



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 **2023**
中期報告



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Hui Sum Ping (*Chairman*)
Mr. Hui Sum Tai (*Chief Executive Officer*)

Independent Non-Executive Directors

Mr. Tso Sze Wai
Mr. Wong Chu Leung
Mr. Chau Suk Ming

AUDIT COMMITTEE

Mr. Tso Sze Wai (*Chairman*)
Mr. Wong Chu Leung
Mr. Chau Suk Ming

REMUNERATION COMMITTEE

Mr. Tso Sze Wai (*Chairman*)
Mr. Wong Chu Leung
Mr. Chau Suk Ming

NOMINATION COMMITTEE

Mr. Tso Sze Wai (*Chairman*)
Mr. Wong Chu Leung
Mr. Chau Suk Ming

AUTHORISED REPRESENTATIVES

Mr. Hui Sum Tai
Mr. Wong Ming Chun

COMPANY SECRETARY

Mr. Wong Ming Chun

AUDITOR

ZHONGHUI ANDA CPA Limited

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

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

曹思維先生
黃珠亮先生
周淑明先生

審核委員會

曹思維先生 (*主席*)
黃珠亮先生
周淑明先生

薪酬委員會

曹思維先生 (*主席*)
黃珠亮先生
周淑明先生

提名委員會

曹思維先生 (*主席*)
黃珠亮先生
周淑明先生

授權代表

許森泰先生
王名俊先生

公司秘書

王名俊先生

核數師

中匯安達會計師事務所有限公司

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

Third 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
Third 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
17/F, Far East Finance Centre
16 Harcourt Road
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

Third 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
Third 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
夏慤道16號
遠東金融中心17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 30 June 2023 together with the comparative figures for the corresponding period in 2022 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」)截至二零二三年六月三十日止六個月之未經審核簡明綜合業績，連同二零二二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 30 June 2023

簡明綜合損益及其他全面收益表

截至二零二三年六月三十日止六個月

		Six months ended	
		截至六月三十日止六個月	
		30.6.2023	30.6.2022
		二零二三年	二零二二年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Revenue	收益	106,232	241,864
Costs of sales	銷售成本	(101,893)	(265,943)
Gross profit (loss)	毛利(毛損)	4,339	(24,079)
Other income	其他收入	6,214	6,717
Other gains and losses	其他收益及虧損	(7,347)	(5,067)
Selling and distribution costs	銷售及分銷成本	(5,604)	(10,286)
Administrative expenses	行政開支	(22,218)	(37,395)
Other expenses	其他開支	(31,930)	(8,496)
Finance costs	財務成本	(1,857)	(3,747)
Loss before taxation	稅前虧損	(58,403)	(82,353)
Income tax expense	所得稅開支	(662)	(796)
Loss for the period, attributable to owners of the Company	本公司擁有人應佔期間虧損	(59,065)	(83,149)

**CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE
INCOME** (continued)
For the six months ended 30 June 2023

簡明綜合損益及其他全面收益
表(續)

截至二零二三年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2023 二零二三年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2022 二零二二年 HK\$'000 千港元 (Unaudited) (未經審核)
		Notes 附註	
Other comprehensive expense for the period:	期間其他全面開支：		
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：		
Exchange differences arising from translation of foreign operations	換算海外業務之匯兌差額	(21,763)	(65,259)
Total comprehensive expense for the period, attributable to owners of the Company	本公司擁有人應佔期間全面開支總額	(80,828)	(148,408)
		HK cents	HK cents
Loss per share	每股虧損		
– basic	– 基本	9 (7.22)	(10.17)
– diluted	– 攤薄	(7.22)	(10.17)

**CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION**
At 30 June 2023

簡明綜合財務狀況表

於二零二三年六月三十日

			30.6.2023 於二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2022 於二零二二年 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	743,771	798,330
Right-of-use assets	使用權資產	12	19,553	19,521
Deposits and prepayments	按金及預付款項		160,123	162,979
			923,447	980,830
Current assets	流動資產			
Inventories	存貨	13	29,027	31,292
Trade and other receivables	貿易及其他應收 款項	14	45,410	60,334
Deposits and prepayments	按金及預付款項		6,764	7,857
Bank balances and cash	銀行結餘及現金		48,420	110,796
			129,621	210,279
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付 款項	15	107,367	119,885
Taxation payable	應付稅項		1,471	2,111
Lease liabilities	租賃負債	16	514	304
Unsecured bank borrowings	無抵押銀行借貸	17	548	2,230
			109,900	124,530
Net current assets	流動資產淨值		19,721	85,749
Total assets less current liabilities	總資產減流動負債		943,168	1,066,579

**CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION**

(continued)

At 30 June 2023

簡明綜合財務狀況表(續)

於二零二三年六月三十日

			30.6.2023 於二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2022 於二零二二年 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	416	-
Unsecured bank borrowings	無抵押銀行借貸	17	52,574	95,875
Deferred taxation	遞延稅項		9,092	8,790
			62,082	104,665
Net assets	資產淨值		881,086	961,914
Capital and reserves	股本及儲備			
Share capital	股本	18	81,764	81,764
Reserves	儲備		799,322	880,150
Total equity, attributable to owners of the Company	本公司擁有人應佔權益總額		881,086	961,914

**CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY**
For the six months ended 30 June 2023
(Unaudited)

簡明綜合權益變動表

截至二零二三年六月三十日止六個月
(未經審核)

		Share capital	Share premium	Special reserve	PRC statutory reserve 中國 法定儲備	Translation reserve 匯兌儲備	Share options reserve 購股權儲備	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 (附註i)	法定儲備 HK\$'000 千港元 (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 1 January 2023	於二零二三年 一月一日	81,764	492,392	(107,444)	850	9,164	2,563	482,625	961,914
Loss for the period	期間虧損	-	-	-	-	-	-	(59,065)	(59,065)
Other comprehensive expense for the period	期間其他全面開支 for the period	-	-	-	-	(21,763)	-	-	(21,763)
Total comprehensive expense for the period	期間全面開支總額 for the period	-	-	-	-	(21,763)	-	(59,065)	(80,828)
At 30 June 2023	於二零二三年 六月三十日	81,764	492,392	(107,444)	850	(12,599)	2,563	423,560	881,086

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2022 (Unaudited)

簡明綜合權益變動表(續)

