



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
2019



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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

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 54
Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

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

STOCK CODE

2320

WEBSITE

www.hopfungroup.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
54樓

主要往來銀行

渣打銀行
星展銀行(香港)有限公司
花旗銀行
大華銀行有限公司

股份代號

2320

網址

www.hopfungroup.com



The board of directors (the “Board” or “Directors”) of Hop Fung Group Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30th June, 2019 together with the comparative figures for the corresponding period in 2018 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」)截至二零一九年六月三十日止六個月之未經審核簡明綜合業績，連同二零一八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, 2019

簡明綜合損益及其他全面收益表

截至二零一九年六月三十日止六個月

			Six months ended 截至六月三十日止六個月	
			30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
	Notes 附註			
Revenue	4	收益	596,889	638,922
Cost of sales		銷售成本	(526,611)	(548,390)
Gross profit		毛利	70,278	90,532
Other income		其他收入	11,080	13,416
Selling and distribution costs		銷售及分銷成本	(22,045)	(25,353)
Administrative expenses		行政開支	(44,074)	(42,983)
Other expenses		其他開支	(9,225)	(9,646)
Finance costs		財務成本	(2,916)	(1,757)
Profit before taxation	5	稅前利潤	3,098	24,209
Income tax expense	6	所得稅開支	(1,378)	(4,003)
Profit for the period, attributable to owners of the Company		本公司擁有人 應佔期間利潤	1,720	20,206

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

For the six months ended 30th June, 2019

簡明綜合損益及其他全面收益
表(續)

截至二零一九年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2018 二零一八年 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		
		211	41,533
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	1,931	61,739
Dividends paid	已付股息	7	63,746
		HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利	8	
– basic	– 基本	0.21	2.54
– diluted	– 攤薄	0.21	–



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2019

簡明綜合財務狀況表

於二零一九年六月三十日

		Notes 附註	30.6.2019 於二零一九年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2018 於二零一八年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	1,367,834	1,394,531
Right-of-use assets	使用權資產		26,074	-
Prepaid lease payments on land use rights	土地使用權預付 租賃款項		-	21,000
Deposits paid for the acquisition of property, plant and equipment	購置物業、廠房及 設備所付訂金	9	23,729	-
			1,417,637	1,415,531
Current assets	流動資產			
Inventories	存貨		138,738	258,661
Trade and other receivables	貿易及其他應收款項	10	142,355	174,875
Deposits and prepayments	按金及預付款		20,775	20,363
Prepaid lease payments on land use rights	土地使用權預付 租賃款項		-	549
Bank balances and cash	銀行結餘及現金		285,656	219,398
			587,524	673,846

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

At 30th June, 2019

簡明綜合財務狀況表(續)

於二零一九年六月三十日

		Notes 附註	30.6.2019 於二零一九年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2018 於二零一八年 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	140,358	232,030
Lease liabilities	租賃負債		4,301	-
Taxation payable	應付稅項		12,787	12,666
Unsecured bank borrowings	無抵押銀行借貸	12	175,333	166,333
			332,779	411,029
Net current assets	流動資產淨值		254,745	262,817
Total assets less current liabilities	總資產減流動負債		1,672,382	1,678,348
Capital and reserves	股本及儲備			
Share capital	股本	13	81,764	79,682
Reserves	儲備		1,483,012	1,470,540
Total equity, attributable to owners of the Company	本公司擁有人應佔權益總額		1,564,776	1,550,222
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債		498	-
Unsecured bank borrowings	無抵押銀行借貸	12	33,056	54,722
Deferred taxation	遞延稅項		74,052	73,404
			107,606	128,126
			1,672,382	1,678,348

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

簡明綜合權益變動表

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	Retained profits	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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30th June, 2018
(Unaudited)

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
(未經審核)

