



HOP FUNG GROUP

合豐集團控股有限公司

HOP FUNG GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 2320



Interim
Report
中期報告

2018



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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. 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 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
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

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

P.O. Box 10008
Willow House
Cricket Square
Grand Cayman KY1-1001
Cayman Islands

SHARE REGISTRARS AND TRANSFER AGENTS

Principal share registrar and transfer agent in the Cayman Islands

Tricor Services (Cayman Islands) Limited
P.O. Box 10008
Willow House
Cricket Square
Grand Cayman KY1-1001
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
Citibank, N.A.
Fubon Bank (Hong Kong) Limited

STOCK CODE

2320

WEBSITE

www.hopfunggroup.com

公司資料

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

P.O. Box 10008
Willow House
Cricket Square
Grand Cayman KY1-1001
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
P.O. Box 10008
Willow House
Cricket Square
Grand Cayman KY1-1001
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
花旗銀行
富邦銀行(香港)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, 2018 together with the comparative figures for the corresponding period in 2017 as follows:

合豐集團控股有限公司(「本公司」)董事會(「董事會」或「董事」)欣然宣佈本公司及其附屬公司(統稱「本集團」/「集團」)截至二零一八年六月三十日止六個月之未經審核簡明綜合業績，連同二零一七年同期之比較數字如下：

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th June, 2018

簡明綜合損益及其他全面收益表

截至二零一八年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
		Notes 附註	
Revenue	收益	4	638,922
Cost of sales	銷售成本		(548,390)
Gross profit	毛利		90,532
Other income	其他收入		13,416
Selling and distribution costs	銷售及分銷成本		(25,353)
Administrative expenses	行政開支		(42,983)
Other expenses	其他開支		(9,646)
Finance costs	財務成本		(1,757)
Profit before taxation	稅前利潤	5	24,209
Income tax expense	所得稅開支	6	(4,003)
Profit for the period, attributable to owners of the Company	本公司擁有人 應佔期間利潤		20,206
			59,362

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

For the six months ended 30th June, 2018

簡明綜合損益及其他全面收益
表(續)

截至二零一八年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
		Notes 附註	
Other comprehensive income for the period:	期間其他全面收益：		
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		
		41,533	24,151
Total comprehensive income for the period, attributable to owners of the Company	本公司擁有人應佔期間全面收益總額	61,739	83,513
Dividends paid	已付股息	63,746	35,857
		HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利	2.54	7.45

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2018

簡明綜合財務狀況表

於二零一八年六月三十日

			30.6.2018 於二零一八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2017 於二零一七年 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		物業、廠房及設備	1,418,542	1,399,143
Prepaid lease payments on land use rights		土地使用權預付 租賃款項	22,685	22,451
			1,441,227	1,421,594
Current assets		流動資產		
Inventories		存貨	296,849	157,409
Trade and other receivables		貿易及其他應收款項	183,607	178,639
Deposits and prepayments		按金及預付款	31,070	19,355
Prepaid lease payments on land use rights		土地使用權預付 租賃款項	586	558
Bank balances and cash		銀行結餘及現金	222,139	335,541
			734,251	691,502

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

At 30th June, 2018

簡明綜合財務狀況表(續)

於二零一八年六月三十日

		Notes 附註	30.6.2018 於二零一八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2017 於二零一七年 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	11	227,961	241,186
Taxation payable	應付稅項		12,861	12,672
Unsecured bank borrowings	無抵押銀行借貸	12	179,985	138,448
			420,807	392,306
Net current assets	流動資產淨值		313,444	299,196
Total assets less current liabilities	總資產減流動負債		1,754,671	1,720,790
Capital and reserves	股本及儲備			
Share capital	股本	13	79,682	79,682
Reserves	儲備		1,556,624	1,558,631
Total equity, attributable to owners of the Company	本公司擁有人應佔權益總額		1,636,306	1,638,313
Non-current liabilities	非流動負債			
Unsecured bank borrowings	無抵押銀行借貸	12	51,389	17,489
Deferred taxation	遞延稅項		66,976	64,988
			118,365	82,477
			1,754,671	1,720,790

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June, 2018

簡明綜合權益變動表

截至二零一八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	Retained profits 保留利潤 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2018	於二零一八年一月一日	79,682	481,258	(107,444)	47,997	1,136,820	1,638,313
Profit for the period	期間利潤	-	-	-	-	20,206	20,206
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	-	-	-	41,533	-	41,533
Total comprehensive income for the period	期間全面收益總額	-	-	-	41,533	20,206	61,739
2017 special final and final dividends paid	已付二零一七年特別末期及末期股息	-	-	-	-	(63,746)	(63,746)
At 30th June, 2018	於二零一八年六月三十日	79,682	481,258	(107,444)	89,530	1,093,280	1,636,306

