



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 2020 中期報告



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Hui Sum Ping (*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. Wong Chu Leung
Mr. Chau Suk Ming

AUDIT COMMITTEE

Mr. Chee Man Sang, Eric (*Chairman*)
Mr. Wong Chu Leung
Mr. Chau Suk Ming

REMUNERATION COMMITTEE

Mr. Chee Man Sang, Eric (*Chairman*)
Mr. Wong Chu Leung
Mr. Chau Suk Ming
Ms. Hui Yuen Li

NOMINATION COMMITTEE

Mr. Chee Man Sang, Eric (*Chairman*)
Mr. Wong Chu Leung
Mr. Chau Suk Ming
Ms. Hui Yuen Li

AUTHORISED REPRESENTATIVES

Mr. Hui Sum Tai
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

許森平先生 (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
黃珠亮先生
周淑明先生

審核委員會

池民生先生 (主席)
黃珠亮先生
周淑明先生

薪酬委員會

池民生先生 (主席)
黃珠亮先生
周淑明先生
許婉莉女士

提名委員會

池民生先生 (主席)
黃珠亮先生
周淑明先生
許婉莉女士

授權代表

許森泰先生
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

CORPORATE INFORMATION

(continued)

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

Second Floor, Century Yard
Cricket Square
P.O. Box 902
Grand Cayman KY1-1103
Cayman Islands

SHARE REGISTRARS AND TRANSFER AGENTS

Principal share registrar and transfer agent in the Cayman Islands

Tricor Services (Cayman Islands) Limited
Second Floor, Century Yard
Cricket Square
P.O. Box 902
Grand Cayman KY1-1103
Cayman Islands

Branch share registrar and transfer agent in Hong Kong

Tricor Abacus Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Standard Chartered Bank
DBS Bank (Hong Kong) Limited
United Overseas Bank Limited
Citibank, N.A.
Agricultural Bank of China Limited
Bank of China Limited

STOCK CODE

2320

WEBSITE

www.hopfunggroup.com

公司資料 (續)

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

Second Floor, Century Yard
Cricket Square
P.O. Box 902
Grand Cayman KY1-1103
Cayman Islands

股份過戶登記處

開曼群島主要股份過戶登記處

Tricor Services (Cayman Islands) Limited
Second Floor, Century Yard
Cricket Square
P.O. Box 902
Grand Cayman KY1-1103
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54樓

主要往來銀行

渣打銀行
星展銀行 (香港) 有限公司
大華銀行有限公司
花旗銀行
中國農業銀行股份有限公司
中國銀行股份有限公司

股份代號

2320

網址

www.hopfunggroup.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, 2020 together with the comparative figures for the corresponding period in 2019 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th June, 2020

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」)截至二零二零年六月三十日止六個月之未經審核簡明綜合業績，連同二零一九年同期之比較數字如下：

簡明綜合損益及其他全面收益表

截至二零二零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	30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收益	4	324,394	596,889
Cost of sales	銷售成本		(297,460)	(526,611)
Gross profit	毛利		26,934	70,278
Other income	其他收入		8,067	11,080
Other gains and losses	其他收益及虧損		(234)	(1,471)
Selling and distribution costs	銷售及分銷成本		(13,653)	(22,045)
Administrative expenses	行政開支		(36,764)	(44,074)
Other expenses	其他開支	5	(8,286)	(7,754)
Finance costs	財務成本	6	(3,734)	(2,916)
(Loss) profit before taxation	稅前(虧損)利潤	7	(27,670)	3,098
Income tax expense	所得稅開支	8	(182)	(1,378)
(Loss) profit for the period, attributable to owners of the Company	本公司擁有人 應佔期間(虧損) 利潤		(27,852)	1,720

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

For the six months ended 30th June, 2020

**簡明綜合損益及其他全面收益
表 (續)**

截至二零二零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	30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Other comprehensive (expense) income for the period: <i>Item that may be reclassified subsequently to profit or loss:</i>	期間其他全面(開支)收益： 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	(30,505)	211
Total comprehensive (expense) income for the period, attributable to owners of the Company	本公司擁有人應佔期間全面(開支)收益總額	(58,357)	1,931
		HK cents 港仙	HK cents 港仙
(Loss) earnings per share	每股(虧損)盈利		
– basic	– 基本	(3.41)	0.21
– diluted	– 攤薄	(3.41)	0.21

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2020

簡明綜合財務狀況表

於二零二零年六月三十日

			30.6.2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
	Notes 附註			
Non-current assets		非流動資產		
Property, plant and equipment	11	物業、廠房及設備	1,282,486	1,343,204
Right-of-use assets	12	使用權資產	24,024	28,765
Deposits paid for the acquisition of property, plant and equipment		購置物業、廠房及 設備所付訂金	105,489	63,790
			1,411,999	1,435,759
Current assets		流動資產		
Inventories	13	存貨	128,945	93,861
Trade and other receivables	14	貿易及其他應收款項	106,039	168,833
Deposits and prepayments		按金及預付款	51,586	6,518
Bank balances and cash		銀行結餘及現金	322,182	292,299
			608,752	561,511

**CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL
POSITION** (continued)
At 30th June, 2020

簡明綜合財務狀況表（續）

於二零二零年六月三十日

		Notes 附註	30.6.2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current liabilities	流動負債			
Trade, bills and other payables	貿易·票據及 其他應付款項	15	154,759	180,655
Taxation payable	應付稅項		2,952	3,133
Lease liabilities	租賃負債	16	3,788	7,832
Unsecured bank borrowings	無抵押銀行借貸	17	159,932	183,263
			321,431	374,883
Net current assets	流動資產淨值		287,321	186,628
Total assets less current liabilities	總資產減流動負債		1,699,320	1,622,387
Capital and reserves	股本及儲備			
Share capital	股本	18	81,764	81,764
Reserves	儲備		1,392,063	1,449,519
Total equity, attributable to owners of the Company	本公司擁有人應佔權益 總額		1,473,827	1,531,283
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	16	311	311
Unsecured bank borrowings	無抵押銀行借貸	17	168,242	33,593
Deferred taxation	遞延稅項		56,940	57,200
			225,493	91,104
			1,699,320	1,622,387

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June, 2020
(Unaudited)

簡明綜合權益變動表

截至二零二零年六月三十日止六個月
(未經審核)