		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

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, 2019

簡明綜合現金流量表

截至二零一九年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2018 二零一八年 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	53,131	62,973
Decrease (increase) in inventories	存貨減少(增加)	119,923	(137,974)
Decrease (increase) in trade and other receivables	貿易及其他應收款項減少(增加)	32,520	(688)
Increase in deposits and prepayments	按金及預付款增加	(412)	(11,580)
Decrease in trade, bills and other payables	貿易、票據及其他應付款項減少	(89,394)	(14,284)
Cash generated from (used in) operations	營運產生(使用)之現金	115,768	(101,553)
Income tax paid	已繳付所得稅	(609)	(1,863)
Income tax refunded	退回所得稅	-	6,487
Net cash from (used in) operating activities	經營活動產生(使用)之現金淨額	115,159	(96,929)
Investing activities	投資活動		
Purchases of property, plant and equipment	購置物業、廠房及設備	(19,285)	(34,787)
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	(23,729)	-
Other investing cash flows	其他投資現金流量	877	1,730
Net cash used in investing activities	投資活動使用之現金淨額	(42,137)	(33,057)

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

For the six months ended 30th June, 2019

簡明綜合現金流量表(續)

截至二零一九年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2018 二零一八年 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	112,218	170,350
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	(124,799)	(94,737)
Dividends paid	已付股息	-	(63,746)
Other financing cash flows	其他融資現金流量	(2,916)	(1,757)
Net cash (used in) from financing activities	融資活動(使用)產生之現金淨額	(6,441)	10,110
Net increase (decrease) in cash and cash equivalents	現金及現金等值增加(減少)淨額	66,581	(119,876)
Cash and cash equivalents at 1st January	於一月一日 現金及現金等值	219,398	335,541
Effect of foreign exchange rate changes	匯率變動之影響	(323)	6,474
Cash and cash equivalents at 30th June	於六月三十日 現金及現金等值	285,656	222,139
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, 2019

簡明綜合財務報表附註

截至二零一九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, 2019

簡明綜合財務報表附註(續)

截至二零一九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, 2018, 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, 2018.

編製未經審核簡明綜合財務報表所用之會計政策，與本集團在其截至二零一八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二零一八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 amendments to Hong Kong Financial Reporting Standards ("HKFRSs") and an interpretation 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之香港財務報告準則(「香港財務報告準則」)及詮釋：

HKFRS 16	Leases	香港財務報告準則第16號	租賃
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments	香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅處理之不確定性
Amendments to HKFRS 9	Prepayment Features with Negative Compensation	香港財務報告準則第9號之修訂	具有負補償之預付款特性
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement	香港會計準則第19號之修訂	計劃修訂、縮減或結清
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures	香港會計準則第28號之修訂	於聯營公司及合營公司之長期權益
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle	香港財務報告準則之修訂	香港財務報告準則二零一五年至二零一七年週期之年度改進

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2019

3. PRINCIPAL ACCOUNTING POLICIES (continued)

The application of the above new and amendments to HKFRSs and an interpretation 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.

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

簡明綜合財務報表附註(續)

截至二零一九年六月三十日止六個月

3. 主要會計政策(續)

本中期期間應用上述新訂及經修訂之香港財務報告準則及詮釋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。

4. 分部資料

本集團的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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
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簡明綜合財務報表附註(續)

截至二零一九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, 2019

截至二零一九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	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

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簡明綜合財務報表附註(續)

截至二零一九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, 2018

截至二零一八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	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

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
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簡明綜合財務報表附註(續)

截至二零一九年六月三十日止六個月

5. PROFIT BEFORE TAXATION

5. 稅前利潤

		Six months ended 截至六月三十日止六個月	
		30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2018 二零一八年 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	526,611	548,390
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	44,428	44,725
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項	-	298
Interest income	利息收入	(877)	(1,457)



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簡明綜合財務報表附註(續)

截至二零一九年六月三十日止六個月

6. INCOME TAX EXPENSE

6. 所得稅開支

		Six months ended 截至六月三十日止六個月	
		30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2018 二零一八年 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	298	359
PRC Enterprise Income Tax	中國企業所得稅	432	1,656
		730	2,015
Deferred tax	遞延稅項	648	1,988
		1,378	4,003

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%。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the six months ended 30th June, 2019

7. DIVIDENDS

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2019 and six months ended 30th June, 2018.

