



HOP FUNG GROUP

2016

INTERIM
REPORT

中 期 報 告



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)

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CORPORATE INFORMATION

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 (*Chief Financial Officer*)

Independent Non-Executive Directors

Mr. Chee Man Sang, Eric
Mr. Yip Kwok Kwan
Mr. Wong Chu Leung

AUDIT COMMITTEE

Mr. Chee Man Sang, Eric (*Chairman*)
Mr. Yip Kwok Kwan
Mr. Wong Chu Leung

REMUNERATION COMMITTEE

Mr. Chee Man Sang, Eric (*Chairman*)
Mr. Yip Kwok Kwan
Mr. Wong Chu Leung
Ms. Hui Yuen Li

NOMINATION COMMITTEE

Mr. Yip Kwok Kwan (*Chairman*)
Mr. Chee Man Sang, Eric
Mr. Wong Chu Leung
Ms. Hui Yuen Li

AUTHORISED REPRESENTATIVES

Mr. Hui Sum Kwok
Ms. Hui Yuen Li

COMPANY SECRETARY

Ms. Hui Yuen Li

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

公司資料

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(*財務總監*)

獨立非執行董事

池民生先生
葉國均先生
黃珠亮先生

審核委員會

池民生先生(*主席*)
葉國均先生
黃珠亮先生

薪酬委員會

池民生先生(*主席*)
葉國均先生
黃珠亮先生
許婉莉女士

提名委員會

葉國均先生(*主席*)
池民生先生
黃珠亮先生
許婉莉女士

授權代表

許森國先生
許婉莉女士

公司秘書

許婉莉女士

核數師

德勤•關黃陳方會計師行
執業會計師
香港

HONG KONG OFFICE

Workshops E, F and H, 22nd Floor
Superluck Industrial Centre (Phase 2)
No. 57 Sha Tsui Road and
Nos. 30–38 Tai Chung Road, Tsuen Wan
New Territories
Hong Kong

REGISTERED OFFICE

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

SHARE REGISTRARS AND TRANSFER AGENTS

Principal share registrar and transfer agent in the Cayman Islands

Royal Bank of Canada Trust
Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, P.O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

Branch share registrar and transfer agent in Hong Kong

Tricor Abacus Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
DBS Bank (Hong Kong) Limited
Fubon Bank (Hong Kong) Limited
China CITIC Bank International Limited
Bank of China (Hong Kong) Limited
Agricultural Bank of China Limited
OCBC Wing Hang Bank Limited

STOCK CODE

2320

WEBSITE

www.hopfungroup.com

香港辦事處

香港
新界
荃灣沙咀道57號及
大涌道30–38號
荃運工業中心(第二期)
22樓E、F及H座

註冊辦事處

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

股份過戶登記處

開曼群島主要股份過戶登記處

Royal Bank of Canada Trust
Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, P.O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

股份過戶登記處香港分處

卓佳雅柏勤有限公司
香港
皇后大道東183號
合和中心
22樓

主要往來銀行

渣打銀行(香港)有限公司
星展銀行(香港)有限公司
富邦銀行(香港)有限公司
中信銀行(國際)有限公司
中國銀行(香港)有限公司
中國農業銀行股份有限公司
華僑永亨銀行有限公司

股份代號

2320

網址

www.hopfungroup.com

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, 2016 together with the comparative figures for the corresponding period in 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th June, 2016

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」)截至二零一六年六月三十日止六個月之未經審核簡明綜合業績，連同二零一五年同期之比較數字如下：

簡明綜合損益及其他全面收益表

截至二零一六年六月三十日止六個月

| | | | Six months ended 截至六月三十日止六個月 | |
|--|------------------|-------------|--|--|
| | | | 30.6.2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核) | 30.6.2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) |
| | | Notes 附註 | | |
| Revenue | 收益 | 4 | 518,745 | 501,907 |
| Cost of sales | 銷售成本 | | (412,168) | (406,137) |
| Gross profit | 毛利 | | 106,577 | 95,770 |
| Other income | 其他收入 | | 6,327 | 6,572 |
| Selling and distribution costs | 銷售及分銷成本 | | (28,051) | (29,035) |
| Administrative expenses | 行政開支 | | (41,532) | (42,147) |
| Other expenses | 其他開支 | | (10,385) | (10,714) |
| Finance costs | 財務成本 | | (2,507) | (6,589) |
| Changes in fair value of derivative financial instruments | 衍生金融工具 公平值之變動 | 5 | - | 323 |
| Profit before taxation | 稅前利潤 | 6 | 30,429 | 14,180 |
| Income tax expense | 所得稅開支 | 7 | (5,144) | (3,487) |
| Profit for the period, attributable to owners of the Company | 本公司擁有人 應佔期間利潤 | | 25,285 | 10,693 |

**CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

(continued)

For the six months ended 30th June, 2016

**簡明綜合損益及其他全面收
益表(續)**

截至二零一六年六月三十日止六個月

| | | Six months ended | |
|---|------------------|---|--|
| | | 截至六月三十日止六個月 | |
| Notes 附註 | | 30.6.2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核) | 30.6.2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) |
| Other comprehensive expense for the period: | 期間其他全面開支： | | |
| Item that may be reclassified subsequently to profit or loss: | 其後可能重新分類至損益之項目： | | |
| Exchange differences arising from translation of foreign operations | 換算海外業務之匯兌差額 | (32,239) | (21,666) |
| Total comprehensive expense for the period, attributable to owners of the Company | 本公司擁有人應佔期間全面開支總額 | (6,954) | (10,973) |
| Dividend paid | 已付股息 | 11,953 | 11,610 |
| | | HK cents 港仙 | HK cents 港仙 |
| Earnings per share – basic | 每股盈利 – 基本 | 3.22 | 1.43 |
| – diluted | – 攤薄 | 3.08 | 1.36 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2016

簡明綜合財務狀況表

於二零一六年六月三十日

| | | | 30.6.2016 | 31.12.2015 |
|---|-------------|-------------|--|---------------------------------------|
| | | | 於二零一六年 六月三十日 | 於二零一五年 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 | 1,237,731 | 1,267,429 |
| Prepaid lease payments on land use rights | 土地使用權預付租賃款項 | | 23,037 | 23,982 |
| | | | 1,260,768 | 1,291,411 |
| Current assets | | | | |
| 流動資產 | | | | |
| Inventories | 存貨 | | 104,352 | 91,348 |
| Trade and other receivables | 貿易及其他應收款項 | 11 | 169,933 | 174,784 |
| Receivables from disposal of a subsidiary | 出售附屬公司之應收款項 | 17 | 225,874 | 225,201 |
| Deposits and prepayments | 按金及預付款 | | 9,605 | 8,249 |
| Prepaid lease payments on land use rights | 土地使用權預付租賃款項 | | 565 | 433 |
| Bank balances and cash | 銀行結餘及現金 | | 186,639 | 151,589 |
| | | | 696,968 | 651,604 |

**CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION**
(continued)

At 30th June, 2016

簡明綜合財務狀況表(續)

