



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 **2012**



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The board of directors (the “Board” or “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, 2012 together with the comparative figures for the corresponding period in 2011 as follows:

合豐集團控股有限公司(「本公司」)董事會(「董事會」或「董事」)欣然宣佈本公司及其附屬公司(統稱「本集團」/「集團」)截至二零一二年六月三十日止六個月之未經審核簡明綜合業績，連同二零一一年同期之比較數字如下：

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June, 2012

簡明綜合全面收益表

截至二零一二年六月三十日止六個月

		Six months ended		
		截至六月三十日止六個月		
		30.6.2012	30.6.2011	
		二零一二年	二零一一年	
		HK\$'000	HK\$'000	
		千港元	千港元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
Revenue	收益	4	504,937	721,030
Cost of sales	銷售成本		(423,824)	(598,233)
Gross profit	毛利		81,113	122,797
Other income	其他收入		6,355	8,774
Selling and distribution costs	銷售及分銷成本		(27,499)	(38,358)
Administrative expenses	行政開支		(32,605)	(37,493)
Other expenses	其他開支		(13,807)	(9,180)
Finance costs	財務成本		(12,791)	(11,711)
Changes in fair value of derivative financial instruments	衍生金融工具公平值之變動	5	4,017	2,395
Profit before taxation	稅前利潤	6	4,783	37,224
Income tax expense	所得稅開支	7	(24)	(3,935)
Profit for the period, attributable to owners of the Company	本公司擁有人應佔期間利潤		4,759	33,289

**CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE
INCOME** (continued)

For the six months ended 30th June, 2012

簡明綜合全面收益表(續)

截至二零一二年六月三十日止六個月

		Six months ended	
		截至六月三十日止六個月	
		30.6.2012	30.6.2011
		二零一二年	二零一一年
Notes		HK\$'000	HK\$'000
附註		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Other comprehensive (expense) income for the period:	期間其他全面 (支出)收益：		
Exchange differences arising from translation of foreign operations	換算海外業務之 匯兌差額	(30)	37,582
Total comprehensive income for the period, attributable to owners of the Company	本公司擁有人應佔 期間全面收益總額	4,729	70,871
		HK cent	HK cents
		港仙	港仙
Earnings per share – basic	每股盈利 – 基本	0.99	6.89
– diluted	– 攤薄	0.99	6.78

**CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION**

At 30th June, 2012

簡明綜合財務狀況表

於二零一二年六月三十日

			30.6.2012	31.12.2011
			於二零一二年 六月三十日	於二零一一年 十二月三十一日
		Notes 附註	HK\$'000 千港元 (Unaudited) (未經審核)	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	10	1,367,307	1,352,900
Prepaid lease payments on land use rights	土地使用權預付租賃款項		23,180	23,486
			1,390,487	1,376,386
Current assets	流動資產			
Inventories	存貨		199,904	188,288
Trade and other receivables	貿易及其他應收款項	11	184,028	193,336
Deposits and prepayments	按金及預付款		9,307	6,923
Prepaid lease payments on land use rights	土地使用權預付租賃款項		613	613
Derivative financial instruments	衍生金融工具		535	728
Bank balances and cash	銀行結餘及現金		382,190	299,747
			776,577	689,635

**CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION**

(continued)

At 30th June, 2012

簡明綜合財務狀況表(續)

於二零一二年六月三十日

		30.6.2012		31.12.2011
		於二零一二年 六月三十日		於二零一一年 十二月三十一日
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
		(Unaudited) (未經審核)		(Audited) (經審核)
Current liabilities	流動負債			
Trade, bills and other payables	貿易、票據及其他應付款項	12	336,548	213,783
Taxation payable	應付稅項		10,607	18,765
Derivative financial instruments	衍生金融工具		12,070	13,432
Unsecured bank borrowings	無抵押銀行借貸	13	403,235	439,674
			762,460	685,654
Net current assets	流動資產淨值		14,117	3,981
Total assets less current liabilities	總資產減流動負債		1,404,604	1,380,367
Capital and reserves	股本及儲備			
Share capital	股本	14	48,292	48,292
Share premium and reserves	股份溢價及儲備		1,018,505	971,513
Total equity, attributable to owners of the Company	本公司擁有人應佔權益總額		1,066,797	1,019,805
Non-current liabilities	非流動負債			
Unsecured bank borrowings	無抵押銀行借貸	13	306,659	329,428
Deferred taxation	遞延稅項		31,148	31,134
			337,807	360,562
			1,404,604	1,380,367

**CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY**
For the six months ended 30th June, 2012

簡明綜合權益變動表

截至二零一二年六月三十日止六個月

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元 (Note) (附註)	Translation reserve 匯兌儲備 HK\$'000 千港元	Share options reserve 購股權儲備 HK\$'000 千港元	Retained profits 保留利潤 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2012	於二零一二年一月一日	48,292	425,382	(107,444)	106,494	16,884	530,197	1,019,805
Profit for the period	期間利潤	-	-	-	-	-	4,759	4,759
Exchange differences arising from translation of foreign operations and total other comprehensive income for the period	換算海外業務之匯兌差額及期間其他全面收益總額	-	-	-	(30)	-	-	(30)
Total comprehensive income for the period	期間全面收益總額	-	-	-	(30)	-	4,759	4,729
Recognition of equity-settled share-based payments	確認為以股權結算以股份支付之支出	-	-	-	-	204	-	204
Net proceeds from issuance of ordinary shares through rights issue (Note 18)	透過供股發行普通股股份所得淨額(附註18)	-	42,059	-	-	-	-	42,059
At 30th June, 2012	於二零一二年六月三十日	48,292	467,441	(107,444)	106,464	17,088	534,956	1,066,797
At 1st January, 2011	於二零一一年一月一日	48,292	425,382	(107,444)	45,958	15,955	519,823	947,966
Profit for the period	期間利潤	-	-	-	-	-	33,289	33,289
Exchange differences arising from translation of foreign operations and total other comprehensive income for the period	換算海外業務之匯兌差額及期間其他全面收益總額	-	-	-	37,582	-	-	37,582
Total comprehensive income for the period	期間全面收益總額	-	-	-	37,582	-	33,289	70,871
Recognition of equity-settled share-based payments	確認為以股權結算以股份支付之支出	-	-	-	-	621	-	621
Final dividend paid in respect of 2010 (Note 8)	已派二零一零年末期股息(附註8)	-	-	-	-	-	(16,419)	(16,419)
At 30th June, 2011	於二零一一年六月三十日	48,292	425,382	(107,444)	83,540	16,576	536,693	1,003,039

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因二零一零年集團重組而收購之附屬公司之股本面值之差額。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th June, 2012

簡明綜合現金流量表

截至二零一二年六月三十日止六個月

		Six months ended	
		截至六月三十日止六個月	30.6.2011
		30.6.2012	30.6.2011
		二零一二年	二零一一年
		HK\$' 000	HK\$' 000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Net cash from operating activities	經營活動產生之現金淨額	15,185	80,853
Investing activities	投資活動		
Purchases of property, plant and equipment	收購物業、廠房及設備	(52,486)	(83,217)
Other investing cash flows	其他投資現金流量	1,851	440
Net cash used in investing activities	投資活動使用之現金淨額	(50,635)	(82,777)
Financing activities	融資活動		
New bank borrowings raised	新增銀行借貸	664,182	523,732
Repayment of bank borrowings	償還銀行借貸	(723,783)	(489,719)
Dividends paid	已派股息	-	(16,419)
Monies returnable to unsuccessful excess rights shares applicants	必須退回未能成功申請額外供股股份之款項	148,143	-
Net proceeds from issuance of ordinary shares through rights issue	透過供股發行普通股股份所得淨額	42,059	-
Other financing cash flows	其他融資現金流量	(12,791)	(11,911)
Net cash from financing activities	融資活動產生之現金淨額	117,810	5,683
Net increase in cash and cash equivalents	現金及現金等值增加淨額	82,360	3,759
Cash and cash equivalents at 1st January	於一月一日現金及現金等值	299,747	203,125
Effect of foreign exchange rate changes	匯率變動之影響	83	6,753
Cash and cash equivalents at 30th June	於六月三十日現金及現金等值	382,190	213,637
represented by Bank balances and cash	銀行結餘及現金		

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th June, 2012

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 parent 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 ("interim financial statements") have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange 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

截至二零一二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。本公司之母公司為於英屬處女群島註冊成立之Hop Fung Industries Limited,而最終母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(「中期財務報表」)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」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」而編製。

3. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31st December, 2011, except as described below. The interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31st December, 2011.

