



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



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Hui Sum Ping (*Chairman*)

Mr. Hui Sum Tai (*Chief Executive 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

NOMINATION COMMITTEE

Mr. Chee Man Sang, Eric (*Chairman*)

Mr. Wong Chu Leung

Mr. Chau Suk Ming

AUTHORISED REPRESENTATIVES

Mr. Hui Sum Ping

Mr. Hui Sum Tai

COMPANY SECRETARY

Ms. Lii Yuet Ling

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

Registered Public Interest Entity Auditors

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

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*)

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

提名委員會

池民生先生(*主席*)

黃珠亮先生

周淑明先生

授權代表

許森平先生

許森泰先生

公司秘書

呂月玲女士

核數師

德勤•關黃陳方會計師行

執業會計師

註冊公眾利益實體核數師

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

CORPORATE INFORMATION (continued)

REGISTERED OFFICE

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

SHARE REGISTRARS AND TRANSFER AGENTS

Principal share registrar and transfer agent in the Cayman Islands

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

Branch share registrar and transfer agent in Hong Kong

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

PRINCIPAL BANKERS

Standard Chartered Bank
DBS Bank (Hong Kong) Limited
United Overseas Bank Limited
Agricultural Bank of China Limited
Bank of China Limited

STOCK CODE

2320

WEBSITE

www.hopfunggroup.com

公司資料(續)

註冊辦事處

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

股份過戶登記處

開曼群島主要股份過戶登記處

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

股份過戶登記處香港分處

卓佳雅柏勤有限公司
香港
皇后大道東183號
合和中心54樓

主要往來銀行

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

股份代號

2320

網址

www.hopfunggroup.com

The board of directors (the “Board” or “Directors”) of Hop Fung Group Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30th June, 2021 together with the comparative figures for the corresponding period in 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th June, 2021

合豐集團控股有限公司(「本公司」)董事會(「董事會」或「董事」)欣然宣佈本公司及其附屬公司(統稱「本集團」/「集團」)截至二零二一年六月三十日止六個月之未經審核簡明綜合業績，連同二零二零年同期之比較數字如下：

簡明綜合損益及其他全面收益表

截至二零二一年六月三十日止六個月

			Six months ended 截至六月三十日止六個月	
			30.6.2021 二零二一年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)
		Notes 附註		
Revenue	收益	4	410,020	324,394
Cost of sales	銷售成本		(350,891)	(297,460)
Gross profit	毛利		59,129	26,934
Other income	其他收入		7,662	8,067
Other gains and losses	其他收益及虧損		5,031	(234)
Selling and distribution costs	銷售及分銷成本		(15,837)	(13,653)
Administrative expenses	行政開支		(37,849)	(36,764)
Other expenses	其他開支	5	(10,753)	(8,286)
Finance costs	財務成本	6	(4,442)	(3,734)
Profit (loss) before taxation	稅前利潤(虧損)		2,941	(27,670)
Income tax expense	所得稅開支	7	(1,858)	(182)
Profit (loss) for the period, attributable to owners of the Company	本公司擁有人應佔 期間利潤(虧損)	8	1,083	(27,852)

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

For the six months ended 30th June, 2021

**簡明綜合損益及其他全面收益
表(續)**

截至二零二一年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
	Notes 附註	30.6.2021 二零二一年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)
Other comprehensive income (expense) for the period: <i>Item that may be reclassified subsequently to profit or loss:</i> Exchange differences arising from translation of foreign operations	期間其他全面收益(開支): 其後可能重新分類至損益之項目: 換算海外業務之匯兌差額		
		35,578	(30,505)
Total comprehensive income (expense) for the period, attributable to owners of the Company	本公司擁有人應佔期間全面收益(開支)總額	36,661	(58,357)
		HK cents 港仙	HK cents 港仙
Earnings (loss) per share	每股盈利(虧損)		
– basic	– 基本	0.13	(3.41)
– diluted	– 攤薄	0.13	(3.41)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2021

簡明綜合財務狀況表

於二零二一年六月三十日

		Notes 附註	30.6.2021 於二零二一年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2020 於二零二零年 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	11	1,365,175	1,364,462
Right-of-use assets	使用權資產	12	26,179	29,092
Deposits and prepayments	按金及預付款		179,582	169,843
			1,570,936	1,563,397
Current assets	流動資產			
Inventories	存貨	13	251,278	143,471
Trade, bills and other receivables	貿易、票據及其他應收款項	14	183,523	200,055
Deposits and prepayments	按金及預付款		11,729	4,471
Bank balances and cash	銀行結餘及現金		179,731	291,561
			626,261	639,558
Current liabilities	流動負債			
Trade, bills and other payables	貿易、票據及其他應付款項	15	204,525	224,854
Taxation payable	應付稅項		2,176	2,427
Lease liabilities	租賃負債	16	4,419	7,970
Unsecured bank borrowings	無抵押銀行借貸	17	134,913	138,496
			346,033	373,747
Net current assets	流動資產淨值		280,228	265,811
Total assets less current liabilities	總資產減流動負債		1,851,164	1,829,208

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

At 30th June, 2021

簡明綜合財務狀況表(續)

於二零二一年六月三十日

			30.6.2021 於二零二一年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2020 於二零二零年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
	Notes 附註			
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	16	399	—
Unsecured bank borrowings	無抵押銀行借貸	17	128,040	144,118
Deferred taxation	遞延稅項		64,716	64,034
			193,155	208,152
Net assets	資產淨值		1,658,009	1,621,056
Capital and reserves	股本及儲備			
Share capital	股本	18	81,764	81,764
Reserves	儲備		1,576,245	1,539,292
Total equity, attributable to owners of the Company	本公司擁有人應佔權益總額		1,658,009	1,621,056

**CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY**
For the six months ended 30th June, 2021
(Unaudited)

簡明綜合權益變動表

截至二零二一年六月三十日止六個月
(未經審核)

		Share capital	Share premium	Special reserve	PRC statutory 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 i) (附註 i)	中國 法定儲備 HK\$'000 千港元 (Note ii) (附註 ii)	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, 2021	於二零二一年 一月一日	81,764	492,392	(107,444)	550	53,086	4,268	1,096,440	1,621,056
Profit for the period	期間利潤	-	-	-	-	-	-	1,083	1,083
Exchange differences arising from translation of foreign operations	換算海外業務之 匯兌差額	-	-	-	-	35,578	-	-	35,578
Total comprehensive income for the period	期間全面收益 總額	-	-	-	-	35,578	-	1,083	36,661
Recognition of equity- settled share-based payments	確認以股權結算 以股份支付 之支出	-	-	-	-	-	292	-	292
At 30th June, 2021	於二零二一年 六月三十日	81,764	492,392	(107,444)	550	88,664	4,560	1,097,523	1,658,009

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

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

簡明綜合權益變動表(續)