於二零一六年六月三十日

| | | | 30.6.2016 於二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核) | 31.12.2015 於二零一五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核) |
|--|---------------------|-------------|--|--|
| | | Notes 附註 | | |
| Current Liabilities | 流動負債 | | | |
| Trade, bills and other payables | 貿易、票據及其他應付款項 | 12 | 242,749 | 211,803 |
| Taxation payable | 應付稅項 | | 12,316 | 12,222 |
| Unsecured bank borrowings | 無抵押銀行借貸 | 13 | 115,053 | 111,415 |
| | | | 370,118 | 335,440 |
| Net current assets | 流動資產淨值 | | 326,850 | 316,164 |
| Total assets less current liabilities | 總資產減流動負債 | | 1,587,618 | 1,607,575 |
| Capital and reserves | 股本及儲備 | | | |
| Share capital | 股本 | 14 | 79,682 | 77,871 |
| Reserves | 儲備 | | 1,387,073 | 1,402,467 |
| Total equity, attributable to owners of the Company | 本公司擁有人應佔權益總額 | | 1,466,755 | 1,480,338 |
| Non-current liabilities | 非流動負債 | | | |
| Unsecured bank borrowings | 無抵押銀行借貸 | 13 | 72,928 | 83,404 |
| Deferred taxation | 遞延稅項 | | 47,935 | 43,833 |
| | | | 120,863 | 127,237 |
| | | | 1,587,618 | 1,607,575 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June, 2016

簡明綜合權益變動表

截至二零一六年六月三十日止六個月

| | | Share capital | Share premium | Special reserve | Translation reserve | Share options reserve | Retained profits | Total |
|--|------------------------|----------------|---------------|-----------------|---------------------|-----------------------|------------------|-----------|
| | | 股本 | 股份溢價 | 特別儲備 | 匯兌儲備 | 購股權儲備 | 保留利潤 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | (Note) (附註) | | | | | | |
| At 1st January, 2016 | 於二零一六年一月一日 | 77,871 | 470,363 | (107,444) | 61,632 | 7,382 | 970,534 | 1,480,338 |
| Profit for the period | 期間利潤 | - | - | - | - | - | 25,285 | 25,285 |
| Exchange differences arising from translation of foreign operations and total other comprehensive expense for the period | 換算海外業務之匯兌差額及期間其他全面開支總額 | - | - | - | (32,239) | - | - | (32,239) |
| Total comprehensive expense for the period | 期間全面開支總額 | - | - | - | (32,239) | - | 25,285 | (6,954) |
| Recognition of equity-settled share-based payments | 確認以股權結算以股份支付之支出 | - | - | - | - | 253 | - | 253 |
| Exercise of share options | 行使購股權 | 1,811 | 3,260 | - | - | - | - | 5,071 |
| 2015 Final dividend paid | 已付二零一五年末期股息 | - | - | - | - | - | (11,953) | (11,953) |
| At 30th June, 2016 | 於二零一六年六月三十日 | 79,682 | 473,623 | (107,444) | 29,393 | 7,635 | 983,866 | 1,466,755 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30th June, 2016

簡明綜合權益變動表(續)

截至二零一六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, 2015 | 於二零一五年一月一日 | 72,831 | 444,000 | (107,444) | 155,706 | 23,500 | 945,856 | 1,534,449 |
| Profit for the period | 期間利潤 | - | - | - | - | - | 10,693 | 10,693 |
| Exchange differences arising from translation of foreign operations and total other comprehensive expense for the period | 換算海外業務之匯兌差額及期間其他全面開支總額 | - | - | - | (21,666) | - | - | (21,666) |
| Total comprehensive expense for the period | 期間全面開支總額 | - | - | - | (21,666) | - | 10,693 | (10,973) |
| Recognition of equity-settled share-based payments | 確認以股權結算以股份支付之支出 | - | - | - | - | 792 | - | 792 |
| Exercise of share options | 行使購股權 | 4,565 | 8,219 | - | - | - | - | 12,784 |
| 2014 Final dividend paid | 已付二零一四年末期股息 | - | - | - | - | - | (11,610) | (11,610) |
| At 30th June, 2015 | 於二零一五年六月三十日 | 77,396 | 452,219 | (107,444) | 134,040 | 24,292 | 944,939 | 1,525,442 |

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 the subsidiaries 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附屬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。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th June, 2016

簡明綜合現金流量表

截至二零一六年六月三十日止六個月

| | | Six months ended 截至六月三十日止六個月 | |
|---|-----------------|--|--|
| | | 30.6.2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核) | 30.6.2015 二零一五年 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 | 92,180 | 94,041 |
| Investing activities | 投資活動 | | |
| Purchases of property, plant and equipment | 收購物業、廠房及設備 | (39,883) | (30,132) |
| Other investing cash flows | 其他投資現金流量 | 1,291 | 1,899 |
| Net cash used in investing activities | 投資活動使用之現金淨額 | (38,592) | (28,233) |
| Financing activities | 融資活動 | | |
| New bank borrowings raised | 新增銀行借貸 | 123,050 | 533,689 |
| Repayment of bank borrowings | 償還銀行借貸 | (129,054) | (724,337) |
| Proceeds from issue of shares | 發行股份所得款項 | 5,071 | 12,784 |
| Dividend paid | 已付股息 | (11,953) | (11,610) |
| Other financing cash flows | 其他融資現金流量 | (2,507) | (6,589) |
| Net cash used in financing activities | 融資活動使用之現金淨額 | (15,393) | (196,063) |
| Net increase (decrease) in cash and cash equivalents | 現金及現金等值增加(減少)淨額 | 38,195 | (130,255) |
| Cash and cash equivalents at 1st January | 於一月一日 | 151,589 | 393,988 |
| Effect of foreign exchange rate changes | 匯率變動之影響 | (3,145) | (5,927) |
| Cash and cash equivalents at 30th June | 於六月三十日 | | |
| represented by bank balances and cash | 現金及現金等值銀行結餘及現金 | 186,639 | 257,806 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th June, 2016

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 (“BVI”) and its ultimate parent is Hop Fung Industries (Holdings) Limited, a company also incorporated in the BVI.

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 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”).

3. PRINCIPAL ACCOUNTING POLICIES

The interim financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as appropriate.

簡明綜合財務報表附註

截至二零一六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(「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. 主要會計政策

中期財務報表乃按歷史成本基準編製, 惟若干金融工具於各報告期末按公平值列賬(倘適用)除外。

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, 2015, except as described below. The interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31st December, 2015.

In the current interim period, the Group has applied, for the first time, the following amendments to HKAS and Hong Kong Financial Reporting Standards ("HKFRSs") and new standard issued by the HKICPA:

| | | | |
|--|--|---|-----------------------------|
| HKFRS 14 | Regulatory deferral accounts | 香港財務報告準則第14號 | 監管遞延賬目 |
| Amendments to HKFRS 11 | Accounting for acquisitions of interests in joint operations | 香港財務報告準則第11號之修訂 | 收購於合營業務之權益之會計法 |
| Amendments to HKAS 1 | Disclosure initiative | 香港會計準則第1號之修訂 | 披露主動性 |
| Amendments to HKAS 16 and HKAS 38 | Clarification of acceptable methods of depreciation and amortisation | 香港會計準則第16號及香港會計準則第38號之修訂 | 折舊及攤銷的可接受方法的澄清 |
| Amendments to HKFRSs | Annual improvements to HKFRSs 2012–2014 cycle | 香港財務報告準則之修訂 | 二零一二年至二零一四年週期的香港財務報告準則的年度改進 |
| Amendments to HKAS 16 and HKAS 41 | Agriculture: Bearer plants | 香港會計準則第16號及香港會計準則第41號之修訂 | 農業：生產性植物 |
| Amendments to HKAS 27 | Equity method in separate financial statements | 香港會計準則第27號之修訂 | 獨立財務報表之權益法 |
| Amendments to HKFRS 10, HKFRS 12 and HKAS 28 | Investment entities: Applying the consolidation exception | 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28號之修訂 | 投資實體：應用綜合入賬之例外情況 |

The application of the above amendments to HKAS and HKFRSs and new standard in the current interim period has had no material impact on the Group's financial performance and positions and/or on the disclosures set out in these condensed consolidated financial statements.