		Share capital	Share premium	Special reserve	Translation reserve	Share options reserve 購股權 儲備	Retained profits 保留利潤	Total
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	特別儲備 HK\$'000 千港元 (Note) (附註)	匯兌儲備 HK\$'000 千港元	購股權 儲備 HK\$'000 千港元	保留利潤 HK\$'000 千港元	總計 HK\$'000 千港元
At 1st January, 2020	於二零二零年 一月一日	81,764	492,392	(107,444)	(33,966)	2,930	1,095,627	1,531,283
Loss for the period	期間虧損	-	-	-	-	-	(27,852)	(27,852)
Exchange differences arising from translation of foreign operations and 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	-	-	-	(30,505)	-	-	(30,505)
Total comprehensive expense for the period	期間全面開支 總額	-	-	-	(30,505)	-	(27,852)	(58,357)
Recognition of equity-settled share-based payments	確認以股權結算 以股份支付之支出	-	-	-	-	901	-	901
At 30th June, 2020	於二零二零年 六月三十日	81,764	492,392	(107,444)	(64,491)	3,831	1,067,775	1,473,827

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30th June, 2019
(Unaudited)

簡明綜合權益變動表（續）

截至二零一九年六月三十日止六個月
（未經審核）

		Share capital	Share premium	Special reserve	Translation reserve	Share options reserve 購股權 儲備	Retained profits 保留利潤	Total
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	特別儲備 HK\$'000 千港元 (Note) (附註)	匯兌儲備 HK\$'000 千港元	購股權 儲備 HK\$'000 千港元	保留利潤 HK\$'000 千港元	總計 HK\$'000 千港元
At 1st January, 2019	於二零一九年 一月一日	79,682	481,258	(107,444)	(9,212)	2,392	1,103,546	1,550,222
Profit for the period	期間利潤	-	-	-	-	-	1,720	1,720
Exchange differences arising from translation of foreign operations and 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	-	-	-	211	-	-	211
Total comprehensive income for the period	期間全面收益 總額	-	-	-	211	-	1,720	1,931
Recognition of equity-settled share-based payments	確認以股權結算以 股份支付之支出	-	-	-	-	3,567	-	3,567
Exercise of share options	行使購股權	2,082	6,974	-	-	-	-	9,056
At 30th June, 2019	於二零一九年 六月三十日	81,764	488,232	(107,444)	(9,001)	5,959	1,105,266	1,564,776

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, 2020

簡明綜合現金流量表

截至二零二零年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Operating cash flows before movements in working capital	流動資金變動前營運現金流量	21,791	53,131
(Increase) decrease in inventories	存貨(增加)減少	(37,167)	119,923
Decrease in trade and other receivables	貿易及其他應收款項減少	59,872	32,520
Increase in deposits and prepayments	按金及預付款增加	(45,464)	(412)
Decrease in trade, bills and other payables	貿易、票據及其他應付款項減少	(20,372)	(89,394)
Cash generated (used in) from operations	營運(使用)產生之現金	(21,340)	115,768
Income tax paid	已繳付所得稅	(635)	(609)
Income tax refunded	退回所得稅	15	—
Net cash (used in) from operating activities	經營活動(使用)產生之現金淨額	(21,960)	115,159
Investing activities	投資活動		
Purchases of property, plant and equipment	購置物業、廠房及設備	(8,947)	(19,285)
Increase in deposits paid for the acquisition of property, plant and equipment	購置物業、廠房及設備所付按金增加	(43,232)	(23,729)
Other investing cash flows	其他投資現金流量	809	877
Net cash used in investing activities	投資活動使用之現金淨額	(51,370)	(42,137)

**CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS**
(continued)

For the six months ended 30th June, 2020

簡明綜合現金流量表（續）

截至二零二零年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Financing activities	融資活動		
New bank borrowings raised	新增銀行借貸	233,355	112,218
Proceeds from issue of shares	發行股份所得款項	—	9,056
Repayment of bank borrowings	償還銀行借貸	(120,727)	(124,799)
Other financing cash flows	其他融資現金流量	(7,693)	(2,916)
Net cash from (used in) financing activities	融資活動產生（使用）之現金淨額	104,935	(6,441)
Net increase in cash and cash equivalents	現金及現金等值增加淨額	31,605	66,581
Cash and cash equivalents at 1st January	於一月一日現金及現金等值	292,299	219,398
Effect of foreign exchange rate changes	匯率變動之影響	(1,722)	(323)
Cash and cash equivalents at 30th June	於六月三十日現金及現金等值	322,182	285,656
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, 2020

簡明綜合財務報表附註

截至二零二零年六月三十日止六個月

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"). The address of the registered office of the Company is disclosed under Corporate Information section of this interim report.

2. BASIS OF PREPARATION

The unaudited condensed consolidated 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 unaudited condensed consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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。本公司之註冊辦事處之地址載於本中期報告公司資料章節內。

2. 編製基準

未經審核簡明綜合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

未經審核簡明綜合財務報表乃於各報告期末按歷史成本基準編製，歷史成本一般按交換貨品及服務代價之公平值釐定。

**NOTES TO THE CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS** (continued)
For the six months ended 30th June, 2020

簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

**3. PRINCIPAL ACCOUNTING
POLICIES** (continued)

3. 主要會計政策（續）

The accounting policies used in the preparation of the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31st December, 2019, except as described below. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31st December, 2019.

編製未經審核簡明綜合財務報表所用之會計政策，與本集團在其截至二零一九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。未經審核簡明綜合財務報表應與截至二零一九年十二月三十一日止年度之綜合財務報表一併閱讀。

In the current interim period, the Group has applied the amendments to References to the Conceptual Framework in Hong Kong Financial Reporting Standards ("HKFRS") and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1st January 2020 for the preparation of the Group's unaudited condensed consolidated financial statements:

於本中期期間，本集團已首次採用由香港會計師公會頒佈且已於二零二零年一月一日或之後開始之年度期間強制生效之香港財務報告準則（「香港財務報告準則」）概念框架指引之修訂及以下香港財務報告準則之修訂，以編製本集團之未經審核簡明綜合財務報表：

Amendments to HKAS 1 and HKAS 8	Definition of Material	香港會計準則第1號及 香港會計準則第8號 之修訂	重大的定義
Amendments to HKFRS 3	Definition of a Business	香港財務報告準則 第3號之修訂	業務的定義
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform	香港財務報告準則 第9號、香港會計準則 第39號及香港財務報 告準則第7號之修訂	利率基準改革

**NOTES TO THE CONDENSED
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簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

**3. PRINCIPAL ACCOUNTING
POLICIES** (continued)

3. 主要會計政策（續）

Except as described below, the application of the amendments to References to the Conceptual Framework in HKFRSs and the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

Impacts of application on Amendments to HKAS 1 and HKAS 8 "Definition of Material"

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the unaudited condensed consolidated financial statements. Changes in presentation and disclosures on the application of the amendments, if any, will be reflected on the consolidated financial statements for the year ending 31st December 2020.