In the current period, the Group has applied the following revised Hong Kong Financial Reporting Standard ("HKFRS") and HKAS issued by the HKICPA:

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets

The application of the above revised HKFRS and HKAS in the current period has had no material effect on the amounts reported in these financial statements and/or disclosures set out in these financial statements.

The Group has not early applied the following new and revised HKFRSs and HKASs that have been issued but are not yet effective:

Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities ¹
HKFRS 9	Financial Instruments ²

3. 主要會計政策

中期財務報表乃按歷史成本法編製，惟金融工具按公平值列賬（倘適用）除外。

編製中期財務報表所用之會計政策，與本集團在其截至二零一一年十二月三十一日止年度之綜合財務報表內所採用者相同，惟下文所述者除外。中期財務報表應與截至二零一一年十二月三十一日止年度之綜合財務報表一併閱讀。

在本期間，本集團已採用下列由香港會計師公會頒佈之經修訂香港財務報告準則（「香港財務報告準則」）及香港會計準則：

香港財務報告準則 第7號之修訂	披露—轉讓 財務資產
香港會計準則 第12號之修訂	遞延稅項—收 回相關資產

本期間應用上述經修訂香港財務報告準則及香港會計準則對此等財務報表所呈報之款額及／或此等財務報表所載之披露事項並無重大影響。

本集團並無提早應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則及香港會計準則：

香港財務報告準則 第7號之修訂	披露—抵銷財 務資產及 財務負債 ¹
香港財務報告準則 第9號	金融工具 ²

Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ²	香港財務報告準則第9號及香港財務報告準則第7號之修訂	香港財務報告準則第9號之強制生效日期及過渡性披露 ²
HKFRS 10	Consolidated Financial Statements ¹	香港財務報告準則第10號	綜合財務報表 ¹
HKFRS 11	Joint Arrangements ¹	香港財務報告準則第11號	合營安排 ¹
HKFRS 12	Disclosure of Interests in Other Entities ¹	香港財務報告準則第12號	披露於其他實體的權益 ¹
HKFRS 13	Fair Value Measurement ¹	香港財務報告準則第13號	公平值計量 ¹
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income ³	香港會計準則第1號之修訂	呈列其他全面收益項目 ³
HKAS 19 (as revised in 2011)	Employee Benefits ¹	香港會計準則第19號 (二零一一年經修訂)	僱員福利 ¹
HKAS 27 (as revised in 2011)	Separate Financial Statements ¹	香港會計準則第27號 (二零一一年經修訂)	獨立財務報表 ¹
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ¹	香港會計準則第28號 (二零一一年經修訂)	於聯營公司及合營企業投資 ¹
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ⁴	香港會計準則第32號之修訂	抵銷財務資產及財務負債 ⁴
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ¹	香港(國際財務報告詮釋委員會) – 詮釋第20號	露天礦場生產階段之剝採成本 ¹

¹ Effective for annual periods beginning on or after 1st January, 2013

² Effective for annual periods beginning on or after 1st January, 2015

³ Effective for annual periods beginning on or after 1st July, 2012

⁴ Effective for annual periods beginning on or after 1st January, 2014

¹ 於二零一三年一月一日或以後開始之年度期間生效

² 於二零一五年一月一日或以後開始之年度期間生效

³ 於二零一二年七月一日或以後開始之年度期間生效

⁴ 於二零一四年一月一日或以後開始之年度期間生效

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

於二零零九年頒佈之香港財務報告準則第9號引入財務資產分類及計量之新規定。於二零一零年經修訂之香港財務報告準則第9號增設財務負債之分類及計量以及取消確認之規定。

香港財務報告準則第9號之主要規定列述如下：

- 香港財務報告準則第9號規定符合香港會計準則第39號金融工具：確認及計量範圍內之所有已確認財務資產其後均須按攤銷成本或公平值計量。具體而言，目的為收集合約現金流量之業務模式內所持有，以及合約現金流量僅為償還本金及尚未償還本金所產生利息之債務投資，一般於其後會計期間結束時按攤銷成本計量。所有其他債務投資及股本投資均於其後報告期間結束時按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇以於其他全面收益呈列股本投資（並非持作買賣）之其後公平值變動，而一般僅於損益內確認股息收入。

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

Based on the Group's financial assets and financial liabilities as at 30th June, 2012, the application of HKFRS 9 is not expected to have a significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

- 就財務負債之分類及計量而言，香港財務報告準則第9號最重大影響乃有關財務負債信貸風險變動導致該負債（指定為按公平值計入損益）公平值變動之呈列方法。尤其是，根據香港財務報告準則第9號，就指定為按公平值計入損益之財務負債而言，該負債信貸風險變動導致公平值變動之金額於其他全面收益呈列，除非於其他全面收益確認該負債之信貸風險變動影響會導致或擴大於損益之會計錯配。財務負債信貸風險導致公平值變動其後不會重新分類至損益。過往，根據香港會計準則第39號，指定為按公平值計入損益之財務負債公平值變動全部金額於損益確認。

根據本集團於二零一二年六月三十日之財務資產及財務負債，預期應用香港財務報告準則第9號將不會對本集團財務資產及財務負債之呈報金額造成重大影響。然而，於完成詳細審閱前，就有關影響提供合理估計並不可行。

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted.

The Directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1st January, 2013 and that the application of the new standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

The Directors anticipate that the application of the other new and revised standards, amendments or interpretation will have no material impact on the results and the financial position of the Group.