編製中期財務報表所用之會計政策，與本集團在其截至二零一五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二零一五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，本集團已首次採用下列由香港會計師公會頒佈之香港會計準則及香港財務報告準則（「香港財務報告準則」）之修訂及新訂準則：

| | |
|---|-----------------------------|
| 香港財務報告準則第14號 | 監管遞延賬目 |
| 香港財務報告準則第11號之修訂 | 收購於合營業務之權益之會計法 |
| 香港會計準則第1號之修訂 | 披露主動性 |
| 香港會計準則第16號及香港會計準則第38號之修訂 | 折舊及攤銷的可接受方法的澄清 |
| 香港財務報告準則之修訂 | 二零一二年至二零一四年週期的香港財務報告準則的年度改進 |
| 香港會計準則第16號及香港會計準則第41號之修訂 | 農業：生產性植物 |
| 香港會計準則第27號之修訂 | 獨立財務報表之權益法 |
| 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28號之修訂 | 投資實體：應用綜合入賬之例外情況 |

本中期期間應用上述香港會計準則及香港財務報告準則之修訂及新準則對本集團之財務表現及狀況及／或該等簡明綜合財務報表所載之披露事項並無重大影響。

4. SEGMENT INFORMATION

The Group's manufacturing operations are all located in the People's Republic of China (the "PRC").

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, 2016

(Unaudited)

4. 分部資料

本集團之所有製造業務均位於中華人民共和國(「中國」)。

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

截至二零一六年六月三十日止

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 | 199,583 | 319,162 | 518,745 | - | 518,745 |
| Inter-segment sales | 分部間銷售 | 248,660 | - | 248,660 | (248,660) | - |
| Total | 總計 | 448,243 | 319,162 | 767,405 | (248,660) | 518,745 |
| RESULT | 業績 | | | | | |
| Segment profit | 分部利潤 | 28,844 | 4,092 | 32,936 | - | 32,936 |
| Finance costs | 財務成本 | | | | | (2,507) |
| Changes in fair value of derivative financial instruments | 衍生金融工具 公平值之變動 | | | | | - |
| Profit before taxation | 稅前利潤 | | | | | 30,429 |

For the six months ended 30th June, 2015

截至二零一五年六月三十日止
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 | 152,702 | 349,205 | 501,907 | - | 501,907 |
| Inter-segment sales | 分部間銷售 | 274,879 | - | 274,879 | (274,879) | - |
| Total | 總計 | 427,581 | 349,205 | 776,786 | (274,879) | 501,907 |
| RESULT | 業績 | | | | | |
| Segment profit | 分部利潤 | 14,709 | 5,737 | 20,446 | - | 20,446 |
| Finance costs | 財務成本 | | | | | (6,589) |
| Changes in fair value of derivative financial instruments | 衍生金融工具 公平值之變動 | | | | | 323 |
| Profit before taxation | 稅前利潤 | | | | | 14,180 |

Inter-segment sales are charged at prevailing market rates.

分部間銷售乃參照現行市價計算。

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 | |
|---|-----------------|---|---|
| | | 30.6.2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核) | 30.6.2015 二零一五年 HK\$'000 千港元 (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 | - | 343 |
| Unrealized change in fair value of derivative financial instruments | 衍生金融工具公平值未變現之變動 | - | (20) |
| | | - | 323 |

6. PROFIT BEFORE TAXATION

6. 稅前利潤

| | | Six months ended 截至六月三十日止六個月 | |
|--|------------------|---|---|
| | | 30.6.2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核) | 30.6.2015 二零一五年 HK\$'000 千港元 (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 | 412,168 | 406,137 |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | 35,651 | 38,264 |
| Release of prepaid lease payments on land use rights | 撥回土地使用權預付租賃款項 | 286 | 210 |
| Interest income | 利息收入 | (685) | (1,868) |

7. INCOME TAX EXPENSE

7. 所得稅開支

| | | Six months ended 截至六月三十日止六個月 | |
|---------------------------|---------|---|--|
| | | 30.6.2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核) | 30.6.2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) |
| Current tax: | 即期稅項： | | |
| Hong Kong Profits Tax | 香港利得稅 | 150 | 100 |
| PRC Enterprise Income Tax | 中國企業所得稅 | 892 | 844 |
| | | 1,042 | 944 |
| Deferred tax | 遞延稅項 | 4,102 | 2,543 |
| | | 5,144 | 3,487 |

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%。

8. DIVIDENDS

A final dividend of HK1.50 cents (2014: HK1.50 cents) per ordinary share in respect of the year ended 31st December, 2015 was paid to the shareholders of the Company during the six months ended 30th June, 2016.

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2016 and six months ended 30th June, 2015.

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

截至二零一六年六月三十日止六個月，已向本公司股東派付截至二零一五年十二月三十一日止年度之末期股息每股普通股1.50港仙(二零一四年：1.50港仙)。

董事不建議派付截至二零一六年六月三十日止六個月及截至二零一五年六月三十日止六個月兩個期間之中期股息。

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 | |
|--|-------------------|--|--|
| | | 30.6.2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核) | 30.6.2015 二零一五年 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 | 25,285 | 10,693 |
| | | 30.6.2016 於二零一六年 六月三十日 | 30.6.2015 於二零一五年 六月三十日 |
| 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 | 784,295,686 | 745,809,686 |
| 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 | 36,785,618 | 43,030,631 |
| 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 | 821,081,304 | 788,840,317 |

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30th June, 2016 the Group acquired property, plant and equipment amounting to approximately HK\$34.7 million (for the year ended 31st December, 2015: approximately HK\$55.0 million).

10. 物業、廠房及設備

截至二零一六年六月三十日止六個月內，本集團使用約34,700,000港元購置物業、廠房及設備(截至二零一五年十二月三十一日止年度：約55,000,000港元)。

11. TRADE AND OTHER RECEIVABLES

11. 貿易及其他應收款項

| | | 30.6.2016 於二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核) | 31.12.2015 於二零一五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核) |
|------------------------------------|-----------------|--|--|
| Trade receivables | 貿易應收款項 | 174,286 | 178,316 |
| Less: allowance for doubtful debts | 減：呆賬撥備 | (4,989) | (3,625) |
| Other receivables | 其他應收款項 | 169,297 636 | 174,691 93 |
| Total trade and other receivables | 貿易及其他應收款項 總額 | 169,933 | 174,784 |

The Group allows credit periods ranging from 5 to 90 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, which approximates the respective revenue recognition dates, at the end of the reporting period:

| | | 30.6.2016 於二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核) | 31.12.2015 於二零一五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核) |
|----------------|--------|---|---|
| Within 30 days | 30日內 | 162,510 | 166,494 |
| 31–60 days | 31至60日 | 5,702 | 4,986 |
| 61–90 days | 61至90日 | 1,085 | 1,112 |
| Over 90 days | 超過90日 | – | 2,099 |
| | | 169,297 | 174,691 |

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK\$36,109,000 (31st December, 2015: HK\$38,748,000) 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 60 days (31st December, 2015: 64 days) based on invoice dates.