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30th June, 2018

簡明綜合權益變動表(續)

截至二零一八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	Retained profits 保留利潤 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2017	於二零一七年 一月一日	79,682	481,258	(107,444)	(31,720)	1,034,969	1,456,745
Profit for the period	期間利潤	-	-	-	-	59,362	59,362
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	-	-	-	24,151	-	24,151
Total comprehensive income for the period	期間全面收益 總額	-	-	-	24,151	59,362	83,513
2016 special final and final dividends paid	已付二零一六年 特別末期及 末期股息	-	-	-	-	(35,857)	(35,857)
At 30th June, 2017	於二零一七年 六月三十日	79,682	481,258	(107,444)	(7,569)	1,058,474	1,504,401

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, 2018

簡明綜合現金流量表

截至二零一八年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2017 二零一七年 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	62,973	109,778
Increase in inventories	存貨增加	(137,974)	(54,516)
Increase in trade and other receivables	貿易及其他應收款項增加	(688)	(55,998)
Increase in deposits and prepayments	按金及預付款增加	(11,580)	(12,609)
Decrease in trade, bills and other payables	貿易、票據及其他應付款項減少	(14,284)	(16,699)
Cash used in operations	營運使用之現金	(101,553)	(30,044)
Income tax paid	已繳付所得稅	(1,863)	(9,497)
Income tax refunded	退回所得稅	6,487	3
Net cash used in operating activities	經營活動使用之現金淨額	(96,929)	(39,538)
Investing activities	投資活動		
Purchases of property, plant and equipment	收購物業、廠房及設備	(34,787)	(64,853)
Other investing cash flows	其他投資現金流量	1,730	1,526
Net cash used in investing activities	投資活動使用之現金淨額	(33,057)	(63,327)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)

For the six months ended 30th June, 2018

簡明綜合現金流量表(續)

截至二零一八年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2017 二零一七年 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	170,350	52,000
Repayment of bank borrowings	償還銀行借貸	(94,737)	(244,443)
Dividends paid	已付股息	(63,746)	(35,857)
Other financing cash flows	其他融資現金流量	(1,757)	(1,045)
Net cash from (used in) financing activities	融資活動產生(使用)之現金淨額	10,110	(229,345)
Net decrease in cash and cash equivalents	現金及現金等值減少淨額	(119,876)	(332,210)
Cash and cash equivalents at 1st January	於一月一日現金及現金等值	335,541	547,601
Effect of foreign exchange rate changes	匯率變動之影響	6,474	4,724
Cash and cash equivalents at 30th June	於六月三十日現金及現金等值	222,139	220,115
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, 2018

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.

簡明綜合財務報表附註

截至二零一八年六月三十日止六個月

1. 一般資料

本公司根據開曼群島法例第22章公司法(一九六一年第3條法例，經綜合及修訂)於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處之地址載於本中期報告公司資料部份內。

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, 2018

簡明綜合財務報表附註(續)

截至二零一八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, 2017, 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, 2017.

編製未經審核簡明綜合財務報表所用之會計政策，與本集團在其截至二零一七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二零一七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, for the first time, the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA:

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

HKFRS 9	Financial instruments	香港財務報告準則第9號	金融工具
HKFRS 15	Revenue from contracts with customers and the related amendments	香港財務報告準則第15號	來自客戶合約之收入及相關修訂
HK(IFRIC) – Int 22	Foreign currency transactions and advance consideration	香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及預付代價
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions	香港財務報告準則第2號之修訂	以股份支付之支出交易的分類及計量
Amendments to HKFRS 4	Applying HKFRS 9 "Financial instruments" with HKFRS 4 "Insurance contracts"	香港財務報告準則第4號之修訂	與香港財務報告準則第4號「保險合約」一併應用香港財務報告準則第9號「金融工具」
Amendments to HKAS 28	As part of the annual improvements to HKFRSs 2014–2016 cycle	香港會計準則第28號之修訂	作為二零一四年至二零一六年週期的香港財務報告準則年度改進的一部份
Amendments to HKAS 40	Transfers of investment property	香港會計準則第40號之修訂	轉讓投資物業

The application of the above new and revised HKFRSs 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 unaudited condensed consolidated financial statements.