香港財務報告準則第13號確立有關公平值計量及披露公平值計量資料之單一指引。該準則界定公平值，確立計量公平值之框架及有關公平值計量之披露規定。香港財務報告準則第13號之範圍寬廣：適用於其他香港財務報告準則規定或允許公平值計量及披露公平值計量資料之財務工具項目及非財務工具項目，惟特定情況除外。整體而言，香港財務報告準則第13號所載之披露規定較現行準則之規定更為全面。例如，現時僅規限香港財務報告準則第7號金融工具：披露所述金融工具之三個公平值等級之量化及定性披露資料將藉香港財務報告準則第13號加以擴展，以涵蓋其範圍內之所有資產及負債。

香港財務報告準則第13號於二零一三年一月一日或以後開始之年度期間生效，並可提早應用。

董事預期將於二零一三年一月一日開始之年度期間的綜合財務報表中應用香港財務報告準則第13號，而應用該新訂準則可能會影響綜合財務報表呈列之數額，且令其須於綜合財務報表披露更為全面之資料。

董事預期應用其他新訂及經修訂準則、修訂本或詮釋將不會對本集團之業績及財務狀況有重大影響。

4. SEGMENT INFORMATION

The Group's reportable and operating segments are categorised into the manufacture and sale of:

- Containerboard – corrugating medium and linerboard
- Corrugated packaging – corrugated paper boards and carton boxes

The following is an analysis of the Group's revenue and results by operating and reportable segments:

Segment revenues and results

For the six months ended 30th June, 2012

(Unaudited)

4. 分部資料

本集團之可呈報及經營分部可分為製造及銷售：

- 箱板紙－瓦楞芯紙及牛咭
- 瓦楞包裝－瓦楞紙板及紙箱

以下為按經營及可呈報分部劃分之本集團收益及業績分析：

分部收益及業績

截至二零一二年六月三十日止六個月

(未經審核)

		Containerboard 箱板紙 HK\$'000 千港元	Corrugated packaging 瓦楞包裝 HK\$'000 千港元	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益					
External sales	對外銷售	76,926	428,011	504,937	-	504,937
Inter-segment sales	分部間銷售	353,971	1,446	355,417	(355,417)	-
Total	總計	430,897	429,457	860,354	(355,417)	504,937
RESULT	業績					
Segment profit	分部利潤	7,391	6,166	13,557	-	13,557
Finance costs	財務成本					(12,791)
Changes in fair value of derivative financial instruments	衍生金融工具 公平值之變動					4,017
Profit before taxation	稅前利潤					4,783

For the six months ended 30th June, 2011

截至二零一一年六月三十日止
六個月

(Unaudited)

(未經審核)

		Containerboard 箱板紙	Corrugated packaging 瓦楞包裝	Segment total 分部總計	Eliminations 對銷	Consolidated 綜合
		HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元
REVENUE	收益					
External sales	對外銷售	103,197	617,833	721,030	-	721,030
Inter-segment sales	分部間銷售	378,213	1,494	379,707	(379,707)	-
Total	總計	481,410	619,327	1,100,737	(379,707)	721,030
RESULT	業績					
Segment profit	分部利潤	22,485	24,055	46,540	-	46,540
Finance costs	財務成本					(11,711)
Changes in fair value of derivative financial instruments	衍生金融工具 公平值之變動					2,395
Profit before taxation	稅前利潤					37,224

Inter-segment sales are charged at prevailing market rates.

分部間銷售乃參照現行市價計算。

The majority of the Group's revenue 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 geographical location is presented.

本集團大部份收益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，因此並無呈列地區分析。

5. CHANGES IN FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS

5. 衍生金融工具公平值之變動

		Six months ended	
		截至六月三十日止六個月	
		30.6.2012	30.6.2011
		二零一二年	二零一一年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Net cash inflow from settlement of derivative financial instruments	以衍生金融工具結算之淨現金流入	2,848	3,064
Other changes in fair value of derivative financial instruments	衍生金融工具公平值之其他變動	1,169	(669)
		4,017	2,395

6. PROFIT BEFORE TAXATION

6. 稅前利潤

		Six months ended	
		截至六月三十日止六個月	
		30.6.2012	30.6.2011
		二零一二年	二零一一年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Profit before taxation has been arrived at after charging (crediting):	稅前利潤已扣除(計入)下列各項：		
Cost of inventories recognised as expenses	確認為開支之存貨成本	423,824	598,233
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	38,449	36,403
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項	308	432
Interest income	利息收入	(1,851)	(440)

7. INCOME TAX EXPENSE

7. 所得稅開支

		Six months ended	
		截至六月三十日止六個月	
		30.6.2012	30.6.2011
		二零一二年	二零一一年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Current tax:	即期稅項：		
Hong Kong Profits Tax	香港利得稅	2	742
PRC Enterprise Income Tax	中國企業所得稅	8	687
		10	1,429
Deferred tax	遞延稅項	14	2,506
		24	3,935

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

香港利得稅乃按兩個期間估計應課稅利潤之16.5%計算。

The Macau subsidiaries of the Group incorporated under Decree-Law no.58/99/M are exempted from Macau complementary tax (Macau income tax) as long as they comply with the relevant regulations and do not sell their products to a Macau resident.

本集團之澳門附屬公司根據第58/99/M號法令註冊成立，均獲豁免繳納澳門補充稅(澳門所得稅)，前提為其須遵守相關法規且不得向澳門本土公司出售產品。

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，自二零零八年一月一日起，中國附屬公司之稅率為25%。

One PRC subsidiary is exempted from PRC EIT for two years starting from the first profit-making year, followed by a 50% reduction for the next three years pursuant to the relevant laws and regulations in the PRC, was subject to PRC EIT rate of 12.5% for the six months ended 30th June, 2011 and 2012.

8. DIVIDENDS

In June 2011, a dividend of 3.40 HK cents per share, amounting to approximately HK\$16,419,000, was paid to the shareholders as final dividend for the year ended 31st December, 2010.

During the six months ended 30th June, 2012, no payment of a final dividend was made for the year ended 31st December, 2011.

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2012 (six months ended 30th June, 2011: nil)

根據中國有關法例及規例，本集團一間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%中國企業所得稅。截至二零一一年及二零一二年六月三十日止六個月，該附屬公司須按中國企業所得稅率12.5%繳納稅項。

8. 股息

於二零一一年六月，本公司向股東派付截至二零一零年十二月三十一日止年度之末期股息每股3.40港仙，合共約為16,419,000港元。

截至二零一二年六月三十日止六個月期間，本公司並無就截至二零一一年十二月三十一日止年度派付任何末期股息。

董事不建議就截至二零一二年六月三十日止六個月派付任何中期股息（截至二零一一年六月三十日止六個月：無）。

9. EARNINGS PER SHARE

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

9. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按以下數據計算：

		Six months ended	
		截至六月三十日止六個月	
		30.6.2012	30.6.2011
		二零一二年	二零一一年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Earnings	盈利		
Earnings for the purposes of basic and diluted earnings per share	計算每股基本及攤薄盈利之盈利	4,759	33,289
		30.6.2012	30.6.2011
		於二零一二年	於二零一一年
		六月三十日	六月三十日
Number of shares	股份數目		
Number of ordinary shares in issue during the period, for the purpose of basic earnings per share	計算每股基本盈利之期內已發行普通股股數	482,924,000	482,924,000
Effect of dilutive potential ordinary shares in respect of share options	與購股權有關之潛在攤薄普通股之影響	-	8,017,357
Number of ordinary shares in issue during the period, for the purpose of diluted earnings per share	計算每股攤薄盈利之期內已發行普通股股數	482,924,000	490,941,357

During the six months ended 30th June, 2012, the exercise price of the Company's share options exceeded the average market price per share. Accordingly, the share options did not have a dilutive effect and no diluted earnings per share is presented.

截至二零一二年六月三十日止六個月期間，本公司購股權之行使價高於每股平均市價，因此，購股權並無攤薄影響，故並無呈列每股攤薄盈利。

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30th June, 2012 the Group acquired machineries and equipment amounting to approximately HK\$52.6 million (for the year ended 31st December, 2011: approximately HK\$120.0 million).