本集團給予貿易客戶5至90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（與各自之收益確認日期相近）扣除呆賬撥備後而呈列之貿易應收款項之賬齡分析：

本集團之貿易應收款項結餘中包括賬面值總額為36,109,000港元之應收款項（二零一五年十二月三十一日：38,748,000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。該等款項與多名和本集團保持良好貿易及付款記錄之獨立客戶有關。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60日（二零一五年十二月三十一日：64日）。

12. TRADE, BILLS AND OTHER PAYABLES

The suppliers of the Group grant credit periods ranging from 30 to 90 days. The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

| | | 30.6.2016 於二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核) | 31.12.2015 於二零一五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核) |
|---|-----------------|--|--|
| Current | 即期 | 94,544 | 71,778 |
| Overdue 1 to 30 days | 逾期1至30日 | 1,938 | 1,050 |
| Overdue 31 to 60 days | 逾期31至60日 | 166 | 256 |
| Overdue for more than 60 days | 逾期60日以上 | 1,480 | 1,709 |
| | | 98,128 | 74,793 |
| Payables for the acquisition of property, plant and equipment | 購置物業、廠房及設備之應付款項 | 19,557 | 14,415 |
| Other payables and accrued charges (note) | 其他應付款項及應計支出(附註) | 125,064 | 122,595 |
| | | 242,749 | 211,803 |

Note: As at 30th June, 2016 included in other payables and accrued charges, amount of HK\$19,807,000 (31st December, 2015: HK\$19,807,000) represents transaction costs incurred for the disposal of a subsidiary during the year ended 31st December, 2014.

The average credit period on purchases of goods is 56 days (31st December, 2015: 42 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

12. 貿易、票據及其他應付款項

本集團供應商授出介乎30至90日之信貸期。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：

附註：於二零一六年六月三十日，計入其他應付款項及應計支出之19,807,000港元(二零一五年十二月三十一日：19,807,000港元)為截至二零一四年十二月三十一日止年度出售附屬公司產生之交易成本。

購買貨物之平均信貸期為56日(二零一五年十二月三十一日：42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:

| | 30.6.2016 於二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核) | 31.12.2015 於二零一五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核) |
|-----------------------|--|--|
| Bank loans | 銀行貸款 | 136,659 |
| Other bank borrowings | 其他銀行借貸 | 58,160 |
| | 187,981 | 194,819 |

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, 2016 and 30th June, 2016 | 於二零一六年一月一日及 二零一六年六月三十日 | 1,000,000,000 | 100,000 |
| Issued and fully paid: | 已發行及繳足股本： | | |
| At 1st January, 2016 | 於二零一六年一月一日 | 778,713,000 | 77,871 |
| Exercise of share options | 行使購股權 | 18,111,000 | 1,811 |
| At 30th June, 2016 | 於二零一六年六月三十日 | 796,824,000 | 79,682 |

14. 股本

15. CAPITAL COMMITMENTS

15. 資本承擔

| | 30.6.2016 於二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核) | 31.12.2015 於二零一五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核) |
|---|--|--|
| Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the unaudited condensed consolidated financial statements | 17,495 | 17,916 |

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

16. RELATED PARTY TRANSACTIONS

16. 關連人士交易

Key management compensation:

主要管理人員酬金：

| | Six months ended 截至六月三十日止六個月 | |
|--------------------------------------|--|--|
| | 30.6.2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核) | 30.6.2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) |
| Salaries, bonuses and other benefits | 10,925 | 8,835 |
| Post employment benefits | 144 | 90 |

薪酬、花紅及其他福利
終止聘用後之福利

17. DISPOSAL OF A SUBSIDIARY

On 24th October, 2014, Hop Fung Group Company Limited (“HFGC”), a wholly-owned subsidiary of the Company, entered into two equity transfer agreements (the “Equity Transfer Agreements”) with two independent third parties (the “Purchasers”). Pursuant to the Equity Transfer Agreements, HFGC agreed to sell and the Purchasers agreed to purchase 51% and 49% equity interests in Fung Kong Hop Fung Paper Ware Factory Limited (“FKHF”), a wholly-owned subsidiary of HFGC, respectively for each purchaser, at an aggregate cash consideration of RMB380,000,000 (equivalent to HK\$481,173,000).

The entire equity transfer would be completed by two stages and within two years after completion of the first stage. The first stage of the transactions for transfer of 49% equity interest was completed on 23rd December, 2014, and the remaining 51% interests will be transferred by the end of 2016. Along with those Equity Transfer Agreements, there are contractual arrangements between HFGC and the Purchasers, limiting those HFGC’s controlling power on FKHF after the completion of the first stage.

Based on all the terms and conditions of the arrangements (which were entered into at the same time and in contemplation of each other) and their economic effects, the Directors of the Company consider the overall commercial effect of the two transactions is to dispose of FKHF. Furthermore, the Group ceased to exercise powers to direct the relevant activities of FKHF after the completion of the first stage of the transactions. Accordingly, the transactions were treated as a single transaction whereby the Group lost control over FKHF at the date of completion of the first stage of the transactions. Gain on disposal of FKHF of HK\$378,802,000, which was calculated as the difference between the fair value of the consideration, net of transaction costs, and the previous carrying amount of the assets and liabilities of FKHF, was recognised in profit or loss during the year ended 31st December, 2014.

17. 出售附屬公司

於二零一四年十月二十四日，本公司全資附屬公司Hop Fung Group Company Limited (「HFGC」)與兩名獨立第三方(「該等買方」)訂立兩份股權轉讓協議(「股權轉讓協議」)。根據股權轉讓協議，HFGC同意出售及該等買方同意各自購買HFGC全資附屬公司一鳳崗合豐紙品廠有限公司(「鳳崗合豐」)之51%及49%股權，總現金代價為人民幣380,000,000元(相當於481,173,000港元)。

股權轉讓將分兩個階段進行，並將於第一階段完成後兩年內完成。交易之第一階段(轉讓49%股權)已於二零一四年十二月二十三日完成，餘下51%權益將於二零一六年底前轉讓。隨著簽訂該等股權轉讓協議，HFGC與該等買方訂立合約安排，限制了於第一階段完成後HFGC於鳳崗合豐之控制權。

根據該等安排(乃於同時及於經考慮彼此影響之情況下訂立)之所有條款及條件以及彼等之經濟利益，本公司董事認為兩項交易之整體商業影響為出售鳳崗合豐。此外，本集團於交易之第一階段完成後不再具有權力指示鳳崗合豐之相關業務。因此，該等交易被視為單一交易，而本集團於交易之第一階段完成日期失去對鳳崗合豐之控制權。截至二零一四年十二月三十一日止年度，出售鳳崗合豐之收益378,802,000港元(按代價之公平值減交易成本及鳳崗合豐資產及負債先前之賬面值之差額計算)已於損益確認。

18. 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 ongoing.

