



Qunxing Paper Holdings Company Limited
群星紙業控股有限公司

(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 : 3868)



Annual Report 2011 年報

Corporate Profile

公司簡介

Qunxing Paper Holdings Company Limited (Stock Code: 3868) was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 2 October 2007. We are the largest decorative base paper manufacturer in the PRC, specialising in the production of decorative base paper products and printing paper product.

We developed and marketed more than 80 types of decorative base paper products under our own brand name with different specifications which are customised for various industrial and customers' needs. Our decorative base paper products, being intermediate products, are commonly used as decorative layer to furnish the surface of laminated board, a decorative material which has wide applications in interior decoration of buildings and transportation vehicles, processed products such as fortified wooden floorboard, furniture and composite office and household wares. Our printing paper product is mainly used for photocopying and office printing.

We currently own and operate 13 highly automated paper Production lines nos. 1 to 13 in Zouping County, Binzhou City, Shandong Province, the PRC.

We have an experienced sales and marketing team serving 6 designated sales regions in the PRC and have a customer base spanning over 13 provinces, autonomous regions and municipalities in the PRC.

群星紙業控股有限公司 (股份代號：3868) 於二零零七年十月二日在香港聯合交易所有限公司主板上市。本集團為中國最大之裝飾原紙製造商，專門生產裝飾原紙產品及印刷用紙產品。

本集團以其本身品牌開發及銷售逾80種不同規格之裝飾原紙產品，以迎合各類型工業及客戶之需求。本集團之裝飾原紙產品為中介產品，一般用作粉飾人造板之裝飾表層，裝飾原紙為一種裝飾物料，廣泛應用於樓宇及運輸工具之內部裝飾、加工產品(如強化木地板)、傢俬及綜合辦公室和家居用品。本集團之印刷用紙產品主要用作複印及辦公室印刷。

本集團目前於中國山東省濱州市鄒平縣擁有及營運第1至13號13條高度自動化紙張生產線。

本集團擁有一支經驗豐富之銷售及市場推廣團隊，在中國6個指定銷售地區工作。我們的客戶遍及中國13個省份、自治區及直轄市。

Contents

目錄

2	Corporate Information 公司資料
6	Definitions 釋義
9	Glossary of Technical Terms 技術詞彙
10	Financial Highlights 財務摘要
11	Chairman's Statement 主席報告書
16	Management Discussion and Analysis 管理層討論及分析
36	Biographical Details of Directors and Senior Management 董事及高級管理層履歷
41	Report of the Directors 董事會報告書
53	Corporate Governance Report 企業管治報告
65	Independent Auditors' Report 獨立核數師報告
69	Consolidated Income Statement 綜合收益表
70	Consolidated Statement of Comprehensive Income 綜合全面收益表
71	Consolidated Statement of Financial Position 綜合財務狀況表
73	Statement of Financial Position 財務狀況表
74	Consolidated Statement of Changes in Equity 綜合權益變動表
76	Consolidated Statement of Cash Flows 綜合現金流量表
78	Notes to the Consolidated Financial Statements 綜合財務報表附註
169	Five-Year Financial Summary 五年財務摘要

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Dr. ZHU Yu Guo (*Chairman*)
Mr. ZHU Mo Qun (*Vice-chairman*)
Mr. SUN Zhen Shui

Non-executive Director

Ms. SUN Rui Fang

Independent Non-executive Directors

Mr. ZHAO Wei
Mr. WANG Lu
Mr. KWONG Kwan Tong

BOARD COMMITTEES

Audit Committee

Mr. KWONG Kwan Tong (*Committee Chairman*)
Mr. ZHAO Wei
Mr. WANG Lu

Executive Committee

Dr. ZHU Yu Guo (*Committee Chairman*)
Mr. ZHU Mo Qun
Mr. SUN Zhen Shui

Nomination Committee

Dr. ZHU Yu Guo (*Committee Chairman*)
Mr. ZHAO Wei
Mr. WANG Lu
Mr. KWONG Kwan Tong

Remuneration Committee

Mr. WANG Lu (*Committee Chairman*)
Dr. ZHU Yu Guo
Mr. ZHAO Wei
Mr. KWONG Kwan Tong

COMPANY SECRETARY

Ms. LAM Wai Yee, Sophie

董事會

執行董事

朱玉國博士(*主席*)
朱墨群先生(*副主席*)
孫振水先生

非執行董事

孫瑞芳女士

獨立非執行董事

趙偉先生
王魯先生
鄭焜堂先生

董事委員會

審核委員會

鄭焜堂先生(*委員會主席*)
趙偉先生
王魯先生

執行委員會

朱玉國博士(*委員會主席*)
朱墨群先生
孫振水先生

提名委員會

朱玉國博士(*委員會主席*)
趙偉先生
王魯先生
鄭焜堂先生

薪酬委員會

王魯先生(*委員會主席*)
朱玉國博士
趙偉先生
鄭焜堂先生

公司秘書

林慧怡女士

AUTHORISED REPRESENTATIVES

Dr. ZHU Yu Guo
Ms. LAM Wai Yee, Sophie

LEGAL ADVISERS

As to Hong Kong law

DLA Piper Hong Kong

As to Cayman Islands law

Conyers Dill & Pearman

PRINCIPAL BANKERS IN HONG KONG

Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited

PRINCIPAL BANKERS IN THE PRC

Agricultural Bank of China, Changshan Sub-branch
Shandong Zouping Rural Commercial Bank,
Changshan Sub-branch
Industrial and Commercial Bank of China,
Zouping Sub-branch

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1901A, Exchange Tower
33 Wang Chiu Road
Kowloon Bay
Hong Kong

法定代表

朱玉國博士
林慧怡女士

法律顧問

香港法律
歐華律師事務所

開曼群島法律

康德明律師事務所

香港主要往來銀行

恒生銀行有限公司
中國工商銀行(亞洲)有限公司

中國主要往來銀行

中國農業銀行，長山支行
山東鄒平農村商業銀行，長山支行

中國工商銀行，鄒平支行

核數師

國衛會計師事務所
英國特許會計師
香港執業會計師

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

香港主要營業地點

香港
九龍灣
宏照道33號
國際交易中心1901A室

CORPORATE INFORMATION 公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

San Li He
Chang Shan Town
Zouping County
Shandong Province
The PRC

中國總辦事處及主要營業地點

中國
山東省
鄒平縣
長山鎮
三里河

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman
KY1-1107
Cayman Islands

主要股份過戶登記處

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman
KY1-1107
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26/F Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東28號
金鐘匯中心26樓

STOCK CODE

The Stock Exchange of Hong Kong Limited: 3868

股份代號

香港聯合交易所有限公司：3868

WEBSITES

www.qxpaper.com
www.irasia.com/listco/hk/qxpaper/

網址

www.qxpaper.com
www.irasia.com/listco/hk/qxpaper/

INVESTOR AND MEDIA RELATIONS CONSULTANT

iPR Ogilvy Ltd.

投資者及傳媒關係顧問

iPR 奧美公關

2012 FINANCIAL CALENDAR

Announcement of 2011 Annual Results:
14 March 2012
2012 Annual General Meeting:
27 June 2012
Announcement of 2012 Interim Results:
August 2012 (*tentative date*)

2011 Final Dividend

Final Dividend : HK3.38 cents
Per Share

Period of Book : 4 July 2012 to 6 July 2012
Closure (both days inclusive)

Dividend Payment: 17 July 2012
Date

二零一二年財務日誌

二零一一年全年業績公佈：
二零一二年三月十四日
二零一二年股東週年大會：
二零一二年六月二十七日
二零一二年中期業績公佈：
二零一二年八月(暫定日期)

二零一一年末期股息

每股末期股息：3.38港仙

截止過戶時間：二零一二年七月四日
至二零一二年
七月六日
(包括首尾兩日)

派發股息日期：二零一二年七月十七日

DEFINITIONS

釋義

“associate(s)” 「聯繫人」	指	has the same meaning ascribed to it under the Listing Rules 具有上市規則所賦予之涵義
“Articles of Association” 「章程細則」	指	the articles of association of the Company (as amended from time to time) 本公司之組織章程細則(經不時修訂)
“Board” 「董事會」	指	the board of Directors 董事會
“BVI” 「英屬處女群島」	指	the British Virgin Islands 英屬處女群島
“CG Code” 「企業管治守則」	指	the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules 上市規則附錄14所載之《企業管治常規守則》
“Code Provision(s)” 「守則條文」	指	the code provision(s) under the CG Code 載於企業管治守則之守則條文
“Company” or “QX Paper” 「本公司」或「群星紙業」	指	Qunxing Paper Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange 群星紙業控股有限公司，一間在開曼群島註冊成立之有限公司，其已發行股份於聯交所主板上市
“connected person(s)” 「關連人士」	指	has the meaning ascribed to it under the Listing Rules 具有上市規則所賦予之涵義
“Director(s)” 「董事」	指	director(s) of the Company 本公司董事
“Group”, “QX Group”, “we”, “our” or “us” 「本集團」或「群星集團」	指	the Company and its subsidiaries 本公司及其附屬公司
“HK\$” 「港元」	指	Hong Kong dollars, the lawful currency of Hong Kong 港元，香港法定貨幣

“Hong Kong” 「香港」	指	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“Listing Rules” 「上市規則」	指	the Rules Governing the Listing of Securities on the Stock Exchange 《聯交所證券上市規則》
“Model Code” 「標準守則」	指	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules 上市規則附錄10所載之《上市公司董事進行證券交易之標準守則》
“PRC” 「中國」	指	the People’s Republic of China, which for the purpose of this annual report, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan 中華人民共和國，就本年報而言，不包括香港、中國澳門特別行政區及台灣
“Prospectus” 「招股章程」	指	the prospectus of the Company dated 17 September 2007 本公司日期為二零零七年九月十七日之招股章程
“QX Securities Dealing Code” 「群星證券買賣守則」	指	a securities dealing code adopted by the Company on 8 September 2007 (as amended from time to time) on no less exacting terms than the Model Code 本公司於二零零七年九月八日採納之《證券買賣守則》(經不時修訂)，其條款不較標準守則寬鬆
“RMB” 「人民幣」	指	Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣
“SFO” 「證券及期貨條例」	指	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) 香港法例第571章《證券及期貨條例》

DEFINITIONS

釋義

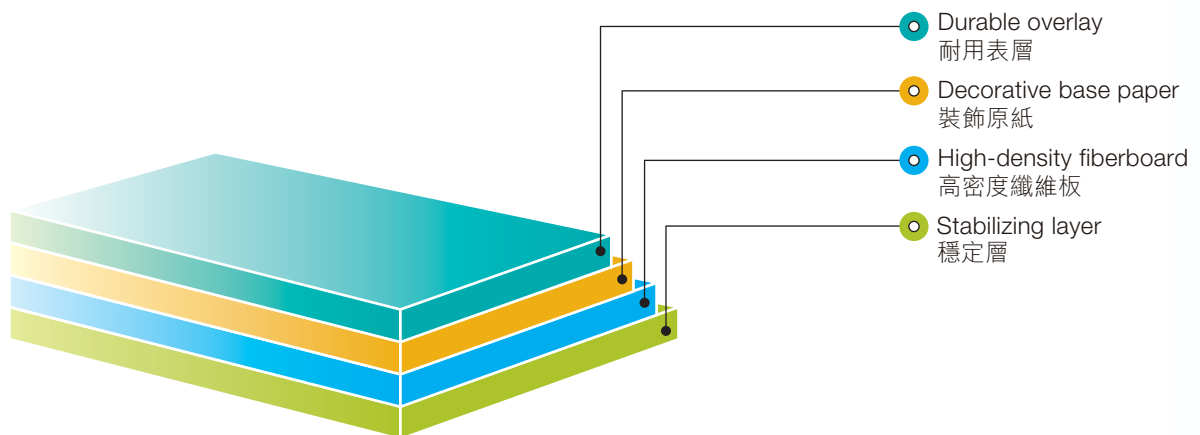
“Shandong QX” 「山東群星」	指	Shandong Qunxing Paper Limited*, a limited liability company established in the PRC and a wholly-owned subsidiary of the Company 山東群星紙業有限公司，一間於中國成立之有限公司，並為本公司之全資附屬公司
“sq.m.” 「平方米」	指	square metre 平方米
“Stock Exchange” 「聯交所」	指	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“substantial shareholder(s)” 「主要股東」	指	has the same meaning ascribed to it under the Listing Rules 具有上市規則所賦予之涵義
“tonne” 「噸」	指	a metric tonne, equivalent to 1,000 kilograms 一公噸，相當於1,000公斤
“%” 「%」	指	per cent. 百分比

* *for identification purpose only*
僅供識別

<p>“decorative base paper” 「裝飾原紙」</p>	<p>“laminated board” 「人造板」</p>	<p>“printing paper” 「印刷用紙」</p>	<p>“specialty paper” 「特種紙」</p>
<p>a kind of specialty paper which is used as a decorative layer to be impregnated with various wooden or synthetic materials to form laminated board 一種特種紙，用作裝飾表層並與不同木製或合成物料浸漬製成人造板</p>	<p>a board product comprising a plurality of adjacent sheets of wooden or synthetic materials and decorative base paper, laid onto each other by an adhesive bonding material positioned in between to form a laminate 由多層互相重疊之木製或合成物料及裝飾原紙組成之木板產品，以黏性物質將物料黏緊以形成薄片</p>	<p>a kind of paper commonly used for photocopying and printing 一種普遍用於影印及印刷之紙張</p>	<p>a kind of paper with unique properties which is suitable for special purposes and is not considered to be one of the standard papers by paper manufacturing industry 一種具獨特性而適用於特別用途之紙張，在造紙業中不屬於標準紙張之一</p>

STRUCTURE DIAGRAM OF LAMINATED BOARD

人造板之結構圖



FINANCIAL HIGHLIGHTS

財務摘要

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	Change 變動
Operating Results	經營業績			
Turnover	營業額	2,003,651	2,058,916	-2.7%
Gross profit	毛利	326,910	519,785	-37.1%
Profit from operations	經營溢利	256,183	455,973	-43.8%
Profit attributable to equity shareholders	權益股東應佔溢利	221,968	397,506	-44.2%
Per Share Data	每股數據			
Basic earnings per share (RMB cents)	每股基本盈利 (人民幣分)	14	38	-63.2%
Dividend per share (HK cents)	每股股息 (港仙)	3.380	11.633	-70.9%
— Final dividend	— 末期股息	3.380	8.633	
— Interim dividend	— 中期股息	—	—	
— Special Cash dividend	— 特別現金股息	—	3.000	
Financial Position	財務狀況			
Total assets	資產總值	3,316,004	2,957,192	+12.1%
Cash and cash equivalents	現金及現金等價物	488,934	447,763	+9.2%
Total liabilities	負債總值	113,608	109,748	+3.5%
Total equity	權益總值	3,202,396	2,847,444	+12.5%
Financial Ratios	財務比率			
Gross profit margin	毛利率	16.3%	25.2%	-8.9% pts 百分點
Net profit margin	淨溢利率	11.1%	19.3%	-8.2% pts 百分點
Return on assets	資產回報率	6.7%	13.4%	-6.7% pts 百分點
Return on equity	權益回報率	6.9%	14.0%	-7.1% pts 百分點
Current ratio	流動比率	5.4	5.5	-0.1% times 倍
Quick ratio	速動比率	5.0	5.1	-0.1% times 倍
Gearing ratio	資產負債比率	0%	0%	Nil 無

Dear Shareholders,

On behalf of the Board of QX Paper, I would like to present to you the annual results of QX Group for the year ended 31 December 2011.

BUSINESS REVIEW

2011 was the first year of the "Twelfth Five-Year Plan" of the PRC. China was able to maintain its economic growth in a steady manner, amidst the deepening global financial crisis. According to the National Bureau of Statistics of the PRC, China's gross domestic product (GDP) reached RMB47.2 trillion in 2011, up 9.2% year-on-year, and the overall living standard in China continued to rise.

During the year, the Central Government launched stringent measures to curb the speculative property market, putting a lid on housing prices. In a bid to ease housing pressure on households and ensure affordable housing supply, more social security houses have been produced by the Central Government in recent years, resulting in stable development in the property market. Meanwhile, growth in the gross floor areas of commodity housing sold was sustained with 1,099 million square metres sold in total for 2011.

Demand for housing decoration materials was driven by the rising demand for housing. In addition, China's rising disposable income also raised people's awareness for quality of living. In order to accommodate changes in such consumer spending pattern, the Group continued to boost sales of high-end products in order to boost business growth.

尊敬的各位股東：

本人謹代表群星紙業董事會呈報群星集團截至二零一一年十二月三十一日止年度的全年業績。

業務回顧

二零一一年是中國「十二五」規劃的開局之年，中國經濟在國際金融危機影響加深之際仍能保持穩步發展。根據國家統計局的資料顯示，中國國內生產總值在二零一一年達人民幣47.2萬億元，較二零一零年增長9.2%，國民生活水平持續提升。

中國政府於年內嚴格執行針對房地產市場的調控措施，抑遏投機性的需求，使價格回歸合理水平。為紓解居民的住房壓力，確保住房供應，穩定房地產市場發展，近年中國政府不斷加大保障房的建設力度。同時，商品房銷售面積仍然保持增長，全年商品房銷售面積達10.99億平方米。

住房需求持續上升，房屋裝修物料隨之而增加。隨著收入上升，國民更著重生活質素。為迎合這種消費模式的轉變，年內，本集團繼續增加高檔產品的銷售，以推動業務增長。

CHAIRMAN'S STATEMENT 主席報告書

For the year ended 31 December 2011, the Group recorded a turnover of RMB2,003,651,000, substantially the same as RMB2,058,916,000 achieved in 2010. Profits for the year dropped by 44.2% to RMB221,968,000 mainly due to increases in raw material costs and depreciation, inadequate local supply of electricity and steam in the second half of 2011 as well as increment in administrative expense resulting from the Group's measures to investigate audit issues raised by its former auditors. Earnings per share were RMB14 cents (2010: RMB38 cents).