10. 物業、廠房及設備

截至二零一二年六月三十日止六個月內，本集團使用約52,600,000港元購置機器及設備（截至二零一一年十二月三十一日止年度：約120,000,000港元）。

11. TRADE AND OTHER RECEIVABLES**11. 貿易及其他應收款項**

		30.6.2012	31.12.2011
		於二零一二年	於二零一一年
		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)
Trade receivables	貿易應收款項	169,803	169,958
Less: allowance for doubtful debts	減：呆賬撥備	(1,068)	(1,068)
		168,735	168,890
Other receivables (Note)	其他應收款項(附註)	15,293	24,446
Total trade and other receivables	貿易及其他應收款項總額	184,028	193,336

Note: Included in other receivables as at 31st December, 2011 were reimbursement of tax and other charges of approximately HK\$9,080,000 (which was fully settled in February 2012), and the cost for a piece of land paid by the Group in prior years (with carrying amount of RMB12,000,000, equivalent to HK\$14,670,000) to be refunded from the PRC local government. The Group is still in the process of negotiating with the PRC local government for the amount of compensation. In the opinion of Directors of the Company, the Group will at least receive the cost paid for the land and hence the carrying amount of the land is included in "other receivables".

附註：於二零一一年十二月三十一日之其他應收款項包括償付稅項及其他開支約9,080,000港元（已於二零一二年二月悉數償付）及中國地方政府將予退還本集團於過往年度就一幅賬面值為人民幣12,000,000元（相等於14,670,000港元）之土地已支付之費用。本集團仍與中國地方政府商討有關賠償金額。本公司董事認為，本集團將最少收取本集團就該幅土地已付之費用，因此，該幅土地之賬面值已計入「其他應收款項」內。

The Group allows credit periods ranging from 5 to 150 days to its trade customers 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 for doubtful debts presented based on the invoice date at the end of the reporting period:

本集團給予貿易客戶5至150日信貸期，且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該信貸期。下列為於報告期末基於發票日期扣除呆賬撥備後而呈列之貿易應收款項之賬齡分析：

		30.6.2012	31.12.2011
		於二零一二年	於二零一一年
		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)
Within 30 days	30日內	143,088	148,701
31-60 days	31至60日	11,407	10,392
61-90 days	61至90日	10,176	3,357
Over 90 days	90日以上	4,064	6,440
		168,735	168,890

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK\$1,602,000 (2011: HK\$34,128,000) which were past due at the reporting date for which the Group has not provided for impairment loss. Such amount relates to a number of independent customers that have good trade and payment records with the Group. There has not been a significant change in credit quality of the relevant customers and the Group believes that the balances are still recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 61 days based on invoice dates (2011: 51 days).

本集團之貿易應收款項結餘中包括賬面值總額為1,602,000港元之應收款項(二零一一年：34,128,000港元)，該等款項於報告日已逾期，而本集團並無就其減值虧損進行撥備。該等款項與在本集團保持良好貿易及付款記錄之多名獨立客戶有關。該等客戶之信貸質素並無重大改變，且本集團相信仍可收回有關結餘。本集團並無就該等結餘而持有任何抵押品。根據發票日期，該等應收款項的平均賬齡為61日(二零一一年：51日)。

12. TRADE, BILLS AND OTHER PAYABLES

The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

12. 貿易、票據及其他應付款項

下列為於報告期末基於發票日期而呈列之貿易及票據應付款項之賬齡分析：

		30.6.2012	31.12.2011
		於二零一二年	於二零一一年
		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)
Current	即期	97,207	118,775
Overdue 1 to 30 days	逾期1至30日	11,899	10,287
Overdue 31 to 60 days	逾期31至60日	653	520
Overdue for more than 60 days	逾期60日以上	1,223	826
		110,982	130,408
Payables for the acquisition of property, plant and equipment	購置物業、廠房及設備之應付款項	7,060	5,734
Other payables and accrued charges	其他應付款項及應計支出	70,363	72,540
Monies returnable to unsuccessful excess rights shares applicants	必須退回未能成功申請額外供股股份之款項	148,143	-
Interests and penalty payable	應付利息及罰款	-	5,101
		336,548	213,783

The average credit period on purchases of goods is 52 days (2011: 38 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

購買貨物之平均信貸期為52日(二零一一年：38日)。本集團訂有財務風險管理政策，以確保所有應付款項均在信貸期限內清還。

13. UNSECURED BANK BORROWINGS

Unsecured bank borrowings comprise:

		30.6.2012	31.12.2011
		於二零一二年	於二零一一年
		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)
Bank loans	銀行貸款	489,818	520,640
Other bank borrowings	其他銀行貸款	218,473	174,503
Trust receipt loans	信託收據貸款	1,603	73,959
		709,894	769,102

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。

14. SHARE CAPITAL**14. 股本**

		Number	Share
		of shares	capital
		股份數目	股本
			HK\$'000
			千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股股份		
Authorised:	法定股本：		
At 1st January, 2012 and	於二零一二年一月一日及		
30th June, 2012	二零一二年六月三十日	1,000,000,000	100,000
Issued and fully paid:	已發行及繳足股本：		
At 1st January, 2012 and	於二零一二年一月一日及		
30th June, 2012	二零一二年六月三十日	482,924,000	48,292

15. CAPITAL COMMITMENTS

15. 資本承擔

		30.6.2012	31.12.2011
		於二零一二年	於二零一一年
		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)
Capital expenditure in respect of the acquisition of 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廠房及設備收購資本開支	1,145	1,199

16. RELATED PARTY TRANSACTIONS

16. 關連人士交易

(a) During the period, the Group engaged Hop Fung (Australia) Pty Ltd as the Group's purchase agent in Australia at an annual fee of HK\$1 for the agency services rendered to the Group. Hop Fung (Australia) Pty Ltd is a company in which Mr. Hui Sum Kwok, an executive director of the Company, has controlling interest.

(a) 期內，本集團聘用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。本公司執行董事許森國先生於Hop Fung (Australia) Pty Ltd擁有控制權益。

(b) Key management compensation:

(b) 主要管理人員酬金：

		Six months ended	
		截至六月三十日止六個月	
		30.6.2012	30.6.2011
		二零一二年	二零一一年
		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	4,213	5,987
Post employment benefits	終止聘用後之福利	75	80

17. CONTINGENT LIABILITIES

For the years of assessment 2004/2005 to 2010/2011, the tax audits conducted by the Inland Revenue Department (“IRD”) on the Company and its subsidiaries are still on-going.

The IRD had previously issued additional assessments to Gong Ming Hop Fung Paper Ware Factory Limited (“GMHF”) for the years of assessment 2004/2005 and 2005/2006 on 2nd June, 2006 and 19th October, 2006 respectively. The taxes demanded under the additional assessments amounted to HK\$11,220,917 in aggregate. The Group had lodged objections with the IRD against these additional assessments.

Subsequent to the lodgement of objections by GMHF, tax payment of HK\$1,992,965 was made. Further, tax reserve certificates of HK\$1,717,279 in respect of the 2005/2006 assessments for GMHF, pending the outcome of the tax audits and the objections, were purchased in December 2006. Also, banker’s undertakings of HK\$3,828,453 were arranged by the Group and had been accepted by the IRD as security for payment of the mentioned tax. The remaining amounts of tax of HK\$3,682,220 demanded by the IRD have been held over unconditionally.

In addition, the IRD issued protective assessments to certain subsidiaries of the Group for the year of assessment 2005/2006 in March 2012. The Group would lodge objections with the IRD against these protective assessments.

The directors believe that no additional provision for Hong Kong Profits Tax in respect of the tax audit for the years of assessment 2004/2005 and onwards is necessary at the present stage. The directors consider that the inquiries from the IRD are still at a fact-finding stage and the IRD has not yet expressed any formal opinion on the potential tax liability, if any. The potential tax liability, if any, cannot be readily ascertained at this stage.