A final dividend of HK1.5 cents per ordinary share and a special final dividend of HK6.5 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.

8. EARNINGS PER SHARE

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

簡明綜合財務報表附註(續)

截至二零一九年六月三十日止六個月

7. 股息

董事不建議派付截至二零一九年六月三十日止六個月及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港仙及特別末期股息每股普通股6.5港仙。

8. 每股盈利

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	
		30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
Earnings	盈利		
Earnings for the purposes of basic and diluted earnings per share	計算每股基本及攤薄盈利之盈利	1,720	20,206

**NOTES TO THE CONDENSED
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截至二零一九年六月三十日止六個月

8. EARNINGS PER SHARE
(continued)

8. 每股盈利(續)

		30.6.2019 於二零一九年 六月三十日	30.6.2018 於二零一八年 六月三十日
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之普通股加權平均數	803,265,547	796,824,000
Effect of dilutive potential ordinary shares in respect of share options	與購股權有關之潛在攤薄普通股之影響	403,897	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利之普通股加權平均數	803,669,444	796,824,000

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For the six months ended 30th June, 2019

簡明綜合財務報表附註(續)

截至二零一九年六月三十日止六個月

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30th June, 2019, the Group acquired and paid deposits for property, plant and equipment amounting to approximately HK\$43.0 million (for the year ended 31st December, 2018: approximately HK\$146.6 million).

9. 物業、廠房及設備

截至二零一九年六月三十日止六個月內，本集團使用約43,000,000港元購置物業、廠房及設備及就其支付按金(截至二零一八年十二月三十一日止年度：約146,600,000港元)。

10. TRADE AND OTHER RECEIVABLES

10. 貿易及其他應收款項

		30.6.2019 於二零一九年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2018 於二零一八年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Trade receivables	貿易應收款項	144,164	176,499
Less: allowance for credit losses	減：信貸虧損撥備	(2,433)	(2,433)
		141,731	174,066
Other receivables	其他應收款項	624	809
Total trade and other receivables	貿易及其他應收款項總額	142,355	174,875



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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簡明綜合財務報表附註(續)

截至二零一九年六月三十日止六個月

10. TRADE AND OTHER RECEIVABLES (continued)

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. 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:

10. 貿易及其他應收款項(續)

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。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：

		30.6.2019 於二零一九年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2018 於二零一八年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days	30日內	140,463	172,181
31-60 days	31至60日	1,268	1,480
61-90 days	61至90日	-	405
		141,731	174,066

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK\$32,219,000 (31st December, 2018: HK\$30,362,000) which were past due at the reporting date. 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 48 days (31st December, 2018: 45 days) based on invoice dates.

本集團之貿易應收款項結餘中包括賬面值總額為32,219,000港元之應收款項(二零一八年十二月三十一日：30,362,000港元)，該等款項於報告日已逾期。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48日(二零一八年十二月三十一日：45日)。

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簡明綜合財務報表附註(續)

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**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：

		30.6.2019 於二零一九年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2018 於二零一八年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current	即期	17,837	86,254
Overdue 1 to 30 days	逾期1至30日	72	327
Overdue 31 to 60 days	逾期31至60日	11	270
Overdue for more than 60 days	逾期60日以上	832	1,449
Trade and bills payables	貿易及票據應付款項	18,752	88,300
Payables for the acquisition of property, plant and equipment	購置物業、廠房及設備之應付款項	16,930	19,207
PRC duties payables	應付中國稅項	31,579	30,215
Other payables and accrued charges	其他應付款項及應計支出	73,097	94,308
		140,358	232,030