除下文所述者外，於本期間應用香港財務報告準則概念框架指引之修訂及香港財務報告準則之修訂對本集團於本期間及過往期間之財務狀況及表現及／或載於該等未經審核簡明綜合財務報表之披露並無造成重大影響。

應用香港會計準則第1號及香港會計準則第8號之修訂「重大的定義」的影響

該等修訂對重大提供新定義，指出「如遺漏、錯誤陳述或掩蓋資料可合理預期會對一般用途財務報表的主要使用者基於該等財務報表作出的決策造成影響，而該等財務報表提供特定報告實體的財務資料，則有關資料屬重大」。修訂亦澄清，重大程度視乎資料的性質或數量而定，於整體財務報表中以單獨或與其他資料一併考慮。

於本期間應用該等修訂不會對未經審核簡明綜合財務報表造成影響。應用修訂的呈列及披露變動（如有）將於截至二零二零年十二月三十一日止年度的綜合財務報表內反映。

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簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

**3. PRINCIPAL ACCOUNTING
POLICIES** (continued)

3. 主要會計政策（續）

**Impacts and accounting policies on
application of Amendments to HKFRS 3
“Definition of a Business”**

**應用香港財務報告準則第3號之
修訂「業務的定義」的影響及會
計政策**

Effective from 1st January 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

自二零二零年一月一日起，本集團可按個別交易基準選擇應用選擇性集中度測試，該測試允許對所收購一組活動及資產是否並非一項業務進行簡化評估。倘所收購之總資產的絕大部分公平值均集中於單一可識別資產或一組類似資產，則符合集中度測試。被評估的總資產不包括現金及現金等值、遞延稅項資產及遞延稅項負債影響所產生的商譽。倘符合集中度測試，則確定該組活動及資產並非業務，毋須進一步評估。

The amendments had no impact on the unaudited condensed consolidated financial statements.

該等修訂並無對未經審核簡明綜合財務報表造成影響。

4. SEGMENT INFORMATION

4. 分部資料

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

本集團的主要製造業務均位於中華人民共和國（「中國」）。

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

本集團之可呈報及經營分部可分為製造及銷售：

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

- 箱板紙－瓦楞芯紙及牛咭
- 瓦楞包裝－瓦楞紙板及紙箱

**NOTES TO THE CONDENSED
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簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

4. SEGMENT INFORMATION
(continued)

4. 分部資料（續）

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

以下為按可呈報及經營分部劃分之本集團收益及業績分析：

Segment revenues and results

分部收益及業績

For the six months ended 30th June, 2020
(Unaudited)

截至二零二零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	98,902	225,492	324,394	-	324,394
Inter-segment sales	分部間銷售	91,327	-	91,327	(91,327)	-
Total	總計	190,229	225,492	415,721	(91,327)	324,394
RESULT	業績					
Segment (loss) profit	分部（虧損）利潤	(12,446)	873	(11,573)	-	(11,573)
Central administrative expenses	中央行政開支					(12,363)
Finance costs	財務成本					(3,734)
Loss before taxation	稅前虧損					(27,670)

**NOTES TO THE CONDENSED
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簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

4. SEGMENT INFORMATION
(continued)

4. 分部資料（續）

Segment revenues and results (continued)

分部收益及業績（續）

For the six months ended 30th June, 2019
(Unaudited)

截至二零一九年六月三十日止六
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	296,153	300,736	596,889	-	596,889
Inter-segment sales	分部間銷售	147,723	-	147,723	(147,723)	-
Total	總計	443,876	300,736	744,612	(147,723)	596,889
RESULT	業績					
Segment profit	分部利潤	13,639	10,848	24,487	-	24,487
Central administrative expenses	中央行政開支					(18,473)
Finance costs	財務成本					(2,916)
Profit before taxation	稅前利潤					3,098

Inter-segment sales are charged at prevailing
market rates.

分部間銷售乃參照現行市價計
算。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2020

簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

5. OTHER EXPENSES

5. 其他開支

		Six months ended 截至六月三十日止六個月	
		30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
PRC other taxes	中國其他稅項	2,512	2,316
Depreciation*	折舊*	3,942	4,229
Legal and professional fees	法律及專業費用	504	683
Others	其他	1,328	526
		8,286	7,754

* Other than depreciation included in cost of inventories which was recognised as expenses

* 不包括計入確認為開支之存貨成本之折舊

6. FINANCE COSTS

6. 財務成本

		Six months ended 截至六月三十日止六個月	
		30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Interest on unsecured bank borrowings	無抵押銀行借貸之利息	3,578	2,881
Interest on lease liabilities	租賃負債之利息	156	35
		3,734	2,916

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2020

簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

7. (LOSS) PROFIT BEFORE TAXATION

7. 稅前（虧損）利潤

		Six months ended 截至六月三十日止六個月	
		30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
(Loss) profit before taxation has been arrived at after charging (crediting):	稅前（虧損）利潤已扣除（計入）下列各項：		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	41,409	44,149
Depreciation of right-of-use assets	使用權資產之折舊	4,226	4,232
Total depreciation and amortisation	折舊及攤銷總額	45,635	48,381
Less: Amount included in cost of inventories recognised as expenses	減：計入確認為開支之存貨成本金額	(41,693)	(44,152)
		3,942	4,229
Staff Costs (including Directors' emoluments)	員工成本（包括董事酬金）	47,027	54,840
Cost of inventories recognised as expenses	確認為開支之存貨成本	297,460	526,611
Interest income	利息收入	(809)	(877)

**NOTES TO THE CONDENSED
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簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

8. INCOME TAX EXPENSE

8. 所得稅開支

		Six months ended 截至六月三十日止六個月	
		30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2019 二零一九年 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	350	298
PRC Enterprise Income Tax	中國企業所得稅	92	432
		442	730
Deferred tax	遞延稅項	(260)	648
		182	1,378

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%。

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簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

9. (LOSS) EARNINGS PER SHARE

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

9. 每股（虧損）盈利

本公司擁有人應佔每股基本及攤薄（虧損）盈利乃按以下數據計算：

		Six months ended 截至六月三十日止六個月	
		30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
(Loss) earnings	(虧損) 盈利		
(Loss) earnings for the purposes of basic and diluted (loss) earnings per share	計算每股基本及攤薄（虧損）盈利之（虧損）盈利		
		(27,852)	1,720
		30.6.2020 於二零二零年 六月三十日 (Unaudited) (未經審核)	30.6.2019 於二零一九年 六月三十日 (Unaudited) (未經審核)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	計算每股基本（虧損）盈利之普通股加權平均數	817,644,000	803,265,547
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	—	403,897
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	計算每股攤薄（虧損）盈利之普通股加權平均數	817,644,000	803,669,444

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2020

9. (LOSS) EARNINGS PER SHARE (continued)

The computation of diluted loss per share for the six months ended 30th June, 2020 did not assume the exercise of the Company's share options as the exercise price of these options was higher than the average market price for shares from the date of grant.

