



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
2013 中期報告

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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, 2013 together with the comparative figures for the corresponding period in 2012 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」)截至二零一三年六月三十日止六個月之未經審核簡明綜合業績，連同二零一二年同期之比較數字如下：

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收益表

For the six months ended 30th June, 2013

截至二零一三年六月三十日止六個月

		Six months ended		
		截至六月三十日止六個月		
		30.6.2013	30.6.2012	
		二零一三年	二零一二年	
		HK\$'000	HK\$'000	
		千港元	千港元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
Revenue	收益	4	458,023	504,937
Cost of sales	銷售成本		(380,902)	(423,824)
Gross profit	毛利		77,121	81,113
Other income	其他收入		5,059	6,355
Selling and distribution costs	銷售及分銷成本		(26,812)	(27,499)
Administrative expenses	行政開支		(32,140)	(32,605)
Other expenses	其他開支		(10,187)	(13,807)
Finance costs	財務成本		(12,185)	(12,791)
Changes in fair value of derivative financial instruments	衍生金融工具公平值之變動	5	879	4,017
Profit before taxation	稅前利潤	6	1,735	4,783
Income tax expense	所得稅開支	7	(498)	(24)
Profit for the period, attributable to owners of the Company	本公司擁有人應佔期間利潤		1,237	4,759

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

簡明綜合全面收益表(續)

For the six months ended 30th June, 2013

截至二零一三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
		30.6.2013	二零一二年
		二零一三年	二零一二年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
	Notes 附註		
Other comprehensive income (expense) for the period:	期間其他全面收益(支出):		
Exchange differences arising from translation of foreign operations	換算海外業務之匯兌差額	17,624	(30)
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	18,861	4,729
		HK cent	HK cent
		港仙	港仙
			(Restated)
			(重列)
Earnings per share	每股盈利		
– basic	– 基本	0.17	0.93
– diluted	– 攤薄	0.17	0.93

**CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL
POSITION**

At 30th June, 2013

簡明綜合財務狀況表

於二零一三年六月三十日

			30.6.2013 於二零一三年 六月三十日	31.12.2012 於二零一二年 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	1,432,811	1,398,415
Prepaid lease payments on land use rights	土地使用權預付 租賃款項		23,101	23,216
			1,455,912	1,421,631
Current assets	流動資產			
Inventories	存貨		177,559	143,637
Trade and other receivables	貿易及其他 應收款項	11	163,496	175,216
Deposits and prepayments	按金及預付款		11,675	12,642
Prepaid lease payments on land use rights	土地使用權預付 租賃款項		625	621
Derivative financial instruments	衍生金融工具		2,379	1,489
Bank balances and cash	銀行結餘及現金		183,639	289,159
			539,373	622,764

**CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL
POSITION** (continued)
At 30th June, 2013

簡明綜合財務狀況表(續)

於二零一三年六月三十日

			30.6.2013	31.12.2012
			於二零一三年 六月三十日	於二零一二年 十二月三十一日
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
			(Unaudited)	(Audited)
			(未經審核)	(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	192,987	221,339
Taxation payable	應付稅項		10,179	10,501
Derivative financial instruments	衍生金融工具		3,289	1,186
Unsecured bank borrowings	無抵押銀行借貸	13	328,399	313,049
			534,854	546,075
Net current assets	流動資產淨值		4,519	76,689
Total assets less current liabilities	總資產減流動負債		1,460,431	1,498,320
Capital and reserves	股本及儲備			
Share capital	股本	14	72,439	72,439
Share premium and reserves	股份溢價及儲備		1,060,829	1,041,968
Total equity, attributable to owners of the Company	本公司擁有人應佔權益總額		1,133,268	1,114,407
Non-current liabilities	非流動負債			
Unsecured bank borrowings	無抵押銀行借貸	13	292,794	349,554
Deferred taxation	遞延稅項		34,369	34,359
			327,163	383,913
			1,460,431	1,498,320

**CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY**
For the six months ended 30th June, 2013**簡明綜合權益變動表**

截至二零一三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 1) (附註1)	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, 2013	於二零一三年一月一日	72,439	443,294	(107,444)	138,244	17,088	550,786	1,114,407
Profit for the period	期間利潤	-	-	-	-	-	1,237	1,237
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	-	-	-	17,624	-	-	17,624
Total comprehensive income for the period	期間全面收益總額	-	-	-	17,624	-	1,237	18,861
At 30th June, 2013	於二零一三年六月三十日	72,439	443,294	(107,444)	155,868	17,088	552,023	1,133,268
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 2)	透過供股發行普通股股份所得淨額(附註2)	-	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

Notes:

附註：

- 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.
- The completion date of the rights issue was 10th July, 2012.

- 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二零零三年集團重組而收購之附屬公司之股本面值之差額。
- 供股的完成日期為二零一二年七月十日。

**CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS**
For the six months ended 30th June, 2013

簡明綜合現金流量表

截至二零一三年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash from operating activities	經營活動產生之現金淨額	1,347	15,185
Investing activities	投資活動		
Purchases of property, plant and equipment	收購物業、廠房及設備	(54,725)	(52,486)
Other investing cash flows	其他投資現金流量	930	1,851
Net cash used in investing activities	投資活動使用之現金淨額	(53,795)	(50,635)
Financing activities	融資活動		
New bank borrowings raised	新增銀行借貸	545,508	664,182
Repayment of bank borrowings	償還銀行借貸	(590,231)	(723,783)
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	(12,184)	(12,791)
Net cash (used in) from financing activities	融資活動(使用)產生之現金淨額	(56,907)	117,810
Net (decrease) increase in cash and cash equivalents	現金及現金等值(減少)增加淨額	(109,355)	82,360
Cash and cash equivalents at 1st January	於一月一日現金及現金等值	289,159	299,747
Effect of foreign exchange rate changes	匯率變動之影響	3,835	83
Cash and cash equivalents at 30th June	於六月三十日現金及現金等值	183,639	382,190
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, 2013

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

截至二零一三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, 2012, except as described below. The interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31st December, 2012.