SALES GROWTH

During the year, selling prices of the Group's decorative base paper products remained steady with the sales volume increasing by 0.7%, primarily reflecting increased production capacity and expanded demand for premium decorative base paper products, but the decrease in sales volume of printing paper product could not be fully offset by such increase. Our production capacity expanded in the second half of 2011 primarily due to the full launch of Production lines nos. 12 and 13. However, as a result of inadequate local supply of electricity and steam following the trial operations of our new production lines, full-capacity operations could not be achieved in the second half of 2011. In addition, as the northern regions of China were hit by severe cold weather throughout the fourth quarter of 2011 and households were given priority for local steam supply, average production volume of our production lines was lower than expectation. The overall utilisation rates of our production capacity declined and the effects of economies of scale were not entirely reflected during the year. Coupled with the rise in raw material costs, overall gross margin of the Group reduced to 16.3% in 2011.

截至二零一一年十二月三十一日止年度，本集團之營業額為人民幣2,003,651,000元，與二零一零年營業額約人民幣2,058,916,000元大致持平。年度溢利減少44.2%至人民幣221,968,000元，主要因為原材料及折舊成本上升、在二零一一年下半年當地出現電力及蒸氣供應不足的情況，加上本集團就調查前任核數提出之審計事宜所作出的舉措令行政費用有所增加所致，因此，每股基本盈利為人民幣14分（二零一零年：人民幣38分）。

銷售增長

年內，本集團裝飾原紙產品售價保持平穩，銷量則上漲0.7%，主要反映產能提升以及市場對高檔裝飾原紙產品的需求有所增加所致，惟該增長不足以抵銷靜電複印紙的銷量減少。本集團的產能於二零一一年下半年有所增加，主要反映第12及第13號兩條生產線於二零一一年下半年全面投產，惟由於二零一一年上半年新機組試產後當地整體電力及蒸氣出現供應不足的情況，以致未能達到滿負荷運轉，而二零一一年第四季因為中國北部持續的嚴寒天氣，使當地的蒸氣供應優先分配予住宅用戶使用，導致本集團生產線的平均產量低於預期，而整體產能使用率亦有所下調，且規模效益未能全面發揮。加上原材料成本上升，故令本集團於二零一一年的整體毛利率下跌至16.3%。

EXPANSION OF PRODUCTION CAPACITY

The Group launched the reconstruction of Production lines nos. 1 and 2 in September 2010 and completed the related works in the fourth quarter of 2011. Currently, trial and fine-tuning production runs are being conducted. The expansion of production capacity mainly involves premium decorative base paper products that have a higher profit margin. We believe this will effectively alleviate the pressure on the gross profit margin resulting from the surge in wood pulp cost.

SOPHISTICATED DISTRIBUTION CHANNELS

At present, the Group has 6 retail sales regions in China, namely, Shandong, Sichuan, Guangdong, Beijing, Jiangsu and Zhejiang. We boast a sophisticated distribution network and have a customer base spanning across 13 provinces, autonomous regions and municipalities in China.

VERSATILE PRODUCT PORTFOLIO

The Group has striven to develop widely applicable and quality decorative base paper products. At present, we produce and sell over 80 types of products catering to different markets. Our products are suitable for a broad range of applications from furniture and home and office products to stadiums, community halls, exhibition centres, as well as interior decoration of vehicles and aircraft. The Group will continue to enhance sales of premium decorative paper base products to increase its profits.

擴充產能

本集團於二零一零年九月重建第1及第2號生產線，並已於二零一一年第四季竣工，現正進行機組調試。新增的產能以高毛利率的高檔裝飾原紙產品為主，相信可有效紓緩木漿價格上升對毛利率構成的壓力。

成熟的分銷渠道

本集團目前設有6個銷售地區，分別位於中國山東、四川、廣東、北京、江蘇及浙江。本公司坐擁成熟的分銷網絡，客戶遍佈中國13個省份、自治區及直轄市。

多元化的產品組合

本集團一直致力開發用途廣泛的優質裝飾原紙產品，現時生產及銷售逾80種產品，以迎合市場的不同需要。本集團之產品應用範圍甚廣，其中包括傢俱、辦公室及家居用品，以至大型設施如體育館、社區會堂、展覽場館及汽車和飛機等運輸工具的內部裝飾均適用。本集團亦將繼續增加高檔裝飾原紙產品的銷售比例，以提高盈利。

CHAIRMAN'S STATEMENT 主席報告書

ENVIRONMENTAL PROTECTION

We are committed to corporate social responsibilities and environmental protection. The premium wood pulp that we use to produce decorative base paper products causes almost zero environmental pollution during the production process and is in line with the national policies on environmental protection. In addition, we have two waste water treatment systems with a total annual processing capacity of approximately 5,350,000 cubic metres. The Group has upgraded and improved one of the systems with an annual processing capacity of approximately 1,700,000 cubic metres in October 2010 and completed in 2011. The other system has an annual processing capacity of approximately 3,650,000 cubic metres. Waste water treated by our waste water treatment systems is reused for irrigation at the Group's production base in Shandong, the PRC.

INDEPENDENT REVIEW AND INVESTIGATION REPORT

During the year, the Group strived to enhance our internal control system and has, in late 2011, engaged an independent professional advisor to investigate the audit issues raised by its former auditors and to commission a further review and investigation report. We hereby reiterate that our business has been operating as usual, though we are aware of the concerns raised by shareholders and investors of the Company on our internal control. Further announcement will be made by the Company as and when appropriate for informing our shareholders on the progress of the further independent review and investigation.

環境保護

我們一直致力履行企業社會責任，實踐環境保護。本集團生產裝飾原紙產品所使用的高級木漿，在生產過程中幾乎完全不會對環境造成污染，符合國家的環保政策。此外，本集團現時擁有兩個污水處理系統，每年合共可處理約5,350,000立方米污水。其中一個系統每年可處理約1,700,000立方米污水。本集團於二零一零年十月對該污水處理系統進行更新及改善工程，並已於二零一一年完成有關工程。另一污水處理系統則每年可處理約3,650,000立方米污水。經本集團污水處理系統處理後的污水將用作本集團山東生產基地之灌溉系統的水源。

獨立審查及調查報告

年內，本集團致力加強其內部監控制度，並於二零一一年底委任一家獨立專業公司，以調查前任核數提出之審計事宜，並作進一步審查及調查報告。本集團瞭解股東和投資者對本集團內部監控的關注，惟我們謹此強調本集團一直運作如常。本公司並將於適當時候另作公告，以知會股東有關進一步獨立審查及調查工作的進展。

OUTLOOK

In addition to the development of commodity housing market, construction of more social security housing becoming one of the key policies of the State under the "Twelfth Five-Year Plan" of the PRC will further stimulate the market demand for decorative base paper products. In view of the Group's high-end technology in producing decorative base paper products and its solid foundation, the Board believes the Group's business will continue to grow steadily in 2012.

To seize important opportunities for market development, the Group will continue to expand its production capacity by upgrading existing production facilities, diversifying product offerings as well as increasing our market share. Besides, the Group will also strive to strengthen its leading position and customer base in its existing sales regions, optimize its product structure, increase sales proportion of high-end products that have a higher profit margin as well as adhering to strict cost control so as to achieve business growth. The Group is actively looking for suitable and potentially lucrative acquisition targets in the decorative base paper industry of China and related areas with a view to generating greater benefit for our shareholders in the long run. The Group will make an announcement in accordance with the requirements of the Listing Rules when such opportunities are realised.



ZHU Yu Guo 朱玉國

Chairman 主席

Shandong, the PRC, 14 March 2012
中國山東，二零一二年三月十四日

前景

中國「十二五」規劃將增加興建保障房納入為主要國策之一，加上商品房的發展，將進一步帶動裝飾原紙的市場需求。憑藉本集團生產裝飾原紙產品的高端技術及穩固基礎，董事會相信本集團的業務在二零一二年將繼續穩步發展。

為掌握市場發展的重要機會，本集團將繼續通過改善現有生產設施以擴充產能，以增加產品供應、提高市場份額。本集團亦致力鞏固現有銷售地區的市場領導地位及客戶基礎，並優化產品結構、增加毛利率較高的高檔次產品之銷售比重及市場份額，也會貫徹執行嚴格的成本控制措施，以爭取業務增長。群星集團正積極在中國的裝飾原紙行業及相關領域積極物色具潛力及合適的收購目標，冀能在長遠而言為股東帶來增益。本集團並將於有關機會落實時遵照上市規則的規定作出公告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The following discussion and analysis should be read in conjunction with the audited consolidated financial statements of our Group as at and for the year ended 31 December 2011 and the accompanying notes set out in this annual report.

OVERVIEW

Our Group is principally engaged in the manufacture and sale of decorative base paper products and printing paper product. As ranked by China Paper Association, our Group is the largest decorative base paper manufacturer in terms of the actual annual production capacity in the PRC since 2005.

During the year under review, we are continuing to expand the production capacity and improve the technical know-how in the provision of quality decorative base paper products to our customers.

Our turnover decreased by approximately 2.7% from RMB2,058.9 million for the year ended 31 December 2010 to RMB2,003.7 million for the year ended 31 December 2011.

Our profit before taxation decreased by approximately 43.8% from RMB456.0 million for the year ended 31 December 2010 to RMB256.2 million for the year ended 31 December 2011.

Starting from 2009, our profit from operation in the PRC is subject to a reduced PRC income tax rate of 12.5% for three years till 31 December 2011. Our taxation for the years ended 31 December 2010 and 2011 were RMB58.5 million and RMB34.2 million respectively.

在閱讀下述討論與分析時，請一併參閱本年報載列之本集團於二零一一年十二月三十一日及截至該日止年度之經審核綜合財務報表及隨附之附註。

概覽

本集團主要從事製造及銷售裝飾原紙產品及印刷用紙產品。按實際年產能計算，本集團自二零零五年起獲中國造紙協會評為中國最大之裝飾原紙製造商。

於回顧年內，我們繼續擴大產能，提升專業技術知識，致力為客戶提供優質裝飾原紙產品。

本集團營業額由截至二零一零年十二月三十一日止年度人民幣2,058,900,000元下降約2.7%至截至二零一一年十二月三十一日止年度人民幣2,003,700,000元。

本集團除稅前溢利由截至二零一零年十二月三十一日止年度人民幣456,000,000元下降約43.8%至截至二零一一年十二月三十一日止年度人民幣256,200,000元。

自二零零九年開始，本集團之中國經營溢利須按優惠稅率12.5%繳納中國所得稅，直至二零一一年十二月三十一日止。截至二零一零年及二零一一年十二月三十一日止年度，本集團之稅項分別為人民幣58,500,000元及人民幣34,200,000元。

Our net profit attributable to the shareholders decreased by approximately 44.2% from RMB397.5 million for the year ended 31 December 2010 to RMB222.0 million for the year ended 31 December 2011.

The basic earnings per share for the years ended 31 December 2010 and 2011 were RMB38 cents and RMB14 cents, respectively. The decrease in the basic earnings per share was mainly attributable to the increase in the number of ordinary shares in issue during the year under the open offer in January 2011.

The expansion of production capacity in recent years

Our production capacity has been expanded significantly in recent years through establishing new production facilities as well as re-engineering and modifying the existing production facilities with a view to improving the production efficiency. With the highly automated production facilities at our production base located in Zouping County, Binzhou City, Shandong Province, the PRC, we are able to provide one-stop service for a wide range of decorative base paper products.

本集團股東應佔純利由截至二零一零年十二月三十一日止年度之人民幣397,500,000元下降約44.2%至截至二零一一年十二月三十一日止年度之人民幣222,000,000元。

截至二零一零年及二零一一年十二月三十一日止年度，每股基本盈利分別為人民幣38分及人民幣14分。每股基本盈利下降之主因是於二零一一年一月進行公開發售引致年內之已發行股份數目增加。

近年產能之提升

透過設立新生產設施，以及重整和改善現有生產設施以提高生產效率，本集團之產能在近年來得以顯著擴大。本集團設於中國山東省濱州市鄒平縣之生產基地配備高度自動化之生產設施，使本集團得以提供各類型裝飾原紙產品之一站式服務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The following table sets forth our designed annual production capacity as of the dates indicated.

下表載列所示日期本集團之設計年產能。

Production line no. 生產線號	Date of commencement of commercial production 商業生產之開始日期	As at 31 December 於十二月三十一日				
		2007 二零零七年	2008 二零零八年	2009 二零零九年	2010 二零一零年	2011 二零一一年
		(unit: tonnes) (單位：噸)				
1	October 1999 一九九九年十月	10,000	10,000	10,000	10,000	—(note) 附註
2	August 2002 二零零二年八月	20,000	20,000	20,000	20,000	—(note) 附註
3	May 2003 二零零三年五月	30,000	30,000	30,000	30,000	30,000
4	August 2004 二零零四年八月	50,000	50,000	50,000	50,000	50,000
5	April 2006 二零零六年四月	30,000	30,000	30,000	30,000	30,000
6	April 2006 二零零六年四月	30,000	30,000	30,000	30,000	30,000
7	March 2008 二零零八年三月	30,000	30,000	30,000	30,000	30,000
8	March 2009 二零零九年三月	—	30,000	30,000	30,000	30,000
9	April 2009 二零零九年四月	—	30,000	30,000	30,000	30,000
10	December 2009 二零零九年十二月	—	—	30,000	30,000	30,000
11	December 2009 二零零九年十二月	—	—	30,000	30,000	30,000
12	October 2010 二零一零年十月	—	—	—	30,000	30,000
13	October 2010 二零一零年十月	—	—	—	30,000	30,000
		200,000	260,000	320,000	380,000	350,000

Note:

- Production lines nos. 1 and 2 commenced rebuilding in September 2010 and the construction has been completed by end of 2011. Upon the completion of rebuilding construction, the aggregate designed annual production capacity of Production lines nos. 1 and 2 increased by 30,000 tonnes from approximately 30,000 tonnes to approximately 60,000 tonnes. These production lines are under calibration and the commercial production is estimated to commence in the second quarter of 2012.

Subsequent to the commencement of the commercial operation of Production lines nos. 1 and 2 in the second quarter of 2012, the aggregate designed annual production capacity of our Group will be approximately 410,000 tonnes.

附註：

- 第1及第2號生產線於二零一零年九月展開重建，及於二零一一年年末竣工。重建工程完成後，第1及第2號生產線之總設計年產能由約30,000噸增加30,000噸至約60,000噸。此等生產線現正進行調試及預計於二零一二年第二季度進行商業投產。

隨著第1及第2號生產線於二零一二年第二季投入商業營運，本集團之總設計年產能約為410,000噸。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Our Group believes that the increase in the production capacity in recent years has strengthened our leading market position and enhanced our competitiveness in the market.

The production lines normally operate on a continuous basis, subject to temporary stoppages, as and when necessary, for the purposes of machine cleaning, recalibration for different product specifications as well as regular inspection and maintenance work which generally lasts for, in aggregate, one to two days each month and an annual maintenance which lasts for about a week. As increases or decreases in the equipment utilisation rates will have an impact on the product volume and, thus, can have a significant effect on the unit costs and gross profit margins, we therefore plan the production schedules carefully so as to minimise the shutdown time required for making adjustments to the paper making machines for product and specification changes.

本集團相信，近年產能之上升已進一步鞏固本集團之市場領導地位，提升本集團之市場競爭力。

生產線一般會持續運作，但可能會因清潔機器、調整不同產品規格之設定以及進行定期檢查及維修工作而暫時停產，定期檢查及維修時間每個月普遍為期共一至兩日，而年度維修則維持約一週。由於設備使用率之增減將對產量造成影響，並會對單位成本及毛利率有重大影響，因此本集團會仔細計劃作出生產安排，以減少因應產品及規格之變動而調整造紙機器所需之停產時間。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Turnover

During the year under review, the sales of decorative base paper products, our principal product, continued to provide us a sustainable source of income. The sales volumes of decorative base paper products increased by approximately 0.7% from 141,429 tonnes in 2010 to 142,480 tonnes in 2011 while the average selling price increased by approximately 1.2% from RMB12,907 per tonne in 2010 to RMB13,056 per tonne in 2011. Turnover of decorative base paper products achieved RMB1,860.2 million for the year ended 31 December 2011, represented an increase of approximately 1.9% from RMB1,825.5 million for the year ended 31 December 2010.

Nonetheless the average selling price of printing paper product increased by approximately 2.2% from RMB6,460 per tonne in 2010 to RMB6,602 per tonne in 2011, turnover of printing paper product decreased by approximately 38.6% from RMB233.5 million in 2010 to RMB143.4 million in 2011 was mainly due to the termination of business with a customer during the year where the sales volume of printing paper product decreased by approximately 39.9% from 36,318 tonnes in 2010 to 21,722 tonnes in 2011.

As a result, the overall turnover for the year ended 31 December 2011 decreased by approximately 2.7% from RMB2,058.9 million in 2010 to RMB2,003.7 million in 2011.