截至二零二二年六月三十日止六個月
(未經審核)

		Share capital	Share premium	Special reserve	PRC statutory reserve 中國 法定儲備 (Note i) (附註i)	Translation reserve 匯兌儲備 (Note ii) (附註ii)	Share options reserve 購股權儲備	Retained profits 保留利潤	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (Note i) (附註i)	HK\$'000 千港元 (Note ii) (附註ii)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2022	於二零二二年 一月一日	81,764	492,392	(107,444)	850	104,100	3,663	674,250	1,249,575
Loss for the period	期間虧損	-	-	-	-	-	-	(83,149)	(83,149)
Other comprehensive expense for the period	期間其他全面開支 for the period	-	-	-	-	(65,259)	-	-	(65,259)
Total comprehensive expense for the period	期間全面開支總額 for the period	-	-	-	-	(65,259)	-	(83,149)	(148,408)
At 30 June 2022	於二零二二年 六月三十日	81,764	492,392	(107,444)	850	38,841	3,663	591,101	1,101,167

Notes:

- (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.

附註：

- (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 30 June 2023

簡明綜合現金流量表

截至二零二三年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2023 二零二三年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2022 二零二二年 HK\$'000 千港元 (Unaudited) (未經審核)
Operating cash flows before movements in working capital	流動資金變動前營運現金流量	(21,190)	(44,379)
Decrease in inventories	存貨減少	2,322	54,307
Decrease in trade and other receivables	貿易及其他應收款項減少	14,911	24,393
Increase in deposits and prepayments	按金及預付款增加	(5,157)	(17,017)
(Decrease) increase in trade and other payables	貿易及其他應付款項(減少)增加	(9,310)	2,008
Cash generated (used in) from operations	營運(使用)產生之現金	(18,424)	19,312
Income tax paid	已繳付所得稅	(29)	(466)
Net cash (used in) from operating activities	經營活動(使用)產生之現金淨額	(18,453)	18,846
Investing activities	投資活動		
Purchases of property, plant and equipment	購置物業、廠房及設備	(3,538)	(1,094)
Decrease in 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減少	1,711	516
Other investing cash flows	其他投資現金流量	3,697	1,533
Net cash from investing activities	投資活動產生之現金淨額	1,870	955

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)

For the six months ended 30 June 2023

簡明綜合現金流量表(續)

截至二零二三年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2023 二零二三年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2022 二零二二年 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	-	49,529
Repayment of bank loans	償還銀行貸款	(43,855)	(126,530)
Other financing cash flows	其他融資現金流量	(1,857)	(8,625)
Net cash used in financing activities	融資活動使用之現金淨額	(45,712)	(85,626)
Net decrease in cash and cash equivalents	現金及現金等值減少淨額	(62,295)	(65,825)
Cash and cash equivalents at 1 January	於一月一日現金及現金等值	110,796	246,677
Effect of foreign exchange rate changes	匯率變動之影響	(81)	7,276
Cash and cash equivalents at 30 June represented by bank balances and cash	於六月三十日現金及現金等值 銀行結餘及現金	48,420	188,128

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

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.

簡明綜合財務報表附註

截至二零二三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。

**NOTES TO THE CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS** (continued)
For the six months ended 30 June 2023

2. BASIS OF PREPARATION
(continued)

Going concern basis

The Group incurred consecutive losses attributable to owners of the Company of approximately HK\$59,065,000 and HK\$83,149,000 for the six-month period ended 30 June 2023 and 2022. In addition, as disclosed in note 20 to the unaudited condensed consolidated financial statements, the Group has contingent liabilities of approximately HK\$127,057,000 (excluding the late payment amount) in relation to the tax payments demanded by the tax bureau in the PRC. In the event that the potential obligation becomes materialised, the Group may not have sufficient cash and bank balances, which amounted to approximately HK\$48,420,000 as at 30 June 2023, to fulfil the obligations. These conditions indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

簡明綜合財務報表附註(續)

截至二零二三年六月三十日止六個月

2. 編製基準(續)

持續經營基準

本集團於截至二零二三年及二零二二年六月三十日止六個月期間連續招致本公司擁有人應佔虧損約59,065,000港元及83,149,000港元。此外，誠如未經審核簡明綜合財務報表附註20所披露，本集團與中國稅務局要求的稅款有關的或然負債約為127,057,000港元(不包括滯納金)。倘潛在責任實現，本集團於二零二三年六月三十日可能沒有足夠的現金及銀行結餘約48,420,000港元履行責任。該等情況表明存在重大不確定性，可能對本集團持續經營的能力產生重大疑惑。因此，本集團可能無法於正常業務過程中變現其資產及履行其債務。

**NOTES TO THE CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS** (continued)
For the six months ended 30 June 2023

2. BASIS OF PREPARATION
(continued)

Going concern basis (continued)

For the purpose of assessing going concern, the Directors have prepared a cash flow forecast of the Group covering a period of twelve months from the end of the reporting period (the “Cash Flow Forecast”) with plans and measures to mitigate the liquidity pressure and to improve its financial position. In addition, the Group obtained the letter of intent from one of the principal bankers after the reporting period, under which loan facilities up to a maximum amount of approximately RMB300,000,000 are available to the Group for not less than twelve months from 30 June 2023. Based on the letter of intent and Cash Flow Forecast assuming the plans and measures can be successfully implemented as scheduled, the Directors are of the opinion that the Group is able to continue as a going concern and would have sufficient financial resources to finance the Group’s operations and meet its financial obligations as and when they fall due. Accordingly, it is appropriate to prepare the unaudited condensed consolidated financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to the unaudited condensed consolidated financial statements to adjust the value of the Group’s assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in the unaudited condensed consolidated financial statements.