The average credit period on purchases of goods is 38 days (31st December, 2018: 29 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38日(二零一八年十二月三十一日：29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：

	30.6.2019 於二零一九年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2018 於二零一八年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Bank loans	208,389	176,055
Other bank borrowings	-	45,000
	208,389	221,055

13. SHARE CAPITAL

13. 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: At 1st January, 2018, 31st December, 2018 and 30th June, 2019	法定股本： 於二零一八年一月一日， 二零一八年十二月三十一日 及二零一九年六月三十日	
	1,000,000,000	100,000
Issued and fully paid: At 1st January, 2018 and 31st December, 2018 Exercise of share options	已發行及繳足股本： 於二零一八年一月一日及 二零一八年十二月三十一日 行使購股權	
	796,824,000 20,820,000	79,682 2,082
At 30th June, 2019	817,644,000	81,764

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14. CAPITAL COMMITMENTS

14. 資本承擔

	30.6.2019 於二零一九年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2018 於二零一八年 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	57,079	4,684
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		

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	
	30.6.2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
Salaries, bonuses and other benefits	7,319	10,396
Post employment benefits	75	90
薪酬、花紅及其他福利		
終止聘用後之福利		

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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 2012/2013 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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截至二零一九年六月三十日止六個月

16. 或然負債

就二零零四年／二零零五年至二零一二年／二零一三年課稅年度而言，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。

**NOTES TO THE CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS** (continued)
For the six months ended 30th June, 2019

16. CONTINGENT LIABILITIES
(continued)

The IRD further issued estimated/additional assessments to the Company and certain subsidiaries of the Company in January, 2019 in respect of year of assessment 2012/2013 demanding for tax in dispute of HK\$4,260,000 in aggregate, including an aggregate of HK\$2,940,000 in three assessments issued with the same amount of assessable profit to the subsidiaries, in the opinion of the Directors, pending for ascertaining of which of them should be taxed (if any). The Group had lodged objections with the IRD against these estimated/additional assessments in February, 2019. Further, tax reserve certificate of HK\$990,000 in respect of 2012/2013, pending the outcome of tax audits and the objections, is purchased in April 2019.

簡明綜合財務報表附註(續)

截至二零一九年六月三十日止六個月

16. 或然負債(續)

稅務局於二零一九年一月就二零一二年／二零一三年課稅年度之稅務糾紛向本公司及本公司若干附屬公司發出估計／額外評稅合共4,260,000港元，包括就附屬公司的相同款額應課稅溢利發出三份評稅合共2,940,000港元，董事認為，以待確認哪一間公司須予繳稅(如有)。本集團已於二零一九年二月就該等估計／額外評稅向稅務局遞交反對書。此外，本集團於二零一九年四月就二零一二年／二零一三年購買儲稅券990,000港元，以待稅務審核及提出反對之結果。



**NOTES TO THE CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS** (continued)
For the six months ended 30th June, 2019

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 2012/2013 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 2012/2013 is necessary as at 30th June, 2019. However, the ultimate outcome of the tax audits is uncertain and the potential tax liability cannot be ascertained with certainty at the present stage.

The Directors has further assessed the financial impact of the application of HK(IFRIC)-Int 23 and anticipate that the effect will be immaterial to the Group.

簡明綜合財務報表附註(續)

截至二零一九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／二零零五年至二零一二年／二零一三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。董事相信本集團很大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，董事認為於二零一九年六月三十日無需就二零零四年／二零零五年至二零一二年／二零一三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。

董事已經進一步評估應用香港(國際財務報告詮釋委員會)一詮釋第23號的財務影響，並預期對本集團的影響甚微。

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Due to the trade war between China and the US, and the ongoing “supply-side” reforms in China, the corrugated packaging business in China became even more challenging. Although the Chinese economy continues to grow, the trade war between China and the US had resulted in the loss of orders for companies, and some companies have withdrawn their business from China altogether. Demand for corrugated packaging saw a noticeable decline in the Chinese market. This plus increased efforts by the Chinese government on supply-side reforms have further eroded import volumes for wastepaper. Domestic wastepaper supply is inadequate for production demand, with the entire corrugated packaging industry hard hit as a result.