17. 或然負債

就二零零四年／二零零五年至二零零一年／二零一一年課稅年度而言，稅務局（「稅務局」）就本公司及其附屬公司之稅務審核仍在進行中。

稅務局早前分別於二零零六年六月二日及二零零六年十月十九日就公明合豐紙品廠有限公司（「公明合豐」）之二零零四年／二零零五年及二零零五年／二零零六年課稅年度發出額外評稅。根據額外評稅所需繳付之稅項合共為11,220,917港元。本集團已就該等額外評稅向稅務局提出反對。

公明合豐遞交反對書後，已支付稅項1,992,965港元，並於二零零六年十二月就公明合豐之二零零五年／二零零六年評稅購買1,717,279港元儲稅券，以待稅務審核及提出反對之結果。再者，本集團已安排銀行承擔3,828,453港元作為支付上述稅款之抵押，而稅務局已接受該抵押。稅務局所要求之其餘稅項3,682,220港元已獲無條件暫緩。

此外，稅務局於二零一二年三月就本集團若干附屬公司之二零零五年／二零零六年課稅年度發出保障性評稅。本集團將就該等保障性評稅向稅務局提出反對。

董事相信，現階段無需就二零零四年／二零零五年及其後之課稅年度之稅務審核為香港利得稅作出額外撥備。董事認為，稅務局仍在實證搜集階段，所以稅務局並未就潛在稅務負債（如有）發表任何正式意見。於現階段未能合理地確定任何潛在稅務負債（如有）。

18. SUBSEQUENT EVENT

On 10th July, 2012, the Company completed an issue of 241,462,000 new ordinary shares by way of the Company's rights issue on the basis of one rights share for every two existing shares at a subscription price of HK\$0.18 per rights share. Net proceeds of approximately HK\$42.1 million have been used for general working capital and for settling part of the bank borrowings of the Group. Details of the rights issue had been set out in the rights issue prospectus dated 13th June, 2012 and the announcements of the Company made on 23rd May, 2012 and 6th July, 2012, respectively.

18. 結算日後事項

於二零一二年七月十日，本公司已完成透過供股發行241,462,000股新普通股份，基準為每兩股現有股份可獲發一股供股股份，認購價為每股供股股份0.18港元。所得款項淨額約42,100,000港元乃用作一般營運資金及償還本集團之部份銀行借貸。有關供股之詳情已載於日期為二零一二年六月十三日之供股章程及日期分別為二零一二年五月二十三日及二零一二年七月六日之公佈內。

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The challenging environment in the second half of 2011 continued for companies globally in the first half of 2012. The impact of the European debt crisis is being felt by companies around the world, leaving the global economy in a rut. Austerity measures from a number of countries have put pressure on household income and spending, resulting in fewer orders for Chinese exporters. The business environment has tightened as a result, a situation made worse by slowing domestic demand growth in China and rising operating costs for domestic companies.

The global economy worsened from the second half of last year and the first half of this year was plagued by external and internal pressures for the Group. The Group has moved its sales strategy towards shorter cycle products and away from export orders, which have longer payment cycles, in order for the Group to secure stable fund flows. As a result, export orders have fallen by more than 60% in the first half of this 2012, and domestic sales orders fell by 10%. Domestic sales accounted for around 80% of first half 2012 sales.

管理層討論及分析

業務回顧

承接二零一一年下半年的挑戰，環球企業於二零一二年上半年面對更大壓力。歐債問題的影響已禍及全球企業，令環球經濟處於惡性循環的困局。各國政府的緊縮措施導致家庭收入及開支減少，以致中國出口訂單也明顯減少，加上中國內需增長放緩，國內企業營運成本持續上升，令營商環境更為嚴峻。

環球經濟自去年下半年起開始轉壞，至二零一二年上半年，相對於去年同期，環球經濟更為動盪，內外環境均受重大壓力。本集團為確保有充足穩定的資金，於去年下半年已開始改變營銷策略，專注銷售週期較短的產品，而出口產品週期一般較長，故二零一二年上半年出口訂單大幅減少，出口營業額下跌超過六成，內銷營業額亦下跌一成。內銷比例佔二零一二年上半年營業額約八成。

The Group's upstream containerboard (corrugating medium and linerboard) saw a 25% decline in sales, with sales volume and average selling price down by 16% and 7%, respectively. Downstream, the corrugated packaging (corrugated paper boards and carton boxes) business saw a 30% decline in sales, with sales volume and average selling price down by 20% and 13%, respectively. The upstream and downstream businesses accounted for 15% and 85% of sales, respectively, similar to the levels seen in the first half of last year. As a whole, sales in the first half of 2012 fell by 30% compared to the same period of last year.

Raw materials prices started to fall in the second quarter of 2012 but other cost items such as wages and shipment costs have not fallen. The Group was however still able to break even through reducing wastage, energy conservation and improvements in production flows. Inventories, receivables and net gearing levels were similar compared to the end of last year, and bad debts remained close to zero, similar to prior years. The Group raised HK\$42.1 million from a rights issue at the end of June 2012, making our finances even more stable.

集團上游箱板紙(瓦楞芯紙及牛咭)之營業額下跌25%，銷量及平均價格分別下跌16%及7%。下游瓦楞包裝(瓦楞紙板及紙箱)營業額亦下跌30%，銷量及平均價格分別下跌20%及13%。上下游業務分別佔營業額15%及85%，與去年同期相約。二零一二年上半年營業額比去年同期下跌三成。

原材料價格在第二季開始回落，其它成本如工資、運輸費等卻未有調整。然而集團在努力降低損耗、減少能源消耗及改良生產流程的情況下，收支得以平衡。存貨、應收賬款及淨負債水平與去年底相約，壞賬一如以往地錄得接近零的水平。集團剛於二零一二年六月底以供股形式集資四千二百一十萬港元，使財務更為穩健。

FINANCIAL REVIEW

Operating results

The Group recorded a fall in revenue by 30.0%, from HK\$721.0 million in the first half of 2011 to HK\$504.9 million in the first half of 2012, resulting from weak global market demand and drop in average selling price. Though raw material prices only started to fall in the second quarter of 2012, the group strived to improve its production flows to save the production costs. As a result, the fall in cost of sales by 29.2% was in line with the fall in revenue. Gross profit margin slightly decreased from 17.0% to 16.1%.

The drop in other income by 27.6% was mainly attributable to less canteen service income received from reduced number of staff, and less scrap sales from declined production volume.

Selling and distribution costs fell 28.3% from HK\$38.4 million to HK\$27.5 million. The drop was in line with the fall in revenue.

The decline in administrative expenses by 13.0% from HK\$37.5 million to HK\$32.6 million was owing to the drop in the number of staff and drop in salaries accordingly.

Other expenses rose 50.4% from HK\$9.2 million to HK\$13.8 million. The surge was mainly due to new duty introduced and exchange loss incurred for repaying a term loan in China.