10. DIVIDENDS

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2020 and six months ended 30th June, 2019.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30th June, 2020, the Group acquired property, plant and equipment amounting to approximately HK\$8.9 million (unaudited) (for the year ended 31st December, 2019: approximately HK\$60.5 million (audited)).

簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

9. 每股（虧損）盈利（續）

由於該等購股權的行使價高於自授出日期起的股份平均市價，故截至二零二零年六月三十日止六個月的每股攤薄虧損之計算並未假設本公司之購股權獲行使。

10. 股息

董事不建議派付截至二零二零年六月三十日止六個月及截至二零一九年六月三十日止六個月之中期股息。

11. 物業、廠房及設備

截至二零二零年六月三十日止六個月內，本集團使用約8,900,000港元（未經審核）購置物業、廠房及設備（截至二零一九年十二月三十一日止年度：約60,500,000港元（經審核））。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2020

簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

12. RIGHT-OF-USE ASSETS

12. 使用權資產

		Leasehold lands 租賃土地 HK\$'000 千港元	Leased properties 租賃物業 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Carrying amount	賬面值			
As at 1st January, 2019 (Audited)	於二零一九年 一月一日 (經審核)	21,549	7,503	29,052
As at 31st December, 2019 (Audited)	於二零一九年 十二月三十一日 (經審核)	20,651	8,114	28,765
As at 30th June, 2020 (Unaudited)	於二零二零年 六月三十日 (未經審核)	19,981	4,043	24,024
Depreciation charge	折舊費用			
For the six months ended 30th June, 2019 (Unaudited)	截至二零一九年 六月三十日 止六個月 (未經審核)	279	3,953	4,232
For the six months ended 30th June, 2020 (Unaudited)	截至二零二零年 六月三十日 止六個月 (未經審核)	267	3,959	4,226

**NOTES TO THE CONDENSED
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簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

13. INVENTORIES

13. 存貨

		30.6.2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Raw materials	原材料	96,117	64,277
Work in progress	在製品	339	336
Finished goods	製成品	32,489	29,248
		128,945	93,861

14. TRADE AND OTHER RECEIVABLES

14. 貿易及其他應收款項

		30.6.2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Trade receivables	貿易應收款項	96,961	149,495
Less: allowance for credit losses	減：信貸虧損撥備	(2,877)	(2,935)
		94,084	146,560
Other receivables	其他應收款項	11,955	22,273
Total trade and other receivables	貿易及其他應收款項 總額	106,039	168,833

The Group allows credit periods ranging from 5 to 120 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.

本集團給予貿易客戶5至120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。

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簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

14. TRADE AND OTHER RECEIVABLES
(continued)

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period:

		30.6.2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days	30日內	92,899	146,212
31-60 days	31至60日	1,185	348
		94,084	146,560

As at 30th June 2020, included in the Group's trade receivables balance are debtors with aggregate gross amount of HK\$16,186,000 (unaudited) (31st December, 2019: HK\$20,061,000 (audited)) which were past due as at the reporting date. Out of the past due balances, no balance has been past due 90 days or more and is not considered as in default. 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 68 days (unaudited) (31st December, 2019: 49 days (audited)) based on invoice dates.

14. 貿易及其他應收款項
(續)

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）扣除信貸虧損撥備後而呈列之貿易應收款項之賬齡分析：

於二零二零年六月三十日，本集團之貿易應收款項結餘中包括賬面值總額為16,186,000港元（未經審核）之應收款項（二零一九年十二月三十一日：20,061,000港元（經審核）），該等款項於報告日已逾期。已逾期結餘中，並無結餘已逾期90日或以上及並無被視為違約。該等款項與多名和本集團保持良好貿易及付款紀錄之獨立客戶有關。相關客戶之信貸質素並無重大改變，且本集團相信仍可收回該等結餘。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68日（未經審核）（二零一九年十二月三十一日：49日（經審核））。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2020

簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

15. 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:

15. 貿易、票據及其他應付款項

本集團之供應商授出介乎30至90日的信貸期。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：

		30.6.2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current	即期	29,564	46,266
Overdue 1 to 30 days	逾期1至30日	1,056	351
Overdue 31 to 60 days	逾期31至60日	323	6
Overdue for more than 60 days	逾期60日以上	1,899	825
Trade and bills payables	貿易及票據應付款項	32,842	47,448
Payables for the acquisition of property, plant and equipment	購置物業、廠房及設備之應付款項	13,761	16,337
PRC other tax payables	應付其他中國稅項	22,275	27,150
Other payables and accrued charges	其他應付款項及應計支出	85,881	89,720
		154,759	180,655

The average credit period on purchases of goods is 37 days (unaudited) (31st December, 2019: 33 days (audited)). 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37日（未經審核）（二零一九年十二月三十一日：33日（經審核））。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。

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截至二零二零年六月三十日止六個月

16. LEASE LIABILITIES

16. 租賃負債

		30.6.2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Lease liabilities payable:	應付租賃負債：		
Within one year	一年內	3,788	7,832
Within a period of more than one year but not more than two years	於一年以上但不超過兩 年的期間內	311	311
		4,099	8,143
Less: Amount due for settlement within 12 months shown under current liabilities	減：於流動負債列示之 十二個月內到期 償還金額	(3,788)	(7,832)
Amount due for settlement after 12 months shown under non-current liabilities	於流動負債列示之十二 個月後到期償還金額	311	311

**NOTES TO THE CONDENSED
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簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

**17. UNSECURED BANK
BORROWINGS**

17. 無抵押銀行借貸

Unsecured bank borrowings comprise:

無抵押銀行借貸包括：

		30.6.2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Bank loans	銀行貸款	328,174	216,856
Carrying amounts repayable*:	應償還賬面值*：		
Within one year	一年內	93,877	135,207
More than one year, but not exceeding two years	一年以上但不超過兩年	52,131	23,593
More than two years, but not exceeding five years	兩年以上但不超過五年	116,111	10,000
		262,119	168,800
Carrying amount of bank loans that contain a repayment on demand clause (shown under current liabilities) and repayable within one year	包含按要求償還條款（於流動負債列示）及應於一年內償還之銀行貸款之賬面值	66,055	48,056
		328,174	216,856
Less: Amount due within one year shown under current liabilities	減：於流動負債列示之一年內到期金額	(159,932)	(183,263)
Amount due after one year shown as non-current liabilities	於非流動負債列示之一年後到期金額	168,242	33,593