截至二零二零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 (附註 i)	Translation reserve 匯兌儲備 HK\$'000 千港元	Share options reserve 購股權儲備 HK\$'000 千港元	Retained profits 保留利潤 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2020	於二零二零年 一月一日	81,764	492,392	(107,444)	(33,986)	2,930	1,095,627	1,531,283
Loss for the period	期間虧損	-	-	-	-	-	(27,852)	(27,852)
Exchange differences arising from translation of foreign operations	換算海外業務之 匯兌差額	-	-	-	(30,505)	-	-	(30,505)
Total comprehensive expense for the period	期間全面開支總額	-	-	-	(30,505)	-	(27,852)	(58,357)
Recognition of equity-settled share-based payments	確認為以股權結算以 股份支付之支出	-	-	-	-	901	-	901
At 30th June, 2020	於二零二零年 六月三十日	81,764	492,392	(107,444)	(64,491)	3,831	1,067,775	1,473,827

Notes:

附註：

- (i) 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.
- (ii) According to the relevant laws in the People's Republic of China ("PRC"), subsidiaries which were established in the PRC are required to transfer at least 10% of their net profit after taxation to a non-distributable reserve fund until the reserve balance reaches 50% of the respective subsidiaries' registered capital. The transfer to this reserve must be made before the distribution of dividends to owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.

- (i) 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。
- (ii) 根據中華人民共和國(「中國」)相關法律，在中國成立的附屬公司須將至少10%的除稅後純利轉入不可分派儲備基金，直至儲備結餘達到附屬公司註冊資本的50%為止。轉入該儲備基金必須在向所有者分派股息前進行。該儲備基金可用於彌補以前年度的虧損(如有)，除清算時外，不得分派。

**CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS**
For the six months ended 30th June, 2021

簡明綜合現金流量表

截至二零二一年六月三十日止六個月

Six months ended
截至六月三十日止六個月

		30.6.2021 二零二一年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2020 二零二零年 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	53,513	21,791
Increase in inventories	存貨增加	(103,176)	(37,167)
Decrease in trade, bills and other receivables	貿易、票據及其他應收款項減少	21,378	59,872
Increase in deposits and prepayments	按金及預付款增加	(7,022)	(45,464)
Decrease in trade, bills and other payables	貿易、票據及其他應付款項減少	(25,270)	(20,372)
Cash used in operations	營運使用之現金	(60,577)	(21,340)
Income tax paid	已繳付所得稅	(1,443)	(635)
Income tax refunded	退回所得稅	—	15
Net cash used in operating activities	經營活動使用之現金淨額	(62,020)	(21,960)
Investing activities	投資活動		
Purchases of property, plant and equipment	購買物業、廠房及設備	(9,884)	(8,947)
Deposits paid for acquisition of property, plant and equipment and other assets	購置物業、廠房及設備及其他資產已付按金	(5,459)	(43,232)
Other investing cash flows	其他投資現金流量	1,818	809
Net cash used in investing activities	投資活動使用之現金淨額	(13,525)	(51,370)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)

For the six months ended 30th June, 2021

簡明綜合現金流量表(續)

截至二零二一年六月三十日止六個月

Six months ended
截至六月三十日止六個月

		30.6.2021 二零二一年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)
Financing activities	融資活動		
New bank loans raised	新增銀行貸款	90,078	233,355
Repayment of bank loans	償還銀行貸款	(113,522)	(120,727)
Other financing cash flows	其他融資現金流量	(8,674)	(7,693)
Net cash (used in) from financing activities	融資活動(使用)產生之現金淨額	(32,118)	104,935
Net (decrease) increase in cash and cash equivalents	現金及現金等值(減少)增加淨額	(107,663)	31,605
Cash and cash equivalents at 1st January	於一月一日現金及現金等值	291,561	292,299
Effect of foreign exchange rate changes	匯率變動之影響	(4,167)	(1,722)
Cash and cash equivalents at 30th June	於六月三十日現金及現金等值	179,731	322,182
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, 2021

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 Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30th June, 2021 are the same as those presented in the Group's annual financial statements for the year ended 31st December, 2020.

簡明綜合財務報表附註

截至二零二一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章節內。

2. 編製基準

未經審核簡明綜合財務報表乃根據香港會計師公會(「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」及聯交所證券上市規則附錄16所載之適用披露規定而編製。

3. 主要會計政策

未經審核簡明綜合財務報表按歷史成本基準編製。

截至二零二一年六月三十日止六個月之未經審核簡明綜合財務報表所採用之會計政策以及計算方法，與本集團截至二零二零年十二月三十一日止年度之年度財務報表所呈列者相同。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2021

3. PRINCIPAL ACCOUNTING POLICIES (continued)

Application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current interim period, the Group has applied, the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1st January, 2021 for the preparation of the Group’s unaudited condensed consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, Interest Rate	
HKAS 39, HKFRS 7, Benchmark Reform –	
HKFRS 4 and HKFRS 16	Phase 2

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

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

3. 主要會計政策(續)

應用經修訂香港財務報告準則(「香港財務報告準則」)

於本中期期間，本集團已首次採用由香港會計師公會頒佈且已於二零二一年一月一日或其後開始之年度期間強制生效的以下經修訂香港財務報告準則，以編製本集團之未經審核簡明綜合財務報表：

香港財務報告準則第16號之修訂本	Covid-19相關的租金優惠
香港財務報告準則第9號、香港會計準則第39號、	利率基準改革 – 第二階段
香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂本	

除下文所述者外，本期間應用香港財務報告準則之修訂本對本集團於本期間及過往期間之財務狀況及表現及／或載於該等未經審核簡明綜合財務報表之披露並無重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2021

3. PRINCIPAL ACCOUNTING POLICIES (continued)

Application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)
(continued)

Impacts and accounting policies on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 “Interest Rate Benchmark Reform – Phase 2”

Financial instruments

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

3. 主要會計政策(續)

應用經修訂香港財務報告準則
([「香港財務報告準則」])(續)

應用香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號修訂本「利率基準改革－第二階段」之影響及會計政策

金融工具

利率基準改革導致釐定合同現金流量之基準變更

對於採用攤銷成本計量的財務資產或財務負債，其合同現金流量釐定基準因利率基準改革發生的變動，本集團採用實務權宜方法，通過更新實際利率就有關變更進行會計處理，實際利率的有關變更一般對相關財務資產或財務負債的賬面價值並無重大影響。

當且僅當符合以下兩項條件時，利率基準改革要求對釐定合同現金流量的基準作出變更：

- 該變更為利率基準改革直接導致之必要變更；及
- 釐定合同現金流量的新基準在經濟上等同於先前的基準（即緊接變更前的基準）。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2021

3. PRINCIPAL ACCOUNTING POLICIES (continued)

Application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs")
(continued)

Impacts and accounting policies on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 "Interest Rate Benchmark Reform – Phase 2" (continued)

Financial instruments (continued)

Hedge accounting

For changes made to the hedged risk, hedged item or hedging instrument required by interest rate benchmark reform, the Group amends the formal designation of a hedging relationship to reflect the changes by the end of the reporting period during which the relevant changes were made. Such an amendment to the formal designation of the hedging relationship constitutes neither the discontinuation of the hedging relationship nor the designation of a new hedging relationship.