In the current interim period, the Group has applied the following new or revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities

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，與本集團在其截至二零一二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二零一二年十二月三十一日止年度之綜合財務報表一併閱讀。

在本中期期間，本集團已採用下列由香港會計師公會頒佈之新訂或經修訂香港財務報告準則（「香港財務報告準則」）：

香港財務報告準則之修訂	二零零九年至二零一一年週期的香港財務報告準則的年度改進
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
香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號之修訂	綜合財務報表、合營安排及披露於其他實體的權益：過渡性指引
香港財務報告準則第10號	綜合財務報表
香港財務報告準則第11號	合營安排
香港財務報告準則第12號	披露於其他實體的權益

HKFRS 13	Fair Value Measurement	香港財務報告準則 第13號	公平值計量
HKAS 19 (as revised in 2011)	Employee Benefits	香港會計準則第19號 (二零一一年 經修訂)	僱員福利
HKAS 27 (as revised in 2011)	Separate Financial Statements	香港會計準則第27號 (二零一一年 經修訂)	獨立財務報表
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures	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
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income	香港會計準則 第1號之修訂	呈列其他全面收 益項目
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine	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

IFRIC represents the International Financial Reporting Interpretations Committee.

國際財務報告詮釋委員會指國際財務報告詮釋委員會。

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

本中期間應用上述新訂或經修訂香港財務報告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。

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

本集團並無提早應用下列已頒佈但尚未生效之新訂或經修訂香港財務報告準則：

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
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities ¹	香港財務報告準則 第10號、 香港財務報告準則 第12號及 香港會計準則第27 號之修訂	投資實體 ¹

HKFRS 9	Financial Instruments ²	香港財務報告準則 第9號	金融工具 ²
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ¹	香港會計準則第32號 之修訂	抵銷財務資產及財 務負債 ¹
¹	Effective for annual periods beginning on or after 1st January, 2014	¹	於二零一四年一月一日 或以後開始之年度期間 生效
²	Effective for annual periods beginning on or after 1st January, 2015	²	於二零一五年一月一日 或以後開始之年度期間 生效

HKFRS 9 Financial Instruments

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:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are 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.

香港財務報告準則第9號金融工具

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：

- 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。

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that 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 of financial liabilities attributable to change in financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- 就指定為按公平值計入損益之財務負債之計量而言，香港財務報告準則第9號規定財務負債信貸風險變動導致該負債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。財務負債信貸風險變動導致財務負債公平值變動其後不會重新分類至損益。根據香港會計準則第39號，指定為於損益按公平值計算之財務負債公平值變動全部金額於損益確認。

HKFRS 9 is effective for annual periods beginning on or after 1st January, 2015, with earlier application permitted.

The Directors of the Company anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning on 1st January, 2015 and that the application of this new Standard will not have a significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

The Directors of the Company anticipate that the application of the other new or revised HKFRSs will have no material impact on the results and the financial position of the Group.

香港財務報告準則第9號於二零一五年一月一日或之後開始之年度期間生效，並可提早應用。

本公司董事預期，將於二零一五年一月一日開始之年度的綜合財務報表應用香港財務報告準則第9號，而應用此新準則將不會對本集團就財務資產及財務負債所呈報之數額造成重大影響。

本公司董事預期應用其他新訂或經修訂香港財務報告準則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, 2013

(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

截至二零一三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	64,169	393,854	458,023	-	458,023
Inter-segment sales	分部間銷售	326,985	246	327,231	(327,231)	-
Total	總計	391,154	394,100	785,254	(327,231)	458,023
RESULT	業績					
Segment profit	分部利潤	6,974	6,067	13,041	-	13,041
Finance costs	財務成本					(12,185)
Changes in fair value of derivative financial instruments	衍生金融工具 公平值之變動					879
Profit before taxation	稅前利潤					1,735

For the six months ended 30th June, 2012

截至二零一二年六月三十日
止六個月
(未經審核)

(Unaudited)

		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

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	
		30.6.2013 二零一三年	30.6.2012 二零一二年
		HK\$'000 千港元	HK\$'000 千港元
		(Unaudited) (未經審核)	(Unaudited) (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	2,091	2,848
Other changes in fair value of derivative financial instruments	衍生金融工具公平值之其他變動	(1,212)	1,169
		879	4,017

6. PROFIT BEFORE TAXATION 6. 稅前利潤

		Six months ended 截至六月三十日止六個月	
		30.6.2013 二零一三年	30.6.2012 二零一二年
		HK\$'000 千港元	HK\$'000 千港元
		(Unaudited) (未經審核)	(Unaudited) (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	380,902	423,824
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	39,161	38,449
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項	311	308
Interest income	利息收入	(930)	(1,851)

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
		30.6.2013	30.6.2012
		二零一三年	二零一二年
		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	2
PRC Enterprise Income Tax	中國企業所得稅	486	8
		488	10
Deferred tax	遞延稅項	10	14
		498	24

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

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.

