issued but are not yet effective. The Directors of the Company anticipate that the application of these standards, amendments or interpretation 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.

採用此等新詮釋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，並毋須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增及經修訂準則、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號會否對如何編製及呈列本集團的業績、營運及財務狀況產生重大影響。

HKAS 1 (Revised) 香港會計準則第1號(經修訂)	Presentation of Financial Statements <sup>1</sup> 財務報表之呈列 <sup>1</sup>
HKAS 23 (Revised) 香港會計準則第23號(經修訂)	Borrowing Costs <sup>1</sup> 借貸成本 <sup>1</sup>
HKAS 27 (Revised) 香港會計準則第27號(經修訂)	Consolidated and Separate Financial Statements <sup>2</sup> 綜合及獨立財務報表 <sup>2</sup>
HKAS 32 and HKAS 1 (Amendments) 香港會計準則第32號及 香港會計準則第1號(修訂本)	Puttable Financial Instruments and Obligations Arising on Liquidation <sup>1</sup> 可沽售金融工具及清盤時產生的責任 <sup>1</sup>
HKFRS 2 (Amendment) 香港財務報告準則第2號(修訂本)	Vesting Conditions and Cancellations <sup>1</sup> 歸屬條件及註銷 <sup>1</sup>
HKFRS 3 (Revised) 香港財務報告準則第3號(經修訂)	Business Combinations <sup>2</sup> 業務合併 <sup>2</sup>
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 13 香港(國際財務報告詮釋委員會) — 詮釋第13號	Customer Loyalty Programmes <sup>3</sup> 客戶忠誠計劃 <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 July, 2009

<sup>3</sup> Effective for annual periods beginning on or after 1st July, 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> 於二零零九年七月一日或其後開始之年度期間生效

<sup>3</sup> 於二零零八年七月一日或其後開始之年度期間生效

#### 4. SEGMENT INFORMATION

All of the Group's turnover and contribution to 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 analysis of segment is presented.

As at 31st December, 2007 and 30th June, 2008, substantial assets, especially those property, plant and equipment, of the Group, are located in the PRC, including Hong Kong and Macau.

#### 5. PROFIT BEFORE TAXATION

#### 4. 分部資料

本集團所有營業額及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。

於二零零七年十二月三十一日及於二零零八年六月三十日，本集團之主要資產（特別是物業、廠房及設備）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>30.6.2008</b>	30.6.2007
		二零零八年	二零零七年
		<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>247</b>	247
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>18,211</b>	17,153
Interest income	利息收入	<b>(372)</b>	(1,509)

## 6. TAXATION

## 6. 稅項

		<b>Six months ended</b>	
		截至六月三十日止六個月	
		<b>30.6.2008</b>	30.6.2007
		二零零八年	二零零七年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(unaudited)</b>	(unaudited)
		(未經審核)	(未經審核)
The charge comprises:	稅項包括：		
Current taxation	即期稅項		
Hong Kong Profits Tax	香港利得稅	<b>950</b>	944
PRC Enterprise Income Tax	中國企業所得稅	<b>275</b>	60
		<b>1,225</b>	1,004
Deferred taxation	遞延稅項		
Charge for the period	本期間支出	<b>1,281</b>	-
		<b>2,506</b>	1,004

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30th June, 2007: 17.5%) on the estimated assessable profit for the period. Taxation arising in the PRC is calculated at the rates prevailing in the PRC.

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.

香港利得稅按期間估計應課稅溢利的16.5%（截至二零零七年六月三十日止六個月：17.5%）之稅率計算。於中國之稅項乃按中國之適用稅率計算。

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，該部分利潤毋須繳納澳門優惠稅（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 Enterprise 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.

## 7. DIVIDENDS

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.

On 27th June, 2008, a dividend of 4.32 HK cents per share, amounting to approximately HK\$20,862,000, was paid to the shareholders as final dividend for the year ended 31st December, 2007.

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2008 (six months ended 30th June, 2007: 1.68 HK cents per share, amounting to approximately HK\$8,107,000).