財務回顧

經營業績

本集團收益錄得跌幅，由二零一一年上半年之721,000,000港元減少至二零一二年上半年之504,900,000港元，跌幅為30.0%，乃由於全球市場需求疲弱及平均售價下跌所致。儘管原材料價格於二零一二年第二季度才開始下跌，可是本集團致力改善生產流程以節省生產成本。因此，銷售成本減少29.2%，與收益同步減少。毛利率由17.0%輕微減至16.1%。

其他收入減少27.6%，主要由於員工人數減少致使所收取之食堂服務收入減少以及產量下跌致使廢品銷售減少。

銷售及分銷成本由38,400,000港元減少28.3%至27,500,000港元，與收益同步減少。

行政開支由37,500,000港元減少13.0%至32,600,000港元，乃由於員工人數減少導致薪酬開支相應減少。

其他開支由9,200,000港元增加至13,800,000港元，增幅為50.4%，錄得顯著增長主要由於中國徵收新稅項及償還到期貸款產生匯兌虧損所致。

EBITDA (earnings before interest, tax, depreciation and amortisation and other changes in fair value of derivative financial instruments) fell 36.2%, from HK\$86.4 million to HK\$55.2 million.

The rise in finance costs by 9.2%, from HK\$11.7 million to HK\$12.8 million was the result of interest rate increment for the term loans in China.

Same as previous years, other changes in fair value of derivative financial instruments were recognised only for accounting purpose. It was non-cash in nature and would be reversed to zero at maturity date.

Profit from operation (profit for the period exclusive of other changes in fair value of derivative financial instruments) slid to HK\$3.6 million from HK\$34.0 million. The fall by 89.4% was mainly due to weak global market demand. The profit margin from operation fell from 4.7% to 0.7%.

Profit for the period fell 85.7% from HK\$33.3 million to HK\$4.8 million. Basic earnings per share dropped accordingly from 6.89 HK cents to 0.99 HK cent.

息稅折舊攤銷前盈利(未計利息、稅項、折舊及攤銷以及衍生金融工具公平值之其他變動前盈利)由86,400,000港元減少36.2%至55,200,000港元。

財務成本由11,700,000港元增加9.2%至12,800,000港元，乃由於中國有期貨款之利率增加。

一如既往，衍生金融工具公平值之其他變動僅就會計處理目的而確認。彼等屬非現金性質，將於到期日回撥為零。

營運利潤(撇除衍生金融工具公平值之其他變動之期間利潤)由34,000,000港元減至3,600,000港元，下跌89.4%，主要由於全球市場需求疲弱所致。營運利潤率由4.7%下跌至0.7%。

期間利潤由33,300,000港元減少85.7%至4,800,000港元。每股基本盈利亦因而由6.89港仙下跌至0.99港仙。

Liquidity, financial and capital resources

At 30th June, 2012, the Group's total cash and cash equivalents were HK\$382.2 million (31st December, 2011: HK\$299.7 million), mostly denominated in Hong Kong dollars and Renminbi. HK\$42.1 million was the net proceeds raised from the rights issue exercise. HK\$148.1 million was the monies to be returned to the unsuccessful excess rights shares applicants.

Net current assets and current ratio of the Group were HK\$14.1 million (31st December, 2011: HK\$4.0 million) and 1.02 (31st December, 2011: 1.01) respectively.

The Group spent HK\$52.6 million on capital expenditures for annual maintenance and technical upgrades to production lines and facilities.

A surge in the average inventory turnover was recorded, from 63 days to 83 days. In addition to the basic two-month shipment for delivering waste paper from Europe or the United States to China, some shipping companies experienced problems in their logistics arrangements, resulting in delay in shipment.

流動資金、財務及資本資源

於二零一二年六月三十日，本集團大部分以港元及人民幣列值的現金及現金等值總額約達382,200,000港元（二零一一年十二月三十一日：299,700,000港元），當中42,100,000港元來自供股所籌得之所得款項淨額，而148,100,000港元為將予退還未能成功申請額外供股股份之款項。

本集團之流動資產淨值及流動比率分別為14,100,000港元（二零一一年十二月三十一日：4,000,000港元）及1.02（二零一一年十二月三十一日：1.01）。

本集團之資本開支為52,600,000港元，用於為生產線及設施進行年度保養及技術升級。

平均存貨流轉率由63日激增至83日。除了因由歐洲或美國付運廢紙到中國基本需時兩個月外，亦因為部份航運公司之物流安排出現問題導致付運延誤。



Trust receipt loans decreased HK\$72.4 million as less waste paper was bought from overseas suppliers. The current and non-current bank borrowings were down by HK\$36.4 million and HK\$22.8 million respectively. Net gearing (measured by total bank borrowings net of bank balances and cash excluding monies to be returned to unsuccessful excess rights shares applicants) was slightly increased by HK\$7.9 million, owing to additional funds used for acquiring domestic waste paper to deal with the delayed shipment. Net gearing ratio dropped from 46.0% to 44.7%.

Contingent liabilities

The tax audits conducted by the IRD on the Company and its subsidiaries are still ongoing for the years of assessment 2004/2005 to 2010/2011. The IRD had previously issued protective assessments for the years of assessment 2004/2005 to 2005/2006 to certain subsidiaries of the Group. Objections have been filed against all these assessments. In the opinion of the Directors, the outcome and impact of this matter could not be determined with reasonable certainty at this stage.

由於減少向海外供應商購買廢紙，信託收據貸款減少72,400,000港元。即期及非即期銀行借貸分別減少36,400,000港元及22,800,000港元。淨負債（按銀行借貸總額減銀行結餘及現金，撇除將予退還未能成功申請額外供股股份之款項）輕微增加7,900,000港元，乃由於付遲延誤導致須使用額外資金收購本地廢紙。淨資本負債比率由46.0%下降至44.7%。

或然負債

稅務局仍在就本公司及其附屬公司之二零零四年／二零零五年至二零一零年／二零一一年課稅年度進行稅務稽查。稅務局先前曾就二零零四年／二零零五年至二零零五年／二零零六年之課稅年度向本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。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 2012, the Group expects an uncertain global economy and slowing economic growth in China. That said, with leadership changes due in the United States and in China, we expect economic stimulus measures to be launched, which will help the global economy recover next year. China remains the driver of global growth and there is increasing demand for better living standards. As per person income increases, the current volatility in consumption demand reflects cyclical confidence changes and the Group remains optimistic towards the domestic sales market. We will continue to exploit potential markets, expand market share, reduce wastage and improve productivity, and implement tight credit controls, in order for the Group to continue its development steadily on solid foundations.

展望

集團預料下半年環球宏觀環境依然不明朗，國內經濟增長放緩，但由於美國及中國領導班子換屆在即，我們預期將有一系列刺激經濟的措施推出，相信全球經濟將會在明年開始復甦。縱觀全球，中國經濟仍是增長的焦點，人民對生活質素的要求與日俱增，人均收入將會持續增長，現時消費需求波動只是周期性的信心效應，我們對內銷市場仍然樂觀。我們會繼續積極發展市場潛在的機遇，擴大市場份額，降低損耗消耗及提升生產效率，實行嚴謹的信貸控制，使集團在穩健的基礎上繼續平穩發展。

DISCLOSURE OF INTERESTS

Directors' Interests in Shares, Underlying Shares and Debentures

The following disclosures were made as if no rights issue were proposed to avoid distortion. Please refer to Note 18 to the condensed consolidated financial statements for details.