Cash flow hedges

When a hedged item in a cash flow hedge is amended to reflect the changes that are required by the interest rate benchmark reform, the amount accumulated in reserve for the cash flow hedge is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

3. 主要會計政策(續)

應用經修訂香港財務報告準則
([「香港財務報告準則」])(續)

應用香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號修訂本「利率基準改革－第二階段」之影響及會計政策(續)

金融工具(續)

對沖會計

對於利率基準改革所要求作出的被對沖風險、被對沖項目或對沖工具變更，本集團就對沖關係的正式指定進行了修訂，以於報告期末前反映相關變動發生的變化。對沖關係正式指定的有關修訂既不構成對沖關係的終止，亦不構成新對沖關係的指定。

現金流量對沖

當現金流量對沖中的被對沖項目被修訂以反映利率基準改革要求的變動時，現金流量對沖儲備中的累計金額被視作基於被對沖未來現金流的釐定的替代基準利率。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2021

3. PRINCIPAL ACCOUNTING POLICIES (continued)

Application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)
(continued)

Impacts and accounting policies on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 “Interest Rate Benchmark Reform – Phase 2” (continued)

Leases

The Group as a lessee

Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform

For changes in the basis for determining the future lease payments as a result of interest rate benchmark reform, the Group applies the practical expedient to remeasure the lease liabilities by discounting the revised lease payments using the unchanged discount rate and makes a corresponding adjustment to the related right-of-use assets. A lease modification is required by interest rate benchmark reform if, and only if, both of these conditions are met:

- the modification is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the lease payments is economically equivalent to the previous basis (i.e. the basis immediately preceding the modification).

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

3. 主要會計政策(續)

應用經修訂香港財務報告準則
([「香港財務報告準則」])(續)

應用香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號修訂本「利率基準改革－第二階段」之影響及會計政策(續)

租賃

本集團作為承租人

利率基準改革導致釐定未來租賃付款之基礎變更

對於利率基準改革導致釐定未來租賃付款之基礎變更，本集團採用實務權宜方法，通過使用不變之折現率來對修訂後的租賃付款額進行折現，以對租賃負債進行重新計量，並對相關使用權資產作出相應調整。當且僅當滿足以下兩個條件時，利率基準改革才要求進行租賃修訂：

- 該修訂為利率基準改革直接導致之必須修訂；及
- 釐定租賃付款額的新基準在經濟上等同於先前的基準（即緊接修改前的基準）。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2021

3. PRINCIPAL ACCOUNTING POLICIES (continued)

Application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)
(continued)

Impacts and accounting policies on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 “Interest Rate Benchmark Reform – Phase 2” (continued)

Leases (continued)

The Group as a lessee (continued)

Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform (continued)

The Group intends to apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for bank borrowings. The amendments have had no impact on the condensed consolidated financial statements as none of the above contracts has been transitioned to the relevant replacement rates during the current interim period. The impacts on application of the amendments, if any, including additional disclosures, will be reflected in the Group’s consolidated financial statements for the year ending 31st December, 2021.

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

3. 主要會計政策(續)

應用經修訂香港財務報告準則
([「香港財務報告準則」])(續)

應用香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號修訂本「利率基準改革－第二階段」之影響及會計政策(續)

租賃(續)

本集團作為承租人(續)

利率基準改革導致釐定未來租賃付款之基礎變更(續)

本集團擬就按銀行借貸因利率基準改革而導致的合約現金流量變動採用實務權宜方法。於本中期間內概無上述合約過渡至相關替代利率，故此有關修訂對簡明綜合財務報表並無影響。應用有關修訂之影響(如有)，包括作出額外披露，將於本集團截至二零二一年十二月三十一日止年度的綜合財務報表中反映。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2021

4. REVENUE AND SEGMENT INFORMATION

Segment information

The Group's manufacturing operations are located in the PRC.

The Group's operations are organized based on the type of products. Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purpose of resource allocation and assessment of segment performance is analysed based on the type of products. No operating segments identified by CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, 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)

截至二零二一年六月三十日止六個月

4. 收益及分部資料

分部資料

本集團之製造業務位於中國。

本集團之業務乃按產品類別劃分。就資源分配及評估分部表現向本公司執行董事(即主要營運決策者(「主要營運決策者」))呈報之資料乃按產品類別分析。本集團之可呈報分部，並無將主要營運決策者已識別的經營分部匯合呈報。

具體而言，本集團之可呈報及經營分部可分為製造及銷售：

- 箱板紙－瓦楞芯紙及牛咕
- 瓦楞包裝－瓦楞紙板及紙箱

**NOTES TO THE CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS** (continued)
For the six months ended 30th June, 2021

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

**4. REVENUE AND SEGMENT
INFORMATION** (continued)

4. 收益及分部資料(續)

Segment information (continued)

分部資料(續)

Segment revenues and results

分部收益及業績

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

以下為按經營及可呈報分部劃分之本集團收益及業績分析：

For the six months ended 30th June, 2021
(Unaudited)

截至二零二一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	101,215	308,805	410,020	-	410,020
Inter-segment sales	分部間銷售	67,890	-	67,890	(67,890)	-
Total	總計	169,105	308,805	477,910	(67,890)	410,020
RESULT	業績					
Segment profit	分部利潤	6,562	12,287	18,849	-	18,849
Central administrative expenses	中央行政開支					(11,466)
Finance costs	財務成本					(4,442)
Profit before taxation	稅前利潤					2,941

**NOTES TO THE CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS** (continued)
For the six months ended 30th June, 2021

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

**4. REVENUE AND SEGMENT
INFORMATION** (continued)

4. 收益及分部資料(續)

Segment information (continued)

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, 2020
(Unaudited)

截至二零二零年六月三十日止六
個月(未經審核)

		Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益					
External sales	對外銷售	98,902	225,492	324,394	-	324,394
Inter-segment sales	分部間銷售	91,327	-	91,327	(91,327)	-
Total	總計	190,229	225,492	415,721	(91,327)	324,394
RESULT	業績					
Segment (loss) profit	分部(虧損)利潤	(12,446)	873	(11,573)	-	(11,573)
Central administrative expenses	中央行政開支					(12,363)
Finance costs	財務成本					(3,734)
Loss before taxation	稅前虧損					(27,670)

Inter-segment sales are charged at prevailing
market rates.