簡明綜合財務報表附註(續)

截至二零二三年六月三十日止六個月

2. 編製基準(續)

持續經營基準(續)

為評估持續經營，董事已編制本集團自報告期末起十二個月期間的現金流量預測（「現金流量預測」），其中包括紓緩流動資金壓力及改善財務狀況的計劃及措施。此外，本集團於報告期後取得其中一間主要往來銀行的意向書，根據該意向書，本集團可自二零二三年六月三十日起不少於十二個月獲得貸款融資最高金額約人民幣 300,000,000 元。根據意向書及現金流量預測，假設計劃及措施能夠如期成功實施，董事認為，本集團能夠持續經營，並將有足夠的財務資源為本集團的運營提供資金並於到期時履行其財務責任。因此，以持續經營基準編制未經審核簡明綜合財務報表屬適當。

倘本集團無法持續經營，則必須對未經審核簡明綜合財務報表進行調整，以將本集團資產價值調整至其可收回金額，為可能產生的任何進一步負債計提撥備，並分別重新分類非流動資產及負債為流動資產及負債。該等調整的影響並未反映於未經審核簡明綜合財務報表內。

**NOTES TO THE CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS** (continued)
For the six months ended 30 June 2023

**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 30 June 2023 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2022.

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

In the current interim period, the Group has adopted all the new and revised HKFRSs and new interpretations issued by HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2023. HKFRSs comprise Hong Kong Financial Reporting Standards; HKAS and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior periods.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

簡明綜合財務報表附註(續)

截至二零二三年六月三十日止六個月

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。

截至二零二三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，與本集團截至二零二二年十二月三十一日止年度之年度財務報表所呈列者相同。

**應用經修訂香港財務報告準則
("香港財務報告準則")**

在本中期間，本集團已採納香港會計師公會所頒佈與其營運相關的所有新修訂及經修訂的香港財務報告準則及新詮釋，並於二零二三年一月一日開始的會計期間生效。香港財務報告準則包括香港財務報告準則、香港會計準則及詮釋。採納該等新修訂及經修訂的香港財務報告準則並未對本集團的會計政策、財務報表列報以及本期內及以前期內的報告金額造成重大變化。

本集團尚未應用已發行但尚未生效的新香港財務報告準則。本集團已開始評估該等新香港財務報告準則的影響，但尚未說明其是否會對其經營業績和財務狀況產生重大影響。

**NOTES TO THE CONDENSED
CONSOLIDATED FINANCIAL
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For the six months ended 30 June 2023

**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)

截至二零二三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滙合呈報。

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－瓦楞芯紙及牛咭
- 瓦楞包裝－瓦楞紙板及紙箱

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the six months ended 30 June 2023

4. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

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

Segment revenues and results

For the six months ended 30 June 2023
(Unaudited)

簡明綜合財務報表附註(續)

截至二零二三年六月三十日止六個月

4. 收益及分部資料(續)

分部資料(續)

以下為按經營及可呈報分部劃分之本集團收益及業績分析：

分部收益及業績

截至二零二三年六月三十日止六個月(未經審核)

		Corrugated		
		Containerboard	Packaging	Consolidated
		箱板紙	瓦楞包裝	綜合
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
REVENUE	收益			
External sales	對外銷售	-	106,232	106,232
RESULT	業績			
Segment loss	分部虧損	(35,497)	(10,565)	(46,062)
Central administrative expenses	中央行政開支			(10,484)
Finance costs	財務成本			(1,857)
Loss before taxation	稅前虧損			(58,403)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the six months ended 30 June 2023

簡明綜合財務報表附註(續)

截至二零二三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 revenues and results (continued)

分部收益及業績(續)

For the six months ended 30 June 2022
(Unaudited)

截至二零二二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	-	241,864	241,864	-	241,864
Inter-segment sales	分部間銷售	32,875	-	32,875	(32,875)	-
Total	總計	32,875	241,864	274,739	(32,875)	241,864
RESULT	業績					
Segment loss	分部虧損	(53,840)	(10,530)	(64,370)	-	(64,370)
Central administrative expenses	中央行政開支					(14,236)
Finance costs	財務成本					(3,747)
Loss before taxation	稅前虧損					(82,353)

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
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For the six months ended 30 June 2023

簡明綜合財務報表附註(續)

截至二零二三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	
		30.6.2023 二零二三年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2022 二零二二年 HK\$'000 千港元 (Unaudited) (未經審核)
Other PRC taxes	其他中國稅項	1,650	2,373
Depreciation	折舊	27,660	4,001
Legal and professional fees	法律及專業費用	865	580
Others	其他	1,755	1,542
		31,930	8,496

6. FINANCE COSTS

6. 財務成本

		Six months ended 截至六月三十日止六個月	
		30.6.2023 二零二三年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2022 二零二二年 HK\$'000 千港元 (Unaudited) (未經審核)
Interest on bank borrowings	銀行借貸之利息	1,834	3,668
Interest on lease liabilities	租賃負債之利息	23	79
		1,857	3,747

**NOTES TO THE CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS** (continued)
For the six months ended 30 June 2023

簡明綜合財務報表附註(續)

截至二零二三年六月三十日止六個月

7. INCOME TAX EXPENSE

7. 所得稅開支

		Six months ended 截至六月三十日止六個月	
		30.6.2023 二零二三年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2022 二零二二年 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	65	182
PRC Enterprise Income Tax	中國企業所得稅	296	171
		361	353
Deferred tax	遞延稅項	301	443
		662	796

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 1 January 2008 onwards. One of the Company's PRC subsidiaries is entitled to preferential rate of 15% for the Group's financial year ending 31 December 2023. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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二零二三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。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
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For the six months ended 30 June 2023

簡明綜合財務報表附註(續)

截至二零二三年六月三十日止六個月

8. LOSS FOR THE PERIOD

8. 期間虧損

		Six months ended 截至六月三十日止六個月	
		30.6.2023 二零二三年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2022 二零二二年 HK\$'000 千港元 (Unaudited) (未經審核)
Loss for the period has been arrived at after charging:	期間虧損已扣除下列各項：		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	27,963	31,855
Depreciation of right-of-use assets	使用權資產之折舊	582	5,169
Staff Costs (including directors' emoluments)	員工成本 (包括董事酬金)	23,898	44,119
Cost of inventories recognised as expenses	確認為開支之 存貨成本	101,893	265,943
Exchange losses, net	匯兌虧損·淨額	141	5,174

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the six months ended 30 June 2023

簡明綜合財務報表附註(續)

截至二零二三年六月三十日止六個月

9. LOSS PER SHARE

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

9. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃按以下數據計算：

		Six months ended 截至六月三十日止六個月	
		30.6.2023 二零二三年 HK\$'000 千港元 (Unaudited) (未經審核)	30.6.2022 二零二二年 HK\$'000 千港元 (Unaudited) (未經審核)
Loss	虧損		
Loss for the purposes of basic and diluted loss per share	計算每股基本及攤薄虧損之虧損	(59,065)	(83,149)
		30.6.2023 於二零二三年 六月三十日	30.6.2022 於二零二二年 十二月三十一日
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	計算每股基本及攤薄虧損之普通股加權平均數	817,644,000	817,644,000

The computation of diluted loss per share for the six months ended 30 June 2023 and 30 June 2022 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 30 June 2023 and 30 June 2022.