The IRD had previously issued additional assessments to the Company and certain subsidiaries of the Company in June 2006, October 2006, March 2012, March 2013, March 2014, September 2014, March 2015 and December 2015 respectively amounted to HK\$30,441,000 in aggregate. The Group had lodged objections with the IRD against these additional assessments.

Subsequent to the lodgement of the objections of the Group, tax payment of HK\$1,993,000 was made during the year ended 31st December, 2006. Also, banker’s undertakings of HK\$3,828,000 were arranged by the Group and had been accepted by the IRD as security for the payment of the mentioned tax. Further, tax reserve certificates of HK\$3,499,000 in aggregate, in respect of 2005/2006 and 2007/2008 to 2010/2011, pending the outcome of the tax audits and the objections, were purchased in December 2006, June 2014, November 2014, June 2015 and March 2016 respectively.

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 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.

18. 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，香港稅務局（「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、二零零六年十月、二零一二年三月、二零一三年三月、二零一四年三月、二零一四年九月、二零一五年三月及二零一五年十二月向本公司及本公司之若干附屬公司發出額外評稅，稅額合共為30,441,000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，本集團遞交反對書後，已支付稅項1,993,000港元。再者，本集團已安排銀行承擔3,828,000港元作為支付上述稅款之抵押，而稅務局已接受該抵押。此外，於二零零六年十二月、二零一四年六月、二零一四年十一月、二零一五年六月及二零一六年三月分別就二零零五年／二零零六年及二零零七年／二零零八年至二零一零年／二零一一年購買儲稅券合共3,499,000港元，以待稅務審核及提出反對之結果。

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

BUSINESS REVIEW

The first half of 2016 saw a lackluster global economy, volatile financial and currency markets, a depreciating Renminbi and weak consumer demand. An unstable business environment suppressed business investment.

The Chinese government's policy of eliminating outdated capacity has alleviated the oversupply situation in the corrugated packaging industry, and our Group's performance has stabilized. The Group's average selling price rose slightly in the first half of 2016 and volumes also grew year on year, resulting in higher revenue for the Group for the period.

The Group's upstream containerboard (corrugating medium and linerboard) and downstream corrugated packaging (corrugated paper boards and carton boxes) accounted for 38% and 62% of revenue for the period, with upstream revenue up 31% but downstream revenue falling 9%. The shift in our sales mix between the upstream and downstream businesses came as a result of the Group's flexible sales strategy based on market and demand changes.

With domestic sales accounting for more than 80% of the Group's revenue, and raw materials (wastepaper) purchased in the United States (the "US") dollars, the depreciation of the Renminbi has an impact on the Group's operations. Fortunately, the Group's continued improvements in production workflow and efficiency, and reduction in energy use and raw materials wastage have resulted in lower production costs. Our improved liquidity position has also resulted in lower financing costs and thus improvements in our Group's earnings for the period.

The Group has historically steadfastly maintained low inventory and low gearing levels, and the first half of 2016 was no exception, with total liabilities and net liabilities falling in the period. Net gearing ratio and bad debts ratio remain close to zero. Our financial position is very healthy and we have abundant liquidity.

管理層討論及分析

業務回顧

二零一六年上半年環球經濟增長乏力，金融及貨幣市況大幅波動，人民幣繼續貶值，消費需求疲弱，營商環境不穩，壓抑企業投資。

自從中國政府淘汰落後產能的政策推行後，瓦楞包裝業之產能過剩問題得到改善，本集團的表現漸趨穩定。二零一六年上半年集團之平均銷售價輕微上調，銷售量比去年同期上升，使集團之收益有所增長。

集團上游箱板紙（瓦楞芯紙及牛咭）及下游瓦楞包裝（瓦楞紙板及紙箱）之業務分別佔總收益38%及62%，上游收益上升31%，下游收益下跌9%，上下游業務之變動乃因集團根據市場及需求變化而採用靈活的營銷策略所致。

由於集團之收益超過八成是內銷，而部分原材料廢紙卻以美元購入，人民幣貶值對集團有一定的影響。幸而集團持續改進生產流程及提升效能，減低能源及原材料損耗，使生產成本下降。在資金較充裕的情況下，財務成本也得以下調，集團之盈利因而錄得增長。

集團一向保持低存貨量及低負債水平，於二零一六年上半年集團總負債及淨負債均下降，淨負債率及壞賬率也處於接近零的水平，財務狀況非常穩健，並且資金充裕。

FINANCIAL REVIEW

Operating results

The Group recorded an increase in revenue by 3.3%, from HK\$501.9 million in the first half of 2015 to HK\$518.7 million in the first half of 2016, primarily resulting from the increase in sales volume despite depreciation in Renminbi. The management effort in cost control and efficiency enhancement led to improvement in gross profit margin, rising from 19.1% to 20.5%. Cost of sales increased 1.5% and gross profit rose 11.3%.

Other income slightly fell from HK\$6.6 million to HK\$6.3 million. Selling and distribution costs fell from HK\$29.0 million to HK\$28.1 million. There was also a slight decline in administrative expenses from HK\$42.1 million to HK\$41.5 million. Other expenses decreased from HK\$10.7 million to HK\$10.4 million. The reductions were predominantly due to depreciation in Renminbi.

Other expenses included provision for bad debts of HK\$2.5 million, and change in present value (gain) of HK\$3.8 million and exchange difference (loss) of HK\$3.1 million in respect of receivables from disposal of a subsidiary.

The decline in finance costs by 62.1%, from HK\$6.6 million to HK\$2.5 million was owing to lower average borrowing level in the first half of 2016.

EBITDA (earnings before interest, tax, depreciation and amortization and change in present value and exchange difference in respect of receivables from disposal of a subsidiary) increased HK\$9.0 million, from HK\$59.2 million to HK\$68.2 million.

Net profit (profit for the period less change of present value and exchange difference in respect of receivables from disposal of a subsidiary) rose HK\$13.9 million from HK\$10.7 million to HK\$24.6 million. Basic earnings per share increased from 1.43 HK cents to 3.22 HK cents.

財務回顧

經營業績

雖然人民幣貶值，然而主要由於銷量增加，本集團錄得之收益由二零一五年上半年之501,900,000港元增加3.3%至二零一六年上半年之518,700,000港元。管理層著力於成本控制及效益提升，促使毛利率由19.1%升至20.5%。銷售成本增加1.5%而毛利則增加11.3%。

其他收入由6,600,000港元輕微下跌至6,300,000港元。銷售及分銷成本由29,000,000港元跌至28,100,000港元。行政開支亦由42,100,000港元輕微減少至41,500,000港元。其他開支由10,700,000港元減至10,400,000港元。減幅主要由於人民幣貶值所致。

其他開支包括壞賬撥備2,500,000港元，以及出售附屬公司應收款項現值變動(收益)3,800,000港元及匯兌差額(虧損)3,100,000港元。

財務成本由6,600,000港元減少62.1%至2,500,000港元，乃由於二零一六年上半年之平均借貸水平減少所致。

息稅折舊攤銷前盈利(未計利息、稅項、折舊及攤銷、出售附屬公司應收款項現值變動及匯兌差額前盈利)由59,200,000港元增加9,000,000港元至68,200,000港元。

純利(期間利潤減出售附屬公司應收款項現值變動及匯兌差額)由10,700,000港元增加13,900,000港元至24,600,000港元。每股基本盈利由1.43港仙增加至3.22港仙。

Liquidity, financial and capital resources

At 30th June, 2016, the Group's total cash and cash equivalents were HK\$186.6 million (31st December, 2015: HK\$151.6 million), mostly denominated in Renminbi and Hong Kong Dollars.