分部間銷售乃參照現行市價計算。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2021

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

5. OTHER EXPENSES

5. 其他開支

Six months ended
截至六月三十日止六個月

	30.6.2021 二零二一年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)
Other PRC taxes 其他中國稅項	3,175	2,512
Depreciation 折舊	4,467	3,942
Legal and professional fees 法律及專業費用	503	504
Others 其他	2,608	1,328
	10,753	8,286

6. FINANCE COSTS

6. 財務成本

Six months ended
截至六月三十日止六個月

	30.6.2021 二零二一年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)
Interest on bank borrowings 銀行借貸之利息	4,358	3,578
Interest on lease liabilities 租賃負債之利息	84	156
	4,442	3,734

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2021

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

7. INCOME TAX EXPENSE (CREDIT)

7. 所得稅開支(抵免)

		Six months ended 截至六月三十日止六個月	
		30.6.2021 二零二一年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2020 二零二零年 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	121	350
PRC Enterprise Income Tax	中國企業所得稅	1,055	92
		1,176	442
Deferred tax	遞延稅項	682	(260)
		1,858	182

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。

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards. One of the Company's PRC subsidiaries is entitled to preferential rate of 15% for the Group's financial year ending 31st December, 2021.

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%。本公司的其中一間中國附屬公司於截至二零二一年十二月三十一日止本集團之財政年度可享有15%的優惠稅率。

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

在其他司法管轄區所產生的稅項，則以相關司法管轄區適用之稅率計算。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2021

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

8. PROFIT (LOSS) FOR THE PERIOD

8. 期間利潤(虧損)

		Six months ended 截至六月三十日止六個月	
		30.6.2021 二零二一年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)
Profit (loss) for the period has been arrived at after charging (crediting):	期間利潤(虧損)已扣除(計入)下列各項：		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	43,062	41,409
Depreciation of right-of-use assets	使用權資產之折舊	4,530	4,226
Total depreciation	折舊總額	47,592	45,635
Less: Amount included in cost of inventories recognised as expenses	減：計入確認為開支之存貨成本金額	(38,595)	(37,467)
		8,997	8,168
Staff Costs (including directors' emoluments)	員工成本(包括董事酬金)	49,309	47,027
Cost of inventories recognised as expenses	確認為開支之存貨成本	350,891	297,460
Exchange (gains) losses, net	匯兌(收益)虧損，淨額	(5,015)	234

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2021

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

9. EARNINGS (LOSS) PER SHARE

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

9. 每股盈利(虧損)

本公司擁有人應佔每股基本及攤薄盈利(虧損)乃按以下數據計算：

		Six months ended 截至六月三十日止六個月	
		30.6.2021 二零二一年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)
Earnings (loss)	盈利(虧損)		
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share	計算每股基本及攤薄盈利(虧損)之盈利(虧損)		
		1,083	(27,852)
		30.6.2021 於二零二一年六月三十日 (Unaudited) (未經審核)	30.6.2020 於二零二零年六月三十日 (Unaudited) (未經審核)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings (loss) per share	計算每股基本及攤薄盈利(虧損)之普通股加權平均數		
		817,644,000	817,644,000

The computation of diluted earnings (loss) per share for the six months ended 30th June, 2021 and 30th June, 2020 did not assume the exercise of the Company's share options as the exercise price of these options was higher than the average market price for shares for the six months ended 30th June, 2021 and 30th June, 2020.

截至二零二一年六月三十日及二零二零年六月三十日止六個月的每股攤薄盈利(虧損)的計算並無假設行使本公司的購股權，因該等購股權之行使價高於截至二零二一年六月三十日及二零二零年六月三十日止六個月的股份市場平均價。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2021

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

10. DIVIDENDS

No dividend was declared or proposed for the six months ended 30th June, 2021 and six months ended 30th June, 2020, nor has any dividend been proposed since the end of the reporting period.

10. 股息

截至二零二一年六月三十日止六個月及截至二零二零年六月三十日止六個月並無宣派或擬派股息，自報告期末亦無擬派任何股息。

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30th June, 2021, the Group acquired property, plant and equipment amounting to approximately HK\$9.9 million (unaudited) (for the year ended 31st December, 2020: approximately HK\$36.7 million (audited)).

11. 物業、廠房及設備

截至二零二一年六月三十日止六個月內，本集團使用約9,900,000港元(未經審核)購置物業、廠房及設備(截至二零二零年十二月三十一日止年度：約36,700,000港元(經審核))。

12. RIGHT-OF-USE ASSETS

12. 使用權資產

		Leasehold lands 租賃土地 HK\$'000 千港元	Leased properties 租賃物業 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Carrying amount	賬面值			
As at 30th June, 2021 (Unaudited)	於二零二一年 六月三十日 (未經審核)	21,540	4,639	26,179
As at 31st December, 2020 (Audited)	於二零二零年 十二月三十一日 (經審核)	21,293	7,799	29,092
Depreciation charge	折舊費用			
For the six months ended 30th June, 2021 (Unaudited)	截至二零二一年 六月三十日 止六個月 (未經審核)	290	4,240	4,530
For the six months ended 30th June, 2020 (Unaudited)	截至二零二零年 六月三十日 止六個月 (未經審核)	267	3,959	4,226

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2021

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

13. INVENTORIES

		30.6.2021 於二零二一年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2020 於二零二零年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Raw materials	原材料	120,866	95,152
Work in progress	在製品	18	317
Finished goods	製成品	130,394	48,002
		251,278	143,471

13. 存貨

14. TRADE, BILLS AND OTHER RECEIVABLES

		30.6.2021 於二零二一年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2020 於二零二零年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Trade and bills receivables	貿易及票據應收款項	170,286	192,473
Less: allowance for credit losses	減：信貸虧損撥備	(2,942)	(3,108)
		167,344	189,365
Other receivables	其他應收款項	16,179	10,690
Total trade, bills and other receivables	貿易、票據及其他應收款項總額	183,523	200,055

14. 貿易、票據及其他應收款項

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2021

14. TRADE, BILLS 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 and bills receivables net of allowance for credit losses presented based on the invoice dates, which approximate the respective revenue recognition dates, at the end of the reporting period:

	30.6.2021 於二零二一年六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2020 於二零二零年十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days	30日內	
31–60 days	31至60日	
61–90 days	61至90日	
	165,279	175,169
	2,065	13,565
	—	631
	167,344	189,365

As at 30th June, 2021, included in the Group's trade and bills receivables balance are debtors with aggregate gross amount of HK\$36,735,000 (31st December, 2020: HK\$26,776,000) which were past due as at the reporting date. Out of the past due balances, no balance (31st December, 2020: Nil) has been past due 90 days or more. The past due 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 79 days (31st December, 2020: 59 days) based on invoice dates.