截至二零二三年六月三十日及二零二二年六月三十日止六個月的每股攤薄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二零二三年六月三十日及二零二二年六月三十日止六個月的股份市場平均價。

10. DIVIDENDS

No dividend was declared or proposed for the six months ended 30 June 2023 and six months ended 30 June 2022, nor has any dividend been proposed since the end of the reporting period.

10. 股息

截至二零二三年六月三十日止六個月及截至二零二二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。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the six months ended 30 June 2023

簡明綜合財務報表附註(續)

截至二零二三年六月三十日止六個月

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired property, plant and equipment amounting to approximately HK\$3.5 million (unaudited) (for the year ended 31 December 2022: approximately HK\$2.7 million (audited)).

11. 物業、廠房及設備

截至二零二三年六月三十日止六個月內，本集團使用約3,500,000港元(未經審核)購置物業、廠房及設備(截至二零二二年十二月三十一日止年度：約2,700,000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 30 June 2023 (Unaudited)	於二零二三年 六月三十日 (未經審核)	18,626	927	19,553
As at 31 December 2022 (Audited)	於二零二二年 十二月三十一日 (經審核)	19,210	311	19,521
Depreciation charge	折舊費用			
For the six months ended 30 June 2023 (Unaudited)	截至二零二三年 六月三十日止 六個月 (未經審核)	278	304	582
For the six months ended 30 June 2022 (Unaudited)	截至二零二二年 六月三十日止 六個月 (未經審核)	294	4,875	5,169

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the six months ended 30 June 2023

簡明綜合財務報表附註(續)

截至二零二三年六月三十日止六個月

13. INVENTORIES

		30.6.2023 於二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2022 於二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Raw materials	原材料	28,808	31,001
Finished goods	製成品	219	291
		29,027	31,292

13. 存貨

14. TRADE AND OTHER RECEIVABLES

		30.6.2023 於二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2022 於二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Trade receivables	貿易應收款項	35,352	51,056
Less: allowance for credit losses	減：信貸虧損撥備	(820)	(836)
		34,532	50,220
Other receivables (note)	其他應收款項(附註)	10,878	10,114
		45,410	60,334

14. 貿易及其他應收款項

Note: As at 30 June 2023, balance included an advance to a third party amounting to HK\$8,163,000 (31 December 2022: HK\$8,309,000), which is unsecured, interest-free and repayable on demand.

附註：於二零二三年六月三十日，結餘包括墊付予第三方之款項8,163,000港元(二零二二年十二月三十一日：8,309,000港元)，有關款項為無抵押、免息及須按要求時償還。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the six months ended 30 June 2023

簡明綜合財務報表附註(續)

截至二零二三年六月三十日止六個月

14. TRADE AND OTHER RECEIVABLES (continued)

14. 貿易及其他應收款項(續)

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 dates, which approximate the respective revenue recognition dates, at the end of the reporting period:

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：

		30.6.2023 於二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2022 於二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days	30日內	34,006	32,000
31-60 days	31-60日	451	17,441
61-90 days	61-90日	24	737
Over 90 days	超過90日	51	42
		34,532	50,220

As at 30 June 2023, included in the Group's trade receivables balance are debtors with aggregate gross amount of HK\$13,181,000 (31 December 2022: HK\$19,083,000) which were past due as at the reporting date. Out of the past due balances, HK\$884,000 (31 December 2022: HK\$835,000) 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 72 days (31 December 2022: 43 days) based on invoice dates.

於二零二三年六月三十日，本集團之貿易應收款項結餘中包括合計總額為13,181,000港元(二零二二年十二月三十一日：19,083,000港元)之應收款項，該等款項於報告日已逾期。已逾期款項中，884,000港元(二零二二年十二月三十一日：835,000港元)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72日(二零二二年十二月三十一日：43日)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the six months ended 30 June 2023

簡明綜合財務報表附註(續)

截至二零二三年六月三十日止六個月

15. TRADE 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 payables presented based on the invoice due dates at the end of the reporting period:

15. 貿易及其他應付款項

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期而呈列之貿易應付款項之賬齡分析：

		30.6.2023 於二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2022 於二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current	即期	9,137	13,574
Overdue 1 to 30 days	逾期1至30日	1	13
Overdue 31 to 60 days	逾期31至60日	-	5
Overdue for more than 60 days	逾期60日以上	11,733	11,948
Trade payables	貿易應付款項	20,871	25,540
Payables for acquisition of property, plant and equipment	購置物業、廠房及設備之應付款項	3,011	4,244
Other PRC tax payables	應付其他中國稅項	23,123	28,898
Accrued charges (note (a))	應計支出(附註(a))	55,514	58,224
Other payables	其他應付款項	4,848	2,979
		107,367	119,885

Notes:

- (a) Major items in accrued charges are accrued salaries and wages.

The average credit period on purchases of goods is 52 days (31 December 2022: 40 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

附註：

- (a) 應計支出的主要項目為應計薪金及工資。

購買貨物之平均信貸期為52日(二零二二年十二月三十一日：40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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簡明綜合財務報表附註(續)

截至二零二三年六月三十日止六個月

16. LEASE LIABILITIES

16. 租賃負債

		30.6.2023 於二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2022 於二零二二年 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	514	304
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	416	-
		930	304
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	(514)	(304)
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	416	-

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the six months ended 30 June 2023

簡明綜合財務報表附註(續)

截至二零二三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：

		30.6.2023 於二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2022 於二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Bank loans	銀行貸款	53,122	98,105
Carrying amount repayable*:	應償還賬面值*：		
Within one year	一年內	548	2,230
More than one year, but not exceeding two years	一年以上但不超過兩年	52,574	95,875
		53,122	98,105
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	(548)	(2,230)
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	52,574	95,875

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

* 到期金額乃根據載於貸款協議之議定預定還款日期釐定。

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

截至二零二三年六月三十日止六個月

18. SHARE CAPITAL

18. 股本

		Number of shares 股份數目	Share capital 股本 Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股股份		
Authorised:	法定股本：		
At 1 January 2022,	於二零二二年		
31 December 2022 and	一月一日、		
30 June 2023	二零二二年十二月三十一日及二零二三年六月三十日	1,000,000,000	100,000
Issued and fully paid:	已發行及繳足股本：		
At 1 January 2022,	於二零二二年		
31 December 2022 and	一月一日、		
30 June 2023	二零二二年十二月三十一日及二零二三年六月三十日	817,644,000	81,764

Note: All balances are audited except balances at 30 June 2023.