財務回顧

營業額

回顧年度，我們的主要產品裝飾原紙產品之銷售繼續為我們提供可持續的收入來源。裝飾原紙產品的銷售量由二零一零年的141,429噸增至二零一一年度的142,480噸，增幅約0.7%，平均售價則由二零一零年每噸人民幣12,907元升至二零一一年每噸人民幣13,056元，增幅約1.2%。截至二零一一年十二月三十一日止年度，裝飾原紙產品的營業額達到人民幣1,860,200,000元，較截至二零一零年十二月三十一日止年度人民幣1,825,500,000元增長約1.9%。

儘管印刷用紙產品的平均售價由二零一零年每噸人民幣6,460元增至二零一一年每噸人民幣6,602元，增幅約2.2%，但印刷用紙產品營業額則由二零一零年人民幣233,500,000元減至二零一一年人民幣143,400,000元，減幅約38.6%，主要是由於年內終止與一名客戶進行業務，使印刷用紙產品的銷售量由二零一零年36,318噸減少約39.9%至二零一一年21,722噸。

因此，截至二零一一年十二月三十一日止年度整體營業額減少約2.7%，由二零一零年人民幣2,058,900,000元減至二零一一年人民幣2,003,700,000元。

Cost of sales

Cost of sales represents the production costs of goods sold during the year. Our production costs comprise costs of raw materials, direct labour costs and manufacturing overheads, which include depreciation charges, utility expenses, consumables, repairs and maintenance and other overhead related expenses.

Cost of sales increased by approximately 8.9% from RMB1,539.1 million for the year ended 31 December 2010 to RMB1,676.7 million for the year ended 31 December 2011. The increase in cost of sales was primarily due to the combined effects of (i) an increase in the aggregate raw materials consumed, which are the major component of our cost of sales, as a result of the increased sales volume in decorative base paper products, (ii) an increase in unit purchasing costs of wood pulp and titanium dioxide powder, our principal raw materials for production during the year ended 31 December 2011 (as discussed below), (iii) an increase in depreciation expenses and staff costs due to the commercial operation of Production lines nos. 12 and 13 since October 2010; and (iv) decrease in utilities and steam expenses due to the inadequate local supply of electricity and steam in the second half of 2011.

銷售成本

銷售成本指於年內出售貨品之生產成本。本集團之生產成本包括原料成本、直接勞工成本及製造成本，包括折舊費用、公用事業費用、消耗品、維修及保養以及其他相關經常性開支。

銷售成本由截至二零一零年十二月三十一日止年度人民幣1,539,100,000元增加約8.9%至截至二零一一年十二月三十一日止年度之人民幣1,676,700,000元。銷售成本增加主要因為下列因素之綜合影響所致：(i)作為本集團之銷售成本主要部分之原料耗用總量隨裝飾原紙產品銷售量上升而增加；(ii)生產所需主要原料木漿及鈦白粉於截至二零一一年十二月三十一日止年度之單位採購成本上升(後文另有闡述)；(iii)折舊費用及員工成本因第12及第13號生產線於二零一零年十月起進行商業營運而增加；及(iv)公用事業及蒸汽費用因二零一一年下半年地方電力及蒸氣供應不足而減少。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Principal raw materials

Our results of operations are subject to price fluctuations of raw materials used in the production process. The principal raw materials for our production are wood pulp and titanium dioxide powder.

For each of the two years ended 31 December 2010 and 2011, the purchase of wood pulp amounted to approximately RMB603.0 million and RMB572.4 million, respectively, representing approximately 39.2% and 34.1% of the total cost of sales for the respective years. The decrease is due to the combined effect of (i) an increase in the average purchase price (value added tax inclusive) of wood pulp by approximately 4.3% from approximately RMB6,247 per tonne in 2010 to RMB6,514 per tonne in 2011; and (ii) an decrease in usage of wood pulp as a result of the decrease in sales volume of printing paper product. For each of the two years ended 31 December 2010 and 2011, the purchase of titanium dioxide powder amounted to approximately RMB418.4 million and RMB544.0 million, respectively, representing approximately 27.2% and 32.4% of the total cost of sales for the respective years. The increase is mainly due to the combined effect of (i) an increase in the average purchase price (value added tax inclusive) of titanium dioxide by approximately 17.4% from approximately RMB13,451 per tonne in 2010 to RMB15,787 per tonne in 2011; and (ii) an increase in the usage of titanium dioxide as a result of the increased sales volume in decorative base paper products.

主要原料

經營業績受制於用於生產過程之原料價格之波動，生產所需之主要原料是木漿及鈦白粉。

截至二零一零年及二零一一年十二月三十一日止兩個年度各年，購買木漿分別耗資約人民幣603,000,000元及人民幣572,400,000元，分別佔各年度總銷售成本約39.2%及34.1%。減少是因為下列因素之綜合影響所致：(i)木漿之平均採購價(包括增值稅)，由二零一零年每噸約人民幣6,247元上升約4.3%至二零一一年每噸約人民幣6,514元；及(ii)木漿之耗用量隨印刷用紙產品銷售量減少而下降。截至二零一零年及二零一一年十二月三十一日止兩個年度各年，購買鈦白粉分別耗資約人民幣418,400,000元及人民幣544,000,000元，分別佔各年度總銷售成本約27.2%及32.4%。上升主要是因為下列因素之綜合影響所致：(i)鈦白粉之平均採購價(包括增值稅)由二零一零年每噸約人民幣13,451元上升約17.4%至二零一一年每噸約人民幣15,787元；及(ii)鈦白粉之耗用量隨裝飾原紙產品銷量增加而上升。

Depreciation charges

During the years ended 31 December 2010 and 2011, our depreciation charges included in cost of sales increased by approximately 30.7% from RMB149.0 million in 2010 to RMB194.7 million in 2011, was mainly due to the commercial operation of Production lines nos. 12 and 13 since October 2010.

Utilities and steam expenses

During the years ended 31 December 2010 and 2011, our electricity and steam expenses decreased by approximately 7.4% from RMB176.6 million in 2010 to RMB163.5 million in 2011, were mainly due to the inadequate local supply of electricity and steam in the second half of 2011. The electricity and steam expenses accounted for approximately 11.5% and 9.8% of the total cost of sales for the respective years.

折舊費用

截至二零一零年及二零一一年十二月三十一日止年度，計入銷售成本之折舊費用由二零一零年人民幣149,000,000元增加約30.7%至二零一一年人民幣194,700,000元，增加主要是因為第12及第13號生產線於二零一零年十月起進行商業生產所致。

公用事業及蒸汽費用

截至二零一零年及二零一一年十二月三十一日止年度，電力及蒸汽費用由二零一零年人民幣176,600,000元減少約7.4%至二零一一年人民幣163,500,000元，減少主要由於二零一一年下半年地方電力及蒸氣供應不足所致。電力及蒸汽費用分別佔各年度總銷售成本約11.5%及9.8%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Gross profit and gross profit margin

The gross profit of our Group decreased by approximately 37.1% from RMB519.8 million for the year ended 31 December 2010 to RMB326.9 million for the year ended 31 December 2011. The following table sets forth the gross profit margin of each category of the products for the two years ended 31 December 2010 and 2011:

毛利及毛利率

本集團之毛利由截至二零一零年十二月三十一日止年度之人民幣519,800,000元下降約37.1%至截至二零一一年十二月三十一日止年度之人民幣326,900,000元。下表載列截至二零一零年及二零一一年十二月三十一日止年度各產品類別之毛利率：

Products 產品	Year ended 31 December 截至十二月三十一日止年度	
	2011 二零一一年	2010 二零一零年
Decorative base paper products	裝飾原紙產品	
— Premium coloured decorative base paper	— 高檔有色裝飾原紙產品	
	27.5%	33.2%
— Premium white decorative base paper	— 高檔無色裝飾原紙產品	
	15.2%	24.7%
— Ordinary coloured decorative base paper	— 普通有色裝飾原紙產品	
	16.1%	25.7%
Sub-total	小計	
	17.2%	26.5%
Printing paper product	印刷用紙產品	
	5.2%	15.8%
Overall	總計	
	16.3%	25.2%

The change in overall gross profit margin of our decorative base paper products in 2011 was mainly attributable to the increased raw material costs, increased depreciation charges and inadequate local supply of electricity and steam as discussed above where the economies of scales cannot be achieved. As a result, the average unit cost for decorative base paper products was comparative higher for the year ended 31 December 2011 and the gross profit margins were affected.

裝飾原紙產品於二零一一年之整體毛利率變動主要由於原料成本上升、折舊費用增加及上文所述地方電力及蒸氣供應不足，使我們無法享有規模經濟效益。因此，裝飾原紙產品截至二零一一年十二月三十一日止年度的平均單位成本較高，毛利率則受到影響。

The gross profit margin of printing paper product decreased from 15.8% in 2010 to 5.2% in 2011 was mainly due to the termination of business with a customer where the economies of scale in operating the printing paper product segment was affected. The Group has made its utmost effort in soliciting new customers with an aim to effectively utilize the resources of the Group to maximize the returns for shareholders.

As a result, our overall gross profit margin decreased from approximately 25.2% for the year ended 31 December 2010 to approximately 16.3% for the year ended 31 December 2011.

Other revenue

Other revenue, which represented the interest income earned from the bank deposits, increased by approximately 43.2% from RMB2.2 million for the year ended 31 December 2010 to RMB3.2 million for the year ended 31 December 2011 was mainly due to the increase in average bank balances held by the Group after the open offer in January 2011.

Selling expenses

As at 31 December 2011, our Group had 48 sales and marketing staff and continued to carry out various promotional activities in an attempt to solicit new customers in the six designated sales regions in the PRC. Our Group incurred selling expenses of RMB26.4 million and RMB25.5 million for the year ended 31 December 2010 and 2011, respectively. As a percentage of turnover, our selling expenses maintained at approximately 1.3% for the two years ended 31 December 2010 and 2011.

印刷用紙產品的毛利率由二零一零年之15.8%下降至二零一一年之5.2%，主要由於與一名客戶的業務終止，影響經營印刷用紙產品分部的規模經濟效益。本集團已全力招攬新客戶，務求有效利用本集團的資源，為股東爭取最大回報。

因此，本集團整體毛利率由截至二零一零年十二月三十一日止年度約25.2%降至截至二零一一年十二月三十一日止年度約16.3%。

其他收益

其他收益乃指銀行存款所賺取之利息收入，由截至二零一零年十二月三十一日止年度之人民幣2,200,000元增加約43.2%至截至二零一一年十二月三十一日止年度之人民幣3,200,000元，主要由於本集團於二零一一年一月進行公開發售之後所持的平均銀行結餘增加。

銷售開支

於二零一一年十二月三十一日，本集團有48名銷售及市場推廣員工，持續進行多項宣傳活動，務求於中國六個指定銷售地區尋求新客戶。截至二零一零年及二零一一年十二月三十一日止年度，本集團產生的銷售開支分別為人民幣26,400,000元及人民幣25,500,000元。截至二零一零年及二零一一年十二月三十一日止兩個年度，銷售開支佔營業額之百分比維持在約1.3%之水平。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Administrative expenses

The administrative expenses consist primarily of administrative and management staff salaries and benefits, depreciation of non-production related fixed assets, research and development costs, and pension contributions.

Administrative expenses increased by approximately 22.8% from RMB39.4 million for the year ended 31 December 2010 to RMB48.4 million for the year ended 31 December 2011 was mainly attributable to the additional costs of approximately RMB5.9 million incurred resulting from the Group's measures to investigate audit issues raised by the former auditors. As a percentage of turnover, our administrative expenses increased from approximately 1.9% for the year ended 31 December 2010 to approximately 2.4% for the year ended 31 December 2011.

Finance costs

Our Group did not incur any finance costs during the year ended 31 December 2010 and 2011.

Income tax

Members of the Group are incorporated in different jurisdictions, with different taxation requirements.

Shandong Qunxing, our principal operating subsidiary in the PRC, had been exempted from PRC income tax for the two years from 1 January 2007 to 31 December 2008, followed by a reduced PRC income tax rate at 12.5% for the remaining three years from 1 January 2009 to 31 December 2011 under the grandfathering treatments of the Corporate Income Tax Law of the PRC passed on 16 March 2007. As such, our Group is liable to pay income tax in the PRC for the years ended 31 December 2010 and 2011 and is subject to the PRC income tax rate of 12.5% for the respective years.

行政開支

行政開支主要包括行政及管理員工之薪金及福利、非生產相關固定資產之折舊、研究及開發成本，以及退休金供款。

行政開支由截至二零一零年十二月三十一日止年度之人民幣39,400,000元增加約22.8%至截至二零一一年十二月三十一日止年度之人民幣48,400,000元。增加主要是由於就調查其前任核數師提出之審計事宜所作出的舉措招致額外的成本約人民幣5,900,000元。行政開支佔營業額之百分比由截至二零一零年十二月三十一日止年度約1.9%升至截至二零一一年十二月三十一日止年度約2.4%。

融資成本

截至二零一零年及二零一一年十二月三十一日止年度，本集團並無任何融資成本。

所得稅

本集團之成員公司於不同司法權區註冊成立，而不同司法權區擁有不同之稅務規定。

根據於二零零七年三月十六日通過之中國企業所得稅法之稅務優惠過渡辦法，本集團於中國之主要營運附屬公司山東群星自二零零七年一月一日至二零零八年十二月三十一日兩年間獲豁免繳納中國所得稅，以及於二零零九年一月一日至二零一一年十二月三十一日餘下三年間按12.5%之減免稅率繳納中國所得稅。因此截至二零一零年及二零一一年十二月三十一日止年度，本集團需在中國繳納所得稅，而各年度均須按12.5%之稅率繳納中國所得稅。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

No provision has been made for Hong Kong Profits Tax for 2010 and 2011 as the Group did not earn assessable profits subject to Hong Kong Profits Tax for either year.

鑒於本集團於二零一零年及二零一一年並無賺取須繳納香港利得稅之應課稅溢利，故毋須就有關年度之香港利得稅計提撥備。

The effective tax rates of our Group for the years ended 31 December 2010 and 2011 were 12.8% and 13.3% respectively, The reconciliation between income tax expenses and accounting profit at the applicable tax rates was set out as follows:

本集團截至二零一零年及二零一一年十二月三十一日止年度之實際稅率分別維持於12.8%及13.3%。按適用稅率計算之所得稅開支與會計溢利之對賬如下：

		Year ended 31 December	
		截至十二月三十一日止年度	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before taxation	除稅前溢利	256,183	455,973
Notional tax on profit before taxation, calculated at the tax rates applicable in the countries concerned	按相關國家適用稅率計算之除稅前溢利名義稅	65,277	114,729
Tax effect of tax concession period	稅務優惠期間之稅務影響	(33,620)	(58,548)
Tax effect of non-deductible expenses	不可扣減開支之稅務影響	2,310	1,857
Tax effect of non-taxable income	非應課稅收入之稅務影響	(283)	(21)
Under provision in prior year	過往年度撥備不足	531	450
Income tax expenses for the year	年度所得稅開支	34,215	58,467

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

KEY FINANCIAL RATIOS

The following table sets forth certain financial ratios of our Group as of the date or for the year indicated.

主要財務比率

下表列明本集團於下列所示日期或截至該日止年度之若干財務比率。

		As of or for the years ended		
		31 December		
		於十二月三十一日或		
		截至該日止年度		
		<i>Note</i>	2011	2010
		<i>附註</i>	二零一一年	二零一零年
Profitability ratios	盈利能力比率			
Gross profit margin	毛利率	1	16.3%	25.2%
Net profit margin	淨溢利率	2	11.1%	19.3%
Return on assets	資產回報率	3	6.7%	13.4%
Return on equity	權益回報率	4	6.9%	14.0%
Liquidity ratios	流動資金比率			
Current ratio	流動比率	5	5.4	5.5
Quick ratio	速動比率	6	5.0	5.1
Gearing ratio	資產負債比率	7	0%	0%
Inventory turnover days	存貨週轉天數	8	15	15
Debtors' turnover days	應收賬款週轉天數	9	13	17
Creditors' turnover days	應付賬款週轉天數	10	23	23

Notes:

- Gross profit margin is calculated based on the gross profit divided by turnover and multiplied by 100%.
- Net profit margin is calculated based on the profit for the year divided by turnover and multiplied by 100%.
- Return on assets is calculated based on the profit for the year divided by the total assets at the end of the year and multiplied by 100%.
- Return on equity is calculated based on the profit for the year divided by capital and reserves at the end of the year and multiplied by 100%.
- Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the year.
- Quick ratio is calculated based on the difference between the total current assets and the inventories divided by the total current liabilities at the end of the year.

附註：

- 毛利率以毛利除以營業額乘以100%計算。
- 淨溢利率以本年度溢利除以營業額乘以100%計算。
- 資產回報率以本年度溢利除以年末資產總值乘以100%計算。
- 權益回報率以本年度溢利除以年末資本及儲備乘以100%計算。
- 流動比率以年末流動資產總值除以年末流動負債總值計算。
- 速動比率以年末流動資產總值與存貨之差額除以年末流動負債總值計算。

7. Gearing ratio is calculated based on the total bank borrowings divided by total assets and multiplied by 100%.
 8. Inventory turnover days is calculated based on the inventory at the end of the year divided by the total purchases during the year and multiplied by the number of days during the year.
 9. Debtors' turnover days is calculated based on trade receivables at the end of the year divided by turnover during the year and multiplied by the number of days during the year.
 10. Creditors' turnover days is calculated based on trade payables at the end of the year divided by the total purchases during the year and multiplied by the number of days during the year.
7. 資產負債比率以銀行借貸總額除以資產總值乘以100%計算。
 8. 存貨週轉天數以年末存貨除以本年度採購總額乘以本年度內天數計算。
 9. 應收賬款週轉天數以年末應收賬款除以本年度營業額乘以本年度內天數計算。
 10. 應付賬款週轉天數以年末應付賬款除以本年度採購總額乘以本年度內天數計算。

Current and quick ratio

During the years under review, the current ratio and quick ratio of the Group maintained at steady level. The current ratio of the Group were 5.5 and 5.4 and the quick ratio of the Group were 5.1 and 5.0 as at 31 December 2010 and 2011, respectively.