As the Group’s upstream business did not have enough supply of wastepaper (main raw material) to make containerboard for the downstream business making corrugated paper boards and boxes, the Group was forced acquire containerboard from overseas suppliers. The Group’s overseas purchases were almost entirely denominated in US dollars, but our revenue largely come from domestic sales denominated in Renminbi, and the fluctuation in Renminbi exchange rates had an impact on the Group’s cost structure. The Renminbi to US dollars exchange rate appreciated slightly in the first quarter of 2019 but by the second quarter had fallen back down to levels below the start of the year. Although costs of raw materials (wastepaper and containerboard) fell in the first half, this was not enough to offset the impact of fluctuating exchange rates. Moreover, the Group also faced headwinds from negative jaws as selling costs fell by a lower percentage than the decline in revenue.

管理層討論及分析

業務回顧

受中美貿易戰及中國政府的「供給側」改革持續影響，中國的瓦楞包裝業於二零一九年上半年進入更嚴峻的狀態。中國經濟雖然仍有增長，但中美貿易戰持續使企業流失訂單，部分企業更因此撤出中國。中國市場對瓦楞包裝的需求顯著減少，加上中國政府繼續加強力度推行供給側改革，進一步減少廢紙的進口量，單靠國內的廢紙供應量不足以應付企業的需求，對整個瓦楞包裝行業造成嚴重的打擊。

由於本集團的上游業務沒有足夠的廢紙（主要原材料）去製造箱板紙予下游生產瓦楞紙板及紙箱的業務，集團唯有向海外供應商採購箱板紙。集團之海外採購幾乎全部是以美元交易，而集團主要收益來自內銷業務，人民幣之匯率波動對集團的成本構成一定的影響。人民幣兌美元之匯率於二零一九年第一季略為上升，於第二季卻回落至低於年初的水平，儘管原材料價格（廢紙及箱板紙）於二零一九年上半年有所下調，但也未能抵銷匯率波動之影響，加上銷售成本的跌幅相對收益的跌幅較少，為集團增添不少不利的因素。



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

BUSINESS REVIEW (continued)

The Group's revenue in the first half of 2019 fell by 6.6% compared to the first half of 2018, primarily due to lower average selling prices and a fall in the Renminbi exchange rate, which was not fully offset by an increase in the total sales volume. Upstream containerboard and downstream corrugated packaging business accounted for 49.6% and 50.4% of total revenue respectively. In the first half of 2019, upstream and downstream revenue rose by 63.2% and fell by 34.3%, respectively, compared to the same period of last year.

Given lower production costs in the first half of 2019, the Group's inventory, trade receivables and trade payables all fell at the end of June 2019, and our inventory levels decreased significantly due to a lack of wastepaper for production. Given the Group's strong working capital situation, the Group's total gearing ratio remained extremely low at the end of June 2019, and was in a net cash position (total bank balances and cash exceeding total bank borrowings), with minimal bad debts and as a whole on a very solid financial footing.

FINANCIAL REVIEW

Operating results

Revenue fell from HK\$638.9 million in the first half of 2018 to HK\$596.9 million in the first half of 2019. Such a 6.6% decrease was primarily due to average selling price reduction in the first half of 2019, though the overall sales volume rose. The extent of the fall in selling price was larger than that in cost of sales, leading to a drop in gross profit of 22.3%. Gross profit fell from HK\$90.5 million to HK\$70.3 million. Gross profit margin decreased from 14.2% to 11.8%.

Other income fell HK\$2.3 million, from HK\$13.4 million to HK\$11.1 million. It was mainly arisen from less tax refund from the PRC Government in the first half of 2019.