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

14. 貿易、票據及其他應收款項(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及票據應收款項之賬齡分析：

於二零二一年六月三十日，本集團之貿易及票據應收款項結餘中包括合計總額為36,735,000港元(二零二零年十二月三十一日：26,776,000港元)之應收款項，該等款項於報告日已逾期。已逾期結餘中，並無結餘(二零二零年十二月三十一日：無)已逾期90日或以上。該等已逾期款項與多名和本集團保持良好貿易及付款記錄之獨立客戶有關。該等客戶之信貸質素並無重大改變，且本集團相信仍可收回有關結餘。本集團並無就該等結餘而持有任何抵押品。根據發票日期，該等應收款項的平均賬齡為79日(二零二零年十二月三十一日：59日)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2021

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

15. TRADE, BILLS AND OTHER PAYABLES

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

15. 貿易、票據及其他應付款項

本集團之供應商授出介乎30至90日的信貸期。下列為於報告期末基於發票到期日而呈列之貿易及票據應付款項之賬齡分析：

		30.6.2021 於二零二一年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2020 於二零二零年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current	即期	49,754	58,012
Overdue 1 to 30 days	逾期1至30日	789	1,957
Overdue 31 to 60 days	逾期31至60日	—	1,085
Overdue for more than 60 days	逾期60日以上	14,696	8,204
Trade and bills payables	貿易及票據應付款項	65,239	69,258
Payables for the acquisition of property, plant and equipment	購置物業、廠房及設備之應付款項	9,114	9,143
Other PRC tax payables	應付其他中國稅項	30,915	28,158
Accrued charges	應計支出	88,188	97,518
Other payables	其他應付款項	11,069	20,777
		204,525	224,854

The average credit period on purchases of goods is 36 days (31st December, 2020: 32 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36日(二零二零年十二月三十一日: 32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。

**NOTES TO THE CONDENSED
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For the six months ended 30th June, 2021

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

16. LEASE LIABILITIES

16. 租賃負債

		30.6.2021 於二零二一年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2020 於二零二零年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Lease liabilities payable:	應付租賃負債：		
Within one year	一年內	4,419	7,970
Within a period of more than one year but not more than two years	於一年以上但不超過 兩年的期間內	399	—
		4,818	7,970
Less: Amount due for settlement within 12 months shown under current liabilities	減：於流動負債列示 之十二個月內 到期償還金額	(4,419)	(7,970)
Amount due for settlement after 12 months shown under non-current liabilities	於非流動負債列示之 十二個月後到期償 還金額	399	—

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2021

簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

17. UNSECURED BANK BORROWINGS

17. 無抵押銀行借貸

Unsecured bank borrowings comprise:

無抵押銀行借貸包括：

		30.6.2021 於二零二一年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2020 於二零二零年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Bank loans	銀行貸款	262,953	282,614
Carrying amount repayable*:	應償還賬面值*：		
Within one year	一年內	93,802	80,718
More than one year, but not exceeding two years	一年以上但不超過兩年	128,040	38,235
More than two years, but not exceeding five years	兩年以上但不超過五年	—	105,883
		221,842	224,836
Carrying amount of bank loans that contain a repayment on demand clause (shown under current liabilities) and repayable within one year	包含按要求償還條款(於流動負債列示)及應於一年內償還之銀行貸款之賬面值	41,111	57,778
		262,953	282,614
Less: Amount due within one year shown under current liabilities	減：於流動負債列示之一年內到期金額	(134,913)	(138,496)
Amount due after one year shown as non-current liabilities	於非流動負債列示之一年後到期金額	128,040	144,118

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

* 到期金額乃根據載於貸款協議之議定預定還款日期釐定。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

18. SHARE CAPITAL

18. 股本

	Number of shares 股份數目	Share capital 股本 Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each 每股面值0.10港元之 普通股股份		
Authorised: At 1st January, 2020, 31st December, 2020 and 30th June, 2021	法定股本： 於二零二零年一月 一日、二零二零年 十二月三十一日及 二零二一年六月 三十日	
	1,000,000,000	100,000
Issued and fully paid: At 1st January, 2020, 31st December, 2020 and 30th June, 2021	已發行及繳足股本： 於二零二零年一月 一日、二零二零年 十二月三十一日及 二零二一年六月 三十日	
	817,644,000	81,764

Note: All balances are audited except balances at
30th June, 2021.

附註：除於二零二一年六月三十日之
結餘外，所有結餘均已審核。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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簡明綜合財務報表附註(續)

截至二零二一年六月三十日止六個月

19. CAPITAL COMMITMENTS

19. 資本承擔

	30.6.2021 於二零二一年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2020 於二零二零年 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	
	46,982	56,952

20. RELATED PARTY TRANSACTIONS

20. 關連人士交易

Key management compensation:

主要管理人員酬金：

	Six months ended 截至六月三十日止六個月	
	30.6.2021 二零二一年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)
Salaries, bonuses and other benefits	薪酬、花紅及其他福利	
Post employment benefits	終止聘用後之福利	
	7,459	7,582
	45	45

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2021, the pandemic remained severe around the globe. The first quarter saw a promising growth in GDP, which was slowed down again in the second quarter. This reflected that the pace of economic recovery was volatile and relied on the control of the outbreak. This, coupled with the outbreak in Guangdong in May, has left market demand for corrugated packaging in a precarious state.

Since 2021, the Chinese government has prohibited wastepaper imports, and thus upstream manufacturers of the corrugated packaging industry have found it difficult to source raw materials to make containerboard. At the same time, domestic wastepaper demand rose and pushed up prices to high levels. Despite the increase in corrugated packaging products prices, the cost of wastepaper was too high that the Group could not pass on the rising costs to our customers entirely. In addition, global consumer demand remained highly unstable. As a result, the corrugated packaging industry was under tremendous pressure.

As the Group's upstream business has been affected by the supply of waste paper and the rising costs of other raw materials for making containerboard, on the basis of costs consideration, the Group has been purchasing some containerboard overseas for supplying our downstream business for the production of corrugated paper boards and carton boxes. The payment of containerboard imports was settled in US dollars, but the Group's revenue was mainly generated from domestic sales denominated in Renminbi. Fluctuations in the Renminbi exchange rate have as a result put pressure on the Group. Fortunately, the Renminbi exchange rate remained relatively stable in the first half of 2021, which had no adverse effects on the Group's profitability.

管理層討論及分析

業務回顧

二零二一年上半年，全球疫情形勢依然嚴峻，第一季國內生產總值增長勢頭不俗，惟第二季增速放緩，反映復蘇動力仍受制於疫情控制，經濟仍處於復蘇當中，加上五月份廣東省曾爆發疫情，令市場對瓦楞包裝的需求處於不穩狀態。

於二零二一年起，中國政府禁止廢紙進口，以致瓦楞包裝業之上游企業缺乏主要原材料來製造箱板紙，國內廢紙卻因需求上升而價格持續高企。縱使瓦楞包裝產品之銷售價格有所上升，但高企的廢紙成本未能完全轉嫁予客戶，加上全球消費需求仍然不穩，對瓦楞包裝企業造成沉重的負擔。

由於本集團之上游業務受制於廢紙及其他原料成本上漲，基於成本考慮，集團便在國外採購部分箱板紙，供應給集團之下游業務製造瓦楞紙板及紙箱，而箱板紙以美元結算，但集團主要收入來自人民幣的內銷業務，因此人民幣匯率的波動對集團構成一定的壓力。而人民幣匯率於二零二一年上半年相對平穩，對集團未有構成負面影響。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

BUSINESS REVIEW (continued)

As China is gradually recovering from the COVID-19 pandemic, the Group's total sales volume and average selling prices increased. Revenue in the first half of 2021 rose 26% against the first half of 2020. In the first half of 2021, containerboard and corrugated packaging accounted for 25% and 75% of revenue, respectively. Compared to the first half of 2020, revenue from containerboard sales rose by 2% and revenue from corrugated packaging sales rose by 37%. Despite the increase in total sales volume and average selling prices, the cost of raw materials and operating overheads costs were relatively high, which resulted in the Group recording a small profit in the first half of 2021.