Gearing ratio

As at 31 December 2010 and 2011, the Group did not have any outstanding bank borrowings and the gearing ratio was 0.0%.

Return on assets

The return on assets decreased from 13.4% for the year ended 31 December 2010 to 6.7% for the year ended 31 December 2011. The decrease in return on assets for the year ended 31 December 2011 was mainly attributable to the decrease in our turnover and increase in our cost of sales as discussed above.

流動比率及速動比率

回顧年度，本集團流動比率及速動比率均維持穩定的水平。於二零一零年及二零一一年十二月三十一日，本集團流動比率分別為5.5及5.4，而速動比率則分別為5.1及5.0。

資產負債比率

於二零一零年及二零一一年十二月三十一日，本集團並無任何未償還銀行借貸，資產負債比率為0.0%。

資產回報率

資產回報率由截至二零一零年十二月三十一日止年度之13.4%下降至截至二零一一年十二月三十一日止年度之6.7%。截二零一一年十二月三十一日止年度資產回報率減少之主因是上述討論之營業額減少及銷售成本增加。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Return on equity

The return on equity for the years ended 31 December 2010 and 2011 were approximately 14.0% and 6.9% respectively. The decrease in return on equity for the year ended 31 December 2011 was mainly attributable to the decrease in turnover and increase in cost of sales.

Inventories and the inventory turnover days

Our inventory level increased by approximately 9.0% from approximately RMB49.0 million as at 31 December 2010 to approximately RMB53.4 million as at 31 December 2011. Nonetheless, the inventory turnover days maintained at 15 days for both years which proved that we have effectively implemented our inventory control policy and measures over the past years.

It is our Group's practice to purchase sufficient amount of raw materials based on the production schedule and to keep one week's inventory of raw materials in storage. For finished products, it is our Group's practice to keep minimal stock of finished products in our storage warehouse to satisfy any customer's urgent demand. Our Group may also keep reserve stock of finished products at times when the market demand for decorative base paper makes it prudent to do so.

Trade receivables and debtors' turnover days

Our Group normally requires the customers to settle the invoices by cash on delivery. The granting of credit to customers is assessed on a case-by-case basis and our Group may generally grant credit terms of 10 to 30 days on a rolling basis to the customers, depending on whom our Group has maintained a longer business relationship.

權益回報率

截至二零一零年及二零一一年十二月三十一日止兩個年度之權益回報率分別約為14.0%及6.9%。截至二零一一年十二月三十一日止年度權益回報率下降之主因是營業額減少及銷售成本增加。

存貨及存貨週轉天數

本集團之存貨水平由二零一零年十二月三十一日之約人民幣49,000,000元增加約9.0%至二零一一年十二月三十一日之約人民幣53,400,000元。然而，存貨週轉天數於兩年度維持於15天，反映我們於過去數年有效實施存貨監控政策及措施。

本集團之一貫做法是按生產計劃購入足夠原材料，並確保存貨足夠一週之供應。而針對製成品，本集團之一貫做法是保存最少製成品庫存，以應付客戶突如其來之需求。本集團有時亦可能保留製成品作儲備，對裝飾原紙產品市場需求而言，為一個審慎之做法。

應收貿易賬款及應收賬款週轉天數

本集團通常要求客戶貨到付款。是否授予客戶賒賬期視乎客戶之個別情況，本集團一般給予長期客戶10至30天之賒賬期。

The trade receivables balance decreased by approximately 25.8% from approximately RMB97.5 million as at 31 December 2010 to RMB72.3 million as at 31 December 2011. The decrease in trade receivables as at 31 December 2011 is mainly attributable to the change in debtors combinations at end of the year who have different credit periods granted.

The debtors' turnover days decreased from 17 days for the year ended 31 December 2010 to 13 days for the year ended 31 December 2011.

Trade payables and creditors' turnover days

Our trade payable balance increased by approximately 4.6% from RMB75.6 million as at 31 December 2010 to RMB79.1 million as at 31 December 2011. The credit periods granted by various suppliers generally not more than 30 days. The creditors' turnover days were 23 for each of the year ended 31 December 2010 and 2011, respectively. It is our Group's policy to settle all of the outstanding balances with the suppliers within the maximum credit period granted so as to maintain the relationships with the respective suppliers. We purchased raw materials in line with our production needs and the fluctuation in creditors' turnover days is affected by our purchases based on production plans.

Financial resources

The financial resources of the Group continued to be strong. As at 31 December 2011, shareholders' funds of the Group totalled RMB3,202.4 million, representing an increase of approximately 12.5% from RMB2,847.4 million at 31 December 2010. The Group had cash and cash equivalents of approximately RMB488.9 million as at 31 December 2011 (31 December 2010: RMB447.8 million).

應收貿易賬款結餘由二零一零年十二月三十一日約人民幣97,500,000元減少約25.8%至二零一一年十二月三十一日之人民幣72,300,000元。於二零一一年十二月三十一日之應收貿易賬款減少，主要是因為年末之應收賬款組合變更所致而當中授予之賒賬期有所不同。

應收賬款週轉天數由截至二零一零年十二月三十一日止年度之17天下降截至二零一一年十二月三十一日止年度之13天。

應付貿易賬款及應付賬款週轉天數

本集團之應付貿易賬款結餘由二零一零年十二月三十一日之人民幣75,600,000元上升約4.6%至二零一一年十二月三十一日之人民幣79,100,000元。各供應商給予之賒款期通常不多於30天。截至二零一零年及二零一一年十二月三十一日止兩個年度，應付賬款週轉天數23天。為了與各供應商維持良好之關係，本集團會於賒賬期內償付所有結欠供應商之欠款。本集團之原材料採購額與生產需求相符，而本集團按生產計劃進行之採購對應付賬款週轉天數之波動構成影響。

財務資源

本集團之財務資源仍然穩健。於二零一一年十二月三十一日，本集團之股東資金總額為人民幣3,202,400,000元，較於二零一零年十二月三十一日之人民幣2,847,400,000元增加約12.5%。本集團於二零一一年十二月三十一日之現金及現金等價物約為人民幣488,900,000元(二零一零年十二月三十一日：人民幣447,800,000元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Financial management and treasury policies

The Group adopts a conservative approach for cash management and investment of uncommitted funds with an objective of enhancing the practicable returns for shareholders and maintaining adequate liquidity and preservation of capital. The Group's financing and treasury activities are centrally managed and controlled at the corporate level and aim to ensure that adequate financial resources are available for refinancing and business growth. The Group reviews its liquidity and financing arrangements periodically.

The Group's policy is to manage its interest rate risk to ensure there are no undue exposures to significant interest rate movements and rates are approximately fixed. As at 31 December 2011, the Group did not have any bank borrowings.

The Group conducts its business transactions principally in the PRC. All of the Group's turnover and cost of sales and most of the Group's monetary assets and liabilities are denominated in RMB. RMB is the functional currency of the Group's principal operating subsidiary and used as the reporting currency in the preparation of the consolidated financial statements of the Group. As such, the fluctuation of RMB against foreign currencies during the years did not have significant impact on the results of the Group.

Capital expenditure

During the year ended 31 December 2011, the Group recorded aggregate additions to property, plant and equipment and construction in progress and change in prepayments for the acquisition of plant and equipment of approximately RMB549.1 million (2010: RMB725.4 million).

財務管理及庫務政策

本集團對現金管理及未定用途資金投資採取保守方法，旨在提高股東之實際回報、維持足夠流動資金及保留資本。本集團之融資及庫務活動集管理，按公司控制，目的在於確保有足夠財務資源以供再融資及業務增長。本集團定期檢討其流動資金及融資安排。

本集團管理利率風險之政策是確保在出現重大利率變動時不會承受過高風險及確保利率大致固定。於二零一一年十二月三十一日，本集團並無任何銀行借貸。

本集團主要在中國進行其業務交易。本集團所有營業額及銷售成本以及本集團絕大部分貨幣性資產及負債均以人民幣計值，人民幣乃本集團主要營運附屬公司之功能貨幣並於編製本集團綜合財務報表中用作呈報貨幣。因此，年內人民幣兌外幣之波動對本集團之業績並無重大影響。

資本開支

截至二零一一年十二月三十一日止年度，本集團之物業、廠房及設備、在建工程及購買廠房及設備之預付款項變動增加合共為約人民幣549,100,000元(二零一零年：人民幣725,400,000元)。

Capital commitments, contingencies and charge on assets

The Group will further invest RMB120.0 million to expand the production capacity and reengineer and modify the existing production facilities to enhance production efficiency. Such capital commitments will be financed by the internal resources of the Group. The Group has environmental contingencies under the increasingly stringent environmental protection laws and regulations in the PRC. However, as at the date hereof, the Group has not incurred any significant expenditure for environmental remediation and is currently not involved in any environmental remediation. In addition, the outcome of environmental liabilities under proposed or future environmental legislation cannot be reasonably estimated at present. As such, the Group has not accrued any amounts for environmental remediation relating to its operations. Saved as disclosed above, the Group had no material contingent liabilities as at 31 December 2011.

As at 31 December 2010 and 2011, the Group did not have any property, plant and equipment secured for any borrowings.

資本承擔、或然項目及資產質押

本集團進一步投資人民幣120,000,000元於擴充產能，以及重整及改善現有生產設施以提升生產效率。有關資本承擔以本集團內部資源撥付。本集團在中國日益嚴格之環保法律及法規下有環保或然項目。然而，於本公告日期，本集團並未因環境修復問題產生任何重大支出，現時亦無涉及任何環境修復事件。此外，目前無法合理估計建議中或將來推出之環保法律規定可能導致在環保方面之負債。因此，本集團未就任何與業務相關之環境修復計提任何金額。除上文所披露者外，本集團於二零一一年十二月三十一日並無重大或然負債。

於二零一零年及二零一一年十二月三十一日，本集團並無就任何借貸而抵押任何物業、廠房及設備。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Use of proceeds from the Initial Public Offering

Upon the initial public offering of the Company on 2 October 2007 (the "Listing Date"), the Group received net proceeds amounted to approximately HK\$1,492.8 million (equivalent to approximately RMB1,445.5 million), after deduction of related expenses and the exercise of Over-allotment Option (Note 1) on the Listing Date. As disclosed in the Prospectus, our Group planned to apply most of the net proceeds to expand our production capacity as well as to re-engineer and modify our existing production facilities to enhance production efficiency. As at 31 December 2011, the net proceeds had been applied as follows:

首次公開發售所得款項用途

本公司於二零零七年十月二日(「上市日期」)首次公開發售後，本集團獲取所得款項淨額約為1,492,800,000港元(約相等於人民幣1,445,500,000元)(扣除相關費用及於上市日期行使超額配股權(附註1)後)。誠如招股章程所披露，本集團計劃將大部分所得款項淨額用於擴充產能，以及重整及改善現有生產設施以提升生產效率。於二零一一年十二月三十一日，所得款項淨額部份已應用於下列各項：

		Amount	
	Planned amount	utilised up to 31 December 2011	Balance as at 31 December 2011
	計劃金額	直至二零一一年十二月三十一日已使用金額	於二零一一年十二月三十一日之結餘
	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元
Settlement of the remaining balance of the construction costs of Production line no. 7	163,300	163,300	—
Construction of new Production lines nos. 8 to 11	720,000	720,000	—
Construction of new Production lines nos. 12 and 13 (Note 2)	360,000	360,000	—
Re-engineering and modification of the existing Production lines nos. 1 and 2	40,000	40,000	—
	1,283,300	1,283,300	—

Notes:

1. Pursuant to an international placing underwriting agreement dated 20 September 2007, the Company granted an option (the "Over-allotment Option") to ICEA Securities Limited ("ICEA"), the lead manager of the Company's share offer, whereby the Company was required to allot and issue up to an aggregate 45,000,000 additional shares to cover over allocations in the international placing. The exercise price per share for the Over-allotment Option was HK\$5.35. On the Listing Date, the Over-allotment Option was fully exercised by ICEA and, as a result, the Company issued 45,000,000 additional shares on the same date.
2. As disclosed in the Prospectus, in the event that the Over-allotment Option is exercised, our Group planned to apply part of the additional net proceeds of RMB360.0 million for doubling the production capacity of the planned new Production lines nos. 10 and 11 from 60,000 tonnes to 120,000 tonnes. The Over-allotment Option was exercised on the Listing Date and our Group decided to further increase our production capacity by 60,000 tonnes by way of constructing two more Production lines nos. 12 and 13.

HUMAN RESOURCES

As at 31 December 2011, our Group employed approximately 1,600 employees in the PRC and Hong Kong. Key components of the Group's remuneration packages include basic salary, medical insurance, discretionary cash bonus and retirement benefit scheme. Promotion and salary increments are assessed based on a performance related basis.

The Group has neither experienced any significant problems with its employees or disruptions to its operations due to labour disputes, nor has it experienced any difficulties in the recruitment and retention of experienced employees. The Group maintains a good working relationship with its employees.

附註：

1. 根據日期為二零零七年九月二十日之國際配售包銷協議，本公司向其股份發售牽頭經辦人工商東亞證券有限公司（「工商東亞」）授出配股權（「超額配股權」），據此，本公司須配發及發行最多合共45,000,000股額外股份以補足國際配售之超額分配。超額配股權之每股行使價為5.35港元。於上市日期，超額配股權獲工商東亞悉數行使，因此，本公司於同日發行45,000,000股額外股份。
2. 誠如招股章程所披露，倘超額配股權獲行使，本集團計劃動用部分額外所得款項淨額人民幣360,000,000元，將計劃之第10及第11號生產線之產能提高一倍，由60,000噸提高至120,000噸。超額配股權已於上市日期獲行使，而本集團決定透過建造第12及第13號另外兩條生產線，進一步增加60,000噸產能。

人力資源

於二零一一年十二月三十一日，本集團於國內及香港共聘用約1,600名員工。本集團薪酬福利之主要組成部分包括基本薪金、醫療保險、酌情現金花紅及退休福利計劃。晉升機會及加薪以個別表現作評估基準。

本集團並無遇到任何重大勞資問題，過往亦無因勞資糾紛以致業務受到任何干擾或於招聘及挽留富經驗僱員時遇到任何困難。本集團與其僱員保持良好工作關係。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

DIRECTORS

Executive Directors

Dr. ZHU Yu Guo, aged 56, is the co-founder of QX Group. Dr. Zhu was appointed as an executive Director and a chairman of the Board in September 2006. He is a director of various subsidiaries and associated corporations of the Company. He is also a director of Boom Instant Limited, a substantial shareholder of the Company. He is responsible for overseeing and planning the business strategies of the Group. Dr. Zhu completed tertiary education with major in corporate management in Shandong Province Economic Management Official Institute* in the PRC in April 1992. Prior to the incorporation of Shandong QX, which is now a wholly-owned subsidiary of the Company, Dr. Zhu had been engaged in work relating to the manufacture of paper manufacturing machinery parts for over 10 years during which he also studied the features of different types of paper products and has accumulated extensive experience and knowledge in paper manufacturing industry. In 1990, Dr. Zhu was appraised as an economist by Zouping County Science and Technology Committee*. In July 2003, he was honoured by Shandong Provincial People's Government as "Outstanding Private Entrepreneur in Shandong Province, the PRC*". In January 2007, Dr. Zhu was hired by the Information Management Institute of Shandong Economic Institute as a partime professor. In November 2007, Dr. Zhu received the "World Outstanding Chinese Award" from the World Outstanding Chinese Association and World Chinese Business Investment Foundation. He was also conferred with Honorary Doctoral Degree from Sinte Gleska University of California. In 2009, Dr. Zhu was conferred as one of the "Outstanding Entrepreneur of Papermaking Industry in China"* by China Paper Association. Dr. Zhu is the spouse of Ms. Sun Rui Fang, a non-executive Director, and the father of Mr. Zhu Mo Qun, a vice-chairman of the Board.