管理層討論及分析(續)

業務回顧(續)

集團於二零一九年上半年的收益比二零一八年上半年的收益下降了6.6%，主因是集團平均賣價下降及人民幣匯率跌幅較大，縱使總銷量有所上升也未能抵銷價格及匯率之跌幅。上游箱板紙及下游瓦楞包裝之業務分別佔總收益49.6%及50.4%。二零一九年上半年之上游收益及下游收益與去年同期相比，分別上升63.2%及下跌34.3%。

由於製造成本的價格於二零一九年上半年回落，集團於二零一九年六月底之存貨、貿易應收賬及貿易應付賬也相應減少。集團之存貨量也大幅度減少，主要是沒有足夠的廢紙作生產之用。基於集團營運資金充裕，故集團於二零一九年六月月底總負債率仍然處於極低的水平，還出現淨現金(銀行結餘及現金總額高於銀行借貸總額)的情況，而壞賬率也接近零，財務狀況非常穩健。

財務回顧

經營業績

收益由二零一八年上半年之638,900,000港元跌至二零一九年上半年之596,900,000港元。出現6.6%跌幅，主要由於二零一九年上半年的整體銷售量雖然上升，惟平均售價則下跌所致。售價的跌幅較銷售成本的跌幅為大，以致毛利減少22.3%。毛利由90,500,000港元跌至70,300,000港元。毛利率由14.2%跌至11.8%。

其他收入由13,400,000港元減少2,300,000港元至11,100,000港元。此乃由於中國政府在二零一九年上半年退稅較少所致。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Operating results (continued)

Selling and distribution costs fell 13.4%, decreasing from HK\$25.4 million to HK\$22.0 million. The fall was attributed to the decrease in transportation cost which was in line with decrease in revenue in the first half of 2019.

Administrative expenses rose from HK\$43.0 million to HK\$44.1 million. The increase of 2.6% was predominantly due to the share based payment in the first half of 2019.

Other expenses decreased from HK\$9.6 million to HK\$9.2 million. It was mainly due to a fall in China duties and charges in the first half of 2019.

The rise in finance costs from HK\$1.8 to HK\$2.9 million, was owing to the increase in interest rates and average bank borrowing level in the first half of 2019.

EBITDA (earnings before interest, tax, depreciation and amortization) decreased HK\$20.6 million, from HK\$71.0 million to HK\$50.4 million. Profit for the period fell 18.5 million, from HK\$20.2 million to HK\$1.7 million, representing a decrease of 91.6%. Basic earnings per share decreased from 2.54 HK cents to 0.21 HK cents.

Liquidity, financial and capital resources

At 30th June, 2019, the Group's total cash and cash equivalents were HK\$285.7 million (31st December, 2018: HK\$219.4 million) which was mostly denominated in Renminbi. The surge was primarily due to selling of a substantial level of inventories in the first half of 2019.

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25,400,000港元減少13.4%至22,000,000港元。減少乃由於運輸成本減少所致，這與二零一九年上半年收益下跌的情況相符。

行政開支由43,000,000港元增加至44,100,000港元。出現2.6%的增幅，主要由於二零一九年上半年有股份基礎給付所致。

其他開支由9,600,000港元減少至9,200,000港元。這主要由於二零一九年上半年中國稅項下降所致。

財務成本由1,800,000港元增加至2,900,000港元，乃由於二零一九年上半年的利率及平均銀行借貸水平上升所致。

息稅折舊攤銷前盈利(未計利息、稅項、折舊及攤銷前盈利)由71,000,000港元減少20,600,000港元至50,400,000港元。期間利潤由20,200,000港元減少18,500,000港元至1,700,000港元，減幅為91.6%。每股基本盈利由2.54港仙減少至0.21港仙。

流動資金、財務及資本資源

於二零一九年六月三十日，本集團之現金及現金等值總額為285,700,000港元(二零一八年十二月三十一日：219,400,000港元)，大部分以人民幣列值。飆升主要由於二零一九年上半年出售大量存貨。



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, 2019 were HK\$254.7 million (31st December, 2018: HK\$262.8 million) and 1.77 (31st December, 2018: 1.64) respectively.