附註：除於二零二三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)

截至二零二三年六月三十日止六個月

19. CAPITAL COMMITMENTS

19. 資本承擔

	30.6.2023 於二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31.12.2022 於二零二二年 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	廠房及設備收購資本 開支 – 已訂約但未撥備	48,802
	47,878	48,802

20. CONTINGENT LIABILITIES

20. 或然負債

Tax issues of a subsidiary in the PRC

中國附屬公司的稅務問題

As referred to the Company's announcement dated 17 March 2023, Green Forest (QingXin) Paper Industrial Limited (森葉(清新)紙業有限公司) ("Green Forest Paper"), an indirect wholly-owned subsidiary of the Company, received on 24 June 2022 a decision on tax treatment dated 20 May 2022 ("Tax Treatment Decision"), issued by the Second Investigation Bureau of Qingyuan District Administration of Taxation of the State Administration of Taxation ("Qingyuan Tax Bureau") (國家稅務局清遠市稅務局第二稽查局), in relation to 1,073 value-added tax ("VAT") invoices (the "VAT Invoices") received from six suppliers of the Group (the "Six Suppliers") in 2013, 2014, 2017 and 2018 for the total invoiced amount of approximately RMB742,707,000 (consisting of price for product purchased of approximately RMB636,940,000 and VAT of approximately RMB105,767,000) and the tax deduction made by the Group in relation thereto.

誠如本公司日期為二零二三年三月十七日的公告所述，本公司的間接全資附屬公司森葉(清新)紙業有限公司(「森葉紙業」)於二零二二年六月二十四日收到日期為二零二二年五月二十日的稅務處理決定書(「稅務處理決定書」)，由國家稅務局清遠市稅務局第二稽查局(「清遠稅務局」)出具，涉及1,073張增值稅(「增值稅」)發票(「增值稅發票」)，於二零一三年、二零一四年、二零一七年及二零一八年本集團從六名供應商(「六名供應商」)收取的發票金額合計約人民幣742,707,000(含產品採購款約人民幣636,940,000元及增值稅約人民幣105,767,000元)及本集團就此作出的稅項抵扣。

**NOTES TO THE CONDENSED
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20. CONTINGENT LIABILITIES
(continued)

Tax issues of a subsidiary in the PRC
(continued)

Based on the Tax Treatment Decision, the VAT Invoices were found to be irregularly issued by the Six Suppliers, therefore Green Forest Paper was required to make up the tax payments amounted to approximately RMB109,142,000 (equivalent to approximately HK\$127,057,000), comprising the VAT of approximately RMB85,450,000, other taxes and surcharges of approximately RMB10,064,000 and the Enterprise Income Tax of approximately RMB13,628,000 (collectively the "Outstanding Tax Amount"), as well as a late payment at a daily rate of 0.05% on the Outstanding Tax Amount from the date such Outstanding Tax Amount was due until the date of actual payment.

Upon receiving the Tax Treatment Decision, the Directors, after seeking legal advice from the Group's PRC legal advisor, considered that the Outstanding Tax Amount imposed under the Tax Treatment Decision lacked factual and legal support. Hence, Green Forest Paper has taken various actions to object to the Tax Treatment Decision.

The Directors are of the view that no provision of the relevant tax amounts as stated in the above should be provided concerning the Tax Treatment Decision as at 30 June 2023 on the basis that the Group is in the process of objecting to the Tax Treatment Decision.

簡明綜合財務報表附註(續)

截至二零二三年六月三十日止六個月

20. 或然負債(續)

中國附屬公司的稅務問題(續)

根據稅務處理決定書，由於六名供應商違規開具增值稅發票，因此森葉紙業需要補繳約人民幣109,142,000元(相當於約127,057,000港元)，當中包括增值稅約人民幣85,450,000元、其他稅項及附加費約人民幣10,064,000元及企業所得稅約人民幣13,628,000元(統稱「未繳稅款」)，以及從未繳稅款到期之日起至實際支付之日止，按未繳稅款的每日0.05%的比率繳納滯納金。

於收到稅務處理決定書後，董事在尋求本集團中國法律顧問的意見後，認為稅務處理決定書中的未繳稅款缺乏事實和法律支持，因此，森葉紙業已採取多項行動對稅務處理決定書提出反對。

董事認為，鑑於本集團對稅務處理決定書提出異議，故不應於二零二三年六月三十日就稅務處理決定書計提上述相關稅額的撥備。

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

截至二零二三年六月三十日止六個月

21. RELATED PARTY TRANSACTIONS

21. 關連人士交易

The remuneration of directors, who are the key management of the Group, during the period are as follows:

身為本集團主要管理人員之董事於期間內之酬金如下：

		Six months ended	
		截至六月三十日止六個月	
		30.6.2023	30.6.2022
		二零二三年	二零二二年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Short-term benefit	短期福利	6,382	7,106
Post-employment benefits	退休金	27	36

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 June 2023, although the policies of pandemic containment were relaxed in China, market expectations showed concerns about sluggish economic growth and possible recessions in the globe with soaring inflation and tensing geo-political relationships. Combined with high manufacturing costs resulting from the rising prices of raw materials and fuel costs, the corrugated packaging industry was under relatively high pressure.

With the continued weak demand in Mainland China in the first half of the year, both of the Group's total sales volume and average selling prices decreased in the first half of 2023. As a result, revenue in the first half of 2023 fell by approximately 56.1% as compared to the first half of 2022. Since the consumer sentiment remained sluggish and the Group is not able to pass on high raw material costs to customers, the Group recorded a loss in the first half of 2023.