Save as mentioned above, as at 30th June, 2012, 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 Issuers, 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	10,128,000 shares Long position 10,128,000 股股份 好倉	2.10%
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

為了避免曲解，在假設沒有進行供股的情況下，作出了下列的披露。詳情請見簡明綜合財務報表附註18。

除上文提及者外，於二零一二年六月三十日，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，或根據上市發行人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	7,894,000 shares Long position 7,894,000 股股份 好倉	1.63%
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%
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. Chee Man Sang, Eric 池民生先生	Company 本公司	Beneficial owner 實益擁有人	96,000 shares Long position 96,000 股股份 好倉	0.02%
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%

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 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. 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 受控法團權益	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 全權信託創立人/ 受控法團權益	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1 and 4) 3,000,000 股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1及4)	100%
Mr. Hui Sum Tai 許森泰先生	Hop Fung GM 合豐公明	Interest of a controlled corporation / short position of a controlled corporation 受控法團權益/ 受控法團淡倉	Nil (Notes 1 and 4) 無(附註1及4)	-
Mr. 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 受控法團權益	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/ 相關法團名稱	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 全權信託創立人/ 受控法團權益	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. 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%
Mr. Hui Sum Kwok 許森國先生	Profit Sun Limited 曉利有限公司	Founder of a discretionary trust 全權信託創立人	1 share of HK\$1 Long position (Notes 1, 6, 7 and 8) 1 股面值 1港元之股份 好倉(附註1、6、7及8)	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 is deemed to be interested in the 252,000,000 shares under the SFO.

附註：

1. 該252,000,000股股份由Hop Fung Industries擁有。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。

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 in Hop Fung Industries.
3. Hop Fung Industries BVI is a holding company of Hop Fung Industries and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung Industries BVI is US\$100 divided into 10,000 shares of US\$0.01 each which is owned as to 1,181, 1,181, 3,819 and 3,819 shares by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood and Goldspeed respectively. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is interested and / or deemed to be interested in an aggregate of 5,000 shares of US\$0.01 each in Hop Fung Industries BVI.
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。
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均擁有及／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 91.43% and 8.57% by Hop Fung Holdings Limited ("Hop Fung Holdings (BVI)") and Mr. Hui Sum Tai respectively.

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.

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)」）及許森泰先生擁有 91.43% 及 8.57%。

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均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。



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.

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.

6. Applewood Forest Limited (“Applewood”) is a company incorporated in the British Virgin Islands. The entire issued share capital of Applewood is US\$1 comprising 1 share of US\$1 which is wholly owned by Pinicity and is ultimately 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.

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」) 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Pinicity 全資擁有，最終控股權則由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Applewood 1股面值1美元股份之權益。

7. Profit Luck Limited (“PLL”) is a company incorporated in Hong Kong. The entire issued share capital of PLL is HK\$100 comprising 100 shares of HK\$1 each which is directly owned by Applewood, a company indirectly owned by HSBC through its wholly owned subsidiary, Pinecity. Under the SFO, Mr. Hui Sum Kwok is deemed to be interested in the 100 shares of HK\$1 in PLL ultimately owned by HSBC in its capacity as the trustee of Hui & Wong 2004 Family Trust. 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Applewood直接持有，而Applewood則由HSBC透過其全資附屬公司Pinecity間接擁有。根據證券及期貨條例，許森國先生被視為擁有HSBC以Hui & Wong 2004 Family Trust受託人身份最終擁有之利萊100股每股面值1港元股份之權益。Applewood之詳情載於上文附註6。
8. Profit Sun Limited (“PSL”) is a company incorporated in Hong Kong. The entire issued share capital of PSL is HK\$1 comprising 1 share of HK\$1 which is directly owned by Applewood, a company indirectly owned by HSBC through its wholly owned subsidiary, Pinecity. Under the SFO, Mr. Hui Sum Kwok is deemed to be interested in the 1 share of HK\$1 in PSL ultimately owned by HSBC in its capacity as the trustee of Hui & Wong 2004 Family Trust. Details of Applewood are set out in Note 6 above.
8. 曉利有限公司(「曉利」)乃於香港註冊成立之公司。曉利之全部已發行股本為1港元，分為1股每股面值1港元之股份，由Applewood直接持有，而Applewood則由HSBC透過其全資附屬公司Pinecity間接擁有。根據證券及期貨條例，許森國先生被視為擁有HSBC以Hui & Wong 2004 Family Trust受託人身份最終擁有之曉利1股每股面值1港元股份之權益。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, 2012.

Substantial Shareholders

As at 30th June, 2012, 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，於二零一二年六月三十日，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

於二零一二年六月三十日，本公司根據證券及期貨條例第336條置存之主要股東名冊顯示，以下股東已知會本公司彼等持有本公司已發行股本之相關權益及淡倉：



Name of shareholder 股東名稱／姓名	Capacity 身分	Number of issued shares held 持有已發行 股份數目	Note(s) 附註	Approximate percentage of issued share capital 佔已發行股本 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%
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 全權信託受託人	252,000,000	1,2,3,4,5	52.18%

Name of shareholder 股東名稱／姓名	Capacity 身分	Number of issued shares held 持有已發行 股份數目	Note(s) 附註	Approximate percentage of issued share capital 佔已發行股本 概約百分比
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	262,628,000	1,2,3,4,6	54.38%
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	259,894,000	1,2,3,5,7	53.82%
Hallgain Management Limited ("Hallgain")	Interest of controlled corporations 受控法團權益	67,794,000	8	14.04%
Montpelier Investment Management LLP	Investment manager 投資經理	26,484,000	–	5.48%

Notes:

1. The 252,000,000 shares are owned by Hop Fung Industries.
2. The issued share capital of Hop Fung Industries is owned as to 78.86%, 12.57% and 8.57% by Hop Fung Industries BVI, Delight and Mr. Hui Sum Tai respectively and Hop Fung Industries BVI is deemed to be interested in the 252,000,000 shares under the SFO.
3. The issued share capital of Hop Fung Industries BVI is owned as to 11.81%, 11.81%, 38.19% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood and Goldspeed respectively.
4. The entire issued share capital of Fullwood is indirectly held by HSBC through its 100% controlled corporation, Pinacity 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, Pinacity, HSBC and Mr. Hui Sum Kwok is deemed to be interested in the 252,000,000 shares under the SFO.

附註：

1. 該252,000,000股股份由 Hop Fung Industries擁有。
2. Hop Fung Industries之已發行股本由Hop Fung Industries BVI、Delight及許森泰先生分別擁有78.86%、12.57%及8.57%，而根據證券及期貨條例，Hop Fung Industries BVI被視為擁有該252,000,000股股份之權益。
3. Hop Fung Industries BVI之已發行股本分別由許森國先生、許森平先生、Fullwood及Goldspeed擁有11.81%、11.81%、38.19%及38.19%。
4. Fullwood之全部已發行股本由HSBC透過其100%受控法團Pinacity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、Pinacity、HSBC及許森國先生各自被視為擁有該252,000,000股股份之權益。



5. The entire issued share capital of Goldspeed is indirectly held by HSBC through its 100% controlled corporation, Goldkeen in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include family members of Mr. Hui Sum Ping. Accordingly, each of Goldspeed, Goldkeen, HSBC and Mr. Hui Sum Ping is deemed to be interested in the 252,000,000 shares under the SFO.
6. Of 262,628,000 shares, Ms. Wong Mui is directly interested in 500,000 shares and is deemed to be interested in 262,128,000 shares of the Company under the SFO as she is the spouse of Mr. Hui Sum Kwok, a Director and a substantial shareholder of the Company.
7. Ms. Jian Jian Yi is deemed to be interested in 259,894,000 shares under the SFO as she is the spouse of Mr. Hui Sum Ping, a Director and a substantial shareholder of the Company.
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262,628,000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之董事及主要股東許森國先生之配偶，根據證券及期貨條例，黃梅女士被視為擁有本公司262,128,000股股份之權益。
7. 根據證券及期貨條例，由於簡健儀女士為本公司之董事及主要股東許森平先生之配偶，簡健儀女士被視為擁有本公司259,894,000股股份之權益。

8. Hallgain is deemed to be interested in 67,794,000 shares. Hallgain held 35.80% of Kingboard Chemical Holdings Limited ("Kingboard Chemical") which is directly interested in 57,210,000 shares of the Company. Jamplan (BVI) Limited ("Jamplan") is a wholly owned subsidiary of Kingboard Chemical. Jamplan wholly owns Kingboard Investments Limited which is directly interested in 10,584,000 shares of the Company.