The Group spent HK\$43.0 million on capital expenditure, basically for general maintenance and deposit paid for acquiring pulp-making machinery in the first half of 2019.

The average inventory, debtors and creditors turnover days were 77 days (31st December, 2018: 65 days), 48 days (31st December, 2018: 45 days) and 38 days (31st December, 2018: 29 days) respectively.

The total bank borrowings reduced to HK\$208.4 million as at 30th June, 2019 (31st December, 2018: HK\$221.1 million). Gearing ratio fell from 14.3% to 13.3%. Net cash of HK\$77.3 million (total bank balances and cash less total bank borrowings) was recorded as at 30th June, 2019. The current bank borrowings rose HK\$9.0 million and non-current bank borrowings fell HK\$21.7 million.

Contingent liabilities

The tax audits conducted by the IRD on the Company and its subsidiaries for the years of assessment 2004/2005 to 2012/2013 are still ongoing. The IRD had issued protective assessments for the years of assessment 2004/2005 to 2012/2013 to certain subsidiaries of the Group. Objections were lodged against all these assessments. The Directors of the Company has assessed the financial impact of the application of HK(IFRIC)-Int 23 and anticipate that the effect will be immaterial to the Group.

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)

本集團於二零一九年六月三十日之流動資產淨值及流動比率分別為254,700,000港元(二零一八年十二月三十一日:262,800,000港元)及1.77(二零一八年十二月三十一日:1.64)。

本集團之資本開支為43,000,000港元,基本用於二零一九年上半年的日常維護及購置製漿機器的訂金。

平均存貨、應收賬款及應付賬款週轉日數分別為77日(二零一八年十二月三十一日:65日)、48日(二零一八年十二月三十一日:45日)及38日(二零一八年十二月三十一日:29日)。

於二零一九年六月三十日,銀行借貸總額減少至208,400,000港元(二零一八年十二月三十一日:221,100,000港元)。負債比率由14.3%降至13.3%。於二零一九年六月三十日,現金淨額(銀行結餘與現金總額減銀行借貸總額)錄得77,300,000港元。即期銀行貸款增加9,000,000港元,而非即期銀行貸款下跌21,700,000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/二零零五年至二零一二年/二零一三年課稅年度進行稅務稽查。稅務局曾就二零零四年/二零零五年至二零一二年/二零一三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。本公司董事已經評估應用香港(國際財務報告詮釋委員會)一詮釋第23號的財務影響,並預期對本集團的影響甚微。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

OUTLOOK

Given the increasingly interconnected global economy, the ongoing trade war between China and the US will weigh on the global economy, and the Chinese economy is still expected to be impacted. The Group's performance will furthermore be affected by the depreciation of the Renminbi. To meet the challenge of a shortage of raw materials, the Group has decided to move some production processes overseas, with plans to build new plants overseas to convert wastepaper into pulp for delivery into China for production of containerboard. This would allow our existing production lines to be fully utilized in order to reduce costs and improve efficiency. The Group is also planning technological improvements on our production lines to make more high value-added products and offset the pressure from failing to transfer higher costs to buyers.

The Group will continue to grasp the advantages and opportunities afforded by our vertically integrated business model, and maintain our stable financial situation and operating infrastructure, and deliver satisfactory returns to our shareholders. At the same time, the Group will raise our attention on environmental protection in order to give back to the community.