In relation to the upstream business, the Group has strived to resume production and continued to coordinate with the local government for the inspection procedures of the licenses pursuant to the relevant environmental policies. In order to ensure the sufficient supply of containerboard for its downstream corrugated packaging business, the Group has been purchasing containerboard from overseas suppliers to support the downstream business.

The Group's inventory level and trade receivables at the end of June 2023 also decreased as a result of the decline in total sales volume. As the Group has sufficient working capital, its gearing ratio remained low at the end of June 2023 and the bad debt ratio was close to zero, which presents a stable financial position of the Group.

管理層討論及分析

業務回顧

截至二零二三年六月三十日止六個月，儘管中國疫情防控政策有所放鬆，但市場預期顯示出對經濟增長乏力以及全球可能出現衰退、通脹飆升和地緣政治關係緊張的擔憂。加上原材料、燃料成本上漲等因素導致製造成本居高不下，瓦楞包裝行業面臨較大壓力。

由於上半年中國內地需求持續疲弱，本集團於二零二三年上半年的總銷量及平均售價雙雙下跌。因此，二零二三年上半年的收入較二零二二年上半年下跌約56.1%。由於消費者信心持續低迷，且本集團無法將高昂的原材料成本轉嫁給客戶，因此本集團於二零二三年上半年錄得虧損。

上游業務方面，本集團努力恢復生產，並根據相關環保政策，繼續配合當地政府辦理許可證審核手續，為確保下游瓦楞包裝業務有充足的箱板紙供應，本集團一直向海外供應商採購箱板紙以支持下游業務。

由於總銷量下降，本集團截至二零二三年六月的庫存水平和應收賬款也減少，由於本集團營運資金充裕，截至二零二三年六月底，資產負債率維持在較低水平，壞賬率接近於零，反映本集團穩定的發展勢頭。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW

Operating results

Revenue decreased from HK\$241.9 million in the first half of 2022 to HK\$106.2 million in the first half of 2023. Such a 56.1% decrease was due to the decrease in both average selling price and sales volume, which was attributed to lower customer demands. The decrease in cost of sales was consistent with the drop in revenue. Gross loss changed from HK\$24.1 million to gross profit of HK\$4.3 million. Gross profit margin changed from -10.0% to 4.1%, which was due to lower cost of recurring overheads.

Other income fell HK\$0.5 million, from HK\$6.7 million to HK\$6.2 million. It was mainly due to less interest income in the first half of 2023.

Other gains and losses increased from net loss of HK\$5.1 million in the first half of 2022 to net loss of HK\$7.3 million in the first half of 2023, primarily due to the effect of depreciation of Renminbi.

Selling and distribution costs decreased from HK\$10.3 million to HK\$5.6 million. The decrease of 45.6% was attributed to the decrease in transportation costs which was in line with the decrease in revenue in the first half of 2023.

Administrative expenses decreased from HK\$37.4 million to HK\$22.2 million in the first half of 2023 due to decrease of number of administrative staff.

Other expenses increased from HK\$8.5 million to HK\$31.9 million. It was mainly due to re-classification of depreciation expense of the temporarily suspended factory from cost of sales to other expenses.

The decrease in finance costs from HK\$3.7 million to HK\$1.9 million, was owing to lower bank borrowings in the first half of 2023.

管理層討論及分析(續)

財務回顧

經營業績

收益由二零二二年上半年的241,900,000港元減至二零二三年上半年的106,200,000港元，減幅達56.1%，源於客戶需求減少，令平均售價及銷量均有所下降所致。銷售成本的下降幅度與收益的下降幅度一致。毛損由24,100,000港元變為毛利4,300,000港元。毛利率由-10.0%變更至4.1%，源於較低的經常性開支所致。

其他收入由6,700,000港元減少500,000港元至6,200,000港元。此乃主要由於二零二三年上半年利息收入減少所致。

其他收益及虧損由二零二二年上半年之淨虧損5,100,000港元增加至二零二三年上半年之淨虧損7,300,000港元，主要是由於人民幣貶值的影響。

銷售及分銷成本由10,300,000港元減少45.6%至5,600,000港元，乃由於運輸成本下降所致，這與二零二三年上半年收益減少的情況相符。

行政開支由37,400,000港元減少至二零二三年上半年之22,200,000港元乃由於行政人員數目的減少。

其他開支由8,500,000港元增加至31,900,000港元，主要由於將暫時停產工廠的折舊開支由銷售成本重新分類至其他開支所致。

財務成本由3,700,000港元減少至1,900,000港元，乃由於二零二三年上半年銀行借貸減少所致。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Operating results (continued)

EBITDA (earnings before interest, tax, depreciation and amortization) decreased HK\$13.6 million, from HK\$-41.6 million to HK\$-28.0 million. Loss for the period of HK\$59.1 million was recorded in the first half of 2023 while loss for the period of HK\$83.1 million was recorded in the first half of 2022.

Liquidity, financial and capital resources

At 30 June 2023, the Group's total cash and cash equivalents were HK\$48.4 million (31 December 2022: HK\$110.8 million) which was mostly denominated in Renminbi.

Net current assets and current ratio of the Group as at 30 June 2023 were HK\$19.7 million (31 December 2022: HK\$85.7 million) and 1.2 (31 December 2022: 1.7) respectively.

In the first half of 2023, the Group spent HK\$3.5 million on capital expenditure for property, plant and equipment in Mainland China.

At 30 June, 2023, the average inventory, debtors and creditors turnover days were 53 days (31 December 2022: 69 days), 72 days (31 December 2022: 43 days) and 52 days (31 December 2022: 40 days) respectively.