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企業所得稅，其後三年獲減免50%所得稅。

## 7. 股息

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。

於二零零八年六月二十七日，本公司向股東派付截至二零零七年十二月三十一日止年度末期股息每股4.32港仙，派息總額約達20,862,000港元。

董事決定不派發截至二零零八年六月三十日止六個月之中期股息（截至二零零七年六月三十日止六個月：每股1.68港仙，總額約為8,107,000港元）。

## 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

## 8. 每股盈利

本公司普通股權持有人應佔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>	
		截至六月三十日止六個月	
		<b>30.6.2008</b>	30.6.2007
		二零零八年	二零零七年
		HK\$'000	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>47,421</b>	51,340
		<b>30.6.2008</b>	30.6.2007
		於二零零八年	於二零零七年
		六月三十日	六月三十日
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之加權平均普通股數	<b>482,924,000</b>	423,898,000
Effect of dilutive potential ordinary shares in respect of share options	購股權有關之潛在攤薄普通股股份之影響	-	8,335,409
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利之加權平均普通股數	<b>482,924,000</b>	432,233,409

## 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30th June, 2008, the Group spent approximately HK\$30 million and HK\$9 million (for the year ended 31st December, 2007: approximately HK\$336 million and HK\$112 million) on construction in progress and other property, plant and equipment respectively. Borrowing costs amounting to approximately HK\$4.6 million (for the year ended 31st December, 2007: approximately HK\$8 million) was capitalised to property, plant and equipment.

## 9. 物業、廠房及設備

截至二零零八年六月三十日止六個月內，本集團分別於在建工程及其他物業、廠房及設備支付約30,000,000港元及9,000,000港元（截至二零零七年十二月三十一日止年度：約336,000,000港元及112,000,000港元）。金額約為4,600,000港元之借貸成本（截至二零零七年十二月三十一日止年度：約8,000,000港元）已資本化為物業、廠房及設備。

## 10. TRADE AND OTHER RECEIVABLES

		<b>30.6.2008</b>	31.12.2007
		於二零零八年	於二零零七年
		六月三十日	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)
Trade receivables	貿易應收款項	<b>141,697</b>	128,477
Less: allowance for doubtful debts	減：呆賬撥備	<b>(3,779)</b>	(3,713)
		<b>137,918</b>	124,764
Other receivables	其他應收款項	<b>2,598</b>	6,661
Total trade and other receivables	貿易及其他應收款項總額	<b>140,516</b>	131,425

The Group allows a credit period of 5–150 days which may be extended to selected trade customers depending on their trade volume and history of settlement with the Group. The following is an aged analysis of trade receivables net of allowance of doubtful debts at the balance sheet date:

本集團給予客戶5至150日之信貸期，該信貸期可以根據特定貿易客戶與本集團之貿易量及過往付款記錄而予以延長。下列為結算日扣除呆賬撥備後之貿易應收款項之賬齡分析：

		<b>30.6.2008</b>	31.12.2007
		於二零零八年	於二零零七年
		六月三十日	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)
Current	即期	<b>101,183</b>	102,275
Overdue 1 to 30 days	逾期1至30日	<b>36,735</b>	22,489
		<b>137,918</b>	124,764



Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$36,735,000 (31st December, 2007: HK\$22,489,000) which are past due at the balance sheet date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 48 days based on invoice dates (31st December, 2007: 48 days).

本集團之貿易應收款項結餘中包括賬面值總額為36,735,000港元(二零零七年十二月三十一日: 22,489,000港元)之應收款項, 該等款項於結算日已逾期, 但本集團並無作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。該等應收款項按發票日期釐定之平均賬齡為48日(二零零七年十二月三十一日: 48日)。

## 11. TRADE AND BILLS PAYABLES

The following is an aged analysis of trade and bills payables at the balance sheet date:

## 11. 貿易及票據應付款項

於結算日, 貿易及票據應付款項之賬齡分析如下:

		30.6.2008 於二零零八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2007 於二零零七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Current	即期	84,407	43,137
Overdue 1 to 30 days	逾期1至30日	332	10,285
Overdue 31 to 60 days	逾期31至60日	75	6,231
Overdue for more than 60 days	逾期60日以上	252	476
		<b>85,066</b>	60,129

The average credit period on purchases of goods is 34 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

購買貨物之平均信貸期為34日。本集團訂有財務風險管理政策, 以確保所有應付款項均不超逾信貸期限。

## 12. BANK BORROWINGS

## 12. 銀行借貸

		<b>30.6.2008</b>	31.12.2007
		於二零零八年 六月三十日	於二零零七年 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)
Unsecured bank borrowings	無抵押銀行借貸		
comprise:	包括：		
Trust receipt loans	信託收據貸款	<b>142,183</b>	132,165
Bank loans	銀行貸款	<b>334,341</b>	335,597
		<b>476,524</b>	467,762