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.

One PRC subsidiary which 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, 2012.

香港利得稅乃按兩個期間估計應課稅利潤之16.5%計算。

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。

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%。

根據中國有關法例及規例，本集團旗下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. DIVIDENDS

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2013 and the six months ended 30th June, 2012.

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:

8. 股息

董事不建議就截至二零一三年六月三十日止六個月及截至二零一二年六月三十日止六個月派付任何中期股息。

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	
		30.6.2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2012 二零一二年 HK\$'000 千港元 (Unaudited) (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	1,237	4,759
		30.6.2013 於二零一三年 六月三十日	30.6.2012 於二零一二年 六月三十日 (Restated) (重列)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之普通股加權平均數	724,386,000	510,652,329
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	-	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利之普通股加權平均數	724,386,000	510,652,329

All outstanding share options of the Company at 1st January, 2013 were not exercised and they were lapsed on 30th April, 2013. The Company had no dilutive potential ordinary shares outstanding at 30th June, 2013.

The weighted average number of ordinary shares for the purpose of basic earnings per share for the six months ended 30th June, 2012 had been adjusted retrospectively for the bonus element of the rights issue completed on 10th July, 2012.

The computation of diluted earnings per share for the six months ended 30th June, 2012 did not assume the exercise of the Company's outstanding share options as the exercise price of those options was higher than the average market price for the period.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30th June, 2013 the Group acquired machineries and equipment amounting to approximately HK\$54.8 million (for the year ended 31st December, 2012: approximately HK\$94.2 million).

本公司於二零一三年一月一日之全部尚未行使購股權均未獲行使，並於二零一三年四月三十日失效。本公司於二零一三年六月三十日並無尚未行使之潛在攤薄普通股。

計算截至二零一二年六月三十日止六個月每股基本盈利之普通股加權平均數已就於二零一二年七月十日完成之供股之紅股部份追溯調整。

由於本公司尚未行使之購股權之行使價高於期間平均市價，因此計算截至二零一二年六月三十日止六個月之每股攤薄盈利時，並無假設該等購股權獲行使。

10. 物業、廠房及設備

截至二零一三年六月三十日止六個月內，本集團使用約 54,800,000 港元購置機器及設備（截至二零一二年十二月三十一日止年度：約 94,200,000 港元）。

11. TRADE AND OTHER RECEIVABLES

11. 貿易及其他應收款項

		30.6.2013 於二零一三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2012 於二零一二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Trade receivables	貿易應收款項	148,491	160,456
Less: allowance for doubtful debts	減：呆賬撥備	(1,290)	(1,276)
Other receivables (Note)	其他應收款項(附註)	147,201 16,295	159,180 16,036
Total trade and other receivables	貿易及其他應收款項總額	163,496	175,216

Note: During the year ended 31st December, 2011, the Group received a notification from the PRC local government for the return of a piece of land for its redevelopment purposes. The Group paid RMB12,000,000 in prior years to acquire that piece of land and the amount was previously included in the "prepaid lease payments on land use rights". The Group did not receive the formal legal title of that piece of land and the carrying amount of that piece of land as at 31st December, 2011 amounted to HK\$14,670,000. Upon receipt of the notification, the Group reclassified the amount of HK\$14,670,000 from "prepaid lease payments on land use rights" to "other receivables". As at 31st December, 2011, the Group is still in the process of negotiating with the PRC local government for an amount of compensation.

During the year ended 31st December, 2012, the Higher People's Court of Guangdong Province ordered the PRC local government to compensate the Group for an amount of RMB12,000,000 (equivalent to HK\$15,000,000) and the related interests.

附註：截至二零一一年十二月三十一日止年度，本集團接獲中國地方政府之通知，退還一幅土地予地方政府重建作其他用途。本集團於過往年度已支付人民幣12,000,000元購入該幅土地，有關款項於過往列入「土地使用權預付租賃款項」內。本集團並無取得該幅土地之正式法定業權，於二零一一年十二月三十一日，該幅土地之賬面值為14,670,000港元。本集團於收取通知後已將有關賬面值14,670,000港元由「土地使用權預付租賃款項」重新分類為「其他應收款項」。於二零一一年十二月三十一日，本集團正與中國地方政府商討有關賠償金額。

截至二零一二年十二月三十一日止年度，廣東省高級人民法院頒令中國地方政府須向本集團賠償人民幣12,000,000元(相等於15,000,000港元)及相關利息。

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：

		30.6.2013 於二零一三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2012 於二零一二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days	30日內	138,798	147,878
31-60 days	31至60日	7,119	6,411
61-90 days	61至90日	875	1,991
Over 90 days	超過90日	409	2,900
		147,201	159,180

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK\$45,641,000 (31st December, 2012: HK\$40,764,000) 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 (31st December, 2012: 57 days) based on invoice dates.