管理層討論及分析(續)

展望

由於全球經濟相互影響，中美貿易戰將會繼續影響全球經濟，中國經濟必繼續受打擊，加上人民幣貶值，將會為集團帶來更多負面影響。為應付原材料不足的問題，本集團已決定將部分生產工序轉移到海外，計劃於海外設廠將廢紙製成紙漿後運送到國內生產箱板紙，屆時現有之生產線產能將會被充分使用，以降低生產成本及提升效率。集團亦考慮進行生產線的技術改造，生產高增值的產品以抵銷成本未能轉嫁的壓力。

集團承諾將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，集團會繼續提高對環境保護的重視以回饋社會。



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, 2019, 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:

於二零一九年六月三十日，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	124,844,681 shares Long position 124,844,681股股份 好倉	15.26%
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%

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	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%
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%



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. 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	Nil (Note 2) 無(附註2)	-

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 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 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 61.81% and 38.19% by Mr. Hui Sum Ping and Goldspeed respectively. Under the SFO, 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, 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

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, 2019.

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平先生及 Goldspeed 擁有 61.81% 及 38.19%。根據證券及期貨條例，許森平先生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，於二零一九年六月三十日，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, 2019, 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:

於二零一九年六月三十日，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	252,354,081	3,984,000	1,2	31.35%
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 256,338,081 shares, Ms. Jian Jian Yi is directly interested in 19,754,000 shares and is deemed to be interested in 236,584,081 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, 2019.

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256,338,081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236,584,081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，於二零一九年六月三十日，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	7,968,000	-	(3,984,000)	-	3,984,000
Mr. Hui Sum Tai 許森泰先生	G	15.10.2018	0.435	7,968,000	-	(3,984,000)	-	3,984,000
Ms. Hui Yuen Li 許婉莉女士	G	15.10.2018	0.435	7,968,000	-	(3,984,000)	-	3,984,000
Mr. Chee Man Sang, Eric 池民生先生	G	15.10.2018	0.435	1,000,000	-	(500,000)	-	500,000
Mr. Wong Chu Leung 黃琮亮先生	G	15.10.2018	0.435	1,000,000	-	-	-	1,000,000
				25,904,000	-	(12,452,000)	-	13,452,000
Other employees 其他僱員	G	15.10.2018	0.435	16,736,000	-	(8,368,000)	(200,000)	8,168,000
Total for all categories 全部類別總計				42,640,000	-	(20,820,000)	(200,000)	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 Company's share option 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, 2019, 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。本公司購股權計劃下購股權持有人僅可於以下行使期行使彼等之購股權：

於二零一九年六月三十日，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, 2019 (six months ended 30th June, 2018: nil).

HUMAN RESOURCES

As at 30th June, 2019, the Group employed a total workforce of around 1,050 full time staff (31st December, 2018: 1,050). 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, 2019, except with the following deviations:

其他資料

中期股息

董事不建議派付截至二零一九年六月三十日止六個月之中期股息(截至二零一八年六月三十日止六個月：無)。

人力資源

於二零一九年六月三十日，本集團僱用總共約1,050名全職員工(二零一八年十二月三十一日：1,050名)。本集團向僱員提供具競爭力之薪酬福利。本集團可能亦會授出購股權及酌情花紅予合資格僱員，授出之基準按本集團及個人之表現而釐定。

企業管治

董事致力維持高水平企業管治，以提升股東價值及保障股東權益。本公司之企業管治原則強調高質董事會、有效內部監控及向股東負責之重要性。截至二零一九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)

其他資料(續)

CORPORATE GOVERNANCE (continued)

企業管治(續)

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.

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。

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.

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。

OTHER INFORMATION (continued)

其他資料(續)

CORPORATE GOVERNANCE (continued)

企業管治(續)

Code Provision C.3.3

守則條文C.3.3條

- 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, 2019.

- 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。截至二零一九年六月三十日止六個月期間，審核委員會已與本公司核數師舉行一次會議。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

購買、出售或贖回本公司上市 股份

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, 2019.

截至二零一九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。

MODEL CODE FOR SECURITIES TRANSACTIONS

證券交易標準守則

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.

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。



OTHER INFORMATION (continued)

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, 2019 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, 29th August, 2019

其他資料(續)

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二零一九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，二零一九年八月二十九日



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