8. Hallgain被視為擁有67,794,000股股份之權益。Hallgain持有建滔化工集團有限公司(「建滔化工」)之35.80%權益，而建滔化工則直接持有本公司之57,210,000股股份之權益。Jamplan (BVI) Limited(「Jamplan」)乃建滔化工之全資附屬公司。Jamplan全資擁有之建滔投資有限公司直接持有本公司之10,584,000股股份之權益。

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30th June, 2012.

除上文披露者外，於二零一二年六月三十日，本公司並無獲悉任何其他人士於本公司已發行股本中擁有相關權益或淡倉。

Share Options

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

購股權

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

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

下表披露本公司購股權於期內之變動：

Category 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	Lapsed during the period 期內失效	Outstanding at end of the period 期末尚未行使
Directors									
董事									
Mr. Hui Sum Kwok (Note 2) 許森國先生(附註2)	E	7.7.2009	0.752	4,828,000	-	-	-	-	4,828,000
Mr. Hui Sum Ping 許森平先生	E	7.7.2009	0.752	4,828,000	-	-	-	-	4,828,000
Mr. Hui Sum Tai 許森泰先生	E	7.7.2009	0.752	4,828,000	-	-	-	-	4,828,000
Ms. Hui Yuen Li 許婉利女士	E	7.7.2009	0.752	1,100,000	-	-	-	-	1,100,000
Mr. Chee Man Sang, Eric 池民生先生	E	7.7.2009	0.752	120,000	-	-	-	-	120,000
Mr. Wong Chu Leung 黃珠亮先生	E	7.7.2009	0.752	120,000	-	-	-	-	120,000
				15,824,000	-	-	-	-	15,824,000
Other employees 其他僱員	E	7.7.2009	0.752	9,228,000	-	-	-	-	9,228,000
Total all categories									
全部類別總計				25,052,000	-	-	-	-	25,052,000

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 E
E類購股權

1.5.2010 – 30.4.2011

1.5.2011 – 30.4.2012

1.5.2012 – 30.4.2013

2. Out of the 4,828,000 share options granted, Mr. Hui Sum Kwok was directly interested in 4,328,000 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.

For the period ended 30th June, 2012, no share options were granted.

At 30th June, 2012, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 25,052,000, representing approximately 5.2% of the shares of the Company in issue at that date.

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。本公司購股權計劃下購股權持有人僅可於以下行使期行使彼等之購股權：

Maximum % of share options exercisable
可行使購股權之最高百分比

up to 50%
最高可達 50%

up to 75% (to the extent not already exercised)
最高可達 75%
(以尚未行使者為限)

up to 100% (to the extent not already exercised)
最高可達 100%
(以尚未行使者為限)

2. 於已授出之4,828,000份購股權中，許森國先生於4,328,000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。

截至二零一二年六月三十日止期間內，並無授出購股權。

於二零一二年六月三十日，根據該計劃授出而尚未行使購股權涉及之股份數目為25,052,000股，約佔本公司當日已發行股份5.2%。

OTHER INFORMATION

INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2012 (six months ended 30th June, 2011: nil).

HUMAN RESOURCES

As at 30th June, 2012, the Group and the processing factory employed a total workforce of around 1,300 full time staff (31st December, 2011: 1,300). 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. Chee Man Sang, Eric (Chairman), Mr. Yip Kwok Kwan 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, 2012 and has discussed auditing, internal control, and financial reporting matters including the review of accounting practices and principles adopted by the Group.

其他資料

中期股息

董事不建議就截至二零一二年六月三十日止六個月派付任何中期股息(截至二零一一年六月三十日止六個月：無)。

人力資源

於二零一二年六月三十日，本集團及加工廠房僱用總共約1,300名全職員工(二零一一年十二月三十一日：1,300名)。本集團向僱員提供具競爭力之薪酬福利。本集團可能亦會授出購股權及酌情花紅予合資格僱員，授出之基準按本集團及個人之表現而釐定。

審核委員會

審核委員會成員包括三名獨立非執行董事，即池民生先生(主席)、葉國均先生及黃珠亮先生。審核委員會已與管理層審閱本集團截至二零一二年六月三十日止六個月之未經審核簡明綜合財務報表，並已對審核、內部監控及財務申報事宜作出討論，包括審閱本集團所採納之會計慣例及原則。

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30th June, 2012, 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 Group strives to maintain high standards of corporate governance to enhance shareholder value and safeguard shareholder interests. The corporate governance principles of the Group emphasize the importance of a quality Board, effective internal controls and accountability to shareholders. The Company has applied the principles as set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the period ended 30th June, 2012, except with the following deviations:

Code Provision A.2.1

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

購買、出售或贖回股份

截至二零一二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。

企業管治

本集團會致力維持高水平企業管治，以提升股東價值及保障股東權益。本集團之企業管治原則著重優秀董事會、有效內部管治及對股東負責任之重要性。截至二零一二年六月三十日止期間，本公司已採用上市規則附錄14中企業管治常規守則所載之原則，惟以下之偏離除外：

守則條文A.2.1條

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

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

Code Provision B.1.3

- A major deviation from the code provision B.1.3 is that the Remuneration Committee of the Company reviews and makes recommendations to the Directors on the remuneration packages of the executive Directors only but not senior management.
- Currently, the remuneration of senior management is attended by the chairman and/or chief executive officer of the Company.

守則條文B.1.3條

- 主要之偏離為守則條文B.1.3條，當中規定本公司薪酬委員會僅就執行董事（而非就高級管理層）之薪酬方案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。

ESTABLISHMENT OF NOMINATION COMMITTEE

The Board has established a nomination committee (the "Nomination Committee") on 29th March, 2012. The Board has appointed Mr. Chee Man Sang, Eric, Mr. Yip Kwok Kwan, Mr. Wong Chu Leung and Miss Hui Yuen Li, as the members of the Nomination Committee and Mr. Yip Kwok Kwan has been appointed as the chairman of the Nomination Committee.

成立提名委員會

董事會已於二零一二年三月二十九日成立提名委員會（「提名委員會」）。董事會已委任池民生先生、葉國均先生、黃珠亮先生及許婉莉小姐為提名委員會成員，而葉國均先生獲委任為提名委員會主席。

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, 23rd August, 2012

Board of Directors:

Executive Directors

Mr. Hui Sum Kwok (*Chairman*)

Mr. Hui Sum Ping (*Vice Chairman*)

Mr. Hui Sum Tai (*Chief Executive Officer*)

Ms. Hui Yuen Li

Independent Non-Executive Directors

Mr. Chee Man Sang, Eric

Mr. Yip Kwok Kwan

Mr. Wong Chu Leung

致謝

董事謹藉此機會就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本公司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，二零一二年八月二十三日

董事會：

執行董事

許森國先生(主席)

許森平先生(副主席)

許森泰先生(行政總裁)

許婉莉女士

獨立非執行董事

池民生先生

葉國均先生

黃珠亮先生