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

* 到期金額乃根據載於貸款協議之議定預定還款日期釐定。

**NOTES TO THE CONDENSED
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For the six months ended 30th June, 2020

簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

18. SHARE CAPITAL

18. 股本

		Number of shares 股份數目	Share capital 股本 Amount 金額 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, 2019,	於二零一九年一月一日		
31st December, 2019 and	二零一九年十二月三十一日		
30th June, 2020	及二零二零年六月三十日	1,000,000,000	100,000
Issued and fully paid:	已發行及繳足股本:		
At 1st January, 2019	於二零一九年一月一日	796,824,000	79,682
Exercise of share options	行使購股權	20,820,000	2,082
At 31st December, 2019 and	於二零一九年十二月三十一日	817,644,000	81,764
30th June, 2020	及二零二零年六月三十日		
Note: All balances are audited except balances at 30th June, 2020.		附註：除於二零二零年六月三十日之 結餘外，所有結餘均已審核。	

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2020

簡明綜合財務報表附註（續）

截至二零二零年六月三十日止六個月

19. CAPITAL COMMITMENTS

19. 資本承擔

	30.6.2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2019 於二零一九年 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	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	
	65,505	93,934

20. RELATED PARTY TRANSACTIONS

20. 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

	30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Salaries, bonuses and other benefits	薪酬、花紅及其他福利	
Post employment benefits	終止聘用後之福利	
	7,582 45	7,319 75

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first quarter of 2020, the Chinese economy suffered from the outbreak of COVID-19 and consumer demand plunged. In the second quarter, the COVID-19 situation came under effective control in Mainland China, and enterprises started to restart production, but consumer demand remained subdued. The global outbreak of COVID-19 and the Sino-US trade war were additional contributing factors to a decline in demand from exports. Even though the Chinese economy improved in the second quarter, momentum for a full recovery was lacking and this deeply slashed market demand for corrugated packaging.

Since the Chinese government started to impose quotas on wastepaper imports, and steadily cut import volumes each quarter, upstream manufacturers of the corrugated packaging industry have found it difficult to source raw materials to make containerboard. At the same time, domestic wastepaper demand rose and pushed up prices to high levels. In the first half of 2020, global consumer demand plunged, and corrugated packaging products saw prices adjust downwards. Even though domestic wastepaper prices fell in the period, it remained at relatively high levels, putting a tremendous burden on the corrugated packaging industry.

As the Group's upstream business lacks wastepaper for making containerboard, the Group has been purchasing some containerboard overseas for feeding into our downstream business making corrugated paper boards and carton boxes. However, our containerboard imports are settled in US dollars, but the Group's revenue is mainly from Renminbi-denominated domestic sales, and fluctuations in the Renminbi exchange rate have as a result put pressure on the Group. The continued decline in the Renminbi exchange rate in the first half of 2020 substantially negatively impacted the Group's profitability.

管理層討論及分析

業務回顧

於二零二零年第一季度，新冠肺炎之爆發對中國經濟造成嚴重打擊，消費需求急劇下降。於第二季國內疫情得到有效的控制，企業已復工復產，但消費尚未能完全恢復，加上全球出現了大規模疫情爆發，而中美貿易摩擦仍持續不斷，令出口需求量大幅下降。縱使中國經濟於第二季有所改善，但復蘇動力不足，嚴重影響了市場對瓦楞包裝的需求。

自中國政府限制廢紙進口配額，並持續於每季度減少進口量，以致瓦楞包裝業之上游企業缺乏主要原材料來製造箱板紙，國內廢紙卻因需求上升而價格持續高企。於二零二零年上半年，全球消費需求大跌，使瓦楞包裝產品之銷售價格下調，國內廢紙價格雖有回落但依然偏高，對瓦楞包裝企業造成沉重的負擔。

由於本集團之上游業務缺乏廢紙來製造箱板紙，集團便在國外採購部分箱板紙，供應給集團之下游業務製造瓦楞紙板及紙箱，而箱板紙以美元結算，但集團主要收入來自人民幣的內銷業務，因此人民幣匯率的波動對集團構成一定的壓力。而人民幣匯率於二零二零上半年持續下跌，對集團之盈利造成不少負面影響。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

BUSINESS REVIEW (continued)

As a result of the said factors, the Group's total sales volume plunged in the first half of 2020, and average selling prices fell as well. Revenue in the first half of 2020 fell 46% against both the first half and the second half of 2019. In the first half of 2020, containerboard and corrugated packaging accounted for 30% and 70% of revenue, and equipment utilization came to 35% and 40%, respectively. Compared to the first half of 2019, revenue from containerboard sales fell by 67% and revenue from corrugated packaging sales fell by 25%. Although production costs also fell due to lower sales volume and average selling prices, the relatively high cost of wastepaper and the operating deleverage from the Group's overheads resulted in the Group recording a loss in the first half of 2020.

The Group has always strived to strenuously control costs and expenses and focuses on producing containerboard and corrugated packaging products with shorter production lead times. Combined with a quality customer base, they have allowed us to maintain our bad debts ratio at close to zero level as of the end of June 2020. Our Group's overall financial situation remains extremely robust, with net gearing and gearing ratios still extremely low, at 0.4% and 22.3%, respectively.

To meet our raw materials requirements for making containerboard, the Group has installed a small pulp production line at a leased facility in Southeast Asia, for processing wastepaper into pulp as feedstock for our containerboard production lines in Mainland China. Trial production of the new pulp line was completed in the second quarter of 2020, and production will start in the second half of 2020, meeting about 10% of the raw materials requirements of our upstream business.