本集團之貿易應收款項結餘中包括賬面值總額為45,641,000港元之應收款項(二零一二年十二月三十一日：40,764,000港元)，該等款項於申報日已逾期，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(二零一二年十二月三十一日：57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：

		30.6.2013 於二零一三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2012 於二零一二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current	即期	99,659	129,371
Overdue 1 to 30 days	逾期1至30日	6,917	12,705
Overdue 31 to 60 days	逾期31至60日	229	1,312
Overdue for more than 60 days	逾期60日以上	1,954	2,269
		108,759	145,657
Payables for the acquisition of property, plant and equipment	購置物業、廠房及設備之應付款項	9,126	7,148
Other payables and accrued charges	其他應付款項及應計支出	75,102	68,534
		192,987	221,339

The average credit period on purchases of goods is 56 days (31st December, 2012: 60 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56日(二零一二年十二月三十一日：60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:

		30.6.2013 於二零一三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2012 於二零一二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Bank loans	銀行借款	434,005	510,024
Other bank borrowings	其他銀行貸款	176,684	150,778
Trust receipt loans	信託收據貸款	10,504	1,801
		621,193	662,603

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

13. 無抵押銀行借貸

無抵押銀行借貸包括：

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

		Number of shares 股份數目	Share capital 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, 2013 and 30th June, 2013	於二零一三年一月一日及 二零一三年六月三十日	1,000,000,000	100,000
Issued and fully paid:	已發行及繳足股本：		
At 1st January, 2013 and 30th June, 2013	於二零一三年一月一日及 二零一三年六月三十日	724,386,000	72,439

14. 股本

15. CAPITAL COMMITMENTS

15. 資本承擔

		30.6.2013	31.12.2012
		於二零一三年 六月三十日	於二零一二年 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	3,043	31,117

16. RELATED PARTY TRANSACTIONS

16. 關連人士交易

- (a) In the previous years, 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 was a company in which Mr. Hui Sum Kwok, an executive director of the Company, had controlling interest.

Hop Fung (Australia) Pty Ltd was dissolved on 25th March, 2013.

- (b) Key management compensation:

- (a) 於過往年度，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。

Hop Fung (Australia) Pty Ltd 已於二零一三年三月二十五日結業。

- (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
		30.6.2013	30.6.2012
		二零一三年	二零一二年
		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	4,415	4,213
Post employment benefits	終止聘用後之福利	181	75

17. CONTINGENT LIABILITIES

The tax audits conducted by the Inland Revenue Department (“IRD”) on the Company and its subsidiaries in respect of the years of assessment 2004/2005 to 2010/2011 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 during the year ended 31st December, 2006. 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 and included in “deposits and prepayments” as at 31st December, 2012 and 31st December, 2011. 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, namely Chun Yik (Macao Commercial Offshore) Limited (“CYMCO”), Man Shung (Macao Commercial Offshore) Limited (“MSMCO”), Fung Kong Hop Fung Paper Ware Factory Limited (“FKHF”), for the year of assessment 2005/2006 in March 2012, amounted to HK\$525,000 in aggregate. The Group lodged objections with the IRD against certain protective assessments.

17. 或然負債

就二零零四年／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。

截至二零零六年十二月三十一日止年度，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。此儲稅券金額於截至二零一二年十二月三十一日止年度已計入「按金及預付款」內。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（分別為進益（澳門離岸商業服務）有限公司（「進益澳門」）、萬順（澳門離岸商業服務）有限公司（「萬順澳門」）及鳳崗合豐紙品廠有限公司（「鳳崗合豐」）之二零零五年／二零零六年課稅年度發出保障性評稅，合共為525,000港元。本集團已就若干保障性評稅向稅務局提出反對。

Furthermore, the IRD issued protective assessments to the Company and certain subsidiaries of the Group, namely CYMCO, MSMCO, FKHF and GMHF and for the year of assessment 2006/2007 in March 2013, amounted to HK\$875,000 in aggregate. The Group lodged objections with the IRD against certain 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.

此外，稅務局於二零一三年三月就本公司及本集團若干附屬公司（分別為進益澳門、萬順澳門、鳳崗合豐及公明合豐）之二零零六／二零零七年課稅年度發出保障性評稅，合共為875,000港元。本集團已就若干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）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The global economy saw no substantial improvements in the first half of 2013 compared to the second half of 2012, with economic recovery still at a slow pace. Changes to the leadership in China and the United States (“US”) did not result in effective measures to boost the economy, with the US sticking to its policies of low interest rates and quantitative easing. China has relaxed credit to some extent and has raised infrastructure spending, but has imposed austerity measures on conspicuous spending, and some companies have gone out of business. Excess supply remains prevalent in many industries, and lower overall demand resulted in significant pressure on selling prices and a difficult business environment overall.

Given the substantial use of corrugated packaging in manufactured goods, the Group inevitably felt the impact of a weak global economy, which resulted in lower prices for our corrugated packaging products and lower demand from some customers. Fortunately, the strenuous efforts of the management team in developing new domestic customers were fruitful and the Group’s sales volume was maintained in the first half of 2013.

業務回顧

相對二零一二年下半年，二零一三年上半年環球經濟未見明顯改善，復甦緩慢。中美兩國在領導班子換屆後，暫未有任有效措措施刺激經濟，美國只是維持低息率及寬鬆貨幣政策；中國則有限度放寬信貸及基建政策，但同時卻抑制公款消費，部分企業更倒閉。各行業產能過剩的現象仍持續，加上整體需求下降，銷售價格嚴重受壓，營商環境依然嚴峻。

由於各行業製成品大多使用瓦楞紙品來包裝，本集團業務難免受到環球經濟狀況所影響，以致我們的瓦楞紙品售價下降，部分客戶需求亦下降，幸而在管理層努力開拓優質的內銷新客戶下，二零一三年上半年銷售量得以保持。

Given such uncertainty, the Group maintained its sales strategy of focusing on products with a shorter turnaround time, to ensure satisfactory cash flow for the Group. The Group's sales volume was stable but selling prices fell, resulting in a 9% decline in revenue ("total sales") for the Group. Domestic sales came to over 80% of total sales and exports came to over 10% of total sales in the period.