The Group's inventory level was higher at the end of June 2021 as compared to that at the end of last year to meet demand during peak season. Additionally, high raw material prices also contributed to the higher inventory costs. As the Group has sufficient working capital, its gearing ratio and net gearing ratio remained at very low levels at the end of June 2021, and the bad debt ratio was close to zero, which presents a strong financial position of the Group.

In addition, the Group is still in the process of installing a pulp production line at the leased facility in the Philippines. However, the construction period becomes hardly predictable as the COVID-19 pandemic is still prevalent in the region. The Group will actively monitor the local situation so as to facilitate the commencement of production as soon as possible. Consequently, it could satisfy the business needs of our Group's upstream business, bringing the Group's production volume and overall business back on track.

管理層討論及分析(續)

業務回顧(續)

隨著中國從新冠疫情中慢慢復蘇過來，集團於二零二一年上半年總銷售量及平均銷售價格也有所上升，二零二一年上半年之收益比二零二零年上半年上升26%。於二零二一年上半年箱板紙及瓦楞包裝業務分別佔收益的25%及75%。相比二零二零年上半年，箱板紙之收益上升2%，瓦楞包裝之收益上升37%。雖然總銷售量及平均銷售價格也有所上升，但原材料成本及經常性開支偏高，故集團於二零二一年上半年錄得微利。

集團於二零二一年六月底之存貨量比去年年底高，主要是用於應付旺季需求，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，故於二零二一年六月底集團負債比率及淨負債比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。

此外，集團在菲律賓租用新廠房安裝新的大型紙漿生產線的工程仍在進行中，唯當地疫情反覆令施工時間難以預測，集團將積極留意當地情況，期望可盡快開展當地的生產工序，以滿足上游業務的原材料需要，使集團的生產量及業務重回正軌。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW

Operating results

Revenue increased from HK\$324.4 million in the first half of 2020 to HK\$410.0 million in the first half of 2021. Such a 26.4% increase was due to the increase in both average selling price and sales volume, which was attributed to the rebound of Chinese economy since the second half of 2020. Cost of sales increased in line with the rise in revenue. Gross profit increased from HK\$26.9 million to HK\$59.1 million. Gross profit margin increased from 8.3% to 14.4%, which was consistent with the level in the second half of 2020.

Other income fell HK\$0.4 million, from HK\$8.1 million to HK\$7.7 million. It was mainly due to less scrap sales in the first half of 2021.

Other gains and losses rose from net loss of HK\$0.2 million in the first half of 2020 to net gain of HK\$5.0 million in the first half of 2021, primarily due to more deposit denominated in Renminbi placed in Hong Kong and the effect of appreciation of Renminbi.

Selling and distribution costs increased from HK\$13.6 million to HK\$15.8 million. The increase of 16.2% was attributed to the increase in transportation costs which was in line with the increase in revenue in the first half of 2021.

Administrative expenses slightly increased from HK\$36.8 million to HK\$37.8 million in the first half of 2021. No significant change was recorded.

管理層討論及分析(續)

財務回顧

經營業績

收益由二零二零年上半年的324,400,000港元增至二零二一年上半年的410,000,000港元，增幅達26.4%，源於中國經濟自二零二零年下半年起出現反彈，令平均售價及產品銷量均有所上升所致。銷售成本上升與收益增加相符。毛利由26,900,000港元增至59,100,000港元。毛利率由8.3%升至14.4%，與二零二零年下半年的水平一致。

其他收入由8,100,000港元減少400,000港元至7,700,000港元。此乃主要由於二零二一年上半年廢品銷售減少所致。

其他收益及虧損由二零二零年上半年之淨虧損200,000港元增加至二零二一年上半年之淨收益5,000,000港元，主要是由於更多以人民幣計值的存款存放在香港，以及人民幣升值的影響所致。

銷售及分銷成本由13,600,000港元增加16.2%至15,800,000港元，乃由於運輸成本上漲所致，這與二零二一年上半年收益增加的情況相符。

行政開支由36,800,000港元輕微增加至二零二一年上半年之37,800,000港元。並無錄得大幅變動。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Operating results (continued)

Other expenses increased from HK\$8.3 million to HK\$10.8 million. It was mainly due to an increase in China duties and charges in the first half of 2021.

The rise in finance costs from HK\$3.7 million to HK\$4.4 million, was owing to higher bank borrowings in PRC with higher interest rate in the first half of 2021.

EBITDA (earnings before interest, tax, depreciation and amortization) increased HK\$33.3 million, from HK\$21.7 million to HK\$55.0 million. Profit for the period of HK\$1.1 million was recorded in the first half of 2021 while loss for the period of HK\$27.9 million was recorded in the first half of 2020.

Liquidity, financial and capital resources

At 30th June, 2021, the Group's total cash and cash equivalents were HK\$179.7 million (31st December, 2020: HK\$291.6 million) which was mostly denominated in Renminbi.

Net current assets and current ratio of the Group as at 30th June, 2021 were HK\$280.2 million (31st December, 2020: HK\$265.8 million) and 1.8 (31st December, 2020: 1.7) respectively.

管理層討論及分析(續)

財務回顧(續)

經營業績(續)

其他開支由8,300,000港元增加至10,800,000港元，主要由於二零二一年上半年之中國稅費增加。

財務成本由3,700,000港元增加至4,400,000港元，乃由於二零二一年上半年利率較高的中國銀行借貸增加所致。

息稅折舊攤銷前盈利(未計利息、稅項、折舊及攤銷前盈利)由21,700,000港元增加33,300,000港元至55,000,000港元。二零二一年上半年錄得期間利潤1,100,000港元，而二零二零年上半年錄得期間虧損27,900,000港元。

流動資金、財務及資本資源

於二零二一年六月三十日，本集團之現金及現金等值總額為179,700,000港元(二零二零年十二月三十一日：291,600,000港元)，大部分以人民幣列值。

本集團於二零二一年六月三十日之流動資產淨值及流動比率分別為280,200,000港元(二零二零年十二月三十一日：265,800,000港元)及1.8(二零二零年十二月三十一日：1.7)。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Liquidity, financial and capital resources (continued)

In the first half of 2021, the Group spent HK\$9.9 million on capital expenditure for property, plant and equipment in China and paid HK\$5.5 million for deposit for acquisition of property, plant and equipment for the Philippines project in the first half of 2021.