管理層討論及分析 (續)

業務回顧 (續)

基於以上各種原因，本集團於二零二零年上半年總銷售量大跌，平均銷售價格也下跌，二零二零年上半年之收益比二零一九年上半年及下半年都是下跌46%。於二零二零年上半年箱板紙及瓦楞包裝業務分別佔收益的30%及70%，其設備使用率分別為35%及40%。相比二零一九年上半年，箱板紙之收益下跌67%，瓦楞包裝之收益下跌25%。雖然製造成本也隨銷售量及平均銷售價下跌而下調，但廢紙成本偏高，而集團始終有一定的經常性開支，故集團於二零二零年上半年錄得虧損。

集團一向嚴謹監控成本及支出，而且專注生產週期較短的箱板紙及瓦楞包裝產品，並擁有優質的客戶群，在二零二零年六月底集團壞賬率近乎零，且錄得極低的淨負債及負債比率，分別為0.4%及22.3%，集團的財務狀況依然非常穩健。

集團為了有足夠的原材料生產箱板紙，已在東南亞物色了合適地點，在租賃廠房安裝了一條小型生產線製造紙漿，將廢紙造成紙漿後運送回中國國內之現有廠房生產箱板紙，試產在二零二零年第二季已順利完成，生產線在二零二零年下半年正式投入生產，並可滿足上游業務約10%的原材料需要。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW

Operating results

In the first half of 2020, the tremendous decrease in consumption in China and the continuous decline in the Group's production of containerboard led to a poor performance of the Group. Both sales volume and average selling price of the Group fell, resulting in a drop of revenue by 45.7%. Revenue fell from HK\$596.9 million in the first half of 2019 to HK\$324.4 million in the first half of 2020. Cost of sales fell in line with the fall in revenue. Gross profit fell from HK\$70.3 million to HK\$26.9 million. Gross profit margin dropped from 11.8% to 8.3%.

Other income fell HK\$3.0 million, from HK\$11.1 million to HK\$8.1 million. It was mainly arisen from less scrap sales in the first half of 2020.

Selling and distribution costs fell by 38.0%, decreasing from HK\$22.1 million to HK\$13.7 million. The fall was attributed to the decrease in transportation cost in line with decrease in revenue in the first half of 2020.

Administrative expenses declined from HK\$44.1 million to HK\$36.8 million in the first half of 2020. The fall of 16.6% was predominantly due to exemption of payment of certain insurance schemes of the social security fund in China and reduction in share-based payments.

Other expenses slightly increased from HK\$7.8 million to HK\$8.3 million. No much change was recorded.

The rise in finance costs from HK\$2.9 million to HK\$3.7 million, was owing to higher average bank borrowing level and higher interest rate in the first half of 2020.

EBITDA (earnings before interest, tax, depreciation and amortization) decreased HK\$32.7 million, from HK\$54.4 million to HK\$21.7 million. Loss for the period of HK\$27.9 million was recorded in the first half of 2020 while profit for the period of HK\$1.7 million was recorded in the first half of 2019.

管理層討論及分析 (續)

財務回顧

經營業績

二零二零年上半年，中國的消費大幅減少以及本集團之箱板紙生產持續下降，導致本集團之表現欠佳。本集團之產品銷量及平均售價均下跌，令收益下降45.7%。收益由二零一九年上半年之596,900,000港元跌至二零二零年上半年之324,400,000港元。銷售成本下降與收益下跌相符。毛利由70,300,000港元跌至26,900,000港元。毛利率由11.8%跌至8.3%。

其他收入由11,100,000港元減少3,000,000港元至8,100,000港元。此乃主要由於二零二零年上半年廢品銷售減少所致。

銷售及分銷成本由22,100,000港元減少38.0%至13,700,000港元。減少乃由於運輸成本減少所致，這與二零二零年上半年收益下跌的情況相符。

行政開支由44,100,000港元減少至二零二零年上半年之36,800,000港元。出現16.6%的跌幅，主要由於豁免支付中國社會保障基金的若干保險項目以及股份為基礎的付款減少所致。

其他開支由7,800,000港元輕微增加至8,300,000港元。並無錄得大幅變動。

財務成本由2,900,000港元增加至3,700,000港元，乃由於二零二零年上半年的平均銀行借貸水平及利率上升所致。

息稅折舊攤銷前盈利（未計利息、稅項、折舊及攤銷前盈利）由54,400,000港元減少32,700,000港元至21,700,000港元。二零二零年上半年錄得期間虧損27,900,000港元，而二零一九年上半年錄得期間利潤1,700,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Liquidity, financial and capital resources

At 30th June, 2020, the Group's total cash and cash equivalents were HK\$322.2 million (31st December, 2019: HK\$292.3 million) which was mostly denominated in Renminbi.

Net current assets and current ratio of the Group as at 30th June, 2020 were HK\$287.3 million (31st December, 2019: HK\$186.6 million) and 1.9 (31st December, 2019: 1.5) respectively.

In the first half of 2020, the Group spent HK\$52.2 million on capital expenditure, basically for general maintenance and deposit paid for acquiring pulp-making machinery in the first half of 2020.

At 30th June, 2020, the average inventory, debtors and creditors turnover days were 76 days (31st December, 2019: 84 days), 68 days (31st December, 2019: 49 days) and 37 days (31st December, 2019: 33 days) respectively.

The total bank borrowings increased to HK\$328.2 million as at 30th June, 2020 (31st December, 2019: HK\$216.9 million). Gearing ratio rose from 14.2% to 22.3%. Net loan of HK\$6.0 million (total bank borrowings less total bank balances and cash) was recorded as at 30th June, 2020 (31st December, 2019: net cash HK\$75.4 million). Net gearing ratio rose from -4.9% to 0.4%. The current bank borrowings fell HK\$23.4 million and non-current bank borrowings rose HK\$134.7 million.

管理層討論及分析 (續)

財務回顧 (續)

流動資金、財務及資本資源

於二零二零年六月三十日，本集團之現金及現金等值總額為322,200,000港元（二零一九年十二月三十一日：292,300,000港元），大部分以人民幣列值。

本集團於二零二零年六月三十日之流動資產淨值及流動比率分別為287,300,000港元（二零一九年十二月三十一日：186,600,000港元）及1.9（二零一九年十二月三十一日：1.5）。

於二零二零年上半年，本集團之資本開支為52,200,000港元，基本用於二零二零年上半年的日常維護及購置製漿機器的訂金。

於二零二零年六月三十日，平均存貨、應收賬款及應付賬款週轉日數分別為76日（二零一九年十二月三十一日：84日）、68日（二零一九年十二月三十一日：49日）及37日（二零一九年十二月三十一日：33日）。

於二零二零年六月三十日，銀行借貸總額增加至328,200,000港元（二零一九年十二月三十一日：216,900,000港元）。負債比率由14.2%升至22.3%。於二零二零年六月三十日，貸款淨額（銀行借貸總額減銀行結餘與現金總額）錄得6,000,000港元（二零一九年十二月三十一日：現金淨額75,400,000港元）。淨負債比率由-4.9%升至0.4%。即期銀行貸款減少23,400,000港元，而非即期銀行貸款增加134,700,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

OUTLOOK

The Group expects a still subdued global economy in the second half of 2020 due to the COVID-19 pandemic, and the Chinese economy to remain impacted by the ongoing Sino-US trade war, with Chinese market demand for corrugated packaging ahead of levels seen in the first half of 2020 but below second half 2019 levels. That said, the Group remains confident that the Chinese government will implement effective mitigating policies and measures. We remain hopeful that the Chinese economy can achieve stable growth and hence lift demand for corrugated packaging.