Net current assets and current ratio of the Group were HK\$326.9 million (31st December, 2015: HK\$316.2 million) and 1.88 (31st December, 2015: 1.94) respectively.

The Group spent HK\$34.7 million on capital expenditures for maintenance and construction of environmental protection facilities.

The average inventory, debtors and creditors turnover days were 56 days, 60 days and 56 days respectively. They were stable and reasonable.

The total bank borrowings declined from HK\$194.8 million to HK\$188.0 million. Gearing ratio fell from 13.2% to 12.8%. The current bank borrowings rose HK\$3.6 million and non-current bank borrowings declined HK\$10.4 million. The balance for total bank borrowings net of bank balances and cash fell HK\$41.8 million. Net gearing ratio dropped from 2.9% to 0.1%.

Contingent liabilities

The tax audits conducted by the Inland Revenue Department ("IRD") on the Company and its subsidiaries for the years of assessment 2004/2005 to 2010/2011 are still ongoing. The IRD had issued protective assessments for the years of assessment 2004/2005 to 2010/2011 to certain subsidiaries of the Group. Objections were lodged against all these assessments. The Directors believe that no additional provision for Hong Kong profits tax is necessary at the present stage. The outcome and impact of this matter cannot be determined with reasonable certainty.

流動資金、財務及資本資源

於二零一六年六月三十日，本集團之現金及現金等值總額達186,600,000港元(二零一五年十二月三十一日：151,600,000港元)，大部分以人民幣及港元列值。

本集團之流動資產淨值及流動比率分別為326,900,000港元(二零一五年十二月三十一日：316,200,000港元)及1.88(二零一五年十二月三十一日：1.94)。

本集團之資本開支為34,700,000港元，用於維修及建設環保設施。

平均存貨、應收賬款及應付賬款週轉日分別為56日、60日及56日，均屬穩定及合理。

銀行借貸總額由194,800,000港元減至188,000,000港元。負債比率由13.2%下降至12.8%。即期銀行借貸增加3,600,000港元而非即期銀行借貸減少10,400,000港元。銀行借貸總額減銀行結餘及現金後之淨額下跌41,800,000港元，而淨負債比率由2.9%降至0.1%。

或然負債

香港稅務局(「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／二零零五年至二零一零年／二零一一年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。董事認為現階段無需就香港利得稅作出額外撥備。現時未能合理確定此事宜之結果及影響。

OUTLOOK

The global economy faces uncertainty in the second half of 2016. The impact of “Brexit” will become more apparent and financial and currency markets will remain volatile. The Federal Reserve in the US could still raise interest rates, and the Renminbi is expected to continue to depreciate. The global economic recovery is expected to face headwinds. Individual countries are adopting different measures to spur economic growth. China remains the main driver for growth for the global economy. The Chinese government is in a position to implement effective policies in the face of future challenges, and the Chinese economy should move towards a period of stable growth.

Stable economic growth should in turn drive demand for corrugated packaging. Given improvements in the oversupply situation in the corrugated packaging industry, selling prices should rebound gradually to more reasonable levels. The Group is planning to invest in technology improvements for the upstream production lines, improving capacity and efficiency at minimal cost, providing relief to the pressure from rising production costs. The Group will continue to grasp the advantages and opportunities from our vertically integrated business model, and maintain our prudent financial situation and operational framework, in order to deliver satisfactory returns for our shareholders.

展望

二零一六年下半年環球經濟仍存在不明朗因素，英國脫歐的影響將逐漸浮現，金融及貨幣市場動盪，美國聯儲局仍有機會加息，人民幣也持續貶值，全球經濟復甦步伐因此而被拖慢。各國正竭力採取不同的措施刺激經濟，而中國仍是全球經濟增長的主要動力，中國政府必定能實施有效的政策以應付未來挑戰，中國經濟有望邁向平穩增長。

經濟平穩向上必可帶動市場對瓦楞包裝的需求，而瓦楞包裝業產能過剩的情況得到改善後，銷售價格將逐步回升至較合理的水平。集團正計劃將上游生產線進行技改，以最低的成本來提升產能及效益，舒緩生產成本上升的壓力。集團會繼續積極抓緊縱向整合的營運模式所帶來的優勢與機遇，並維持穩健的財務狀況與營運基礎，為股東帶來可觀的回報。

DISCLOSURE OF INTERESTS

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30th June, 2016, 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:

(a) Shares

權益披露

董事於股份、相關股份及債券之權益

於二零一六年六月三十日，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 Kwok 許森國先生 | Company 本公司 | Interest of controlled corporations 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) | 48.32% |
| Mr. Hui Sum Kwok 許森國先生 | Company 本公司 | Beneficial owner 實益擁有人 | 26,581,411 shares Long position 26,581,411股股份 好倉 | 3.33% |
| 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 | 0.09% |
| 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) | 48.32% |
| Mr. Hui Sum Ping 許森平先生 | Company 本公司 | Beneficial owner 實益擁有人 | 35,336,000 shares Long position 35,336,000股股份 好倉 | 4.43% |

| 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 | Interest of spouse 配偶之權益 | 2,188,000 shares Long position 2,188,000股股份 好倉 | 0.27% |
| 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 (Note 1) 無(附註1) | - |
| Mr. Hui Sum Tai 許森泰先生 | Company 本公司 | Beneficial owner 實益擁有人 | 15,834,189 shares Long position 15,834,189股股份 好倉 | 1.98% |
| Ms. Hui Yuen Li 許婉莉女士 | Company 本公司 | Beneficial owner 實益擁有人 | 750,000 shares Long position 750,000股股份 好倉 | 0.09% |
| 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. Yip Kwok Kwan 葉國均先生 | Company 本公司 | Beneficial owner 實益擁有人 | 788,000 shares Long position 788,000股股份 好倉 | 0.09% |
| Mr. Yip Kwok Kwan 葉國均先生 | Company 本公司 | Interest of spouse 配偶之權益 | 400,000 shares Long position 400,000股股份 好倉 | 0.05% |
| Mr. Wong Chu Leung 黃珠亮先生 | Company 本公司 | Beneficial owner 實益擁有人 | 1,000,000 shares Long position 1,000,000股股份 好倉 | 0.12% |

| Name of Director 董事姓名 | Company / Name of associated corporation 本公司/ 相聯法團名稱 | Capacity 身分 | Number and class of securities 證券數目及類別 | Approximate percentage of issued share capital 佔已發行股本 概約百分比 |
|---------------------------|---|---|---|--|
| Mr. Hui Sum Kwok 許森國先生 | Hop Fung Industries Limited ("Hop Fung Industries") | Interest of a controlled corporation 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 Ping 許森平先生 | Hop Fung Industries | Founder of a discretionary trust / interest of controlled corporations 全權信託創始人/ 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 實益擁有人 | 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/ 全權信託創始人/ 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 | 1,530,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1, 4 and 5) 1,530,000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) | 51% |
| 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 | 1,530,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1, 4 and 5) 1,530,000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) | 51% |
| 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) | - |

Notes:

1. 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.