Sales of the Group's upstream containerboard (corrugating medium and linerboard) fell 17% with volumes showing a slight decline, while sales of downstream corrugated packaging (corrugated paper boards and carton boxes) also fell 8% but with sales volume rising slightly. Upstream and downstream sales accounted for 14% and 86% of total sales, respectively, similar to the levels of the first half of 2012.

In the first half of the year, the Group's main raw material, waste paper, saw prices fall year on year. As around 50% of our waste paper was acquired overseas but domestic sales accounted for over 80% of total sales, the appreciation of the Renminbi resulted in a slightly higher gross margin for the Group. At the same time, operating costs were under pressure as labour and shipping costs were also trending upwards despite the current environment.

面對不明朗的環境，本集團為確保有充足穩定的資金，繼續維持過往一年的營銷策略，專注銷售週期較短的產品。集團銷售量穩定但銷售價格下跌，故集團收益亦相應下降9%，內銷營業額佔八成多，出口營業額佔一成多。

集團上游箱板紙（瓦楞芯紙及牛咭）之營業額下跌17%，銷售量輕微下降；下游瓦楞包裝（瓦楞紙板及紙箱）營業額亦下跌近8%，銷售量輕微上升。上下游業務分別佔營業額14%及86%，與去年同期相約。

二零一三年上半年，集團主要原材料廢紙價格與去年同期相比亦有回落，由於約一半廢紙在海外採購，而內銷比率超過八成，人民幣升值令集團毛利率輕微上升。其它成本如工資及運輸費等卻未有同步調整，還有上升趨勢，令營運成本增添不少壓力。

The Group still managed to break even as a result of lower wastage, reduced energy use and improved production efficiency. With the May to September period a traditional peak season for the company, the Group saw rising inventories which resulted in slightly higher but still very low net gearing levels. A reduction in trade receivables and the continued lack of bad debts demonstrated our prudent and healthy financial situation.

FINANCIAL REVIEW

Operating results

The Group recorded a fall in revenue by 9.3%, from HK\$504.9 million in the first half of 2012 to HK\$458.0 million in the first half of 2013, resulting from the drop in average selling price. Cost of sales fell in line with the fall in revenue. Gross profit margin slightly increased from 16.1% to 16.8%.

The drop in other income by 20.3% from HK\$6.4 million to HK\$5.1 million was mainly attributable to less bank interest income earned from reduced bank balances and cash.

Selling and distribution costs only fell 2.5% from HK\$27.5 million to HK\$26.8 million. Though sales commission fell in line with revenue, higher transportation cost was incurred.

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。由於五月至九月屬傳統旺季，存貨量上升，因而令淨負債水平上升，但仍處於低水平。而貿易應收款項下降，壞賬接近零水平，均證明集團財務仍非常穩健。

財務回顧

經營業績

由於平均售價下跌，本集團錄得之收益由二零一二年上半年之504,900,000港元減少9.3%至二零一三年上半年之458,000,000港元。銷售成本隨著收益減少而下降。毛利率由16.1%微升至16.8%。

其他收入由6,400,000港元下跌20.3%至5,100,000港元，主要是由於銀行結餘及現金減少導致所得銀行利息收入下跌。

銷售及分銷成本僅由27,500,000港元減少2.5%至26,800,000港元。雖然銷售佣金隨著收益下跌，但運輸成本卻上升。

A slight decline in administrative expenses by 1.5% from HK\$32.6 million to HK\$32.1 million was recorded.

行政開支由32,600,000港元微跌1.5%至32,100,000港元。

Other expenses dropped 26.1% from HK\$13.8 million to HK\$10.2 million. The decline was mainly due to less china duty charged for falling revenue.

其他開支由13,800,000港元下跌26.1%至10,200,000港元。跌幅主要是由於收益減少導致被徵收的中國稅項減少。

EBITDA (earnings before interest, tax, depreciation and amortization and other changes in fair value of derivative financial instruments) fell 1.1%, from HK\$55.2 million to HK\$54.6 million.

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55,200,000港元下跌1.1%至54,600,000港元。

The fall in finance costs by 4.7%, from HK\$12.8 million to HK\$12.2 million was the result of lower average borrowing level in the first half of 2013.

財務成本由12,800,000港元減少4.7%至12,200,000港元，乃由於二零一三年上半年之平均借貸水平減少所致。

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

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。其屬非現金性質，將於到期日回撥為零。

Profit from operation (profit for the period before other changes in fair value of derivative financial instruments) slid to HK\$2.45 million from HK\$3.59 million. The fall by 31.8% was mainly due to fall in average selling price. The profit margin from operation fell from 0.7% to 0.5%.

營運利潤(衍生金融工具公平值之其他變動前之期間利潤)由3,590,000港元減至2,450,000港元。減少31.8%主要是由於平均售價下跌所致。營運利潤率由0.7%下跌至0.5%。

Profit for the period fell 73.9% from HK\$4.76 million to HK\$1.24 million. Basic earnings per share dropped from 0.93 HK cent to 0.17 HK cent.

期間利潤由4,760,000港元減少73.9%至1,240,000港元。每股基本盈利由0.93港仙下跌至0.17港仙。

Liquidity, financial and capital resources

流動資金、財務及資本資源

At 30th June, 2013, the Group's total cash and cash equivalents were HK\$183.6 million (31st December, 2012: HK\$289.2 million), mostly denominated in Renminbi and Hong Kong Dollars.