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

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

		30.6.2008	31.12.2007
		於二零零八年	於二零零七年
		六月三十日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(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>	7,800
Non-current	非即期	<b>25,065</b>	26,069
		<b>32,865</b>	33,869

The structured borrowing contains embedded derivatives and 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 is measured at fair value that are estimated using a discounted cash flow analysis based on reasonable and supportable assumptions and market rates adjusted for specific features of this instrument. Increase in its fair value of the structured borrowing for the period of HK\$2,896,000 has been charged to the unaudited condensed consolidated income statement. Fair value change of HK\$4,156,000 has been credited to the unaudited condensed consolidated income statement for the six month ended 30th June, 2007.

結構借貸包含附帶內在衍生工具，而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。

該合併合約全數按公平值計量，而該公平值乃使用現金流量折現分析，根據合理和有理據之假設及就有關工具之特性作調整之市場利率而估計。期內結構借貸公平值增加2,896,000港元已於未經審核簡明綜合收益表內扣除。截至二零零七年六月三十日止六個月，公平值變動4,156,000港元已計入未經審核簡明綜合收益表內。

#### 14. SHARE CAPITAL

#### 14. 股本

		Number of shares 股份數目	Nominal value 面值 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元 之普通股		
Authorised:	法定股本：		
At 1st January, 2008 and 30th June, 2008	於二零零八年一月 一日及二零零八年 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, 2008 and 30th June, 2008	於二零零八年一月 一日及二零零八年 六月三十日	482,924,000	48,292

#### 15. CAPITAL COMMITMENTS

#### 15. 資本承擔

		30.6.2008 於二零零八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2007 於二零零七年 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 unaudited condensed consolidated financial statements	已訂約但未於未經審核 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>84,634</b>	151,898

## 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：

### Six months ended

截至六月三十日止六個月

30.6.2008	30.6.2007
二零零八年	二零零七年
HK\$'000	HK\$'000
千港元	千港元
(unaudited)	(unaudited)
(未經審核)	(未經審核)

Salaries and other short-term employee benefits	薪酬及其他短期僱員福利	7,518	6,176
Post employment benefits	終止聘用後之福利	53	93

## 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。

## 18. COMPARATIVE FIGURES

Certain of the comparative figures for the six months ended 30th June, 2007 have been reclassified in order to have a consistent presentation of the current period unaudited condensed consolidated income statement. Realised income from derivative financial instruments of HK\$2,410,000 that was included in other income has been reclassified to realised changes in fair value of derivative financial instruments. Moreover, turnover for the six months ended 30th June, 2007 of 16,782,000 has been adjusted with the corresponding entry recognised in cost of sales.

## 18. 比較數字

截至二零零七年六月三十日止六個月之若干比較數字已重新分類，以提供與本期間未經審核簡明綜合收益表一致之呈報方式。計入其他收入內之衍生金融工具已變現收益2,410,000港元已重新分類至衍生金融工具公平值之已變現變動。此外，截至二零零七年六月三十日止六個月之營業額16,782,000港元已作調整，並在銷售成本中作出相應確認。

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group's corrugated paper-ware operations recorded solid and sustained growth in the period under review, and margins were also stable. Although raw materials and energy costs continued to rise in the period under review, the Group was still able to effectively transfer rising costs to our customers, and the vertically integrated business model has delivered synergies that have offset the negative outlook on the manufacturing sector. In addition, sales to domestic customers in the Mainland expanded in the period, relieving the pressure on the Group from a rising Renminbi. Our position in the domestic corrugated paper-ware market has been solidified.

The Group has been actively building our upstream corrugating medium and kraft linerboard production lines since 2004. The Group's first medium line started production in March 2006, with total annual capacity of 100,000 tonnes. During the period under review, the utilization of that line was approximately 100%, meeting around 40% of the raw materials requirements of the Group's downstream operations.