董事

執行董事

朱玉國博士，56歲，為群星集團之聯席創辦人之一。朱博士於二零零六年九月獲委任為執行董事兼董事會主席。彼為本公司多間附屬公司及相聯法團之董事。彼亦為本公司主要股東 Boom Instant Limited 之董事。彼負責監察及規劃本集團之業務策略。朱博士於一九九二年四月在中國山東省經濟管理幹部學院完成專上教育，主修企業管理。於山東群星（現時為本公司之全資附屬公司）註冊成立之前，朱博士一直從事與造紙機器零件製造有關之工作逾10年，在此期間，彼透過研究各類紙產品之特徵，從而於造紙行業累積了豐富之經驗及知識。於一九九零年，朱博士獲鄒平縣科學技術委員會評定為經濟師。於二零零三年七月，彼獲山東省人民政府評為「中國山東省優秀民營企業家」。於二零零七年一月，朱博士獲山東經濟學院信息管理學院聘用為兼職教授。於二零零七年十一月，朱博士獲世界傑出華人會及世界華商投資基金會頒發「世界傑出華人獎」，並獲美國加州聖格拉斯加大學頒授榮譽博士學位。朱博士並於二零零九年獲中國造紙協會評為「全國製漿造紙行業優秀企業家」之一。朱博士為非執行董事孫瑞芳女士之配偶，以及董事會副主席朱墨群先生之父親。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

DIRECTORS (CONTINUED)

Executive Directors (Continued)

Mr. ZHU Mo Qun, aged 32, is the co-founder of QX Group. He was appointed as an executive Director, a general manager of the Company as well as a vice-chairman of the Board in September 2006. He is a director of various subsidiaries and associated corporations of the Company. He is also a director of Boom Instant Limited, a substantial shareholder of the Company. Mr. Zhu is responsible for the overall management of the Group's business. He completed tertiary legal education in Shandong Province Political & Legal Management Official Institute* in the PRC in July 2001. In 2004, he was awarded with the title of International Professional Manager by International Managers Union. In January 2005, he was approved by China Human Resource Exchange Centre* to become a member of database of experts in the PRC. The database is known as "National Database of Human Resources in Business Operation and Management*" which stores the information of senior enterprise administrators. In 2005, he was appraised as one of the "Ten Outstanding Entrepreneurs in Shandong*" by Appraisal Committee for Ten Outstanding Entrepreneurs in Shandong*. In April 2006, he was honoured jointly by Binzhou City Committee of the Communist Youth League* and State Economic and Trade Commission in Binzhou City* as "Outstanding Young Entrepreneur in Binzhou City*". Mr. Zhu is the son of Dr. Zhu Yu Guo, a chairman of the Board, and Ms. Sun Rui Fang, a non-executive Director.

Mr. SUN Zhen Shui, aged 57, was appointed as an executive Director in September 2007. Mr. Sun is responsible for managing the financial and administrative affairs of the Group. He completed tertiary education in business management in Shandong Province Economic Management Official Institute* in the PRC in May 1994 and obtained from Shandong Province Binzhou District Professional Title Reform Leader Group* a qualification as a qualified accountant in the PRC in December 1994. Mr. Sun has been a supervising accountant of Changshan Town Economy Committee* for a period from 1983 to 2004. He has over 20 years of experiences in the financial field.

董事(續)

執行董事(續)

朱墨群先生，32歲，為群星集團之聯席創辦人之一。彼於二零零六年九月獲委任為本公司執行董事、總經理兼董事會副主席。彼為本公司多間附屬公司及相聯法團之董事。彼亦為本公司主要股東 Boom Instant Limited 之董事。朱先生負責本集團業務之整體管理。彼於二零零一年七月於中國山東省政法管理幹部學院完成專上法律教育。於二零零四年，彼獲國際經理人聯合會授予國際職業經理人資格。於二零零五年一月，彼通過中華人民共和國人事部全國人才流動中心之審批成為中國數據庫專才，該數據庫稱為「全國企業經營管理人才庫」，乃用作儲存資深企業行政人員之資料。於二零零五年，彼獲山東十大優秀企業家評委會表揚為「山東十大優秀企業家」之一。於二零零六年四月，彼獲共青團濱州市委及濱州市經貿委聯合表揚為「濱州市傑出青年企業家」。朱先生為董事會主席朱玉國博士及非執行董事孫瑞芳女士之兒子。

孫振水先生，57歲，於二零零七年九月獲委任為執行董事。孫先生負責管理本集團之財務及行政事務。彼於一九九四年五月在中國山東省經濟管理幹部學院完成工商管理專上教育，並於一九九四年十二月獲中國山東省濱州地區職稱改革領導小組授予中國合資格會計師之資格。孫先生於一九八三年至二零零四年期間擔任長山鎮經濟委員會之主管會計師，彼於財務範疇累積逾20年之經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

DIRECTORS (CONTINUED)

Non-executive Director

Ms. SUN Rui Fang, aged 56, was appointed as a non-executive Director in September 2007. She is a director of various subsidiaries and associated corporations of the Company. She is also a director of Boom Instant Limited, a substantial shareholder of the Company. Prior to such appointment, Ms. Sun had, since the inception of Shandong QX, assisted Dr. Zhu Yu Zuo, a chairman of the Board and Mr. Zhu Mo Qun, a vice-chairman of the Board, in attending general administrative works of Shandong QX. Ms. Sun is the spouse of Dr. Zhu Yu Guo and the mother of Mr. Zhu Mo Qun.

Independent Non-executive Directors

Mr. ZHAO Wei, aged 51, was appointed as an independent non-executive Director in September 2007. Mr. Zhao completed tertiary education in Dalian Institute of Light Industry (now known as “Dalian Polytechnic University”) in the PRC in June 1982, majoring in paper manufacturing. Mr. Zhao became a senior engineer accredited by China Light Industry Association* in December 1993 and is now the vice president and general secretary of China Paper Association. Mr. Zhao has been a member of the Food and Agriculture Organization of the United Nations since 2007. Mr. Zhao has also been a deputy chief member of the Nationwide Paper Making Industry Standardized Technology Committee since 2006. Mr. Zhao is currently an independent director of Shandong Bohui Paper Co., Ltd., a company listed on the Shanghai Stock Exchange of the PRC. Mr. Zhao has accumulated approximately 29 years of experience in the paper making industry.

董事(續)

非執行董事

孫瑞芳女士，56歲，於二零零七年九月獲委任為非執行董事。彼為本公司多間附屬公司及相聯法團之董事。彼亦為本公司主要股東 Boom Instant Limited 之董事。獲此委任前，孫女士自山東群星成立以來一直協助董事會主席朱玉國博士及董事會副主席朱墨群先生處理山東群星之一般行政工作。孫女士為朱玉國博士之配偶及朱墨群先生之母親。

獨立非執行董事

趙偉先生，51歲，於二零零七年九月獲委任為獨立非執行董事。趙先生於一九八二年六月在中國大連輕工業學院(現稱「大連輕工業大學」)完成專上教育，主修製紙。趙先生於一九九三年十二月獲中國輕工總會任命為高級工程師，現為中國造紙協會副理事長兼秘書長。趙先生自二零零七年起為聯合國糧食及農業組織之會員，並自二零零六年起成為全國造紙工業標準化技術委員會之副主任委員。趙先生現時為中國上海證券交易所上市公司山東博匯紙業股份有限公司之獨立董事。趙先生於造紙業累積約29年之經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

DIRECTORS (CONTINUED)

Independent Non-executive Directors (Continued)

Mr. WANG Lu, aged 31, was appointed as an independent non-executive Director in September 2007. He graduated from Shandong University in the PRC in July 2003 with a degree in computer science and technology and subsequently obtained a master's degree in information technology from Monash University in Australia in October 2005. He has been a lecturer of a university in the PRC. He currently works as engineer at YanTai University in the PRC. Mr. Wang has approximately 8 years of experience in computer engineering.

Mr. KWONG Kwan Tong, aged 46, was appointed as an independent non-executive Director in September 2007. He is a fellow member of the Association of Chartered Certified Accountants, associate member of the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants. He was an independent non-executive director of China Investment Fund Company Limited, a company listed on the Main Board of the Stock Exchange, from 2008 to 2010. He is now an independent non-executive director of Golden Shield Holdings (Industrial) Limited, a company listed on the Main Board of the Stock Exchange and a chief financial officer and company secretary of Damin International Holdings Limited, a privately held manufacturing company. Mr. Kwong has over 20 years of experience in management accounting and financial control.

董事(續)

獨立非執行董事(續)

王魯先生，31歲，於二零零七年九月獲委任為獨立非執行董事。彼於二零零三年七月畢業於中國山東大學，取得計算機科學與技術學位，並隨後於二零零五年十月於澳洲 Monash University 獲取信息技術碩士學位。彼曾任中國一間大學之講師。彼現時於中國煙台大學擔任工程師。王先生於電腦工程方面擁有約8年之經驗。

鄺焜堂先生，46歲，於二零零七年九月獲委任為獨立非執行董事。彼為英國特許公認會計師公會資深會員、香港會計師公會會員及英國特許管理會計師公會會員。彼於二零零八年至二零一零年為聯交所主板上市公司中國投資基金有限公司之獨立非執行董事。彼現時為聯交所主板上市公司金盾控股(實業)有限公司之獨立非執行董事，以及一間私人持有的製造業公司大閩國際控股有限公司之財務總監兼公司秘書。鄺先生於管理會計及財務監控方面擁有逾20年之經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

SENIOR MANAGEMENT

Mr. SUN Shu Guang, aged 58, joined the Group as a deputy general manager and the head of finance department of Shandong QX in April 2003, and is responsible for the Group's financial management function in the PRC. Mr. Sun completed tertiary education in Shandong Province Communist Party School* in the PRC in December 1994, majoring in economic administration. Prior to joining the Group, Mr. Sun had worked in the economic authorities of the PRC government. He has extensive experience in corporate management.

Mr. POON Tsz Hang, aged 34, was appointed as financial controller of the Company in May 2009 and is responsible for the Group's overall financial management, accounting and investor relations. Mr. Poon graduated from The Hong Kong Polytechnic University with a bachelor's degree in accountancy. Mr. Poon is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. Prior to joining the Group in December 2007, Mr. Poon worked with an international accounting firm. He has over 10 years of experience in auditing and accounting.

Ms. LAM Wai Yee, Sophie, aged 36, joined the Group in January 2008 and was appointed as company secretary of the Company in May 2009. Ms. Lam is responsible for the Group's corporate services including compliance, company secretarial, human resources and corporate communications. Ms. Lam holds a bachelor's degree in translation and a postgraduate diploma in corporate administration from City University of Hong Kong. Ms. Lam is also a fellow member of the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. She has over 10 years of experience in compliance and company secretarial profession.

高級管理層

孫曙光先生，58歲，於二零零三年四月加入本集團為山東群星之副總經理兼金融部門主管，負責本集團在中國之金融管理工作。孫先生於一九九四年十二月在中國山東省委黨校完成專上教育，主修經濟管理。於加入本集團前，孫先生曾在中國政府之經濟機關任職。彼於企業管理方面擁有豐富經驗。

潘子恆先生，34歲，於二零零九年五月獲委任為本公司之財務總監，負責本集團之整體財務管理、會計及投資者關係等事務。潘先生畢業於香港理工大學，取得會計學士學位。潘先生為英國特許公認會計師公會資深會員、香港會計師公會及英格蘭及威爾斯特許會計師公會會員。潘先生於二零零七年十二月加入本集團前，曾於一家國際會計師事務所任職。彼於審計及會計方面擁有逾10年之經驗。

林慧怡女士，36歲，於二零零八年一月加入本集團，並於二零零九年五月獲委任為本公司之公司秘書。林女士負責本集團之企業服務，包括合規、公司秘書、人力資源及企業傳訊等事務。林女士持有香港城市大學翻譯學士學位及企業行政管理深造文憑。林女士並為英國特許秘書及行政人員公會和香港特許秘書公會之資深會員。彼於合規及公司秘書等專業範疇擁有逾10年之經驗。

The Board submits herewith the annual report together with the audited consolidated financial statements of QX Group for the year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries as at 31 December 2011 are set out in note 17 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS

The results of the Group for the year ended 31 December 2011 are set out in the Consolidated Income Statement on page 69 of this annual report.

FINAL DIVIDEND

No interim dividend was declared for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil).

The Board has recommended the payment of a final dividend of HK3.38 cents (2010: HK8.633 cents) per share for the year ended 31 December 2011. The Board does not recommend the payment of a special dividend (2010: HK3 cents).

Subject to the approval of the shareholders at the annual general meeting (the "AGM") of the Company to be held on Wednesday, 27 June 2012, the proposed final dividend will be paid on or about Tuesday, 17 July 2012 to shareholders whose names appear on the register of members of the Company on Friday, 6 July 2012.

董事會茲提呈群星集團截至二零一一年十二月三十一日止年度之年報連同經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股。本公司之附屬公司於二零一一年十二月三十一日之主要業務載於財務報表附註17。本集團之主要業務性質於年內概無重大變動。

業績

本集團截至二零一一年十二月三十一日止年度之業績載於本年報第69頁之綜合損益表。

末期股息

本公司並無宣派截至二零一一年六月三十日止六個月之中期股息(截至二零一零年六月三十日止六個月：無)。

董事會建議派發截至二零一一年十二月三十一日止年度之末期股息每股3.38港仙(二零一零年：8.633港仙)，惟董事會不建議派發特別股息(二零一零年：3港仙)。

待股東於二零一二年六月二十七日(星期三)舉行之本公司股東週年大會(「股東週年大會」)上批准後，建議末期股息將於二零一二年七月十七日(星期二)或左右向於二零一二年七月六日(星期五)名列本公司股東名冊之股東派發。

REPORT OF THE DIRECTORS

董事會報告書

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 25 June 2012 to Wednesday, 27 June 2012 (both days inclusive), for the purpose of ascertaining the shareholders who are entitled to attend and vote at the AGM. In order to qualify for attending and voting at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 22 June 2012.

The register of members of the Company will be closed from Wednesday, 4 July 2012 to Friday, 6 July 2012 (both days inclusive), for the purpose of ascertaining the shareholders who are qualified to receive the final dividend. In order to qualify for receiving the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 3 July 2012.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 26(b) to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which oblige the Company to offer new shares on a pro rata basis to existing shareholders.

暫停辦理股份過戶登記

本公司將於二零一二年六月二十五日(星期一)至二零一二年六月二十七日(星期三)(包括首尾兩天在內)暫停辦理股份過戶登記手續，以確定有權出席股東週年大會並於會上投票的股東。為確保符合資格出席股東週年大會並於會上投票，所有轉讓書連同有關股票須於二零一二年六月二十二日(星期五)下午四時三十分前，送達本公司之香港股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

本公司將於二零一二年七月四日(星期三)至二零一二年七月六日(星期五)(包括首尾兩日)暫停辦理股份過戶登記手續，以確定符合資格收取末期股息的股東。為確保符合資格收取末期股息，所有轉讓書連同有關股票須於二零一二年七月三日(星期二)下午四時三十分前，送達本公司之香港股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

股本

本公司於年內之股本變動詳情載於財務報表附註26(b)。

優先認購權

章程細則或開曼群島法例並無優先認購權之條文，規定本公司須按比例向現有股東提呈發售新股份。

PURCHASE, REDEMPTION OR SALE OF SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year.

RESERVES

Details of the movements in the reserves of the Group during the year are set out in Consolidated Statement of Changes in Equity on page 74 of this annual report.

SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2011 are set out in note 17 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2011, the Company's reserve available for distribution, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately RMB1,429.0 million, of which approximately RMB44.4 million has been proposed as a final dividend for the year.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment during the year are set out in note 16 to the financial statements.

購買、贖回或出售本公司股份

本公司及其附屬公司於年內概無購買、出售或贖回任何本公司股份。

儲備

本集團於年內之儲備變動詳情載於本年報第74頁之綜合權益變動表。

附屬公司

本公司附屬公司於二零一一年十二月三十一日之詳情載於財務報表附註17。

可供分派儲備

於二零一一年十二月三十一日，根據開曼群島公司法第22章(一九六一年第三號法例，經綜合及修訂)計算之本公司可供分派儲備約為人民幣1,429,000,000元，其中約人民幣44,400,000元已建議作為本年度末期股息。

物業、廠房及設備

物業、廠房及設備於年內之變動詳情載於財務報表附註16。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS

The Directors who held office during the year and up to the date of this annual report were:

Executive Directors

Dr. ZHU Yu Guo (*Chairman*)^{3, 4}
Mr. ZHU Mo Qun (*Vice-chairman*)⁴
Mr. SUN Zhen Shui⁴

Non-executive Director

Ms. SUN Rui Fang

Independent Non-executive Directors

Mr. ZHAO Wei^{1, 2, 3}
Mr. WANG Lu^{1, 2, 3}
Mr. KWONG Kwan Tong^{1, 2, 3}

Notes:

1. Member of Audit Committee
2. Member of Nomination Committee
3. Member of Remuneration Committee
4. Member of Executive Committee

In accordance with Article 108 of the Articles of Association, Messrs. Zhu Mo Qun, Sun Zhen Shui and Wang Lu will retire and, being eligible, will offer themselves for re-election at the AGM.

The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent.

董事

於年內及截至本年報日期止之在任董事為：

執行董事

朱玉國博士(*主席*)^{3, 4}
朱墨群先生(*副主席*)⁴
孫振水先生⁴

非執行董事

孫瑞芳女士

獨立非執行董事

趙偉先生^{1, 2, 3}
王魯先生^{1, 2, 3}
鄭焜堂先生^{1, 2, 3}

附註：

1. 審核委員會成員
2. 提名委員會成員
3. 薪酬委員會成員
4. 執行委員會成員

根據章程細則第108條，朱墨群先生、孫振水先生及王魯先生將於股東週年大會上退任，惟彼等合資格膺選連任。

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性發出之年度確認書，並認為所有獨立非執行董事均屬獨立人士。

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for a term of 3 years.

The non-executive Director and independent non-executive Directors are appointed for a period of 2 years in accordance with their respective appointment letters. During the year, their appointments have been renewed for 2 years upon their respective expiry, on substantially the same terms.

The Directors shall retire by rotation and be eligible for reelection subject to Article 108 of the Articles of Association.

None of the Directors proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the Directors and their respective associates has engaged in or had an interest in a business, which, directly or indirectly, competes or may compete with the business of the Group.