The issued share capital of Hop Fung Industries BVI is owned as to 50%, 11.81% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping and Goldspeed Holdings Limited ("Goldspeed") respectively. Goldspeed is wholly owned by Goldkeen Assets Management Limited ("Goldkeen") and Goldkeen is wholly owned by HSBC International Trustee Limited ("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.

附註：

1. 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%。

Hop Fung Industries BVI 之已發行股本分別由許森國先生、許森平先生及Goldspeed Holdings Limited (「Goldspeed」) 擁有50%、11.81%及38.19%。Goldspeed由Goldkeen Assets Management Limited (「Goldkeen」) 全資擁有，而Goldkeen由HSBC International Trustee Limited (「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股及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 5,000, 1,181 and 3,819 shares by Mr. Hui Sum Kwok, Mr. Hui Sum Ping and Goldspeed respectively. Under the SFO, Mr. Hui Sum Ping is interested and 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.

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

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

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、許森平先生及Goldspeed擁有5,000、1,181及3,819股。根據證券及期貨條例，許森平先生擁有及被視為擁有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%。

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。

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. Hop Fung FG is a subsidiary of the Company and therefore an associated corporation of the Company under the SFO. The number of issued shares of Hop Fung FG is 3,000,100 divided into 100 ordinary shares and 3,000,000 non-voting deferred shares, of which 1,530,000 non-voting deferred shares 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 1,530,000 non-voting deferred shares in Hop Fung FG.

Pursuant to two equity transfer agreements dated 24th October, 2014 (details of which are set out in note 17 to the interim financial statements), Hop Fung Group (BVI) agreed to sell and transfer and the purchasers thereof agreed to purchase the remaining 51% interests (both the 51 ordinary shares held by Hop Fung Group (BVI) and the 1,530,000 non-voting deferred shares held by Hop Fung Group HK) of Hop Fung FG by the end of 2016. Accordingly, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to have a short position in the 1,530,000 non-voting deferred shares of Hop Fung FG under the two equity transfer agreements pursuant to the SFO.

(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, 2016.

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。合豐鳳崗之已發行股份數目為3,000,100股，分為100股普通股及3,000,000股無投票權遞延股，當中的1,530,000股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1,530,000股合豐鳳崗無投票權遞延股之權益。

根據兩份日期為二零一四年十月二十四日之股權轉讓協議（詳情載於中期財務報表附註17），Hop Fung Group (BVI)同意於二零一六年底前出售及轉讓，及當中之該等買方同意購買合豐鳳崗之餘下51%權益（包括由Hop Fung Group (BVI)持有之51股普通股及由合豐集團香港持有之1,530,000股無投票權遞延股）。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兩份股權轉讓協議項下1,530,000股合豐鳳崗無投票權遞延股份之淡倉。

(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，於二零一六年六月三十日，董事及彼等之聯繫人士概無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30th June, 2016, 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:

主要股東權益

於二零一六年六月三十日，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另行知會本公司，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 | Number of share options held 所持購股權數目 | 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 | 48.32% |
| Hop Fung Industries BVI | Interest of a controlled corporation 受控法團權益 | 385,058,793 | - | 1, 2 | 48.32% |
| Goldspeed | Interest of controlled corporations 受控法團權益 | 385,058,793 | - | 1, 2, 3, 4 | 48.32% |
| Goldkeen | Interest of controlled corporations 受控法團權益 | 385,058,793 | - | 1, 2, 3, 4 | 48.32% |
| HSBC | Trustee of discretionary trust 全權信託受託人 | 385,058,793 | - | 1, 2, 3, 4 | 48.32% |
| Mr. Hui Sum Kwok 許森國先生 | Beneficial owner / interest of controlled corporations / interest of spouse 實益擁有人／受控法團權益／配偶之權益 | 412,390,204 | - | 1, 2, 3, 5 | 51.75% |
| Mr. Hui Sum Ping 許森平先生 | 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 | 422,582,793 | - | 1, 2, 3, 4, 6 | 53.03% |

Notes:

1. The 385,058,793 shares are owned by Hop Fung Industries.
2. 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.
3. The issued share capital of Hop Fung Industries BVI is owned as to 50%, 11.81% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping and Goldspeed respectively.
4. 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.
5. Of 412,390,204 shares, Ms. Wong Mui is directly interested in 750,000 shares and is deemed to be interested in 411,640,204 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.
6. Of 422,582,793 shares, Ms. Jian Jian Yi is directly interested in 2,188,000 shares and is deemed to be interested in 420,394,793 shares of the Company under the SFO as she is the spouse of Mr. Hui Sum Ping, a Director and a substantial shareholder of the Company.

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30th June, 2016.

附註：

1. 該385,058,793股股份由Hop Fung Industries擁有。
2. 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。
3. Hop Fung Industries 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%。
4. 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。
5. 於412,390,204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411,640,204股股份之權益。
6. 於422,582,793股股份中，簡健儀女士直接持有本公司2,188,000股股份權益，以及由於彼為本公司之董事及主要股東許森平先生之配偶，根據證券及期貨條例，簡健儀女士被視為擁有本公司420,394,793股股份之權益。

除上文披露者外，於二零一六年六月三十日，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 "Old 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 Old Scheme expired on 3rd September, 2013 and all options previously granted under the Old Scheme have been lapsed.

The Company approved and adopted a new share option scheme (the "New Scheme") on 3rd June, 2013 for the primary purpose of providing incentive or rewards to selected participants for their contribution to the Group.

Under the New Scheme, the Board of the Company may grant options to eligible employees, including executive or non-executive Directors (including independent non-executive Directors), of the Company, its subsidiaries, or any entity ("Invested Entity") in which any member of the Group holds any equity interest, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to any supplier of goods or services to any member of the Group or any Invested Entity, any customer of the Group or any Invested Entity, and any consultants, advisers, managers, officers or entities that provides research, development or other technological support to the Group or any Invested Entity.

The total number of shares which may be issued upon exercise of all options to be granted under the New Scheme must not in aggregate exceed 10% of the shares of the Company in issue as at the date of the passing of the ordinary resolution for adoption of the New Scheme. The number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised at any time under the New Scheme shall not exceed 30% of the issued share capital of the Company from time to time.

購股權

根據於二零零三年九月四日通過之決議案，本公司已採納之購股權計劃（「舊計劃」）主要目的為對本集團作出貢獻之指定參與者作出鼓勵或獎賞。舊計劃已於二零一三年九月三日屆滿，而先前根據舊計劃授出之所有購股權經已失效。

本公司已於二零一三年六月三日批准及採納新購股權計劃（「新計劃」），主要目的為對本集團作出貢獻之指定參與者作出鼓勵或獎賞。

根據新計劃，本公司董事會可向本公司、其附屬公司或本集團任何成員公司持有任何股權之任何機構（「所投資機構」）之合資格僱員（包括執行董事或非執行董事或獨立非執行董事）授出購股權，以認購本公司股份。另外，本公司有權不時授出購股權予任何向本集團之成員公司或任何所投資機構提供貨物或服務之任何供應商、本集團或任何所投資機構之任何客戶，以及向本集團或任何所投資機構提供研究、開發或其他技術支援服務之任何諮詢人、顧問、經理、高層人員或機構。

根據新計劃授出之購股權獲全數行使時可予發行之股份總數，合共不得超過採納新計劃之普通決議案獲通過當日本公司已發行股份之10%。於任何時間因行使根據新計劃授出而未行使之全部購股權而可予發行股份之數目，不得超過本公司不時已發行股本之30%。

The number of shares in respect of which options may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders in accordance with the New Scheme. Where any grant of options to a substantial shareholder or an independent non-executive Director or any of their respective associates would result in the shares in the Company issued and to be issued upon exercise of all options to such person in the 12-month period up to and including the date of grant in excess of 0.1% of the shares of the Company in issue and with a value (based on the closing price of the shares of the Company at the offer date of each offer) in excess of HK\$5,000,000, such grant of options must be approved in advance by the Company's shareholders in accordance with the New Scheme.