管理層討論及分析 (續)

財務回顧 (續)

經營業績 (續)

息稅折舊攤銷前盈利 (未計利息、稅項、折舊及攤銷前盈利) 由-41,600,000港元減少13,600,000港元至-28,000,000港元。二零二三年上半年錄得期間虧損59,100,000港元，而二零二二年上半年錄得期間虧損83,100,000港元。

流動資金、財務及資本資源

於二零二三年六月三十日，本集團之現金及現金等值總額為48,400,000港元 (二零二二年十二月三十一日：110,800,000港元)，大部分以人民幣列值。

本集團於二零二三年六月三十日之流動資產淨值及流動比率分別為19,700,000港元 (二零二二年十二月三十一日：85,700,000港元) 及1.2 (二零二二年十二月三十一日：1.7)。

於二零二三年上半年，本集團於中國之資本開支為3,500,000港元，基本用於物業廠房及設備。

於二零二三年六月三十日，平均存貨、應收賬款及應付賬款週轉日數分別為53日 (二零二二年十二月三十一日：69日)、72日 (二零二二年十二月三十一日：43日) 及52日 (二零二二年十二月三十一日：40日)。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Liquidity, financial and capital resources (continued)

The total bank borrowings were HK\$53.1 million as at 30 June 2023 (31 December 2022: HK\$98.1 million). Gearing ratio (total bank borrowings over total equity) fell from 10.2% as at 31 December 2022 to 6.0% as at 30 June 2023. Net cash (net of bank balances and cash less total bank borrowings) of HK\$-4.7 million was recorded as at 30 June 2023 (31 December 2022: net cash HK\$12.7 million). Net gearing ratio (total bank borrowings net of bank balances and cash over total equity) risen from -1.3% as at 31 December 2022 to 0.53% as at 30 June 2023. The current bank borrowings fell HK\$1.7 million and non-current bank borrowings fell HK\$43.3 million.

OUTLOOK

Looking forward to the second half of 2023, against the backdrop of surging manufacturing costs and weakening of market demand, the business environment of the corrugated packaging industry is expected to remain challenging. The Group will strive to maintain good capital management and low debt levels to cope with unstable market conditions. Meanwhile, the Group expect the upstream business to resume operation after completion of the annual review of its boiler license and this will give the Group a competitive advantage in vertical integration. The Group will focus on the key strategies of pricing power, increasing sales volume, raising production efficiency, reduction on energy usage and raw material wastage and ultimately enhance the Group's performance.

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)

於二零二三年六月三十日，銀行借貸總額為53,100,000港元(二零二二年十二月三十一日：98,100,000港元)。負債比率(銀行借貸總額除以總權益)由二零二二年十二月三十一日的10.2%跌至二零二三年六月三十日的6.0%。於二零二三年六月三十日，現金淨額(銀行結餘及現金減銀行借貸總額之淨額)錄得-4,700,000港元(二零二二年十二月三十一日：現金淨額12,700,000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)由二零二二年十二月三十一日的-1.3%升至二零二三年六月三十日的0.53%。即期銀行借貸減少1,700,000港元，而非即期銀行借貸減少43,300,000港元。

展望

展望二零二三年下半年，在製造成本飆升、市場需求疲軟的背景下，瓦楞包裝行業的經營環境預計仍將充滿挑戰。本集團將致力維持良好的資本管理及較低的債務水平，以應對不穩定的市況。同時，本集團預計上游業務將在完成鍋爐許可證年審後恢復運營，這將給本集團帶來垂直整合的競爭優勢。本集團將專注於定價權、增加銷量、提高生產效率、減少能源使用和原材料浪費等關鍵戰略，最終提高本集團整體業績。

DISCLOSURE OF INTERESTS

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, 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

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	130,914,681 shares Long position 130,914,681股股份 好倉	16.01%
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	24,728,000 shares Long position 24,728,000股股份好倉	3.02%
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%

權益披露

董事於股份、相關股份及債券之權益

於二零二三年六月三十日，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

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. Chau Suk Ming 周淑明先生	Company 本公司	Beneficial owner 實益擁有人	180,000 shares Long position 180,000股股份 好倉	0.02%
Mr. Chau Suk Ming 周淑明先生	Company 本公司	Interest of spouse 配偶之權益	1,553,007 shares Long position 1,553,007股股份 好倉	0.18%
Mr. Hui Sum Ping 許森平先生	Gong Ming Hop Fung Paper Ware Factory Limited ("Hop Fung GM") 公明合豐紙品廠有 限公司(「合豐公 明」)	Founder of a discretionary trust/ interest of controlled corporations/short position of controlled corporations 全權信託創立人/ 受控法團權益/ 受控法團淡倉	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Note 2) 3,000,000股每股面值 1港元之無投票權 遞延股好倉及淡倉 (附註2)	100%
Mr. Hui Sum Tai 許森泰先生	Hop Fung GM 合豐公明	Short position of a controlled corporation 受控法團淡倉	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Note 2) 3,000,000股每股面值 1港元之無投票權 遞延股好倉及淡倉 (附註2)	100%

DISCLOSURE OF INTERESTS (continued)

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

(a) Shares (continued)

Notes:

1. The 107,755,400 shares are owned by Goldspeed Holdings Limited ("Goldspeed"). Goldspeed is wholly owned by Goldkeen Assets Management Limited ("Goldkeen") and Goldkeen is wholly owned by HSBC International Trustee Limited ("HSBC") in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include Mr. Hui Sum Ping and 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.
2. Hop Fung GM is a subsidiary of the Company and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung GM is HK\$3,000,100 divided into 100 ordinary shares of HK\$1 each and 3,000,000 non-voting deferred shares of HK\$1 each. The 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM are beneficially owned by Hop Fung Group (HK) Limited ("Hop Fung Group HK") which is owned as to 50% and 50% by Mr. Hui Sum Ping and Mr. Hui Sum Tai respectively.

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 19 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：

1. 該107,755,400股股份由 Goldspeed Holdings Limited (「Goldspeed」) 擁有。Goldspeed 由 Goldkeen Assets Management Limited (「Goldkeen」) 全資擁有，而 Goldkeen 由 HSBC International Trustee Limited (「HSBC」) 以 HSP 2004 Family Trust 受託人之身分全資擁有。該信託為一項全權信託，其創立人為許森平先生，全權信託對象包括許森平先生及許森平先生之家族成員。因此，根據證券及期貨條例，許森平先生被視為擁有該107,755,400股股份之權益。
2. 合豐公明乃本公司之附屬公司，因此根據證券及期貨條例，屬本公司之相聯法團。合豐公明之全部已發行股本為3,000,100港元，分為100股每股面值1港元之普通股及3,000,000股每股面值1港元之無投票權遞延股。該3,000,000股每股面值1港元之合豐公明無投票權遞延股由合豐集團(香港)有限公司(「合豐集團香港」)實益擁有，而合豐集團香港則由許森平先生及許森泰先生分別擁有50%及50%。

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 30 June 2023.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, 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:

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，於二零二三年六月三十日，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。

主要股東於股份、相關股份及 債券之權益

於二零二三年六月三十日，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／全權信託創始人／受控法團權益／配偶之權益	263,398,081	3,984,000	1, 2	32.70%
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 263,398,081 total shares and 3,984,000 total options, Ms. Jian Jian Yi is directly interested in 24,728,000 shares and is deemed to be interested in 238,670,081 shares and 3,984,000 options 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 155,666,430 total shares and 3,984,000 total options, Ms. Leung Pui Man is directly interested in 5,110,000 shares and is deemed to be interested in 150,556,430 shares and 3,984,000 options 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 30 June 2023.