董事服務合約

各執行董事與本公司訂立了一項為期3年之服務協議。

根據非執行董事及獨立非執行董事各自之聘書，彼等之任期為期兩年。年內，彼等之任期在屆滿後獲續期兩年，條款與先前所訂立之大致相同。

董事須按照章程細則第108條規定輪值告退，並合資格膺選連任。

擬於股東週年大會上膺選連任之董事概無與本公司訂有本公司不可於一年內免付補償(法定補償除外)而終止之服務合約。

董事於合約之權益

董事概無於本公司、其控股公司或其任何附屬公司或同系附屬公司於本年度所訂立對本集團業務而言屬重大之合約中直接或間接擁有任何重大權益。

董事於競爭業務之權益

董事及彼等各自之聯繫人於年內概無從事直接或間接與本集團業務競爭或可能競爭之業務，或於該等業務得到權益。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' REMUNERATION

Details of the remuneration of the Directors during the year are set out in note 8 to the financial statements.

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 31 December 2011, the number of issued ordinary shares of the Company was 1,581,391,450; and the interests of the Directors in the shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept 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, were set out below:

Long Positions in Shares of the Company

董事薪酬

董事於年內之薪酬詳情載於財務報表附註8。

董事於本公司及其相聯法團股份之權益

於二零一一年十二月三十一日，本公司之已發行普通股數目為1,581,391,450股；而董事於本公司及其相聯法團（具證券及期貨條例第XV部之涵義）之股份中擁有根據證券及期貨條例第352條須登記於本公司備存之登記冊內之權益，或根據標準守則須知會本公司及聯交所之權益載列如下：

於本公司股份之好倉

Name of Director 董事名稱	Capacity/Nature of interest 身份／權益性質	Number of ordinary shares held 持有之普通股數目	Approximate percentage of shareholding 股權之概約百分比
Dr. ZHU Yu Guo 朱玉國博士	Interest of controlled corporation 受控制公司權益	1,075,207,218 (Note) (附註)	67.78%
Ms. SUN Rui Fang 孫瑞芳女士	Interest of spouse 配偶權益	1,075,207,218 (Note) (附註)	67.78%

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATION (CONTINUED)

Note:

All these shares were beneficially owned by Boom Instant Limited which was owned as to 80% by Addinsight Limited. By virtue of his 87.5% direct interest in Addinsight Limited, Dr. Zhu Yu Guo, a chairman of the Board, was deemed to be interested in the same parcel of shares owned by Boom Instant Limited under the SFO.

Ms. Sun Rui Fang, an non-executive Director and the spouse of Dr. Zhu Yu Guo, was deemed to be interested in the same parcel of shares as Dr. Zhu under the SFO.

These shares were same as those shares held by Boom Instant Limited as disclosed in the section headed "Substantial Shareholders' Interests in Shares of the Company" below.

Long position in Shares of Associated Corporations of the Company

董事於本公司及其相聯法團股份之權益(續)

附註：

該等股份全部由 Boom Instant Limited 實益擁有，Addinsight Limited 擁有其80%股份權益。鑑於董事會主席朱玉國博士擁有Addinsight Limited 之87.5%直接股份權益，根據證券及期貨條例，彼被視為擁有 Boom Instant Limited 持有之同一批股份之權益。

根據證券及期貨條例，非執行董事孫瑞芳女士(朱玉國博士之配偶)被視為擁有朱博士所持同一批股份之權益。

該等股份與下文「主要股東於本公司股份之權益」一節所披露之由 Boom Instant Limited 持有之股份相同。

於本公司相聯法團股份之好倉

Name of Director 董事名稱	Name of associated corporation 相聯法團名稱	Capacity 身份	Nature of interest 權益性質	Number of ordinary shares held 持有之普通股數目	Approximate percentage of the issued ordinary shares 佔已發行普通股之概約百分比
Dr. ZHU Yu Zuo 朱玉國博士	Boom Instant Limited	Interest of controlled corporation 受控制公司權益	Corporate 公司	80	80%
	Addinsight Limited	Beneficial owner/ Interest of spouse 實益擁有人/配偶權益	Personal/Family 個人/家族	87.5/12.5	87.5%/12.5%
Ms. SUN Rui Fang 孫瑞芳女士	Boom Instant Limited	Interest of spouse 配偶權益	Family 家族	80	80%
	Addinsight Limited	Beneficial owner/ Interest of spouse 實益擁有人/配偶權益	Personal/Family 個人/家族	12.5/87.5	12.5%/87.5%
Mr. ZHU Mo Qun 朱墨群先生	Boom Instant Limited	Interest of controlled corporation 受控制公司權益	Corporate 公司	20 (Note) (附註)	20%
	Be Broad Limited	Beneficial owner 實益擁有人	Corporate 公司	100	100%

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATION (CONTINUED)

Note:

All these shares were beneficially owned by Be Broad Limited. By virtue of his 100% direct interest in Be Broad Limited, Mr. Zhu Mo Qun, a vice-chairman of the Board, was deemed to be interested in the same parcel of shares in Boom Instant Limited held by Be Broad Limited under the SFO.

Save as disclosed above, as at 31 December 2011, none of the Directors has interests or short positions in the shares, underlying shares or debentures of the Company, or any of its holding company, subsidiaries or other associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year, was the Company or any of its subsidiaries a party to arrangements to enable the Directors to acquire benefits by means of the acquisitions of shares or debentures of the Company or any other body corporate, and none of the Directors or their spouse or children under age of 18, had any right to subscribe for securities of the Company, or had exercised any such right during the year.

董事於本公司及其相聯法團股份之權益(續)

附註：

該等股份全部由 Be Broad Limited 實益擁有。根據證券及期貨條例，鑑於董事會副主席朱墨群先生擁有 Be Broad Limited 之100%直接股份權益，彼被視為擁有 Be Broad Limited 持有之同一批 Boom Instant Limited 股份之權益。

除上文所披露者外，於二零一一年十二月三十一日，董事概無於本公司或其任何控股公司、附屬公司或其他相聯法團(具證券及期貨條例第XV部之涵義)之股份、相關股份或債權證中擁有根據證券及期貨條例第352條須登記於本公司備存之登記冊內之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

董事購買股份或債權證之權利

於年內任何時間，本公司或其任何附屬公司並無訂立任何安排，致使董事可藉購買本公司或任何其他法人團體之股份或債權證而獲益，而董事或彼等之配偶或未滿18歲之子女於年內概無擁有可認購本公司證券之任何權利，亦無行使任何該等權利。

**DIRECTORS' RIGHTS TO ACQUIRE
SHARES OR DEBENTURES (CONTINUED)**

As at 31 December 2011, the interests of substantial shareholders and other persons (other than the Directors) in the shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO, or as otherwise notified to the Company, were set out below:

董事購買股份或債權證之權利(續)

於二零一一年十二月三十一日，根據證券及期貨條例第336條備存之本公司登記冊所記錄(或本公司獲知悉)，主要股東及其他人士(董事除外)於本公司股份之權益載列如下：

Number of substantial shareholder 主要股東名稱	Name of ordinary shares held 持有之普通股數目	Approximate percentage of the issued ordinary shares 佔已發行普通股之概約百分比
Boom Instant Limited	1,075,207,218 (Note) (附註)	67.78%
Addinsight Limited	1,075,207,218 (Note) (附註)	67.78%

Notes:

- All these shares were beneficially owned by Boom Instant Limited. By virtue of its 80% direct interest in Boom Instant Limited, Addinsight Limited was deemed to be interested in the same parcel of shares held by Boom Instant Limited under the SFO. Dr. Zhu Yu Zuo, Mr. Zhu Mo Qun and Ms. Sun Rui Fang are the directors of both Boom Instant Limited and Addinsight Limited.

附註：

- 該等股份全部由 Boom Instant Limited 實益擁有。鑑於 Addinsight Limited 擁有 Boom Instant Limited 之 80% 直接股份權益，根據證券及期貨條例，彼被視為擁有 Boom Instant Limited 持有之同一批股份之權益。朱玉國博士、朱墨群先生及孫瑞芳女士均為 Boom Instant Limited 及 Addinsight Limited 兩間公司之董事。

REPORT OF THE DIRECTORS 董事會報告書

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES OF THE COMPANY

Save as disclosed above, as at 31 December 2011, no other persons (other than the Directors) were recorded in the register of the Company required to be kept under Section 336 of the SFO as having interests or short positions in the shares and underlying shares of the Company.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 8 September 2007 whereby any Directors or selected participants may be granted options to subscribe for the Company's shares at the discretion of the Board. The principal terms of the scheme are summarised in note 28 to the financial statements.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

Through the issue of 1,045,000,000 new shares at HK\$5.35 each on the Main Board of the Stock Exchange in October 2007, the Group had raised approximately HK\$1,492.8 million (equivalent to approximately RMB1,445.5 million), after deduction of related expenses. The use of such proceeds by the Group during the year is set out in the Management Discussion and Analysis on pages 34 and 35 of this annual report.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on pages 169 to 172 of this annual report.

RETIREMENT SCHEMES

Particulars of the retirement schemes adopted by the Group during the year are set out in note 8 to the financial statements.

主要股東於本公司股份之權益

除上文所披露者外，於二零一一年十二月三十一日，根據證券及期貨條例第336條本公司須予備存之登記冊所記錄，概無其他人士（董事除外）擁有本公司股份或相關股份之權益或淡倉。

購股權計劃

本公司於二零零七年九月八日採納一項購股權計劃，據此，按董事會之酌情決定，任何董事或選定參與者可獲授予購股權以認購本公司股份。該計劃之主要條款概述於財務報表附註28。

首次公開發售所得款項用途

通過於二零零七年十月在聯交所主板以每股5.35港元發行1,045,000,000股新股份，本集團於扣除有關開支後籌得約1,492,800,000港元（約相當於人民幣1,445,500,000元）。本集團於年內對該筆所得款項之用途載於本年報第34及35頁管理層討論及分析。

五年財務摘要

本集團於過去五個財政年度之業績與資產及負債摘要載於本年報第169至172頁。

退休計劃

本集團於年內採納之退休計劃詳情載於財務報表附註8。

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the year was as follows:

		Percentage of the Group's total 佔本集團百分比	
		Sales 總銷售額	Purchases 總採購額
The largest customer	最大客戶	5.7%	—
Five largest customers in aggregate	五大客戶合計	24.8%	—
The largest supplier	最大供應商	—	17.0%
Five largest suppliers in aggregate	五大供應商合計	—	60.7%

At no time during the year have the Directors, their respective associates or any shareholder of the Company (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest in these major customers and suppliers.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules during the year and up to the date of this annual report.

CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2011, the Company had complied with the applicable Code Provisions save for the deviation from the Code Provision A.2.1. The full details of corporate governance practices adopted by the Company during the year ended 31 December 2011, or where applicable, up to the date of this annual report, are set out in the Corporate Governance Report on pages 53 to 64 of this annual report.

主要客戶及供應商

有關本集團主要客戶及供應商於年內分別所佔銷售額及採購額之資料如下：

於年內任何時間，概無董事、彼等各自之聯繫人或任何就董事所知擁有超過5%本公司已發行股本之本公司股東於該等主要客戶及供應商擁有任何權益。

足夠公眾持股量

根據本公司從公開途徑所得之資料及據董事所知，本公司於年內及直至本年報日期止，一直維持上市規則所規定之公眾持股量。

企業管治常規

截至二零一一年十二月三十一日止年度，本公司一直遵守適用守則條文(偏離守則條文第A.2.1條除外)。本公司在截至二零一一年十二月三十一日止年度或截至本年報日期(如適用)所採納之企業管治常規之所有詳情載於本年報第53至64頁之企業管治報告內。

REPORT OF THE DIRECTORS 董事會報告書

AUDITORS

The accounts for the year were audited by HLB Hodgson Impey Cheng whose term of office will expire upon the AGM. In March 2012, the practice of HLB Hodgson Impey Cheng was reorganized as HLB Hodgson Impey Cheng Limited. A resolution for the appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company for the subsequent year is to be proposed at the AGM.

ZHU Yu Guo 朱玉國

Chairman 主席

Shandong, the PRC, 14 March 2012

中國山東，二零一二年三月十四日

核數師

本年度之賬目經由國衛會計師事務所審核，彼將於股東週年大會上任滿。國衛會計師事務所於二零一二年三月重組為國衛會計師事務所有限公司。本公司將於股東週年大會上提呈一項決議案委任國衛會計師事務所有限公司為本公司來年之核數師。

QX Paper is committed to maintaining good standards of corporate governance practices and corporate conduct. It is the belief of the Board that such commitment can enhance the performance of the Group and serve to enhance our shareholders' value. To this end, the Board and our management will make continuous effort to reinforce our standards of corporate governance with emphasis on independence, effective internal control, transparency and accountability to shareholders.

During the year ended 31 December 2011, the Company has complied with the applicable Code Provisions and principles under the CG Code as set out in Appendix 14 to the Listing Rules except for the following deviation:

Under the Code Provision A.2.1, the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. Currently, the Company does not have any person holding the title of CEO. Dr. Zhu Yu Guo, who apart from being the Company's major shareholder, executive Director and chairman of the Board, also assumed responsibilities which are comparable to those of a CEO. Dr. Zhu is responsible for overseeing and planning the business strategies of the Group as well as providing leadership and management to the Board. The role of the chairman is separated from that of the general manager of the Company. Mr. Zhu Mo Qun (the son of Dr. Zhu), an executive Director, general manager of the Company as well as vice-chairman of the Board, is responsible for the overall management of the Group's business operations and implementing the business strategies formulated by the Board. The Board considers that this management structure can provide the Group with consistent leadership and enables the Group to make and implement the Board's decisions promptly and efficiently. The Board will regularly review the effectiveness of this structure to ensure that such structure is appropriate in view of the Group's prevailing circumstances.

群星紙業矢志維持良好之企業管治常規及企業操守。董事會相信此理念可提升本集團之表現，並為本集團股東帶來增益。為此，本公司董事會及管理層將不斷努力提升本集團之企業管治水平，尤其著重獨立性、有效之內部監控、透明度及對股東問責。

截至二零一一年十二月三十一日止年度，本公司一直遵守上市規則附錄14所載之企業管治守則之適用守則條文及原則，惟下述偏離除外：

根據守則條文第A.2.1條，主席及行政總裁之職務須分開，不應由同一人擔任。目前，本公司並無任何人士擔任行政總裁一職。朱玉國博士除身為本公司主要股東、執行董事兼董事會主席外，亦擔任與行政總裁相若之職務。朱博士亦負責監察及策劃本集團之業務策略，並率領及管理董事會。本公司主席與總經理之職責分開。本公司之執行董事、總經理兼董事會副主席朱墨群先生（朱博士之兒子），負責本集團之整體管理及業務運作，以及執行董事會所制訂之業務策略。董事會認為此管理架構令本集團之領導具一致性，並讓本集團能迅速及有效地執行及落實董事會之決定。董事會將定期檢討此管理架構之成效，以確保該架構切合本集團當時之情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

Outlined below are the corporate governance practices adopted by the Company in compliance with the principles and spirit of the CG Code during the year ended 31 December 2011, or where applicable, up to the date of this annual report.

BOARD OF DIRECTORS

Composition

The Board currently comprises 3 executive Directors, 1 non-executive Director and 3 INEDs as follows:

Executive Directors

Dr. ZHU Yu Guo (*Chairman*)

Mr. ZHU Mo Qun (*Vice-chairman*)

Mr. SUN Zhen Shui

Non-executive Director

Ms. SUN Rui Fang

INEDS

Mr. ZHAO Wei

Mr. WANG Lu

Mr. KWONG Kwan Tong

The Directors are well-versed in respective areas such as papermaking industry's knowledge and technical know-how, accounting and finance and business management. The Board as a whole has achieved an appropriate balance of skills and experience. The biographical details of the Directors and the relationship among them, if any, are set out in the "Biographical Details of Directors and Senior Management" section on pages 36 to 39 of this annual report and the Company's website at www.qxpaper.com.

下文概述本公司於截至二零一一年十二月三十一日止年度(或如適用,直至本年報日期為止)遵照企業管治守則之原則及精神所採納之企業管治常規。

董事會

組成

董事會目前包括3名執行董事、1名非執行董事及3名獨立非執行董事,詳情如下:

執行董事

朱玉國博士(*主席*)

朱墨群先生(*副主席*)

孫振水先生

非執行董事

孫瑞芳女士

獨立非執行董事

趙偉先生

王魯先生

鄭焜堂先生

董事於各有關方面富有豐富經驗,例如造紙業之知識及技術知識、會計及金融以及商業管理,而董事會整體在技能及經驗上均達致適當之平衡。董事之履歷及彼等之關係(如有)載於本年報第36至39頁「董事及高級管理層履歷」一節及本公司網站 www.qxpaper.com。

Delegation by the Board

The Board is responsible for setting the strategic direction and policies of the Group and supervising our management. Some functions including, inter alia, the monitoring and approval of material transactions, matters involving a conflict of interest for a substantial shareholder or Director of the Company, the approval of the interim and final results and other disclosures to the public or regulators are reserved by the Board for consideration and approval. Matters not specifically reserved to the Board and necessary for the daily management and operation of the Company are delegated to the executive committee of the Board and senior management of the Company.

Appointment, Re-election and Removal of Directors

Article 108 of the Articles of Association provides that all the Directors, including chairman of the Board, are subject to retirement from office at least once every 3 years at each annual general meeting and shall be eligible for re-election. Under Article 105 of the Articles of Association, the office of a Director is liable to be vacated in certain circumstances and the Company may remove any Director by an ordinary resolution at a general meeting as prescribed in Article 114 of the Articles of Association.