本中期間應用上述新訂及經修訂香港財務報告準則對本集團之財務表現及狀況及／或於該等未經審核簡明綜合財務報表所載之披露事項並無重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the six months ended 30th June, 2018

簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

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 reportable and operating segments:

Segment revenues and results

For the six months ended 30th June, 2018

(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

以下為按可呈報及經營分部劃分之本集團收益及業績分析：

分部收益及業績

截至二零一八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	181,425	457,497	638,922	-	638,922
Inter-segment sales	分部間銷售	176,371	-	176,371	(176,371)	-
Total	總計	357,796	457,497	815,293	(176,371)	638,922
RESULT	業績					
Segment profit	分部利潤	18,608	29,576	48,184	-	48,184
Central administrative expenses	中央行政開支					(22,218)
Finance costs	財務成本					(1,757)
Profit before taxation	稅前利潤					24,209

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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, 2017

截至二零一七年六月三十日止六個月

(Unaudited)

(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	277,280	410,673	687,953	-	687,953
Inter-segment sales	分部間銷售	320,012	-	320,012	(320,012)	-
Total	總計	597,292	410,673	1,007,965	(320,012)	687,953
RESULT	業績					
Segment profit	分部利潤	53,339	45,597	98,936	-	98,936
Central administrative expenses	中央行政開支					(26,216)
Finance costs	財務成本					(1,045)
Profit before taxation	稅前利潤					71,675

Inter-segment sales are charged at prevailing market rates.

分部間銷售乃參照現行市價計算。

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簡明綜合財務報表附註(續)

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5. PROFIT BEFORE TAXATION

5. 稅前利潤

		Six months ended 截至六月三十日止六個月	
		30.6.2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2017 二零一七年 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	548,390	515,277
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	44,725	36,525
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項	298	274
Interest income	利息收入	(1,457)	(1,057)

6. INCOME TAX EXPENSE

6. 所得稅開支

		Six months ended 截至六月三十日止六個月	
		30.6.2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2017 二零一七年 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	359	320
PRC Enterprise Income Tax	中國企業所得稅	1,656	9,455
		2,015	9,775
Deferred tax	遞延稅項	1,988	2,538
		4,003	12,313



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6. INCOME TAX EXPENSE (continued)

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

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

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

7. DIVIDENDS

A final dividend of HK1.5 cents (2016: HK1.5 cents) per ordinary share and a special final dividend of HK6.5 cents (2016: HK3.0 cents) per ordinary share in respect of the year ended 31st December, 2017 were paid to the shareholders of the Company during the six months ended 30th June, 2018.

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2018 and six months ended 30th June, 2017.

簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

6. 所得稅開支(續)

香港利得稅乃按兩個期間估計應課稅利潤之16.5%計算。

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

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

7. 股息

截至二零一八年六月三十日止六個月，已向本公司股東派付截至二零一七年十二月三十一日止年度之末期股息每股普通股1.5港仙(二零一六年：1.5港仙)及特別末期股息每股普通股6.5港仙(二零一六年：3.0港仙)。

董事不建議派付截至二零一八年六月三十日止六個月及截至二零一七年六月三十日止六個月兩個期間之中期股息。

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簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

8. EARNINGS PER SHARE

8. 每股盈利

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

本公司擁有人應佔每股盈利乃按以下數據計算：

		Six months ended 截至六月三十日止六個月	
		30.6.2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Earnings	盈利		
Earnings for the purposes of earnings per share	計算每股盈利之盈利	20,206	59,362
		30.6.2018 於二零一八年 六月三十日	30.6.2017 於二零一七年 六月三十日
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of earnings per share	計算每股盈利之 普通股加權平均數	796,824,000	796,824,000

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簡明綜合財務報表附註(續)

截至二零一八年六月三十日止六個月

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30th June, 2018, the Group acquired property, plant and equipment amounting to approximately HK\$34.8 million (for the year ended 31st December, 2017: approximately HK\$168.7 million).

9. 物業、廠房及設備

截至二零一八年六月三十日止六個月內，本集團使用約34,800,000港元購置物業、廠房及設備(截至二零一七年十二月三十一日止年度：約168,700,000港元)。

10. TRADE AND OTHER RECEIVABLES

10. 貿易及其他應收款項

		30.6.2018 於二零一八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Trade receivables	貿易應收款項	185,314	180,021
Less: allowance for doubtful debts	減：呆賬撥備	(2,595)	(2,533)
		182,719	177,488
Other receivables	其他應收款項	888	1,151
Total trade and other receivables	貿易及其他應收款項總額	183,607	178,639

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2018

10. TRADE AND OTHER RECEIVABLES (continued)

The Group allows credit periods ranging from 5 to 150 days to its trade customers which may be extended to selected trade customers depending on their trade volume and history of settlement with the Group. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period:

		30.6.2018 於二零一八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days	30日內	181,008	174,154
31-60 days	31至60日	1,274	2,701
61-90 days	61至90日	437	361
Over 90 days	超過90日	-	272
		182,719	177,488

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK\$54,158,000 (31st December, 2017: HK\$41,351,000) 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 51 days (31st December, 2017: 37 days) based on invoice dates.