於二零一三年六月三十日，本集團大部分以人民幣及港元列值之現金及現金等值總額約達183,600,000港元（二零一二年十二月三十一日：289,200,000港元）。

Net current assets and current ratio of the Group were HK\$4.5 million (31st December, 2012: HK\$76.7 million) and 1.01 (31st December, 2012: 1.14) respectively.

本集團之流動資產淨值及流動比率分別4,500,000港元（二零一二年十二月三十一日：76,700,000港元）及1.01（二零一二年十二月三十一日：1.14）。

The Group spent HK\$54.8 million on capital expenditures for maintenance and technical upgrades to production lines and facilities.

本集團之資本開支為54,800,000港元，用於為生產線及設施進行維修及技術升級。

The average inventory turnover was 76 days. Two-month shipment is basically required for delivering waste paper from Europe or the US to China.

平均存貨流轉率為76日。歐洲或美國付運廢紙到中國基本需時兩個月。

The current bank borrowings were up by HK\$15.4 million and non-current bank borrowings were down by HK\$56.8 million. The balance of total bank borrowings net of bank balances and cash was increased by HK\$64.1 million, owing to additional funds raised for acquiring waste paper during peak season. Net gearing ratio rose from 33.5% to 38.6%.

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 issued protective assessments for the years of assessment 2004/2005 to 2006/2007 to certain subsidiaries of the Group. Objections were lodged against certain assessments. In the opinion of the Directors, the outcome and impact of this matter could not be determined with reasonable certainty at this stage.

即期及非即期銀行借貸分別增加15,400,000港元及減少56,800,000港元。銀行借貸總額減銀行結餘及現金增加64,100,000港元，乃由於為應付旺季期間購買廢紙所需之額外資金所致。淨負債比率由33.5%上升至38.6%。

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。稅務局曾就二零零四年／二零零五年至二零零六年／二零零七年之課稅年度向本集團若干附屬公司發出保障性評稅。本集團已就若干評稅提出反對。董事認為現階段未能合理確定此事宜之結果及影響。

OUTLOOK

Market sentiment remains poor, given the uncertainty surrounding the global economy, weak demand from both exports and domestic sales, and rising raw materials and labour costs. That said, the Group sees this as an opportunity for a shakeout in the industry. Closures of weaker players and the resulting consolidation should provide relief to the over-supply situation in China. Since the second quarter we have won many new customers especially those in western and northern Guangdong Province, pointing to the exiting of smaller suppliers in the corrugated packaging industry. We look forward to continued improvements in the market in the second half and growth for our business in the second half.

China is still the main growth engine of the world economy. With per person income far below the standards in Europe and the US, China's untapped potential remains vast. The Group is brimming with optimism towards China and we will continue to focus on domestic sales, expand market share and solidify our market position. At the same time, we will also improve production efficiency, keep our financial position and operations stable and maximize returns for our shareholders.

展望

鑑於種種不明朗因素影響環球經濟，出口及國內需求疲弱，原材料及勞工成本不斷上升，市場整體氣氛欠佳。然而，從另一角度來看，此乃汰弱留強的好時機。隨著實力不足者相繼倒閉，各行業可望趁機整固，以改善中國產能過剩的情況。自第二季度起，我們開拓了不少新客源，尤其是廣東省的西部及北部地區，這意味著瓦楞紙品行業亦開始淘汰較小型的供應商，期望下半年情況繼續好轉，我們的業績亦因而有所增長。

現時中國仍是全球經濟增長的焦點，人均收入遠不及歐美國家，中國市場存在巨大的潛力。故本集團對中國前景充滿信心，我們將繼續專注中國內銷市場，擴大市場份額，鞏固集團的市場地位。與此同時，我們會積極提高生產效益，維持穩健的財務及營運基礎，為股東帶來最大回報。

DISCLOSURE OF INTERESTS**權益披露****Directors' Interests in Shares, Underlying Shares and Debentures****董事於股份、相關股份及債券之權益**

At 30th June, 2013, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV 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:

於二零一三年六月三十日，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，董事於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有之權益及／或淡倉如下：

(a) Shares**(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 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	385,058,793 shares Long position (Note 1) 385,058,793股股份 好倉(附註1)	53.16%
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Beneficial owner 實益擁有人	7,625,411 shares Long position 7,625,411股股份 好倉	1.05%
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Interest of spouse 配偶之權益	750,000 shares Long position 750,000股股份 好倉	0.10%

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	385,058,793 shares Long position (Note 1) 385,058,793股股份 好倉(附註1)	53.16%
Mr. Hui Sum Ping 許森平先生	Company 本公司	Beneficial owner 實益擁有人	2,952,000 shares Long position 2,952,000股股份 好倉	0.41%
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	416,189 shares Long position 416,189股股份 好倉	0.06%
Ms. Hui Yuen Li 許婉莉女士	Company 本公司	Beneficial owner 實益擁有人	1,125,000 shares Long position 1,125,000股股份 好倉	0.16%
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	0.01%
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	7,474 shares of US\$0.01 each Long position (Notes 1 and 2) 7,474股每股面值 0.01美元之股份 好倉(附註1及2)	74.74%