Executive Directors

All the executive Directors have entered into service agreements with the Company for a term of 3 years and are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. Each of them is entitled to a fixed Director's fee per annum and a discretionary bonus in an amount to be determined by the Board. Such emoluments are determined with reference to his experience and contributions to the Group, the Group's performance and profitability, as well as the prevailing market conditions. An executive Director may not vote on any Board's resolution regarding the amount of his bonus (if any).

董事會之委任

董事會負責製訂本集團之策略方向及政策以及監督管理層。若干事宜由董事會考慮及批准，包括(其中包括)監察及批准重大交易與涉及本公司主要股東或董事之利益衝突事項、批准中期及末期業績，以及向公眾或監管機關作其他披露。而並非指定由董事會裁決，並於本公司之日常管理業務中必需進行之事宜，則授權本公司董事會旗下之執行委員會及高級管理層處理。

董事之委任、重選及罷免

章程細則第108條規定所有董事(包括董事會主席)均須最少每3年一次於股東週年大會上退任，並合資格膺選連任。根據章程細則第105條，董事職位可於若干情況下出現空缺，而本公司亦可按章程細則第114條之規定透過於股東大會上提呈普通決議案以罷免任何董事。

執行董事

所有執行董事已與本公司訂立服務協議，年期為3年，並須根據章程細則之規定於本公司股東週年大會上輪值退任並膺選連任。各執行董事每年可獲固定董事袍金及酌情花紅，有關金額由董事會釐定。該等酬金乃參考各董事之經驗及其對本集團之貢獻、本集團之表現及盈利，以及當時之市況而釐定。每名執行董事不可就任何有關其花紅金額之董事會決議案投票(如有)。

Non-executive Director and INEDs

The non-executive Director and INEDs have the same duties of care and skill and fiduciary duties as the executive Directors. They are expressly identified as such in all corporate communications that disclose the names of the Directors.

The INEDs are experienced professionals with expertise in respective areas of papermaking industry and related technical know-how, engineering, accounting and finance. With their professional knowledge and experience, the INEDs advise the Company on its operation and management; provide independent opinion on the Company's connected transactions; participate in various committees' meetings of the Board. The INEDs also contribute to provide adequate checks and balance to protect the interests of the Group and its shareholders as a whole, and to promote the development of the Group.

All the non-executive Director and INEDs have entered into letters of appointment with the Company for a term of 2 years and are subject to retirement by rotation and eligible for re-election in accordance with the provision of the Articles of Association.

The Company has received an annual confirmation of independence from each of the INEDs pursuant to Rule 3.13 of the Listing Rules and considers that all INEDs to be independent as at the date of this annual report.

Supply of and access to information

Newly appointed Directors will receive induction packages containing the duties and responsibilities of directors under the Listing Rules and other applicable rules and regulations.

All the Directors are briefed and updated from time to time on the latest legislative and regulatory developments to ensure that they are fully aware of their responsibilities under the Listing Rules, applicable legal and regulatory requirements.

非執行董事及獨立非執行董事

非執行董事及獨立非執行董事與執行董事應具有相同之謹慎態度、技能及誠信責任。在所有披露董事姓名之公司通訊內，均會明確指明彼等為非執行董事及獨立非執行董事。

獨立非執行董事均為經驗豐富之專業人士，彼等各自分別在造紙業及有關技術知識、工程、會計及金融等範疇具備專長。獨立非執行董事憑藉彼等之專業知識及經驗，就本公司之營運及管理向本公司提供意見，並就本公司之關連交易提供獨立意見以及參與董事會旗下不同董事委員會之會議。獨立非執行董事亦致力提供充分監督與制衡，務求保障本集團及其股東之整體利益，並促進本集團之發展。

所有非執行董事及獨立非執行董事已與本公司簽訂委任書，年期為兩年，並須根據章程細則之規定輪值退任，並合資格膺選連任。

本公司已根據上市規則第3.13條之規定收到各獨立非執行董事呈交之年度獨立確認書並認為所有獨立非執行董事於本年報日期均為獨立人士。

提供及查閱資料

新委任之董事將收到一套入職指引文件，當中載有上市規則以及其他適用規則及規例所規定董事之職務及責任。

所有董事均不時獲簡介及更新法律及法規之最新發展，確保彼等完全知悉彼等根據上市規則、適用法例及規例規定所須承擔之責任。

In order to ensure that their duties can be properly discharged, the Directors are entitled to seek advice from independent professional advisers whenever deemed necessary by them at the Company's expense.

Board Meetings

During the year ended 31 December 2011, the Board held a total of 6 meetings (the "Board Meeting(s)") with an attendance rate of 100% to review and approve, among other things, the 2010 annual results and 2011 interim results, connected transaction and strategic business direction of the Group.

The Board Meetings are permitted to be held by means of telephone or other means of electronic communication under the Articles of Association.

Reasonable notices are served and comprehensive information is provided to the Board members in advance of all the Board Meetings in order to enable them to make informed decisions on all matters transacted at the Board Meetings.

The proceedings of the Board Meetings are normally conducted by the chairman of the Board who ensures that sufficient time is allowed for discussion among the Directors and equal opportunities are being given to the Directors to express their views and share their concerns.

The company secretary (the "Company Secretary") of the Company is responsible for preparing minutes recording all matters transacted and resolved at the Board Meetings. All minutes of the Board Meetings are kept by the Company Secretary and are open for inspection by the Directors.

為確保董事能恰當履行其職責，董事於認為有需要時有權尋求獨立專業顧問之意見，並由本公司負責有關開支。

董事會會議

截至二零一一年十二月三十一日止年度，董事會合共舉行6次會議（「董事會會議」），出席率為100%，以審議及批准（其中包括）二零一零年全年業績及二零一一年中期業績、關連交易及本集團之策略性業務方向等。

章程細則准許董事會會議以電話方式或其他電子通訊方式舉行。

在所有董事會會議舉行前，董事會成員均會獲發合理事前通知及全面資料，讓彼等能夠就董事會會議上所有商討之事宜作出知情之決定。

董事會會議程序一般由董事會主席負責主持。主席須確保有足夠時間讓董事討論以及各董事均獲同等機會發表其見解及交流意見。

本公司之公司秘書（「公司秘書」）負責編製會議記錄，以記錄董事會會議上所有商討及議決之事項。所有董事會會議記錄均由公司秘書負責保存，並可供董事查閱。

Remuneration Policy

The remuneration policy of the Group is to ensure that the Group's pay levels are competitive in attracting and retaining the Directors, senior management and employees as well as motivating them in the continual pursuit of the Group's goal and objectives. The remuneration package of the Directors and senior management is performance-based and takes into account factors such as the Group's business performance and prevailing market practices. The key components of the Group's remuneration package include basic salary, medical insurance, discretionary cash bonus and retirement benefit scheme. No individual Director or senior management will be involved in deciding his or her own remuneration.

The Remuneration Committee of the Board will consult with chairman of the Board in respect of their recommendations in determining the remuneration of the executive Directors and senior management of the Company. The details of the Remuneration Committee is set out in the section headed "Board Committees" below.

Directors' and Officers' Liability Insurance

The Company has arranged appropriate directors' and officers' liability insurance to indemnify the Directors and senior staff of the Group for their potential liabilities incurred by them in discharging their duties. The Company reviews the insurance coverage for the Directors and the Group's senior staff on an annual basis.

Model Code for Securities Transactions by Directors

The Company has adopted the QX Securities Dealing Code for securities transactions by the Directors and relevant employees (the "Relevant Employees") who are or may be in possession of unpublished price sensitive information on no less exacting terms than the Model Code. Having made specific enquiry by the Company, the Company confirmed that all the Directors and the Relevant Employees have complied with the required standard as set out in both the QX Securities Dealing Code and the Model Code throughout the year ended 31 December 2011.

薪酬政策

本集團之薪酬政策旨在確保本集團所付之薪酬水平具有競爭力，能夠招攬及延挽董事、高級管理人員及僱員，同時能夠鼓勵他們致力達成本集團之目標及目的。董事及高級管理人員之薪酬福利是按表現釐定，其中計入本集團之業務績效及當時之市場常例等因素。本集團薪酬福利之主要組成部分包括基本薪金、醫療保險、酌情現金花紅及退休福利計劃等。董事或高級管理人員概不參與有關其本身薪酬之一切決定。

董事會旗下薪酬委員會在釐定本公司執行董事及高級管理層之薪酬推薦建議時，會向董事會主席作諮詢。薪酬委員會之詳情載於下文「董事委員會」一節。

董事及重要職員之責任保險

本公司已購買合適之董事及重要職員責任保險，以為董事及本集團高級職員因履行職務而可能承擔之潛在責任作出彌償。本公司每年均會檢討董事及本集團高級職員之保險承保範圍。

董事進行證券交易之標準守則

本公司已就董事以及擁有或可能擁有未經公開之股價敏感資料之相關僱員（「相關僱員」）進行證券交易採納群星證券買賣守則，其條款不比標準守則寬鬆。經本公司作出特定查詢後，本公司確認所有董事及相關僱員於截至二零一一年十二月三十一日止年度，一直遵守群星證券買賣守則及標準守則兩者所載之規定標準。

Board Committees

The Board has established a total of 4 board committees including executive committee (the “Executive Committee”), audit committee (the “Audit Committee”), remuneration committee (the “Remuneration Committee”) and nomination committee (“Nomination Committee”) (collectively the “Committees”) to oversee specific aspects of the Group’s affairs. The Committees have been provided with sufficient resources to discharge their respective duties. Each of the Committees has adopted specific terms of reference covering its duties, powers and functions which will be reviewed by the Board from time to time. The terms of reference of the Committees have been posted on website of the Company at www.qxpaper.com. The Company Secretary also acts as secretary of the Committees. The Committees adopt as far as practicable, the procedures and arrangement of the Board Meeting in relation to the conduct of meetings, notice of meetings and recording of minutes. Further particulars of each of the Committees are set out below:

(1) Executive Committee

The Executive Committee currently comprises all 3 executive Directors and is chaired by Dr. Zhu Yu Guo, a chairman of the Board. The Board delegates powers to the Executive Committee to conduct and supervise the business and daily operation of the Group as well as its staff. The Executive Committee is also responsible for overseeing the management of the Company, dealing with matters regarding finance, investment, corporate governance and corporate communication of the Group.

All the matters considered and decided by the Executive Committee at the meetings will be recorded in details by minutes.

董事委員會

董事會合共成立4個董事委員會，包括執行委員會（「執行委員會」）、審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）（統稱為「各委員會」），以監察本集團之特定事務。委員會獲提供充足資源以履行其相關職責。各委員會均採納涵蓋其職責、權力及職能之特定職權範圍，並將由董事會不時檢討該等職權範圍。各委員會之職權範圍已刊登於本公司網站www.qxpaper.com。公司秘書亦身兼各委員會之秘書。各委員會盡可能採納董事會會議就會議之進行、會議通告及會議記錄所作之程序及安排。各委員會之進一步資料載列如下：

(1) 執行委員會

執行委員會現時由全體3名執行董事組成，並由董事會主席朱玉國博士出任主席。董事會委派授權予執行委員會以執行及監督本集團日常營運及業務，以及其員工。執行委員會亦負責監察本公司管理層、處理有關本集團融資、投資、企業管治及企業傳訊等事宜。

所有由執行委員會於會議上所考慮及決定之事項均會詳細記錄於會議記錄中。

(2) Audit Committee

The Audit Committee currently comprises all 3 INEDs and is chaired by Mr. Kwong Kwan Tong, a professional accountant with over 20 years of experience in management accounting and financial control. The primary duties of the Audit Committee are to review and supervise the financial reporting process and the internal control of the Group. Moreover, the Audit Committee is responsible for making recommendation to the Board on the appointment, re-appointment and removal of the Company's external auditors as well as approving their terms of engagement, including remuneration. All members of the Audit Committee have unrestricted access to the Group's external auditors and management.

During the year, the Audit Committee has held 3 meetings with an attendance rate of 100% to review, inter alia, (a) to review the 2010 annual results and 2011 interim results of the Group; (b) the matters concerning the internal control, auditing and financial reporting matters of the Group; and (c) the staffing and resources of the Company's Internal Audit Department (the "Internal Audit Department").

(3) Remuneration Committee

The Remuneration Committee currently comprises 4 members including 1 executive Director and all 3 INEDs. The Remuneration Committee is chaired by Mr. Wang Lu, an INED. The primary duty of the Remuneration Committee is to review and determine on behalf of the Board specific remuneration packages and conditions of employment for the Directors and senior management. Each of the Directors is prohibited from involving in the determination of his/her own remuneration. The Remuneration Committee meets at least once a year.

(2) 審核委員會

審核委員會現時由全體3名獨立非執行董事組成，並由鄭焜堂先生出任主席，彼為專業會計師，於管理會計及財務監控方面擁有逾20年之經驗。審核委員會之主要職責為檢討及監督本集團之財務報告過程及內部監控。此外，審核委員會亦負責就委任、重新委任及罷免本公司之外聘核數師向董事會作出建議，以及批准其聘任條款，包括其酬金。審核委員會之全體成員與本集團外聘核數師及管理層之接觸並無受到限制。

審核委員會於年內舉行了3次會議，出席率為100%，以審議(其中包括)(a)財務報告事宜，包括審議本集團二零一零年全年業績及二零一一年中期業績；(b)關於本集團的內部監控、審計及財務報告等事項；及(c)本公司之內部審核部門(「內部審核部」)之職員配備及資源。

(3) 薪酬委員會

薪酬委員會現時由4名成員組成，包括1名執行董事及全體3名獨立非執行董事。薪酬委員會由獨立非執行董事王魯先生出任主席。薪酬委員會之主要職責為代表董事會審議及釐定董事及高級管理層之特定薪酬福利及僱用條件。各董事概不得參與釐定其本身之薪酬。薪酬委員會每年最少舉行1次會議。

During the year, the Remuneration Committee has held 2 meetings with an attendance rate of 100%. At the meetings, members of the Remuneration Committee reviewed and approved the remuneration packages of the Directors and senior management of the Group.

(4) Nomination Committee

The Nomination Committee currently comprises 4 members including 1 executive Director and all 3 INEDs. The Nomination Committee is chaired by Dr. Zhu Yu Guo, a chairman of the Board. The primary duty of the Nomination Committee is to make recommendations to the Board regarding candidates to fill vacancies of the Board.

During the year, the Nomination Committee has held 1 meeting with an attendance rate of 100%. At the meeting, members of the Nomination Committee have reviewed the structure and composition of the Board, assessed the independence of INEDs in accordance with the relevant requirements of the Listing Rules, and the suitability of the re-election of the Directors who are subject to the retirement by rotation at the forthcoming annual general meeting of the Company in accordance with the Articles of Association.

**COMMUNICATION WITH SHAREHOLDERS
AND INVESTOR RELATIONS**

The Group has endeavoured to enhance its corporate transparency and communications with shareholders and the investment community. Through the timely distribution of press releases, the Group has also kept the public abreast of its latest developments. To ensure shareholders and investors can follow closely on the Group's business development, our corporate website at www.qxpaper.com acts as an effective channel for providing comprehensive and updated information on the Group's business operation and development. Useful information which is available on

薪酬委員會於年內舉行了兩次會議，出席率為100%。薪酬委員會成員於會上審議及批准本集團各董事及高級管理人員之薪酬福利。

(4) 提名委員會

提名委員會現時由4名成員組成，包括1名執行董事及全體3名獨立非執行董事。提名委員會由董事會主席朱玉國博士出任主席。提名委員會之主要職責為就填補董事會空缺之候選人向董事會作出建議。

提名委員會於年內舉行了1次會議，出席率為100%。於會上，提名委員會成員檢討董事會之架構及組成，並根據上市規則之有關規定評估獨立非執行董事之獨立性，以及根據章程細則將於本公司應屆股東週年大會上輪值退任之董事是否適合膺選連任。

與股東之溝通及投資者關係

本集團致力提高其企業透明度及加強與股東及投資界之溝通。本集團通過適時發佈新聞稿，從而向公眾披露其最新發展。為確保股東及投資者能緊貼本集團之業務發展，本公司網站www.qxpaper.com為提供本集團業務營運及發展方面之全面及最新資料之有效渠道。本集團公司網站內所載之有用資料包

CORPORATE GOVERNANCE REPORT 企業管治報告

our corporate website include corporate information, announcements, circulars, press releases, results presentations as well as interim and annual reports.

The annual general meeting of the Company provides a useful platform for shareholders to exchange views with the Board. The chairman of the Board, the Board members and the senior management of the Company are available to answer any questions raised by shareholders.

The Company has designated key officers to communicate with institutional shareholders, analysts and potential investors to ensure consistency of the Group's information.

Our Directors and management review the Group's disclosure of information and effectiveness of communication with investors and shareholders from time to time.

FINANCIAL REPORTING

The Directors acknowledge their responsibilities for preparing financial statements of the Group in accordance with relevant statutory requirements and International Financial Reporting Standards and ensuring that the financial statements give a true and fair view of the Group's financial position. To this end, the Directors strives to present a comprehensive and balanced assessment of the Group's development and prospects in all corporate communications, including but not limited to annual and interim reports, any price-sensitive announcements and financial disclosures required under the Listing Rules, any reports to regulators as well as information required to be disclosed pursuant to other statutory requirements.