The Group has built our Phase 2 plant and an upstream linerboard production line at the site of Green Forest (QingXin) Paper Industrial Limited ("Green Forest") in Qingyuan,

## 管理層討論及分析

### 業務回顧

合豐集團之瓦楞紙品業務於回顧期內繼續錄得穩定增長，邊際利潤亦保持平穩。縱使期內原材料及能源價格持續攀升，集團能有效地將不斷上升的成本轉嫁予客戶，而縱向整合的生產模式更產生協同效應，抵銷市場上對工業的不利影響。此外，集團於中國市場的內銷比重進一步擴大，可有效緩和人民幣升值為集團帶來之影響，亦成功為集團在國內瓦楞紙品市場中奠下更穩固的地位。

集團早於二零零四年著力興建上游瓦楞芯紙及牛咭生產線。其中，集團第一條上游瓦楞芯紙生產線已於二零零六年三月正式投產，年產能達十萬噸。於回顧期內，該生產線的使用率約為100%，滿足了集團下游業務約近四成的原材料需求。

憑藉興建芯紙生產線的經驗，集團於旗下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」)興建第二期



Guangdong Province, taking advantage of the Group's experience in building a medium production line. In addition, the plant has its own power plant to provide electricity to avoid halting production due to an unstable municipal supply. The production line started assembly in May last year, and started trial production in May this year, with full production from July onwards. With annual capacity of 230,000 tonnes, production in the first two months of this year has been satisfactory, with more than 60% utilization.

The total capacity of the two upstream production lines is at present enough to meet the Group's raw materials requirements. To complement the upstream business and expand the downstream paper-ware business, the Group is now actively expanding our capacity in corrugated paper-ware products, having stabilized our supply of raw materials. As the Group no longer needs to stock linerboard and medium of different sizes, we have cut back on warehouse space in our Dongguan site and have added a new corrugated paper-ware production line ("corrugator"). This corrugator was installed in May this year and started trial production in June, with full production having started in July. The move would increase our annual capacity downstream by around 12%, expand our sales to domestic Mainland customers, increase our share of the domestic market, amortize our fixed costs, and deliver more profits to our Group.

廠房及上游牛咭生產線，另設有熱電站自行發電，可避免市內供電不穩引致停產的影響。該生產線已於去年五月開始安裝生產組件，於本年五月試產，並於七月正式投產，其年產能達二十三萬噸，首兩月之生產情況令人滿意，設備使用率已達六成多。

現時，兩條上游生產線的總產能已足以應付集團下游業務對原材料的需求。為配合上游的業務發展及進一步開拓下游瓦楞紙品市場，在穩定原材料供應以後，集團便積極增加瓦楞紙品年產能。由於集團已無需儲存大量各種不同呎碼的牛咭及芯紙，於是便縮減東莞廠房的倉庫用地，增加了一條瓦楞紙板生產線（「瓦楞紙板生產線」）；集團分別於回顧期的五月及六月安裝機件及試產，剛於七月正式投產。此舉可將年產能增加約12%，有助集團擴大內銷業務之比重，提高國內的市場佔有率，同時也可分攤集團的固定成本，為集團帶來更高的利潤。

## Financial Review

### Operating results

In the first half of 2008, the Group recorded an encouraging growth of 18.0% in turnover, rising from HK\$424,013,000 to HK\$500,383,000. The growth was mainly contributed by the rise in selling prices. Around 1.3% growth was attributable to the increasing demand of corrugated paper-ware products from Chinese domestic consumption, leading to a slight gain in the Group's domestic market share.

With high inflation rate in the period under review, the costs of raw materials, in average, increased by 25%. However, the Group's ability to pass on the cost increase to customers together with the synergies achieved by vertical integration offset the negative impact and resulted in a surge in gross profit by 18.4%. A steady gross profit margin of 22.0% was maintained too (corresponding period in 2007: 21.9%).

The appreciation of Renminbi leading to exchange gain in the period under review contributed much to other income, leading to 30.3% surge in other income, from HK\$8,172,000 to HK\$10,646,000.

## 財務回顧

### 營運業績

於二零零八年上半年，本集團之營業額錄得令人鼓舞之增長，由424,013,000港元增加至500,383,000港元，增加18.0%。增長主要歸功於銷售價格上漲。約1.3%之增長乃由於中國國內消費對瓦楞紙品需求之增加，導致本集團於國內市場份額輕微增加。

由於回顧期間通貨膨脹率高企，使原材料之成本平均增加25%。然而，本集團能將上升之成本轉嫁予客戶，而縱向整合生產模式帶來之協同效應抵銷了上述不利影響，使毛利劇增18.4%。毛利率平穩地維持在22.0%（二零零七年同期：21.9%）。

於本回顧期間，人民幣升值引致之匯兌收益使其他收入大增，其他收入由8,172,000港元激增30.3%至10,646,000港元。

Selling and distribution costs increased by 14.2%, from HK\$20,611,000 to HK\$23,533,000. It was mainly due to globally increase in crude oil price and other transportation related costs for shipping upstream corrugating medium to downstream paper-ware plants and delivering corrugated paper-ware products to customers.