At 30th June, 2021, the average inventory, debtors and creditors turnover days were 92 days (31st December, 2020: 53 days), 79 days (31st December, 2020: 59 days) and 36 days (31st December, 2020: 32 days) respectively.

The total bank borrowings were HK\$262.9 million as at 30th June, 2021 (31st December, 2020: HK\$282.6 million). Gearing ratio (total bank borrowings over total equity) fell from 17.4% as at 31st December, 2020 to 15.9% as at 30th June, 2021. Net loan (total bank borrowings less total bank balances and cash) of HK\$83.2 million was recorded as at 30th June, 2021 (31st December, 2020: net cash HK\$9.0 million). Net gearing ratio (total bank borrowings net of bank balances and cash over total equity) rose from -0.5% as at 31st December, 2020 to 5.0% as at 30th June 2021. The current bank borrowings fell HK\$3.6 million and non-current bank borrowings fell HK\$16.1 million.

管理層討論及分析(續)

財務回顧(續)

流動資金、財務及資本資源(續)

於二零二一年上半年，本集團於中國之資本開支為9,900,000港元，基本用於物業、廠房及設備，並於二零二一年上半年為菲律賓項目購置物業、廠房及設備支付約5,500,000港元的訂金。

於二零二一年六月三十日，平均存貨、應收賬款及應付賬款週轉日數分別為92日(二零二零年十二月三十一日：53日)、79日(二零二零年十二月三十一日：59日)及36日(二零二零年十二月三十一日：32日)。

於二零二一年六月三十日，銀行借貸總額為262,900,000港元(二零二零年十二月三十一日：282,600,000港元)。負債比率(銀行借貸總額除以總權益)由二零二零年十二月三十一日的17.4%跌至二零二一年六月三十日的15.9%。於二零二一年六月三十日，貸款淨額(銀行借貸總額減銀行結餘與現金總額)錄得83,200,000港元(二零二零年十二月三十一日：現金淨額9,000,000港元)。淨負債比率(銀行借貸總額扣除銀行結餘及現金後，再除以總權益)由二零二零年十二月三十一日的-0.5%升至二零二一年六月三十日的5.0%。即期銀行借貸減少3,600,000港元，而非即期銀行借貸減少16,100,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

OUTLOOK

Subject to the evolution of the COVID-19 pandemic and the pace of recovery of economies in various parts of the world, the global economy will remain uncertain in the second half of 2021. Even saying that the Group is confident that the Chinese government will place the pandemic under control effectively, and the efforts on mass vaccinations are yielding results, we are looking forward to a speedy recovery of the Chinese economy, which in turn facilitating the market demand for corrugated packaging.

The Group pledges to strive for price leadership and to pass on operating costs to customers reasonably. The Group improves our production efficiency, increases our sales volume, and minimises raw material and energy consumption to mitigate the pressure of rising costs. By doing this, the Group's profitability will be sustainable and stable in terms of growth. Besides, the Group seizes every advantage and opportunity brought by the vertically integrated business model and maintains a solid financial position and operating fundamentals to deliver substantial returns to our shareholders. Meanwhile, the Group continues to place greater emphasis on environmental protection to contribute to our society.

管理層討論及分析(續)

展望

二零二一年下半年環球經濟仍存在不明朗因素，主要受制於新冠疫情的後續發展，以及世界各地經濟復蘇的速度。然而集團深信中國政府必定能繼續有效控制新冠疫情，加上疫苗接種工作漸見成效，期望能加快中國經濟復蘇，從而帶動對瓦楞包裝的需求。

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

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June, 2021, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

(a) Shares

權益披露

董事於股份、相關股份及債券之權益

於二零二一年六月三十日，按照本公司根據證券及期貨條例（「證券及期貨條例」）第352條之規定置存之登記冊所記錄，或根據上市發行人董事進行證券交易的標準守則已知會本公司及聯交所者，董事於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有之權益及淡倉如下：

(a) 股份

Name of Director 董事姓名	Company/Name of associated corporation 本公司／ 相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Ping 許森平先生	Company 本公司	Beneficial owner 實益擁有人	129,824,681 shares Long position 129,824,681股股份 好倉	15.87%
Mr. Hui Sum Ping 許森平先生	Company 本公司	Founder of a discretionary trust/interest of controlled corporations 全權信託創立人／ 受控法團權益	107,755,400 shares Long position (Note 1) 107,755,400股股份 好倉(附註1)	13.17%
Mr. Hui Sum Ping 許森平先生	Company 本公司	Interest of spouse 配偶之權益	19,754,000 shares Long position 19,754,000股股份 好倉	2.41%
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Beneficial owner 實益擁有人	150,556,430 shares Long position 150,556,430股股份 好倉	18.41%

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. 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	1,180,000 shares Long position (Note 2) 1,180,000股股份 好倉(附註2)	0.14%
Mr. Chee Man Sang, Eric 池民生先生	Company 本公司	Beneficial owner 實益擁有人	596,000 shares Long position 596,000股股份 好倉	0.07%
Mr. Chau Suk Ming 周淑明先生	Company 本公司	Beneficial owner 實益擁有人	180,000 shares Long position 180,000股股份 好倉	0.02%
Mr. Chau Suk Ming 周淑明先生	Company 本公司	Interest of spouse 配偶之權益	1,553,007 shares Long position 1,553,007股股份 好倉	0.18%
Mr. Hui Sum Ping 許森平先生	Gong Ming Hop Fung Paper Ware Factory Limited ("Hop Fung GM") 公明合豐紙品廠有限 公司(「合豐公明」)	Founder of a discretionary trust/interest of controlled corporations/short position of controlled corporations 全權信託創立人／受控法團 權益／受控法團淡倉	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Note 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%

DISCLOSURE OF INTERESTS (continued)

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

權益披露 (續)

董事於股份、相關股份及債券 之權益 (續)

(a) Shares (continued)

Name of Director 董事姓名	Company/Name of associated corporation 本公司／ 相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Tai 許森泰先生	Hop Fung GM 合豐公明	Short position of a controlled corporation 受控法團淡倉	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Note 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%

Notes:

- 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 the 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.
- Ms. Hui Yuen Li resigned as an executive Director of the Company on 3rd August, 2021.

附註：

- 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。
- 許婉莉女士於二零二一年八月三日辭任本公司之執行董事。

DISCLOSURE OF INTERESTS (continued)

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

(a) Shares (continued)

Notes: (continued)

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 50% and 50% by Mr. Hui Sum Ping and Mr. Hui Sum Tai respectively.

Under the SFO, each of Mr. Hui Sum Ping and Mr. Hui Sum Tai is deemed to be interested in the 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM.