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截至二零一八年六月三十日止六個月

10. 貿易及其他應收款項(續)

本集團給予貿易客戶5至150日信貸期，且可以根據特定貿易客戶與本集團之貿易量及過往付款記錄而予以延長該信貸期。下列為於報告期末基於發票日期(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54,158,000港元之應收款項(二零一七年十二月三十一日：41,351,000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。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51日(二零一七年十二月三十一日：37日)。

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截至二零一八年六月三十日止六個月

**11. TRADE, BILLS AND OTHER
PAYABLES**

11. 貿易、票據及其他應付款項

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:

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：

		30.6.2018 於二零一八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current	即期	49,693	51,186
Overdue 1 to 30 days	逾期1至30日	67	103
Overdue 31 to 60 days	逾期31至60日	9	311
Overdue for more than 60 days	逾期60日以上	1,292	1,211
Trade and bills payables	貿易及票據應付款項	51,061	52,811
Payables for the acquisition of property, plant and equipment	購置物業、廠房及設備之應付款項	20,869	24,774
PRC duties payables	應付中國稅項	33,102	40,077
Other payables and accrued charges	其他應付款項及應計支出	122,929	123,524
		227,961	241,186

The average credit period on purchases of goods is 22 days (31st December, 2017: 39 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

購買貨物之平均信貸期為22日(二零一七年十二月三十一日: 39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。

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**12. UNSECURED BANK
BORROWINGS**

12. 無抵押銀行借貸

Unsecured bank borrowings comprise:

無抵押銀行借貸包括：

		30.6.2018 於二零一八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Bank loans	銀行貸款	224,430	89,237
Other bank borrowings	其他銀行借貸	6,944	66,700
		231,374	155,937

13. SHARE CAPITAL

13. 股本

		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: At 1st January, 2018 and 30th June, 2018	法定股本： 於二零一八年一月一日及 二零一八年六月三十日	1,000,000,000	100,000
Issued and fully paid: At 1st January, 2018 and 30th June, 2018	已發行及繳足股本： 於二零一八年一月一日及 二零一八年六月三十日	796,824,000	79,682

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14. CAPITAL COMMITMENTS

14. 資本承擔

	30.6.2018 於二零一八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Capital expenditure in respect of the acquisition of 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	
	2,903	11,590

15. RELATED PARTY TRANSACTIONS

15. 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	
	30.6.2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2017 二零一七年 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	
	10,396	17,729
	90	180

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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16. CONTINGENT LIABILITIES

The tax audits conducted by the Inland Revenue Department (the "IRD") on the Company and certain of its subsidiaries in respect of the years of assessment 2004/2005 to 2011/2012 are still on-going.

The IRD had previously issued estimated/additional assessments to the Company and certain subsidiaries of the Company in June 2006, October 2006, March 2011, March 2012, March 2013, March 2014, September 2014, March 2015, December 2015, March 2017 and January 2018 amounting to HK\$72,645,000 in aggregate. The Group had lodged valid objections with the IRD against the relevant estimated/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 above-mentioned tax. Further, tax reserve certificates of HK\$10,181,000 in aggregate in respect of 2005/2006 and 2007/2008 to 2011/2012, pending the outcome of the tax audits and the objections, were purchased in December 2006, June 2014, November 2014, June 2015, March 2016, May 2017 and March 2018.

As for the other assessments, the directors of the Company are of the view that the Group is more likely than not to successfully argue that the income of these subsidiaries was not sourced in Hong Kong and also these subsidiaries were not carrying on business in Hong Kong, hence, it is not probable for the Group to be required eventually to settle the taxes demanded under those assessments.

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16. 或然負債

就二零零四年／二零零五年至二零一一年／二零一二年課稅年度而言，香港稅務局(「稅務局」)就本公司及其若干附屬公司之稅務審核仍在進行中。

稅務局早前於二零零六年六月、二零零六年十月、二零一一年三月、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、二零一五年十二月、二零一七年三月及二零一八年一月向本公司及本公司之若干附屬公司發出估計／額外評稅，稅額合共為72,645,000港元。本集團已就相關估計／額外評稅向稅務局提出有效反對。

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、二零一六年三月、二零一七年五月及二零一八年三月就二零零五年／二零零六年及二零零七年／二零零八年至二零一一年／二零一二年購買儲稅券合共10,181,000港元，以待稅務審核及提出反對之結果。