The increase of administrative expenses by 48.9%, from HK\$21,943,000 to HK\$32,674,000, was primarily contributed by higher staff costs incurred which included the share-based payments, and staff related costs from increasing manpower for operating the new upstream kraft linerboard production commenced in July this year.

Other operating expenses increased by 9.9%, from HK\$11,102,000 to HK\$12,204,000. It was due to depreciation charge for additional enhancements to the PRC plants for daily operations.

Finance costs increased by 16.9%, from HK\$3,014,000 to HK\$3,524,000. Additional bank interest was charged for higher trust receipt loans for financing rising raw material costs (mainly waste paper) as well as higher stock level for the new upstream kraft linerboard production.

銷售及分銷成本由20,611,000港元增加至23,533,000港元，增加14.2%。主要由於全球原油價格上漲及運輸上游之瓦楞芯紙至下游廠房及交付瓦楞紙品至客戶之運輸成本增加所致。

行政開支由21,943,000港元增加至32,674,000港元，增加48.9%。此項增加乃主要由於較高之員工成本（包括以股份支付之支出及於本年七月因開始經營新上游牛咭生產線增加人手）所致。

其他營運開支由11,102,000港元增加至12,204,000港元，增加9.9%。主要由於為提升中國廠房日常營運項目而引致之折舊開支之增加。

財務成本由3,014,000港元增加至3,524,000港元，增加16.9%。主要由於為了提供融資於高企之原材料成本（主要為廢紙）及增加新上游牛咭生產線庫存水平而引致由信託收據貸款增加所產生之利息支出增加所致。

The foreign currency forward contracts of which the Group had entered into during the last two years were proved to be effective. Realised income of HK\$3,926,000 was received and recognised as realised changes in fair value of derivative financial instruments.

The same accounting treatments were applied to unrealised changes in fair value of derivative financial instruments and change in fair value of structured borrowing. Both were recognised in the income statement for accounting purpose only. They were non-cash in nature and will be reversed to zero at maturity date. During the period under review, the Group recorded a gain on unrealised change in derivative financial instruments of HK\$190,000 and a loss on change in fair value of structured borrowing of HK\$2,896,000.

Net profit from operation (profit for the period before unrealised changes in fair value of derivative financial instruments and change in fair value of structured borrowing) was increased by 9.2% to HK\$50.1 million (corresponding period in 2007: HK\$45.9 million). Profit for the period was dropped by 7.6% to HK\$47.4 million, mainly resulting from the loss on change in fair value of structured borrowing.

本集團於過往兩個年度內訂立之遠期外匯合約經證實為有效，已收取之已變現收益為3,926,000港元及已確認為衍生金融工具公平值之已變現變動。

衍生金融工具公平值之未變現變動及結構借貸公平值之變動均採用相同會計處理方法，並於收益表內確認，惟僅供會計之用。彼等為非現金性質及於到期日回撥至零。於回顧期間，本集團錄得衍生金融工具未變現變動收益190,000港元及結構借貸公平值變動之虧損2,896,000港元。

營運純利(衍生金融工具公平值之未變現變動及結構借貸公平值變動前的期間利潤)增加9.2%至50,100,000港元(二零零七年同期：45,900,000港元)。期間利潤下降7.6%至47,400,000港元乃主要由於結構借貸公平值之變動之虧損所致。

Net profit margin (net profit from operation divided by turnover) for the six months ended 30th June, 2008 was maintained at 10.0%. Basic earnings per share was 9.8 HK cents (corresponding period in 2007: 12.1 HK cents). The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2008 (corresponding period in 2007: 1.68 HK cents).

### **Liquidity, financial and capital resources**

As at 30th June, 2008, the Group's total cash and cash equivalents, mostly denominated in Hong Kong dollars and Renminbi, amounted to approximately HK\$103.6 million (31st December, 2007: HK\$153.7 million). As funds were used as capital expenditure for constructing the new upstream kraft linerboard plant, a decrease in the cash balance of HK\$50.1 million was recorded.

During the period under review, the Group had capital expenditures amounting to HK\$120 million for building new upstream plant and acquiring kraft linerboard machinery.