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

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)

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，而合豐集團香港則由許森平先生及許森泰先生分別擁有50%及50%。

根據證券及期貨條例，許森平先生及許森泰先生各自被視為擁有合豐公明3,000,000股每股面值1港元無投票權遞延股之權益。

根據日期為二零零三年八月十九日之購股權契據，合豐集團香港及其代名人向本公司之全資附屬公司Hop Fung Group Company Limited授出購股權，以向彼等購買3,000,000股每股面值1港元之合豐公明無投票權遞延股。因此，根據證券及期貨條例，許森平先生及許森泰先生各自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。

DISCLOSURE OF INTERESTS (continued)

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

(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, 2021.

權益披露(續)

董事於股份、相關股份及債券 之權益(續)

(b) 購股權

董事及彼等之聯繫人士於本公司購股權之權益詳情載於下文「購股權」一節。

除上文披露者外，於二零二一年六月三十日，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, 2021, the following shareholders had interests or short positions in shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company:

於二零二一年六月三十日，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	257,334,081	3,984,000	1, 2	31.95%
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 261,318,081 total shares, Ms. Jian Jian Yi is directly interested in 19,754,000 shares and is deemed to be interested in 241,564,081 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 the 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 total 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, 2021.

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261,318,081股股份總數中，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241,564,081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股股份總數中，梁佩雯女士直接持有本公司5,110,000股股份權益，以及由於彼為本公司之董事及主要股東許森泰先生之配偶，根據證券及期貨條例，梁佩雯女士被視為擁有本公司154,540,430股股份之權益。
4. 於171,227,882股股份中，黃梅女士直接持有本公司750,000股股份權益，以及由於彼為本公司之主要股東許森國先生之配偶，根據證券及期貨條例，黃梅女士被視為擁有本公司170,477,882股股份之權益。

除上文披露者外，於二零二一年六月三十日，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，合共不得超逾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)

SHARE OPTIONS (continued)

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

權益披露 (續)

購股權 (續)

下表披露本公司購股權於期內之變動：

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

DISCLOSURE OF INTERESTS (continued)

SHARE OPTIONS (continued)

Note:

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

Granted under scheme

根據計劃授出

Option type G

G類購股權

Maximum % of share options exercisable

可行使購股權之最高百分比

1.5.2019 – 30.4.2020

up to 50%
最高可達50%

1.5.2020 – 30.4.2021

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

1.5.2021 – 30.4.2026

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

As at 30th June, 2021, the total number of new shares which might be issued upon exercise of the options that had been granted and remained outstanding under the scheme was 21,620,000 new shares, representing approximately 2.64% of the shares of the Company in issue at that date.

權益披露(續)

購股權(續)

附註：

授出購股權之歸屬期由董事於每次授出購股權時釐定。該計劃下購股權持有人僅可於以下行使期行使彼等之購股權：

於二零二一年六月三十日，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, 2021 (six months ended 30th June, 2020: nil).

HUMAN RESOURCES

As at 30th June, 2021, the Group employed a total workforce of around 950 full time staff (31st December, 2020: 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, 2021, except with the following deviations:

Code Provision A.2.1

- Code Provision A.2.1 stipulates that the division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing.
- There are no written terms on division of responsibilities between the chairman and the chief executive officer. The Directors consider that the responsibilities of the chairman and the chief executive officer respectively are clear and distinctive and hence written terms thereof are not necessary.

其他資料

中期股息

董事不建議派付截至二零二一年六月三十日止六個月之中期股息(截至二零二零年六月三十日止六個月：無)。

人力資源

於二零二一年六月三十日，本集團僱用總共約950名全職員工(二零二零年十二月三十一日：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

董事致力維持高標準的企業管治，以提升股東價值及保障股東權益。本公司之企業管治原則強調高質董事會、有效內部監控及向股東負責之重要性。截至二零二一年六月三十日止六個月期間，本公司已符合聯交所證券上市規則附錄14中企業管治守則所載之守則條文，惟以下之偏離除外：

守則條文A.2.1條

- 守則條文A.2.1條規定主席與行政總裁之職責範圍應清楚地制定，並以書面列出。
- 本公司並無書面列出主席與行政總裁之職責範圍。董事認為，主席與行政總裁各自之職責均有明確界定，故毋須明文編製彼等之職權範圍。

OTHER INFORMATION (continued)

CORPORATE GOVERNANCE (continued)

Code Provision B.1.2

- A deviation from the code provision B.1.2 is that the remuneration committee of the Company reviews and makes recommendations to the Directors on the remuneration packages of the Directors only but not the senior management.
- Currently, the remuneration of the senior management is attended by the chairman and/or the chief executive officer of the Company.

Code Provision C.3.3

- Code Provision C.3.3 stipulates that the audit committee must meet, at least twice a year, with the company's auditor.
- Since the Company has not engaged its auditor to review the financial information in its interim report, the audit committee has met with the Company's auditor once a year to discuss matters arising from the audit of the Company's annual results and other matters the auditor may wish to raise. The audit committee has met with the Company's auditor once during the six months ended 30th June, 2021.

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

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, 2021.

其他資料(續)

企業管治(續)

守則條文B.1.2條

- 偏離守則條文B.1.2條為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／或行政總裁處理。

守則條文C.3.3條

- 守則條文C.3.3條規定審核委員會須每年與本公司核數師舉行最少兩次會議。
- 由於本公司並無委聘其核數師審閱中期報告之財務資料，審核委員會每年與本公司核數師舉行一次會議，以討論審計本公司全年業績所產生之事宜及核數師可能提出之其他事宜。截至二零二一年六月三十日止六個月期間，審核委員會已與本公司核數師舉行一次會議。

購買、出售或贖回本公司上市證券

截至二零二一年六月三十日止六個月，本公司或任何附屬公司並無購買、出售或贖回本公司任何上市證券。

OTHER INFORMATION (continued)

MODEL CODE FOR SECURITIES TRANSACTIONS

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

REVIEW OF ACCOUNTS

The Audit Committee comprises three independent non-executive Directors namely, Messrs. Chee Man Sang, Eric, Wong Chu Leung and Chau Suk Ming. The Audit Committee has reviewed with the management this interim financial results and report and the unaudited condensed consolidated financial statements of the Group for the six months ended 30th June, 2021 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, 26th August, 2021

其他資料(續)

證券交易標準守則

本公司已採納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的標準守則之規定。

審閱賬目

審核委員會成員包括三名獨立非執行董事，即池民生先生、黃珠亮先生及周淑明先生。審核委員會已與管理層審閱本集團截至二零二一年六月三十日止六個月之本中期財務業績及報告及未經審核簡明綜合財務報表，並已對風險管理、內部監控及財務申報事宜作出討論，包括審閱本集團所採納之會計慣例及原則。

致謝

董事謹藉此機會就本公司股東及所有其他業務夥伴於本期間對本公司之支持以及本公司員工之努力不懈與盡忠職守向彼等致以衷心謝意。

董事會代表
主席
許森平

香港，二零二一年八月二十六日



合豐集團控股有限公司
HOP FUNG GROUP HOLDINGS LIMITED