就其他評稅而言，本公司董事認為本集團很大可能成功證明該等附屬公司之收入並非源自香港，及該等附屬公司並無於香港經營業務，因此，本集團最終可能毋須就該等評稅繳付稅項。



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16. CONTINGENT LIABILITIES
(continued)

The directors consider that whilst the tax audits are still on-going, the IRD has issued the protective assessments for the years of assessment from 2004/2005 to 2011/2012 to the Group in order not to jeopardise the assessment powers of the IRD which will be time-barred after 6 years of assessment. The directors believe the Group is more likely than not to successfully pursue the offshore claims and their tax filing position, therefore it is not probable for the Group to be required eventually to settle the potential tax liabilities. Accordingly, the directors consider that no additional provision for Hong Kong Profits Tax in respect of the tax audits for the years of assessment 2004/2005 to 2011/2012 is necessary as at 30th June, 2018. However, the ultimate outcome of the tax audits is uncertain and the potential tax liability cannot be ascertained with certainty at the present stage.

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截至二零一八年六月三十日止六個月

16. 或然負債(續)

董事認為稅務審核工作仍在進行中，稅務局向本集團發出二零零四年／二零零五年至二零一一年／二零一二年課稅年度之保障性評稅是為免影響稅務局於六個課稅年度的時效後喪失其評稅權力。董事相信本集團很可能成功獲得離岸申索及彼等的報稅情況，因而最終可能毋須償付潛在稅務負債。因此，董事認為於二零一八年六月三十日無需就二零零四年／二零零五年至二零一一年／二零一二年課稅年度之稅務審核為香港利得稅作出額外撥備。然而，董事認為，無法確定稅務審核的最終結果，而於現階段未能確定潛在稅務負債。

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Chinese government's efforts to eliminate outdated capacity have been bearing fruit, but measures to restrict imports of waste paper destabilized the corrugated packaging market in the first half of 2018. As Chinese imports of waste paper fell, prices of imported waste paper rose sharply, and domestic waste paper prices followed suit as a result of a surge in demand. Chinese restrictions on waste paper imports resulted in a rise in supply in waste paper overseas and a subsequent decline in overseas waste paper prices, and allowed overseas containerboard manufacturing costs to fall. As imported containerboard prices fell below domestic prices, some domestic companies sourced their containerboard from overseas, and actually reduced demand for containerboard.

More than 80% of the Group's revenue is domestic and a portion of the main raw material used by the Group, waste paper, is sourced overseas and paid for in United States Dollars ("USD"). As a result, Renminbi exchange rates have an impact on the Group. The Renminbi appreciated in 2017 and continued to rise in the first half of 2018 until around the middle of June 2018, and this appreciation alleviated some pressure on the Group from higher domestic waste paper prices.

The Group's revenue in the first half of 2018 fell by around 7% compared to the first half of 2017, mainly due to a lack of domestic waste paper supplies, reducing the Group's production of upstream containerboard (corrugating medium and linerboard). Containerboard demand also fell, reducing upstream revenue, and the rise in selling prices and the Renminbi exchange rate failed to fully offset the impact of slower sales. Upstream containerboard and downstream corrugated packaging (corrugated paper boards and carton boxes) accounted for around 28% and 72% of revenue respectively. Upstream and downstream revenues in the first half of 2018 fell by around 35% and rose by around 11%, respectively, compared to the first half of 2017.

管理層討論及分析

業務回顧

中國政府推行的淘汰落後產能之政策雖然得到成效，但其限制廢紙進口量卻使瓦楞紙包裝市場於二零一八年上半年處於不穩狀態。由於中國的進口廢紙量大降，迫使進口廢紙價格急劇上升，而國內的廢紙價格也因需求激增而急劇上升。中國限制廢紙進口量更使海外之廢紙供應大增，海外廢紙價格因而大幅下降，以致海外的箱板紙製造成本下降，由於進口箱板紙之價格低於國內箱板紙，部分國內企業轉向海外採購，使國內箱板紙需求下降。

集團之收益超過八成是內銷，而部分主要原材料廢紙則以美元（「美元」）向海外購入，因此人民幣匯率對集團有一定的影響。人民幣匯率於二零一七年開始回升，於二零一八年上半年持續上升，至二零一八年六月中才開始回落，此升值減輕了國內廢紙價格高企對集團構成的部分壓力。

集團於二零一八年上半年的收益比二零一七年上半年的收益下降了約7%，主要是由於國內沒有足夠的廢紙供應，使集團上游箱板紙（瓦楞芯紙及牛咭）之產量下跌，加上箱板紙需求下降令上游收益減少，而賣價及人民幣匯率上升也未能抵銷銷售量下降之影響。上游箱板紙及下游瓦楞包裝（瓦楞紙板及紙箱）之業務分別佔總收益約28%及72%。二零一八年上半年上游收益及下游收益與去年同期相比，分別下跌約35%及上升約11%。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

BUSINESS REVIEW (continued)

The average cost of acquiring the main raw material used by the Group, waste paper, rose substantially in the first half of 2018, up around 30% compared to the first half of 2017. As the substantially higher waste paper costs were not fully transferred to customers, the Group's overall profit fell substantially in the first half of 2018.