The Group is active in preparing to lease new plant at our location in Southeast Asia to install another new pulp production line. That plant is currently under construction and production is due to start by the end of 2020, and this would allow us to fully meet the Group's upstream raw materials requirements. The removal of a small portion of our production process overseas lets the Group meet Chinese government import requirements and normalize the Group's production volume and business.

The Group promises to remain proactive in our pricing, reasonably transferring our operating costs to our customers. We promise that we will continue to target to improve production efficiency, increase our sales volume, reduce raw materials wastage and energy use, in order to offset the impact of rising costs, and endeavor to steadily improve the Group's profitability over the long term.

管理層討論及分析（續）

展望

集團預期二零二零年下半年環球經濟繼續受新冠肺炎疫情影響，中國經濟也會繼續受到中美貿易戰的衝擊，而中國市場對瓦楞包裝的需求比二零二零年上半年多，但比去年同期少。然而集團深信中國政府必定能推出有效的政策及措施來抵禦其影響，期望能帶動中國經濟平穩增長，從而帶動對瓦楞包裝的需求。

集團已積極籌備於東南亞同一地點租用新廠房安裝另一條新的紙漿生產線，廠房正在興建中，預計生產線將於二零二零年年底投入生產，屆時可完全滿足上游業務的原材料需要。此舉將一小部分生產工序轉移到海外處理，除了可符合中國政府之進口規定外，也將會使集團的生產量及業務重回正軌。

集團承諾會繼續爭取在價格上的主導性，把經營成本合理地轉嫁予客戶，並繼續以提升生產效率、增加銷量、降低原料損耗及能源消耗為目標，以抵抗成本上漲的壓力，使集團之盈利有長遠穩定的增長。

DISCLOSURE OF INTERESTS

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June, 2020, 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

於二零二零年六月三十日，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 Ping 許森平先生	Company 本公司	Beneficial owner 實益擁有人	126,828,681 shares Long position 126,828,681股股份 好倉	15.51%
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	107,755,400 shares Long position (Note 1) 107,755,400股股份 好倉（附註1）	13.17%
Mr. Hui Sum Ping 許森平先生	Company 本公司	Interest of spouse 配偶之權益	19,754,000 shares Long position 19,754,000股股份 好倉	2.41%
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Beneficial owner 實益擁有人	150,556,430 shares Long position 150,556,430股股份 好倉	18.41%
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Interest of spouse 配偶之權益	5,110,000 shares Long position 5,110,000股股份 好倉	0.62%

DISCLOSURE OF INTERESTS (continued)

權益披露 (續)

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

董事於股份、相關股份及債券 之權益 (續)

(a) Shares (continued)

(a) 股份 (續)

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
Ms. Hui Yuen Li 許婉莉女士	Company 本公司	Beneficial owner 實益擁有人	4,064,000 shares Long position 4,064,000股股份 好倉	0.49%
Mr. Chee Man Sang, Eric 池民生先生	Company 本公司	Beneficial owner 實益擁有人	596,000 shares Long position 596,000 股股份 好倉	0.07%
Mr. Chau Suk Ming 周淑明先生	Company 本公司	Beneficial owner 實益擁有人	180,000 shares Long position 180,000股股份 好倉	0.02%
Mr. Chau Suk Ming 周淑明先生	Company 本公司	Interest of spouse 配偶之權益	1,553,007 shares Long position 1,553,007股股份 好倉	0.18%
Mr. Hui Sum Ping 許森平先生	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」)	Founder of a discretionary trust/ interest of controlled corporations/short position of controlled corporations 全權信託創立人／ 受控法團權益／ 受控法團淡倉	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Note 2) 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2)	100%
Mr. Hui Sum Tai 許森泰先生	Hop Fung GM 合豐公明	Short position of a controlled corporation 受控法團淡倉	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Note 2) 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2)	100%

DISCLOSURE OF INTERESTS (continued)

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(a) Shares (continued)

Notes:

1. The 107,755,400 shares are owned by Goldspeed Holdings Limited ("Goldspeed"). 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 Mr. Hui Sum Ping and family members of Mr. Hui Sum Ping. Accordingly, Mr. Hui Sum Ping is deemed to be interested in the 107,755,400 shares under the SFO.
2. 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 50% and 50% by Mr. Hui Sum Ping and Mr. Hui Sum Tai respectively.

權益披露 (續)

董事於股份、相關股份及債券 之權益 (續)

(a) 股份 (續)

附註：

1. 該107,755,400股股份由 Goldspeed Holdings Limited (「Goldspeed」) 擁有。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及許森平先生之家族成員。因此，根據證券及期貨條例，許森平先生被視為擁有該107,755,400股股份之權益。
2. 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，而合豐集團香港則由許森平先生及許森泰先生分別擁有50%及50%。

DISCLOSURE OF INTERESTS (continued)

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(a) Shares (continued)

Notes: (continued)

Under the SFO, each of Mr. Hui Sum Ping and Mr. Hui Sum Tai 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, 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 Ping and Mr. Hui Sum Tai is deemed to have a short position in the underlying shares of the option granted under the option deed 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, 2020.

權益披露 (續)

董事於股份、相關股份及債券 之權益 (續)

(a) 股份 (續)

附註：(續)

根據證券及期貨條例，許森平先生及許森泰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，許森平先生及許森泰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。

(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，於二零二零年六月三十日，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。

DISCLOSURE OF INTERESTS (continued)

權益披露 (續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

主要股東於股份、相關股份及債券之權益

As at 30th June, 2020, 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:

於二零二零年六月三十日，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
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	254,338,081	3,984,000	1,2	31.59%
Goldspeed	Beneficial owner 實益擁有人	107,755,400	–	2	13.17%
Goldkeen	Interest of a controlled corporation 受控法團權益	107,755,400	–	2	13.17%
HSBC	Trustee of discretionary trust 全權信託受託人	107,755,400	–	2	13.17%
Mr. Hui Sum Tai 許森泰先生	Beneficial owner/ interest of spouse 實益擁有人／配偶之權益	155,666,430	3,984,000	3	19.52%
Mr. Hui Sum Kwok 許森國先生	Beneficial owner/ interest of spouse 實益擁有人／配偶之權益	171,227,882	–	4	20.94%

DISCLOSURE OF INTERESTS (continued)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

Notes:

1. Of 258,322,081 shares, Ms. Jian Jian Yi is directly interested in 19,754,000 shares and is deemed to be interested in 238,568,081 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.
2. 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 Mr. Hui Sum Ping and 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 107,755,400 shares under the SFO.
3. Of 159,650,430 shares, Ms. Leung Pui Man is directly interested in 5,110,000 shares and is deemed to be interested in 154,540,430 shares of the Company under the SFO as she is the spouse of Mr. Hui Sum Tai, a Director and a substantial shareholder of the Company.
4. Of 171,227,882 shares, Ms. Wong Mui is directly interested in 750,000 shares and is deemed to be interested in 170,477,882 shares of the Company under the SFO as she is the spouse of Mr. Hui Sum Kwok, 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, 2020.