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	7,474 shares of US\$0.01 each Long position (Notes 1 and 2) 7,474股每股面值 0.01美元之股份 好倉(附註1及2)	74.74%
Mr. Hui Sum Tai 許森泰先生	Hop Fung Industries	Beneficial owner 實益擁有人	2,526 shares of US\$0.01 each Long position (Notes 1 and 2) 2,526股每股面值 0.01美元之股份 好倉(附註1及2)	25.26%
Mr. Hui Sum Kwok 許森國先生	Hop Fung Industries (Holdings) Limited ("Hop Fung Industries BVI")	Beneficial owner / founder of a discretionary trust / interest of a controlled corporation 實益擁有人/ 全權信託創立人/ 受控法團權益	5,000 shares of US\$0.01 each Long position (Notes 1 and 3) 5,000股每股面值 0.01美元之股份 好倉(附註1及3)	50%
Mr. Hui Sum Ping 許森平先生	Hop Fung Industries BVI	Beneficial owner / founder of a discretionary trust / interest of a controlled corporation 實益擁有人/ 全權信託創立人/ 受控法團權益	5,000 shares of US\$0.01 each Long position (Notes 1 and 3) 5,000股每股面值 0.01美元之股份 好倉(附註1及3)	50%
Mr. Hui Sum Kwok 許森國先生	Gong Ming Hop Fung Paper Ware Factory Limited ("Hop Fung GM") 公明合豐紙品廠 有限公司 (「合豐公明」)	Interest of controlled corporations 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%

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 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%
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%

Name of Director 董事姓名	Company/ Name of associated corporation 本公司/ 相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Tai 許森泰先生	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:

- The 385,058,793 shares are owned by Hop Fung Industries. The issued share capital of Hop Fung Industries is owned as to 74.74% and 25.26% by Hop Fung Industries BVI and Mr. Hui Sum Tai respectively.

附註：

- 該385,058,793股股份由Hop Fung Industries擁有。Hop Fung Industries已發行股本分別由Hop Fung Industries BVI及許森泰先生擁有74.74%及25.26%。

The issued share capital of Hop Fung Industries BVI is owned as to 11.81%, 11.81%, 38.19% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood Holdings Limited (“Fullwood”) and Goldspeed Holdings Limited (“Goldspeed”) respectively. Fullwood is wholly owned by Pinicity Investments Limited (“Pinicity”) and Pinicity is wholly owned by HSBC International Trustee Limited (“HSBC”) in its capacity as the trustee of Hui & Wong 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Kwok and the discretionary objects of which include family members of Mr. Hui Sum Kwok. Goldspeed is wholly owned by Goldkeen Assets Management Limited (“Goldkeen”) and Goldkeen is wholly owned by HSBC in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include family members of Mr. Hui Sum Ping. Accordingly, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to be interested in the 385,058,793 shares under the SFO.

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 7,474 and 2,526 shares by Hop Fung Industries BVI 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 7,474 shares of US\$0.01 each in Hop Fung Industries.

Hop Fung Industries BVI 之已發行股本分別由許森國先生、許森平先生、Fullwood Holdings Limited (「Fullwood」) 及 Goldspeed Holdings Limited (「Goldspeed」) 擁有 11.81%、11.81%、38.19% 及 38.19%。Fullwood 由 Pinicity Investments Limited (「Pinicity」) 全資擁有，而 Pinicity 由 HSBC International Trustee Limited (「HSBC」) 以 Hui & Wong 2004 Family Trust 受託人之身分全資擁有。該信託為一項全權信託，其創立人為許森國先生，全權信託對象包括許森國先生之家族成員。Goldspeed 由 Goldkeen Assets Management Limited (「Goldkeen」) 全資擁有，而 Goldkeen 由 HSBC 以 HSP 2004 Family Trust 受託人之身分全資擁有。該信託為一項全權信託，其創立人為許森平先生，全權信託對象包括許森平先生之家族成員。因此，根據證券及期貨條例，許森國先生及許森平先生各自被視為擁有該 385,058,793 股股份之權益。

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 及許森泰先生擁有 7,474 及 2,526 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 7,474 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.
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.
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. 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%。

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.

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.

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。

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 comprising 1 share of US\$1 which is wholly owned by Pinecity 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.
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Pinecity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 each 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, 2013.

Substantial Shareholders

As at 30th June, 2013, the following shareholders had interests or short positions in shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to 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，於二零一三年六月三十日，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

於二零一三年六月三十日，根據本公司按照證券及期貨條例第336條存置之登記冊所記錄或知會本公司，下列股東於本公司股份或相關股份中擁有權益或淡倉：

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	385,058,793	1	53.16%
Hop Fung Industries BVI	Interest of a controlled corporation 受控法團權益	385,058,793	1, 2	53.16%
Fullwood	Interest of controlled corporations 受控法團權益	385,058,793	1, 2, 3, 4	53.16%
Pinecity	Interest of controlled corporations 受控法團權益	385,058,793	1, 2, 3, 4	53.16%
Goldspeed	Interest of controlled corporations 受控法團權益	385,058,793	1, 2, 3, 5	53.16%
Goldkeen	Interest of controlled corporations 受控法團權益	385,058,793	1, 2, 3, 5	53.16%
HSBC	Trustee of discretionary trust 全權信託受託人	385,058,793	1,2,3,4,5	53.16%
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	393,434,204	1,2,3,4,6	54.31%
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	388,010,793	1,2,3,5,7	53.56%

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
Hallgain Management Limited ("Hallgain")	Interest of controlled corporations 受控法團權益	102,546,000	8	14.16%

Notes:

- The 385,058,793 shares are owned by Hop Fung Industries.
- The issued share capital of Hop Fung Industries is owned as to 74.74% and 25.26% by Hop Fung Industries BVI and Mr. Hui Sum Tai respectively and Hop Fung Industries BVI is deemed to be interested in the 385,058,793 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.
- 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 385,058,793 shares under the SFO.