The Group's inventories level was higher at the end of June 2018 compared to the end of 2017, in order to meet demand for peak season, and inventory costs are higher due to higher raw materials prices. That said, the Group's working capital situation remains robust, and our total gearing and net gearing levels stayed at extremely low levels, and, together with our near-zero bad debts level, present a picture of robust financial health.

FINANCIAL REVIEW

Operating results

There was a fall in revenue by 7.1%, from HK\$688.0 million in the first half of 2017 to HK\$638.9 million in the first half of 2018, primarily resulting from the decrease in sales volume of upstream business. The Group could not pass on the cost increase of waste paper to customers, leading to a decrease in gross profit margin from 25.1% to 14.2%. Cost of sales rose 6.4% and gross profit fell 47.6%.

Other income increased from HK\$7.2 million to HK\$13.4 million, mainly arising from tax refund from the PRC Government.

管理層討論及分析(續)

業務回顧(續)

集團主要原材料廢紙的平均價格於二零一八年上半年大幅上升，與二零一七年上半年相比上升約30%，由於高企的廢紙成本未能完全轉嫁予客戶，集團於二零一八年上半年之盈利因而下跌不小。

集團於二零一八年六月底之存貨量比去年底高，主要是應付旺季需求，而原材料價格高企亦令存貨水平上升。但由於集團營運資金充裕，故於二零一八年六月底集團總負債率及淨負債率仍然處於極低的水平，而壞賬率也接近零，財務狀況非常穩健。

財務回顧

經營業績

本集團的收益由二零一七年上半年之688,000,000港元減少7.1%至二零一八年上半年之638,900,000港元，主要由於上游業務銷售量減少所致。本集團無法將廢紙成本增加轉嫁予客戶，導致毛利率由25.1%降至14.2%。銷售成本增加6.4%，而毛利則減少47.6%。

其他收入由7,200,000港元上升至13,400,000港元，乃由於中國政府退稅所致。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Operating results (continued)

Selling and distribution costs fell 23.0%, decreasing from HK\$33.0 million to HK\$25.4 million. The fall was attributed to the decrease in transportation.

Administrative expenses declined from HK\$60.1 million to HK\$43.0 million. The fall was predominantly due to fall in provision for performance bonus.

Other expenses decreased from HK\$14.0 million to HK\$9.6 million. It was mainly due to the loss on disposal of fixed assets incurred in 2017.

The rise in finance costs from HK\$1.0 million to HK\$1.8 million, was owing to increase in interest rate and average bank borrowing level.

EBITDA (earnings before interest, tax, depreciation and amortization) decreased HK\$38.5 million, from HK\$109.5 million to HK\$71.0 million. Profit for the period fell HK\$39.2 million, from HK\$59.4 million to HK\$20.2 million, representing a decrease of 66.0%. Earnings per share decreased from 7.45 HK cents to 2.54 HK cents.

Liquidity, financial and capital resources

At 30th June, 2018, the Group's total cash and cash equivalents were HK\$222.1 million (31st December, 2017: HK\$335.5 million), mostly denominated in Renminbi and USD. The fall was primarily due to increase in inventories level in the first half of 2018.

管理層討論及分析(續)

財務回顧(續)

經營業績(續)

銷售及分銷成本由33,000,000港元減少23.0%至25,400,000港元。減少乃由於運輸成本減少所致。

行政開支由60,100,000港元減少至43,000,000港元。減少主要由於績效花紅撥備減少所致。

其他開支由14,000,000港元減少至9,600,000港元。減少主要由於二零一七年出售固定資產產生之虧損所致。

財務成本由1,000,000港元增加至1,800,000港元，乃由於利率及銀行借貸平均水平上升所致。

息稅折舊攤銷前盈利(未計利息、稅項、折舊及攤銷前盈利)由109,500,000港元減少38,500,000港元至71,000,000港元。期間利潤由59,400,000港元減少39,200,000港元至20,200,000港元，減幅為66.0%。每股盈利由7.45港仙減少至2.54港仙。

流動資金、財務及資本資源

於二零一八年六月三十日，本集團之現金及現金等值總額為222,100,000港元(二零一七年十二月三十一日：335,500,000港元)，大部分以人民幣及美元列值。減少主要由於二零一八年上半年存貨水平上升所致。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Liquidity, financial and capital resources (continued)

Net current assets and current ratio of the Group as at 30th June, 2018 were HK\$313.4 million (31st December, 2017: HK\$299.2 million) and 1.74 (31st December, 2017: 1.76) respectively.