Net current assets and current ratio (current assets divided by current liabilities) were HK\$62.4 million (31st December, 2007: HK\$121.9 million) and 1.15 (31st December, 2007: 1.32) respectively. A decline in the net current assets was mainly due to the decrease in the balance of cash and cash equivalents for building new plant.

截至二零零八年六月三十日止六個月之純利率(營運純利除以營業額)維持在10.0%。每股基本盈利為9.8港仙(二零零七年同期: 12.1港仙)。董事決定不派發截至二零零八年六月三十日止六個月之中期股息(二零零七年同期: 1.68港仙)。

### **流動資金、財務及資本資源**

於二零零八年六月三十日, 本集團之現金及現金等值總額約為103,600,000港元(二零零七年十二月三十一日: 153,700,000港元), 大部份以港元及人民幣計值。由於資金投放於建設新上游牛咭生產廠房之資本開支, 現金結餘減少50,100,000港元。

於回顧期間, 本集團就興建新上游廠房及購置牛咭機器而產生資本開支120,000,000港元。

流動資產淨值及流動比率(流動資產除以流動負債)分別為62,400,000港元(二零零七年十二月三十一日: 121,900,000港元)及1.15(二零零七年十二月三十一日: 1.32)。流動資產淨值之減少乃主要由於興建新廠房令現金及現金等值之結餘之減少。

The Group's net gearing ratio (measured by total bank borrowings net of cash to equity attributable to shareholders) was 51.6% (31st December, 2007: 46.4%). As the Group was required to keep stock for the new upstream kraft linerboard production commenced in July this year, more trust receipt loans were raised for financing. As a result, higher net gearing ratio was measured.

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 certain subsidiaries of the Group for the years of assessment 1998 / 1999 to 2004 / 2005. Objections have been filed against all these assessments. 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.

本集團之淨資產負債比率(按銀行借貸總額減現金除以股東應佔權益計算)為51.6%(二零零七年十二月三十一日: 46.4%)。由於本集團因於本年七月開始經營新上游牛咭生產線而需庫存, 為融資籌集更多信託收據貸款。因此, 本集團有較高之淨資產負債比率。

本集團維持強健及具流通性之財務狀況。本集團擁有充裕之現金及信貸額度以支持其營運資金需要及未來投資。

### **或然負債**

稅務局於二零零四年十二月進行稅務稽查。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集團若干附屬公司發出保障性評稅。本集團已就所有該等評稅提出反對。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。

## Outlook

Looking to the second half of 2008, the slowdown of the US, European and Japanese economies will weigh on global trade. However, the Group sees this as a process of accelerating consolidation and the ouster of small players in the market. The difficult operating environment has forced numerous smaller and weaker paper-ware manufacturers to close. At the same time, the stable raw materials supply, economies of scale and just-in-time delivery strategy of the Group have allowed us to use our competitive advantages to develop the Mainland's domestic demand, expand our downstream corrugated packaging operations and expand market share.

The Group is planning to add a corrugator which is expected to start operations in the second quarter of 2009, raising annual capacity by 10%. And the Group's market share in Guangdong is now at around 5%. The Group is continuously searching for new customers in different markets and is also seeking acquisition targets among downstream players, in order to expand our current downstream operations, improve our sales strategies and grasp the enormous business opportunities offered by the Mainland. The management is confident of raising our market share in Guangdong to 10% within five years.

## 展望

展望二零零八年下半年，歐美及日本等地經濟發展放緩，將繼續對全球貿易構成影響。然而，集團視此為對整個市場加快整固及汰弱留強的一個過程。由於經營環境充滿挑戰，令不少規模較小及經營不善的上游造紙廠及下游紙品廠相繼停業，而集團藉著擁有穩定的原材料供應、規模經濟的競爭優勢及適時供應的市場策略，積極發展內需強大的國內市場，努力拓展下游瓦楞包裝紙業務，可快速增加市場佔有率。

集團已開始籌劃於森葉紙業加設下游瓦楞紙板生產線，預計於二零零九年第二季投產，年產能可提升約10%。現時，集團於廣東省的市場佔有率約為5%，集團不斷尋找不同行業的新客戶群，與此同時，亦尋找收購機會，積極物色合適的下游廠商，研究收購的可行性，穩步擴充現有的下游業務，致力改善營銷策略，以把握國內的龐大商機。管理層有信心於未來五年將集團在廣東省的市場佔有率提升至10%。

The Group expects raw materials prices to consolidate in the coming year. However, the Group has already developed itself into a fully self-sufficient vertically integrated business and has curtailed its reliance on externally sourced raw materials. We are now able to better control production costs, and provide a win-win solution to our customers through the most appropriate and highest quality paper products to meet their positioning needs.