權益披露 (續)

主要股東於股份、相關股份及 債券之權益 (續)

附註：

1. 於258,322,081股股份中，簡健儀女士直接持有本公司19,754,000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238,568,081股股份之權益。
2. 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及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107,755,400股股份之權益。
3. 於159,650,430股股份中，梁佩雯女士直接持有本公司5,110,000股股份權益，以及由於彼為本公司之董事及主要股東許森泰先生之配偶，根據證券及期貨條例，梁佩雯女士被視為擁有本公司154,540,430股股份之權益。
4. 於171,227,882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170,477,882股股份之權益。

除上文披露者外，於二零二零年六月三十日，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。

DISCLOSURE OF INTERESTS (continued)

SHARE OPTIONS

The Company approved and adopted a share option scheme (the “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 Scheme, the Board of Directors 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 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 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 Scheme shall not exceed 30% of the issued share capital of the Company from time to time.

權益披露 (續)

購股權

本公司已於二零一三年六月三日批准及採納購股權計劃(「該計劃」)，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。

根據該計劃，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任何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、高級職員或機構。

根據該計劃授出之購股權獲全數行使時可予發行之股份總數，合共不得超過採納該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該計劃授出而未行使之全部購股權而可予以發行股份之數目，不得超過本公司不時已發行股本之30%。

DISCLOSURE OF INTERESTS (continued)

SHARE OPTIONS (continued)

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 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 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.

權益披露 (續)

購股權 (續)

未經本公司股東根據該計劃事先批准，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，已經及將予以發行之本公司股份，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，則根據該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。

DISCLOSURE OF INTERESTS (continued)

權益披露 (續)

SHARE OPTIONS (continued)

購股權 (續)

The following table discloses the 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) (附註)	Date of grant 授出日期	Exercise price per share 每股行使價 HK\$ 港元	Outstanding at beginning of the period 期初尚未行使	Granted during the period 期內授出	Exercised during the period 期內行使	Cancelled during the period 期內註銷	Outstanding at end of the period 期末尚未行使
Directors								
董事								
Mr. Hui Sum Ping 許森平先生	G	15.10.2018	0.435	3,984,000	-	-	-	3,984,000
Mr. Hui Sum Tai 許森泰先生	G	15.10.2018	0.435	3,984,000	-	-	-	3,984,000
Ms. Hui Yuen Li 許婉莉女士	G	15.10.2018	0.435	3,984,000	-	-	-	3,984,000
Mr. Chee Man Sang, Eric 池民生先生	G	15.10.2018	0.435	500,000	-	-	-	500,000
Mr. Wong Chu Leung 黃珠亮先生	G	15.10.2018	0.435	1,000,000	-	-	-	1,000,000
				13,452,000	-	-	-	13,452,000
Other employees								
其他僱員								
	G	15.10.2018	0.435	8,168,000	-	-	-	8,168,000
Total for all categories								
全部類別總計								
				21,620,000	-	-	-	21,620,000

DISCLOSURE OF INTERESTS (continued)

SHARE OPTIONS (continued)

Note:

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 Scheme may only exercise their options during the exercisable periods as follows:

Granted under scheme

根據計劃授出

Option type G

G類購股權

Maximum % of share options exercisable

可行使購股權之最高百分比

1.5.2019 – 30.4.2020

up to 50%
最高可達50%

1.5.2020 – 30.4.2021

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

1.5.2021 – 30.4.2026

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

As at 30th June, 2020, 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 21,620,000 new shares, representing approximately 2.64% of the shares of the Company in issue at that date.

權益披露 (續)

購股權 (續)

附註：

授出購股權之歸屬期由董事於每次授出購股權時釐定。該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：

於二零二零年六月三十日，根據計劃已授出且尚未行使的購股權獲行使後可能發行新股份總數為21,620,000股，佔本公司於該日已發行股份約2.64%。

OTHER INFORMATION

INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2020 (six months ended 30th June, 2019: nil).

HUMAN RESOURCES

As at 30th June, 2020, the Group employed a total workforce of around 1,000 full time staff (31st December, 2019: 1,000). 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, 2020, 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 the Chief Executive Officer respectively are clear and distinctive and hence written terms thereof are not necessary.

其他資料

中期股息

董事不建議派付截至二零二零年六月三十日止六個月之中期股息（截至二零一九年六月三十日止六個月：無）。

人力資源

於二零二零年六月三十日，本集團僱用總共約1,000名全職員工（二零一九年十二月三十一日：1,000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。截至二零二零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：

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。

OTHER INFORMATION (continued)

CORPORATE GOVERNANCE (continued)

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 Directors only but not the senior management.
- Currently, the remuneration of the senior management is attended by the Chairman and 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 a 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, 2020.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED 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, 2020.

其他資料 (續)

企業管治 (續)

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企業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。截至二零二零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。

購買、出售或贖回本公司上市 股份

截至二零二零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。

OTHER INFORMATION (continued)

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding Directors' dealings in the Company's securities on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange.

REVIEW OF ACCOUNTS

The Audit Committee comprises three independent non-executive Directors namely, Messrs. Chee Man Sang, Eric, Wong Chu Leung and Chau Suk Ming. The Audit Committee has reviewed with the management this results announcement and the unaudited condensed consolidated financial statements of the Group for the six months ended 30th June, 2020 and has discussed risk management, 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 Ping

Chairman

Hong Kong, 28th August, 2020

其他資料 (續)

證券交易標準守則

本公司已採納其自身有關董事進行本公司證券交易之操守守則，其條款嚴謹程度不低於聯交所證券上市規則附錄10載列之上市發行人董事進行證券交易標準守則之規定。

審閱賬目

審核委員會成員包括三名獨立非執行董事，即池民生先生、黃珠亮先生及周淑明先生。審核委員會已與管理層審閱本集團截至二零二零年六月三十日止六個月之本業績公佈及未經審核簡明綜合財務報表，並已對風險管理、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

許森平

香港，二零二零年八月二十八日

INTERIM REPORT 2020 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)

Stock Code 股份代號: 2320

www.hopfunggroup.com