附註：

- 該385,058,793股股份由Hop Fung Industries擁有。
- Hop Fung Industries之已發行股本由Hop Fung Industries BVI及許森泰先生分別擁有74.74%及25.26%，而根據證券及期貨條例，Hop Fung Industries BVI被視為擁有該385,058,793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%。
- 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385,058,793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 385,058,793 shares under the SFO.
6. Of 393,434,204 shares, Ms. Wong Mui is directly interested in 750,000 shares and is deemed to be interested in 392,684,204 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 388,010,793 shares under the SFO as she is the spouse of Mr. Hui Sum Ping, a Director and a substantial shareholder of the Company.
8. Hallgain is deemed to be interested in 102,546,000 shares. Hallgain held 34.28% of Kingboard Chemical Holdings Limited ("Kingboard Chemical") which is directly interested in the 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 the shares 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385,058,793股股份之權益。
6. 於393,434,204股股份中，黃梅女士直接持有本公司750,000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392,684,204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388,010,793股股份之權益。
8. Hallgain 被視為擁有102,546,000股股份之權益。Hallgain持有建滔化工集團有限公司(「建滔化工」)之34.28%權益，而建滔化工則直接持有本公司之股份之權益。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, 2013.

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.

A new share option scheme of the company was adopted pursuant to a resolution passed on 3rd June, 2013.

除上文披露者外，於二零一三年六月三十日，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。

根據於二零一三年六月三日通過的決議案，新購股權計劃已被採納。

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	Adjusted exercise price per share 每股已調整行使價 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	0.638	5,690,281	-	-	-	(5,690,281)	-
Mr. Hui Sum Ping 許森平先生	E	7.7.2009	0.638	5,690,281	-	-	-	(5,690,281)	-
Mr. Hui Sum Tai 許森泰先生	E	7.7.2009	0.638	5,690,281	-	-	-	(5,690,281)	-
Ms. Hui Yuen Li 許婉莉女士	E	7.7.2009	0.638	1,296,460	-	-	-	(1,296,460)	-
Mr. Chee Man Sang, Eric 池民生先生	E	7.7.2009	0.638	141,432	-	-	-	(141,432)	-
Mr. Wong Chu Leung 黃焯亮先生	E	7.7.2009	0.638	141,432	-	-	-	(141,432)	-
				18,650,167	-	-	-	(18,650,167)	-
Other employees 其他僱員	E	7.7.2009	0.638	10,876,120	-	-	-	(10,876,120)	-
Total for all categories 全部類別總計				29,526,287	-	-	-	(29,526,287)	-

Notes:

附註：

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:

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：

Option type E E類購股權	Maximum % of share options exercisable 可行使購股權之最高百分比
1.5.2010 – 30.4.2011	up to 50% 最高可達50%
1.5.2011 – 30.4.2012	up to 75% (to the extent not already exercised) 最高可達75% (以尚未行使者為限)
1.5.2012 – 30.4.2013	up to 100% (to the extent not already exercised) 最高可達100% (以尚未行使者為限)

2. Mr. Hui Sum Kwok was directly interested in 5,100,981 type E share options and was deemed to be interested in 589,300 type E 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. 許森國先生於5,100,981份E類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589,300份E類購股權中持有權益。

For the period ended 30th June, 2013, no share options were granted.

截至二零一三年六月三十日止期間內，並無授出購股權。

OTHER INFORMATION

INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2013 (six months ended 30th June, 2012: nil).

HUMAN RESOURCES

As at 30th June, 2013, the Group and the processing factory employed a total workforce of around 1,250 full time staff (31st December, 2012: 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, Messrs Chee Man Sang, Eric, Yip Kwok Kwan and Wong Chu Leung. The audit committee has reviewed with the management the results announcement and the unaudited condensed consolidated financial statements of the Group for the six months ended 30th June, 2013 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

董事不建議就截至二零一三年六月三十日止六個月派付任何中期股息(截至二零一二年六月三十日止六個月：無)。

人力資源

於二零一三年六月三十日，本集團及加工廠房僱用總共約1,250名全職員工(二零一二年十二月三十一日：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、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二零一三年六月三十日止六個月之業績公佈及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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30th June, 2013.

CORPORATE GOVERNANCE

The Directors strive to maintain high standards of corporate governance to enhance shareholder value and safeguard shareholder interests. The corporate governance principles of the Company emphasize the importance of a quality Board, effective internal controls and accountability to shareholders. The Company has met the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the period ended 30th June, 2013, 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 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.

購買、出售或贖回股份

截至二零一三年六月三十日止六個月，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

企業管治

董事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。本公司之企業管治原則強調高質董事會、有效內部監控及向股東負責之重要性。截至二零一三年六月三十日止期間，本公司已符合聯交所證券上市規則附錄14中企業管治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條規定主席與行政總裁之職責範圍應清楚地制定，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。董事會認為，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.1.2

- A deviation from the code provision B.1.2 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 the senior management.
- Currently, the remuneration of the senior management is attended by the chairman and/or chief executive officer of the Company.

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.

On behalf of the Board

Hui Sum Kwok

Chairman

Hong Kong, 29th August, 2013

守則條文B.1.2條

- 偏離為守則條文B.1.2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。

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。

董事會代表

主席

許森國

香港，二零一三年八月二十九日

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

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