To further control costs, the Group is planning technology upgrades on its upstream production equipment in September this year. The planned improvements not only can raise annual capacity by 20% but can also allow our medium production line to also produce linerboard, giving us more flexibility in production. Going forward, the Group is aiming to extract more synergies from the upstream and downstream businesses, improve operating efficiency, enhance our competitiveness and margins and deliver better returns to our shareholders.

集團預計來年的原材價格仍有所調整，然而集團於今年已成功把業務發展為完全自給自足的縱向整合生產模式，大大減低了對外採購原材料的依賴，亦可有效控制生產成本，為我們客戶提供最合適及高質素的紙品以配合它們的產品定位，達到雙贏效果。

為進一步控制成本，集團已計劃在本年九月進行技術改造以優化上游生產設施，除了可增加年產能20%外，更可令現時的芯紙生產線可同時應付牛咭生產，從而達到靈活生產的目標。展望未來，集團期望上下游的業務可發揮更大的協同效益，進一步提升營運效率，帶來更高的利潤及競爭力，從而為股東帶來更豐厚的回報。



## DISCLOSURE OF INTERESTS

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

As at 30th June, 2008, 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)	52.18%
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Beneficial owner 實益擁有人	8,038,000 shares Long position 8,038,000股股份 好倉	1.66%
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	0.10%

## 權益披露

### 董事於股份、相關股份及債券之權益

於二零零八年六月三十日，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 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)	52.18%
Mr. Hui Sum Ping 許森平先生	Company 本公司	Beneficial owner 實益擁有人	6,516,000 shares Long position 6,516,000股股份 好倉	1.35%
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	6,246,000 shares Long position 6,246,000股股份 好倉	1.29%
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	6,020,000 shares Long position 6,020,000股股份 好倉	1.25%
Ms. Hui Yuen Li 許婉莉女士	Company 本公司	Beneficial owner 實益擁有人	3,670,000 shares Long position 3,670,000股股份 好倉	0.76%
Mr. Liu Kwok Fai, Alvan 廖國輝先生	Company 本公司	Beneficial owner 實益擁有人	222,000 shares Long position 222,000股股份 好倉	0.05%

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 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%
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%

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	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 corporations / 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 corporations / 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. 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%

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 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 corporations / 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 Pinecity Investments Limited (“Pinecity”) and Pinecity 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.

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Pinecity Investments Limited (「Pinecity」)全資擁有，而Pinecity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 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.

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.

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 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 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.
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. 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.
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.

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，以向彼等購買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。

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.

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，以向彼等購買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, 2008.

## Substantial Shareholders

As at 30th June, 2008, 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:

## (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，於二零零八年六月三十日，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。

## 主要股東

於二零零八年六月三十日，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 身份	Number of issued shares held 持有已發行 股份數目	Note(s) 附註	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Hop Fung Industries	Beneficial owner 實益擁有人	252,000,000	1	52.18%
Hop Fung Industries BVI	Interest of a controlled corporation 受控法團權益	252,000,000	1, 2	52.18%

Name of shareholder 股東名稱／姓名	Capacity 身份	Number of issued shares held 持有已發行 股份數目	Note(s) 附註	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Fullwood	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 4	52.18%
Pinecity	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 4	52.18%
Goldspeed	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 5	52.18%
Goldkeen	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 5	52.18%
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	52.18%
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	260,538,000	1, 2, 3, 4, 6	53.95%
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	258,516,000	1, 2, 3, 5, 7	53.53%

Name of shareholder 股東名稱/姓名	Capacity 身份	Number of issued shares held 持有已發行 股份數目	Note(s) 附註	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Montpelier Asset Management Limited	Investment manager 投資經理	29,744,000	-	6.16%
Government of Singapore Investment Corporation Pte Ltd	Investment manager 投資經理	24,234,000	-	5.02%

Notes:

附註：

- 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 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.
  - 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.
- 該252,000,000股股份由Hop Fung Industries擁有。
  - 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。
  - 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. 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.
  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.
  6. Of 260,538,000 shares, Ms. Wong Mui is directly interested in 500,000 shares in the Company and is deemed to be interested in 260,038,000 shares under the SFO as she is the spouse of Mr. Hui Sum Kwok, a director of the Company.
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. 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. 於260,538,000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260,038,000股股份之權益。

7. Ms. Jian Jian Yi is deemed to be interested in 258,516,000 shares under the SFO as she is the spouse of Mr. Hui Sum Ping, a director of the Company.