The Group spent HK\$34.8 million on capital expenditure, basically for the technical upgrade of production facilities and general maintenance in the first half of 2018.

The average inventory, debtors and creditors turnover days were 68 days (31st December, 2017: 51 days), 51 days (31st December, 2017: 37 days) and 22 days (31st December, 2017: 39 days) respectively.

The total bank borrowings increased to HK\$231.4 million as at 30th June, 2018 (31st December, 2017: HK\$155.9 million). Gearing ratio and net gearing ratio rose to 14.1% and 0.6% respectively (31st December, 2017: 9.5% and -11.0% respectively). The current bank borrowings rose HK\$41.6 million and non-current bank borrowings rose HK\$33.9 million. The total bank borrowings net of bank balances and cash amounted to HK\$9.3 million as at 30th June, 2018.

Contingent liabilities

The tax audits conducted by the IRD on the Company and its subsidiaries for the years of assessment 2004/2005 to 2011/2012 are still on-going. The IRD had issued protective assessments for the years of assessment 2004/2005 to 2011/2012 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.

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(續)

本集團於二零一八年六月三十日之流動資產淨值及流動比率分別為313,400,000港元(二零一七年十二月三十一日: 299,200,000港元)及1.74(二零一七年十二月三十一日: 1.76)。

本集團之資本開支為34,800,000港元,基本用於二零一八年上半年的生產設施技術升級及日常維護。

平均存貨、應收賬款及應付賬款流轉率分別為68日(二零一七年十二月三十一日: 51日)、51日(二零一七年十二月三十一日: 37日)及22日(二零一七年十二月三十一日: 39日)。

於二零一八年六月三十日,銀行借貸總額增加至231,400,000港元(二零一七年十二月三十一日: 155,900,000港元)。負債比率及淨負債比率分別上升至14.1%及0.6%(二零一七年十二月三十一日: 分別為9.5%及-11.0%)。即期銀行借貸增加41,600,000港元,非即期銀行借貸增加33,900,000港元。於二零一八年六月三十日,銀行借貸總額減銀行結餘及現金之淨額為9,300,000港元。

或然負債

稅務局仍在就本公司及其附屬公司之二零零四年/二零零五年至二零一一年/二零一二年課稅年度進行稅務稽查。稅務局曾就二零零四年/二零零五年至二零一一年/二零一二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,亦未能合理確定此事宜之結果及影響。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

OUTLOOK

We are anxious towards the global political situation in the second half of 2018. Chinese economic growth will be hampered by the ongoing trade war between China and the US, and the US Federal Reserve appears poised to raise interest rates further. Raw materials prices remain stubbornly high, and the depreciation of the Renminbi will put more pressure on corporates. We still however firmly believe that the Chinese government will launch new policies and measures to mitigate the impact from the said challenges and this should help market demand for corrugated packaging.

The Group will continue to improve our production process and our technical upgrades, in order to raise capacity and efficiency at minimal cost, alleviating the pressure from production cost increases. The Group will also grasp the advantages and opportunities from our vertically integrated business model, and maintain our stable financial position and operations, and deliver satisfactory returns to our shareholders. In addition, the Group will step up our efforts on environmental protection to contribute more to the wider society.

管理層討論及分析(續)

展望

二零一八年下半年環球政治局勢非常緊張，中國的經濟增長將會受到中美貿易戰極大影響，美國聯儲局加息機會仍高，原材料價格持續高企，加上人民幣貶值，將會為企業帶來更大的衝擊。然而我們深信中國政府必定會推出一系列的政策及措施來抵禦其影響，期望可帶動市場對瓦楞紙包裝的需求。

集團將繼續改進生產流程及進行技術改造，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。與此同時，集團會持續加強對環保的重視，以回饋社會。

DISCLOSURE OF INTERESTS

權益披露

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

董事於股份、相關股份及債券之權益

As at 30th June, 2018, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

於二零一八年六月三十日，按照本公司根據證券及期貨條例（「證券及期貨條例」）第352條之規定置存之登記冊所記錄，或根據上市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) Shares