An option may be exercised at any time during the period to be determined and notified by the directors to the grantee and in the absence of such determination, from the date of acceptance of an offer of the grant of such option to the earlier of the date on which such option lapses and ten years from the date of offer of that option. A consideration of HK\$1 is payable upon acceptance of the offer.

The exercise price is determined by the Directors of the Company, and will not be less than the higher of the nominal value of the share; the closing price of the Company's shares on the date of offer; and the average closing price of the shares for the five business days immediately preceding the date of offer.

未經本公司股東根據新計劃事先批准，向任何個人可能授出之購股權涉及之股份數目，於任何十二個月期間，均不得超過本公司於任何時間已發行股份之1%。倘向一名主要股東或獨立非執行董事或任何彼等各自之聯繫人士授出任何購股權，會導致因授予該人士之所有購股權獲行使而於截至授出日期(包括當日)止十二個月期間，已經及將予發行之本公司股份，合共佔本公司已發行股份超過0.1%，且價值(根據本公司股份於每次授出購股權日期之收市價計算)超過5,000,000港元，則根據新計劃該項授出購股權須事先得到本公司股東批准。

購股權可於董事釐定及知會承授人之期間內隨時行使，倘未有釐定，則由接納授出購股權日期起至該購股權失效之日或授出該購股權日期起計十年之較早日期。於接納購股權時須付1港元代價。

行使價乃由本公司董事釐定，惟不得低於股份面值、本公司股份於授出日期之收市價及股份緊接授出日期前五個營業日之平均收市價之較高者。

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

下表披露本公司購股權於期內之變動：

| Category | Option type | Date of grant | Exercise price per share | Outstanding at beginning of the period | Granted during the period | Exercised during the period | Cancelled during the period | Outstanding at end of the period |
|---|-------------------------|---------------|--------------------------|--|---------------------------|-----------------------------|-----------------------------|----------------------------------|
| 類別 | 購股權種類 (Note) (附註) | 授出日期 | 每股行使價 HK\$ 港元 | 尚未行使 期初 | 期內授出 | 期內行使 | 期內註銷 | 尚未行使 期末 |
| Directors | | | | | | | | |
| 董事 | | | | | | | | |
| Mr. Hui Sum Kwok 許森國先生 | F | 24.10.2013 | 0.280 | 4,750,000 | - | (4,750,000) | - | - |
| Mr. Hui Sum Ping 許森平先生 | F | 24.10.2013 | 0.280 | 4,750,000 | - | (4,750,000) | - | - |
| Mr. Hui Sum Tai 許森泰先生 | F | 24.10.2013 | 0.280 | 4,750,000 | - | (4,750,000) | - | - |
| Ms. Hui Yuen Li 許婉莉女士 | F | 24.10.2013 | 0.280 | 750,000 | - | (750,000) | - | - |
| Mr. Chee Man Sang, Eric 池民生先生 | F | 24.10.2013 | 0.280 | 500,000 | - | (500,000) | - | - |
| Mr. Yip Kwok Kwan 葉國均先生 | F | 24.10.2013 | 0.280 | 500,000 | - | (500,000) | - | - |
| Mr. Wong Chu Leung 黃珠亮先生 | F | 24.10.2013 | 0.280 | 500,000 | - | (500,000) | - | - |
| | | | | 16,500,000 | - | (16,500,000) | - | - |
| Other employees 其他僱員 | F | 24.10.2013 | 0.280 | 1,611,000 | - | (1,611,000) | - | - |
| Total for all categories 全部類別總計 | | | | 18,111,000 | - | (18,111,000) | - | - |

Note:

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

附註：

授出購股權之歸屬期由本公司董事於每次授出購股權時釐定。根據新計劃，購股權之持有人僅可於以下可行使期間行使其購股權：

Option type F

F類購股權

Maximum % of share options exercisable

可行使購股權之最高百分比

1.5.2014 – 30.4.2015

up to 50%
最高可達50%

1.5.2015 – 30.4.2016

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

1.5.2016 – 30.4.2017

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

No share options were granted by the Company during the six months ended 30th June, 2016.

截至二零一六年六月三十日止六個月期間，本公司並無授出購股權。

As at 30th June, 2016, the total number of new shares which might be issued upon exercise of the options that had been granted and remained outstanding under the Scheme was nil.

於二零一六年六月三十日，因根據計劃授出而尚未行使之購股權獲行使而可能發行之新股份總數為零。

OTHER INFORMATION

INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2016 (six months ended 30th June, 2015: nil).

HUMAN RESOURCES

As at 30th June, 2016, the Group and the processing factory employed a total workforce of around 1,100 full time staff (31st December, 2015: 1,100). 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.

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 six months ended 30th June, 2016, except with the following deviations:

其他資料

中期股息

董事不建議派付截至二零一六年六月三十日止六個月之中期股息(截至二零一五年六月三十日止六個月：無)。

人力資源

於二零一六年六月三十日，本集團及加工廠房僱用總共約1,100名全職員工(二零一五年十二月三十一日：1,100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。

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。截至二零一六年六月三十日止六個月，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：

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 the chief executive officer respectively are clear and distinctive and hence written terms thereof are not necessary.

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 the chief executive officer of the Company.

Code Provision C.3.3

- Code Provision C.3.3 stipulates that the audit committee must meet, at least twice a year, with the Company's auditor.
- Since the Company has not engaged its auditor to review the financial information in its interim report, the audit committee has met with the Company's auditor once a year to discuss matters arising from the audit of the Company's annual results and other matters the auditor may wish to raise. The audit committee has met with the Company's auditor once during the six months ended 30th June, 2016.

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。

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。

守則條文C.3.3條

- 守則條文C.3.3條規定審核委員會須每年與本公司核數師舉行最少兩次會議。
- 由於本公司並無委聘其核數師審閱中期報告之財務資料，審核委員會每年與本公司核數師舉行一次會議，以討論審計本公司全年業績所產生之事宜及核數師可能提出之其他事宜。截至二零一六年六月三十日止六個月期間，審核委員會已與本公司核數師舉行一次會議。

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, 2016.

REVIEW OF ACCOUNTS

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, 2016 and has discussed internal control and financial reporting matters including the review of accounting practices and principles adopted by the Group.

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, 22nd August, 2016

購買、出售或贖回股份

截至二零一六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。

審閱賬目

審核委員會已與管理層審閱本集團截至二零一六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。

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向彼等致以衷心謝意。

董事會代表

主席

許森國

香港，二零一六年八月二十二日