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, 2008.

### 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.

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258,516,000股股份之權益。

除上文披露者外，於二零零八年六月三十日，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。

### 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 類別	Option type 購股權種類 (Note 1) (附註1)	Date of grant 授出日期	Exercisable price 行使價 HK\$ 港元	Outstanding at beginning of the period 期初 尚未行使	Granted during the period 期內授出	Exercised during the period 期內行使	Cancelled during the period 期內註銷	Outstanding at end of the period 期末 尚未行使
<b>Directors</b> 董事								
Mr. Hui Sum Kwok (Note 2) 許森國先生 (附註2)	D	29.5.2007	2,640	1,893,000	-	-	-	1,893,000
Mr. Hui Sum Ping 許森平先生	D	29.5.2007	2,640	1,893,000	-	-	-	1,893,000
Mr. Hui Sum Tai 許森泰先生	D	29.5.2007	2,640	3,678,360	-	-	-	3,678,360
Mr. Wong Wing Por 王榮波先生	D	29.5.2007	2,640	1,500,000	-	-	-	1,500,000
Ms. Hui Yuen Li 許婉莉女士	D	29.5.2007	2,640	1,100,000	-	-	-	1,100,000
Mr. Liu Kwok Fai, Alvan 廖國輝先生	D	29.5.2007	2,640	120,000	-	-	-	120,000
Mr. Chee Man Sang, Eric 池民生先生	D	29.5.2007	2,640	120,000	-	-	-	120,000
Mr. Wong Chu Leung 黃珠亮先生	D	29.5.2007	2,640	120,000	-	-	-	120,000
				10,424,360	-	-	-	10,424,360
Other employees 其他僱員	D	29.5.2007	2,640	7,950,000	-	-	-	7,950,000
Total all categories 全部類別總計				18,374,360	-	-	-	18,374,360



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 D**

**D類購股權**

1.3.2008 – 28.2.2009

up to 50%

最高可達50%

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)

1.3.2010 – 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.

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。

For the period ended 30th June, 2008, no share options were granted.

截至二零零八年六月三十日止期間內，並無授出購股權。

At 30th June, 2008, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 18,374,360, representing approximately 3.80% of the shares of the Company in issue at that date.

於二零零八年六月三十日，根據該計劃授出而尚未行使購股權涉及之股份數目為18,374,360股，約佔本公司當日已發行股份3.80%。

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：

## OTHER INFORMATION

### Interim Dividend

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2008 (corresponding period in 2007: 1.68 HK cents per share).

### Human Resources

As at 30th June, 2008, the Group and the processing factories employed a total workforce of around 2,000 full time staff (31st December, 2007: 1,700). The increase was mainly attributable to our continuous business growth and new upstream kraft linerboard 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.

### 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, 2008 and has discussed auditing, internal control, the accounting principles and practices adopted by the Group.

## 其他資料

### 中期股息

董事決定不派發截至二零零八年六月三十日止六個月之中期股息(二零零七年同期: 每股1.68港仙)。

### 人力資源

於二零零八年六月三十日, 本集團及加工廠房僱用工人總數約為2,000名全職員工(二零零七年十二月三十一日: 1,700名)。增加主因是本集團之業務持續增長及新上游牛咭生產。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。

### 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本集團截至二零零八年六月三十日止六個月之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。

## Purchase, Sale or Redemption of Shares

During the six months ended 30th June, 2008, the Company and its subsidiaries had not purchased, redeemed or sold any of the Company's listed securities on the Stock Exchange.

## Corporate Governance

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices as set out in Appendix 14 of Rules Governing the Listing of Securities on the Stock Exchange, during the six months ended 30th June, 2008, 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.
- 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.

## 購買、出售或贖回股份

截至二零零八年六月三十日止六個月，本公司及其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。

## 公司管治

截至二零零八年六月三十日止六個月，本公司一直遵守聯交所證券上市規則附錄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。
- 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.

## 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, 2008.

### 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。

## 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二零零八年六月三十日止六個月已遵守本身守則。

## 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, 19th September, 2008

## **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

## 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，二零零八年九月十九日

## **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