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263,398,081股股份總數及3,984,000份購股權總數中，簡健儀女士直接持有本公司24,728,000股股份權益，以及由於彼為本公司之董事及主要股東許森平先生之配偶，根據證券及期貨條例，簡健儀女士被視為擁有本公司238,670,081股股份及3,984,000份購股權之權益。
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155,666,430股股份總數及3,984,000份購股權總數中，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150,556,430股股份及3,984,000份購股權之權益。
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，於二零二三年六月三十日，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 “2013 Scheme”) on 3 June 2013 for the primary purpose of providing incentive or rewards to selected participants for their contribution to the Group.

The 2013 Scheme has expired on 2 June 2023. Thereafter, no further options will be granted under the 2013 Scheme but the subsisting options granted thereunder prior to the expiry date will continue to be valid and exercisable in accordance with the terms of the 2013 Scheme.

Under the 2013 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 2013 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 2013 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 2013 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(「二零一三年計劃」)，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。

二零一三年計劃已於二零二三年六月二日屆滿。此後，將不再根據二零一三年計劃授出購股權，但在屆滿日期之前根據該計劃授出的現有購股權將繼續有效並可根據二零一三年計劃的條款行使。

根據二零一三年計劃，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。

根據二零一三年計劃授出之購股權獲全數行使時可予發行之股份總數，合共不得超逾採納二零一三年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二零一三年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 2013 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 2013 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二零一三年計劃事先批准，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，則根據二零一三年計劃該項授出購股權須事先得本公司股東批准。

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

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

DISCLOSURE OF INTERESTS (continued)

權益披露 (續)

SHARE OPTIONS (continued)

購股權 (續)

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

下表披露本公司購股權於期內之變動：

Category 類別	Option type 購股權種類 (Note) (附註)	Date of grant 授出日期	Exercise price per share 每股行使價 HK\$ 港元	Outstanding at beginning of the period 期初尚未行使	Granted during the period 期內授出	Exercised during the period 期內行使	Cancelled during the period 期內註銷	Outstanding at end of the period 期末尚未行使
Directors 董事								
Mr. Hui Sum Ping 許森平先生	G	15.10.2018	0.435	3,984,000	-	-	-	3,984,000
Mr. Hui Sum Tai 許森泰先生	G	15.10.2018	0.435	3,984,000	-	-	-	3,984,000
Mr. Wong Chu Leung 黃珠亮先生	G	15.10.2018	0.435	1,000,000	-	-	-	1,000,000
				8,968,000	-	-	-	8,968,000
Other employees 其他僱員	G	15.10.2018	0.435	3,784,000	-	-	-	3,784,000
Total for all categories 全部類別總計				12,752,000	-	-	-	12,752,000

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 2013 Scheme may only exercise their options during the exercisable periods as follows:

Granted under the 2013 Scheme 根據二零一三年計劃授出 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 30 June 2023, the total number of new shares which might be issued upon exercise of the options that had been granted and remained outstanding under the 2013 Scheme was 12,752,000 new shares, representing approximately 1.56% of the shares of the Company in issue at that date.

At the annual general meeting of the Company held on 5 June 2023, the shareholders of the Company approved the adoption of a new share option scheme (the “2023 Scheme”) under which the Directors may grant options to eligible participants to subscribe for the Company’s shares subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2023 Scheme will remain valid for a period of 10 years from the date of its adoption.

The details of the principal terms and conditions of the 2023 Scheme were summarised in the circular of the Company dated 19 May 2023.

No option was granted under the 2023 Scheme during the six-month period ended 30 June 2023.

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。二零一三年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：

於二零二三年六月三十日，根據二零一三年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12,752,000股，佔本公司於該日已發行股份約1.56%。

於二零二三年六月五日舉行的本公司股東週年大會上，本公司股東批准採納新購股權計劃（「二零二三年計劃」），根據該計劃，董事可在遵守其中規定的條款和條件下向合資格參與者授出購股權以認購本公司股份。除非另有取消或修訂，二零二三年計劃自通過之日起有效期為十年。

二零二三年計劃的主要條款及條件詳情概述於本公司日期為二零二三年五月十九日的通函中。

截至二零二三年六月三十日止六個月期間，並無根據二零二三年計劃授出購股權。

OTHER INFORMATION

INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

HUMAN RESOURCES

As at 30 June 2023, the Group employed a total workforce of around 260 full time staff (31 December 2022: 360). 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 30 June 2023, except with the following deviations:

Code Provision C.2.1

- Code Provision C.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二零二三年六月三十日止六個月之中期股息(截至二零二二年六月三十日止六個月：無)。

人力資源

於二零二三年六月三十日，本集團僱用總共約260名全職員工(二零二二年十二月三十一日：360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。截至二零二三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C.2.1條

- 守則條文C.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 D.3.3

- Code Provision D.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 year ended 31 December 2022.

Code Provision E.1.2

- A deviation from the code provision E.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.

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 30 June 2023.

其他資料(續)

企業管治(續)

守則條文D.3.3條

- 守則條文D.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。截至二零二二年十二月三十一日止年度期間，審核委員會已與本公司核數師舉行一次會議。

守則條文E.1.2條

- 偏離守則條文E.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。

購買、出售或贖回本公司上市證券

截至二零二三年六月三十日止六個月，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

OTHER INFORMATION (continued)

MODEL CODE FOR SECURITIES TRANSACTIONS

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

REVIEW OF ACCOUNTS

The Audit Committee comprises three independent non-executive Directors namely, Messrs. Tso Sze Wai, 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 30 June 2023 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, 28 August 2023

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，即曹思維先生、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二零二三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，二零二三年八月二十八日



HOP FUNG GROUP

合豐集團控股有限公司

HOP FUNG GROUP HOLDINGS LIMITED