(a) 股份

Name of Director 董事姓名	Company/Name of associated corporation 本公司/ 相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Ping 許森平先生	Company 本公司	Beneficial owner 實益擁有人	120,476,681 shares Long position 120,476,681股股份 好倉	15.11%
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)	13.52%
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	2.47%

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/ 相關法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Beneficial owner 實益擁有人	146,572,430 shares Long position 146,572,430股股份 好倉	18.39%
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	0.64%
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Beneficial owner 實益擁有人	170,477,882 shares Long position (Note 2) 170,477,882股股份 好倉(附註2)	21.39%
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 (Note 2) 750,000股股份 好倉(附註2)	0.09%
Ms. Hui Yuen Li 許婉莉女士	Company 本公司	Beneficial owner 實益擁有人	80,000 shares Long position 80,000股股份 好倉	0.01%
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%

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
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. Hui Sum Kwok 許森國先生	Gong Ming Hop Fung Paper Ware Factory Limited ("Hop Fung GM") 公明合豐紙品廠有限公司 (「合豐公明」)	Interest of controlled corporations/short position of controlled corporations 受控法團權益/ 受控法團淡倉	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 2 and 3) 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及3)	100%
Mr. Hui Sum Ping 許森平先生	Hop Fung GM 合豐公明	Founder of a discretionary trust/ interest of controlled corporations/short position of controlled corporations 全權信託創立人/ 受控法團權益/ 受控法團淡倉	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Note 3) 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3)	100%
Mr. Hui Sum Tai 許森泰先生	Hop Fung GM 合豐公明	Interest of a controlled corporation 受控法團權益	Nil (Note 3) 無(附註3)	-

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 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. Mr. Hui Sum Kwok resigned as an executive Director of the Company on 15th August, 2018.
3. 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.

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 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. 許森國先生於二零一八年八月十五日辭任本公司之執行董事。
3. 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%。

DISCLOSURE OF INTERESTS (continued)

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

(a) Shares (continued)

Notes: (continued)

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, 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.

(b) Share options

During the six months ended 30th June, 2018, no outstanding share options were available for issue under the Company's share option scheme.

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, 2018.

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)

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。

(b) 購股權

截至二零一八年六月三十日止六個月，本公司並無根據購股權計劃可供發行之尚未行使購股權。

除上文披露者外，於二零一八年六月三十日，董事及彼等之聯繫人士概無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。

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, 2018, 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:

於二零一八年六月三十日，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	247,986,081	-	1,2	31.12%
Goldspeed	Beneficial owner 實益擁有人	107,755,400	-	2	13.52%
Goldkeen	Interest of a controlled corporation 受控法團權益	107,755,400	-	2	13.52%
HSBC	Trustee of discretionary trust 全權信託受託人	107,755,400	-	2	13.52%
Mr. Hui Sum Tai 許森泰先生	Beneficial owner/ interest of spouse 實益擁有人/配偶之權益	151,682,430	-	3	19.03%
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	21.48%

DISCLOSURE OF INTERESTS (continued)

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

Notes:

1. Of 247,986,081 shares, Ms. Jian Jian Yi is directly interested in 19,754,000 shares and is deemed to be interested in 228,232,081 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 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 151,682,430 shares, Ms. Leung Pui Man is directly interested in 5,110,000 shares and is deemed to be interested in 146,572,430 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 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, 2018.

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247,986,081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228,232,081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151,682,430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146,572,430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170,477,882股股份之權益。

除上文披露者外，於二零一八年六月三十日，本公司並無獲悉任何其他人士於本公司已發行股本中擁有相關權益或淡倉。

OTHER INFORMATION

INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2018 (six months ended 30th June, 2017: nil).

HUMAN RESOURCES

As at 30th June, 2018, the Group employed a total workforce of around 1,100 full time staff (31st December, 2017: 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, 2018, except with the following deviations:

其他資料

中期股息

董事不建議派付截至二零一八年六月三十日止六個月之中期股息(截至二零一七年六月三十日止六個月：無)。

人力資源

於二零一八年六月三十日，本集團僱用總共約1,100名全職員工(二零一七年十二月三十一日：1,100名)。本集團向僱員提供具競爭力之薪酬方案。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。截至二零一八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：

OTHER INFORMATION (continued)

CORPORATE GOVERNANCE (continued)

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 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 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, 2018.

其他資料(續)

企業管治(續)

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。

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。截至二零一八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。

OTHER INFORMATION (continued)

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, 2018.

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 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, 2018 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, 2018

其他資料(續)

購買、出售或贖回本公司上市股份

截至二零一八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。

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

審核委員會已与管理層審閱本集團截至二零一八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，二零一八年八月二十八日



HOP FUNG GROUP

www.hopfunggroup.com