In addition, monthly business and financial reports are prepared by the Group's finance department with a view to providing the Board and the management with timely and reliable financial/operational data and information to ensure that they fully understand the financial position and operating conditions of the Group all the time.

括公司資料、公告、通函、新聞稿、業績簡報，以及中期報告和年報等。

本公司股東週年大會為股東提供有效之平台，藉此與董事會交流意見。董事會主席、董事會成員及本公司高級管理人員樂意在會上回答股東之任何提問。

本公司已指派要員與機構股東、分析員及潛在投資者溝通，確保本集團資料貫徹一致。

本集團董事及管理層不時檢討本集團之資料披露，以及與投資者和股東溝通之效能。

財務報告

董事已知悉其須根據相關法定要求及國際財務報告準則編製本集團財務報表，並確保有關財務報表真實公平地反映本集團之財務狀況。為此，董事致力透過所有公司通訊文件，就本集團之發展及前景提供全面及均衡之評估，包括但不限於年報及中期報告、任何屬股價敏感之公告及根據上市規則須予披露之財務資料、任何提交予監管機構之報告，以及根據其他法定要求須予披露之資料。

此外，本集團財務部於每月均會編製業務及財務報告，以向董事會及管理層提供即時及可靠之財務／營運數據及資料，從而確保彼等一直完全瞭解本集團之財務及營運狀況。

The Directors consider that the Group had adequate resources to continue in business in the foreseeable future and are not aware of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

A statement by the external auditors regarding their responsibilities with respect to financial reporting on the Group's financial statements is set out in the Independent Auditors' Report on pages 65 to 68 of this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Group is committed to implementing effective internal controls and risk management procedures to identify and manage the risks that may be faced by the Group, with an aim of safeguarding the Group's assets and improving the operational efficiency, corporate governance and risk management of the Group.

The Board is responsible for maintaining adequate internal controls and risk management procedures in the Group, and for reviewing its effectiveness through the Audit Committee. Evaluation of the Group's internal control is independently conducted by the Internal Audit Department on an on-going basis.

During the year, the Internal Audit Department performed risk-based audits to review the effectiveness of the Group's internal controls so as to assure that (a) key business and operational risks of the Group are identified and managed; and (b) the Group's internal controls are carried out appropriately.

The aforesaid review made by the Internal Audit Department has been reported to the Audit Committee and the Audit Committee has, in turn, reported the same to the Board together with its assessment and recommendations. Based on the results of the review together with the assessment and recommendations

董事認為，本集團擁有充足資源於可見將來持續經營業務，且並不知悉有重大不確定性可導致本公司之持續經營能力存疑。

外聘核數師就其有關對本集團財務報表作出財務報告之責任聲明載於本年報第65至68頁之獨立核數師報告內。

內部監控及風險管理

本集團致力推行有效之內部監控及風險管理程序，以識別及處理本集團可能面對之風險，從而保障本集團之資產及提升本集團之營運效率、企業管治及風險管理。

董事會負責確保本集團維持足夠之內部監控及風險管理程序，並透過審核委員會檢討其效益。本集團之內部監控評估乃由內部審核部獨立持續進行。

年內，內部審核部進行風險基礎審計，以檢討本集團內部監控之成效，從而確定 (a) 本集團之主要業務及營運風險已獲識別及處理；及 (b) 本集團所執行之內部監控乃屬恰當。

上述由內部審核部作出之檢討結果已向審核委員會匯報，而審核委員會亦隨後將該檢討結果連同其評估及建議向董事會匯報。董事會根據有關檢討結果以及審核委員會所作之評估及建議，同意本集團在截至二零一一年十二月三十一日止年度已實行足夠之內部監

CORPORATE GOVERNANCE REPORT 企業管治報告

made by the Audit Committee, the Board is satisfied that during the year ended 31 December 2011, the Group has implemented adequate internal controls and risk management procedures. No significant areas of concern which might materially affect the Group's operation and the interests of our shareholders were identified.

REMUNERATION OF INDEPENDENT EXTERNAL AUDITORS

The Company's independent external auditors are HLB Hodgson Impey Cheng ("HLB"). During the year, the annual audit fees paid by the Company to HLB Hodgson Impey Cheng were approximately HK\$1,800,000.

Fees for auditing services rendered in connection with interim report amounted to approximately HK\$500,000.

The accounts for the year were audited by HLB whose term of office will expire upon the forthcoming annual general meeting (the "AGM") of the Company. In March 2012, the practice of HLB Hodgson Impey Cheng was reorganized as HLB Hodgson Impey Cheng Limited. The Audit Committee has recommended to the Board that HLB Hodgson Impey Cheng Limited be nominated for appointment as the auditors of the Company at the AGM. Both the Board and the Audit Committee consider that HLB has merely changed its entity status from partnership to a limited company and it is in the interests of the Company and the shareholders of the Company as a whole if HLB can continue to serve the Company as auditors. Therefore, a resolution for the appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company for the subsequent year is to be proposed at the AGM.

控及風險管理程序，且並無發現任何可能會嚴重影響本集團營運及其股東利益之重要範疇需要關注。

獨立外聘核數師酬金

本公司之獨立外聘核數師為國衛會計師事務所(「國衛」)。年內，本公司向國衛支付之年度核數費用約為1,800,000港元。

就中期報告提供核數服務的費用約為500,000港元。

本年度之賬目經由國衛審核，彼於本公司即將舉行之股東週年大會(「股東週年大會」)上任滿。國衛於二零一二年三月重組為國衛會計師事務所有限公司。審核委員會已向董事會建議，於股東週年大會上提名委任國衛會計師事務所有限公司為本公司核數師。董事會及審核委員會均認為，國衛僅由合夥業務營運模式轉為有限公司模式經營，倘國衛能繼續為本公司之核數師，實符合本公司及本公司股東之整體利益。因此，本公司將於股東周年大會上提呈一項決議案委任國衛會計師事務所有限公司為本公司來年之核數師。



Chartered Accountants
Certified Public Accountants

31/F Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

**To the shareholders of Qunxing Paper Holdings
Company Limited**

*(Incorporated in the Cayman Islands with limited
liability)*

We have audited the consolidated financial statements of Qunxing Paper Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 69 to 168, which comprise the statements of financial position of the Group and the Company as of 31 December 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

香港
中環
畢打街11號
置地廣場
告羅士打大廈31樓

致群星紙業控股有限公司各股東

(於開曼群島註冊成立之有限公司)

我們已審核列載於第69至168頁群星紙業控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一一年十二月三十一日的貴集團及貴公司財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standard issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors of the Company determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈的國際財務報告準則及香港公司條例的披露規定編製及真實而公允地列報該等綜合財務報表及落實 貴公司董事認為編製綜合財務報表所必要之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

核數師的責任

我們之責任是根據我們之審核對綜合財務報表作出意見，並僅向閣下（作為一個團體）匯報，別無其他用途。我們並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。我們已根據香港會計師公會頒佈之香港審計準則進行審核。該等準則要求我們遵守道德規範，並規劃及執行審核，以合理保證綜合財務報表是否不存有重大錯誤陳述。

AUDITORS' RESPONSIBILITY (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BASIS FOR QUALIFIED OPINION

The consolidated financial statements of the Group for the year ended 31 December 2010 were audited by another firm of auditors (the "Previous Auditor"), who expressed a disclaimer of opinion on those statements on 30 March 2011. As stated in its independent auditor's report dated 30 March 2011, the Previous Auditor identified inconsistencies between the information contained in the Group's accounting records with respect to transactions and balances with certain customers and suppliers and independently obtained information. The Previous Auditor also identified discrepancies which indicated that documents contained in the Group's accounting records relating to some of the Group's bank

核數師的責任(續)

審核範圍包括進程序以取得與綜合財務報表所載數額及披露事項有關之審核憑證。選用之程序須視乎核數師之判斷，包括評估綜合財務報表之重大錯誤陳述(不論其由欺詐或錯誤引起)之風險。在作出該等風險評估時，核數師將考慮與公司編製並真實而公允地列報綜合財務報表有關之內部監控，以為不同情況設計適當審核程序，但並非旨在就公司內部監控是否有效表達意見。審核範圍亦包括評估所用會計政策之恰當性，貴公司董事所作會計估算之合理性，並就綜合財務報表之整體呈列方式作出評估。

我們相信我們取得足夠適當審核憑證，作為審核意見之基準。

有保留意見之基準

貴集團截至二零一零年十二月三十一日止年度綜合財務報表經另一間核數師行(「前任核數師」)審核，前任核數師於二零一一年三月三十日對該等報表拒絕發表意見。誠如日期為二零一一年三月三十日的獨立核數師報告所載，前任核數師發現 貴集團會計記錄中有關某些客戶和供貨商的交易及餘額與前任核數師獨立取得的相關信息存在不一致的情況。前任核數師也注意到一些表明 貴集團有關某些銀行交易的相關會計記錄文件可能存在不真實或者不可靠的不一致信息。在審核 貴集團截至二零一一年十二月三十一日止年度之綜合財務報表時，我們未能取得足夠及適當的審核憑證，以信納二零一一年

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

BASIS FOR QUALIFIED OPINION (Continued)

transactions might not be authentic or otherwise reliable. In performing our audit of the consolidated financial statements of the Group for the year ended 31 December 2011, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the opening balances as at 1 January 2011 and comparative figures of 31 December 2010 were fairly stated. Any adjustments found to be necessary to the opening balances as at 1 January 2011 may affect the results and cash flows of the Group for the year ended 31 December 2011 and related disclosures in the consolidated financial statements.

QUALIFIED OPINION

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraph, the consolidated financial statements give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2011, and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

OTHER MATTERS

1. The consolidated financial statements of the Group for the year ended 31 December 2010 were audited by the Previous Auditor who expressed a disclaimer of opinion on those statements on 30 March 2011.

HLB Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

Hong Kong, 14 March 2012

有保留意見之基準(續)

一月一日期初結餘與二零一零年十二月三十一日比較數字乃公平地列報。倘二零一一年一月一日期初結餘需作出任何調整，貴集團截至二零一一年十二月三十一日止年度的業績及現金流量，以及綜合財務報表相關披露均可能受到影響。

有保留意見

我們認為，除上段有保留意見基準一段所述事宜的潛在影響外，綜合財務報表按國際財務報告準則真實而公允地反映貴集團及貴公司於二零一一年十二月三十一日的事務狀況及截至該日的年度溢利及現金流量及已按照香港公司條例之披露規定妥為編製。

其他事宜

1. 貴集團截至二零一零年十二月三十一日止年度綜合財務報表經前任核數師審核，前任核數師於二零一一年三月三十日對該等報表拒絕發表意見。

國衛會計師事務所

英國特許會計師
香港執業會計師

二零一二年三月十四日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

			2011	2010
		Notes	二零一一年	二零一零年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Turnover	營業額	6	2,003,651	2,058,916
Cost of sales	銷售成本		(1,676,741)	(1,539,131)
Gross profit	毛利		326,910	519,785
Other revenue	其他收入	7	3,167	2,212
Other gain/(loss)	其他收益/(虧損)	7	18	(189)
Selling expenses	銷售開支		(25,494)	(26,426)
Administrative expenses	行政開支		(48,418)	(39,409)
Profit before taxation	除稅前溢利	8	256,183	455,973
Income tax expense	所得稅開支	9(a)	(34,215)	(58,467)
Profit for the year	年度溢利		221,968	397,506
Profit for the year attributable to:	以下人士應佔年度溢利：			
Equity shareholders of the Company	本公司權益持有人		221,968	397,506
Earnings per share (RMB cents)	每股盈利(人民幣分)	14		
Basic	基本		14	38

The notes on pages 78 to 168 form part of these consolidated financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 10.

於第78至168頁之附註構成此等綜合財務報表之一部份。應付本公司權益持有人應佔年度溢利之股息詳情載於附註10。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit for the year	年度溢利	221,968	397,506
Other comprehensive loss for the year	年度其他全面虧損		
Exchange differences on translation of financial statements of operations outside the PRC	換算中國境外業務之財務報表產生之匯兌差額	(9,043)	(2,371)
Total comprehensive income for the year	年度全面收益總額	212,925	395,135
Attributable to:	應佔：		
Equity shareholders of the Company	本公司權益持有人	212,925	395,135

The notes on pages 78 to 168 form part of these consolidated financial statements.

於第78至168頁之附註構成此等綜合財務報表之一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2011

於二零一一年十二月三十一日

			2011	2010
		Notes	二零一一年	二零一零年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16(a)	2,193,346	2,015,579
Construction in progress	在建工程	18	451,492	253,878
Lease prepayments	租賃預付款項	19	14,127	14,468
Prepayment for the acquisition of plant and equipment	購買廠房及設備之預付款項		—	24,029
Prepayment for flood prevention expenses	防洪開支預付款項	20	40,375	41,225
			2,699,340	2,349,179
Current assets	流動資產			
Inventories	存貨	21	53,440	48,962
Trade and other receivables	應收貿易賬款及其他應收款項	22	74,290	111,288
Cash and cash equivalents	現金及現金等價物	23	488,934	447,763
			616,664	608,013
Current liabilities	流動負債			
Trade and other payables	應付貿易賬款及其他應付款項	24	100,532	87,040
Current taxation	即期稅項	25	13,076	22,708
			113,608	109,748
Net current assets	流動資產淨值		503,056	498,265
NET ASSETS	資產淨值		3,202,396	2,847,444

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2011

於二零一一年十二月三十一日

			2011	2010
			二零一一年	二零一零年
		Notes	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	26(a)	147,562	102,427
Reserves	儲備		3,054,834	2,745,017
TOTAL EQUITY	權益總值		3,202,396	2,847,444

Approved and authorised for issue by the board of directors on 14 March 2012.

董事會於二零一二年三月十四日批准及授權刊發。

Zhu Yu Guo

朱玉國

Director 董事

Zhu Mo Qun

朱墨群

Director 董事

The notes on pages 78 to 168 form part of these consolidated financial statements.

於第78至168頁之附註構成此等綜合財務報表之一部份。

STATEMENT OF FINANCIAL POSITION

財務狀況表

At 31 December 2011
於二零一一年十二月三十一日

		Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Plant and equipment	廠房及設備	16(b)	163	348
Interests in subsidiaries	於附屬公司之權益	17	1,121,839	1,190,648
			1,122,002	1,190,996
Current assets	流動資產			
Prepayments and other receivables	預付及其他應收款項	22	1,175	378
Cash and cash equivalents	現金及現金等價物	23	198,599	76,032
			199,774	76,410
Current liabilities	流動負債			
Other payables and accruals	其他應付款項 及預提費用	24	2,863	1,253
Net current assets	流動資產淨值		196,911	75,157
NET ASSETS	資產淨值		1,318,913	1,266,153
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	26(a)	147,562	102,427
Reserves	儲備		1,171,351	1,163,726
TOTAL EQUITY	權益總值		1,318,913	1,266,153

Approved and authorised for issue by the board of directors on 14 March 2012.

董事會於二零一二年三月十四日批准及授權刊發。

Zhu Yu Guo

朱玉國

Director 董事

Zhu Mo Qun

朱墨群

Director 董事

The notes on pages 78 to 168 form part of these financial statements.

於第78至168頁之附註構成此等財務報表之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

		Attributable to equity shareholders of the Company							Total equity
		本公司權益持有人應佔							
		Share capital	Share premium	Warrant reserve ^(Note)	Other reserve	Surplus reserves	Exchange reserve	Retained profits	
		股本	股份溢價	認股權證儲備 ^(附註)	其他儲備	法定盈餘儲備	匯兌儲備	保留溢利	權益總計
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2010	於二零一零年一月一日結餘	100,258	1,367,980	—	(10,323)	117,901	(51,633)	928,126	2,452,309
Profit for the year	年度溢利	—	—	—	—	—	—	397,506	397,506
Other comprehensive loss for the year	年度其他全面虧損	—	—	—	—	—	(2,371)	—	(2,371)
Total comprehensive income for the year	年度全面收益總額	—	—	—	—	—	(2,371)	397,506	395,135
Appropriation to surplus reserve	分配至法定盈餘儲備	—	—	—	—	40,612	—	(40,612)	—
Dividends declared and approved in respect of the previous year	宣派及批准上一年度股息	10	(67,385)	—	—	—	—	—	(67,385)
Shares issued in respect of scrip dividends of previous year	發行上一年度以股代息股份	10	2,169	—	—	—	—	—	67,385
Balance at 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日結餘	102,427	1,365,811	—	(10,323)	158,513	(54,004)	1,285,020	2,847,444
Profit for the year	年度溢利	—	—	—	—	—	—	221,968	221,968
Other comprehensive loss for the year	年度其他全面虧損	—	—	—	—	—	(9,043)	—	(9,043)
Total comprehensive income for the year	年度全面收益總額	—	—	—	—	—	(9,043)	221,968	212,925
Appropriation to surplus reserve	分配至法定盈餘儲備	—	—	—	—	23,579	—	(23,579)	—
Dividends declared and approved in respect of the previous year	宣派及批准上一年度股息	10	(160,694)	—	—	—	—	—	(160,694)
Shares issued under open offer	根據公開發售發行股份	45,135	252,752	—	—	—	—	—	297,887
Shares issue expenses	股份發行開支	—	(3,755)	—	—	—	—	—	(3,755)
Issue of warrants	發行認股權證	—	—	8,589	—	—	—	—	8,589
Balance at 31 December 2011	於二零一一年十二月三十一日結餘	147,562	1,454,114	8,589	(10,323)	182,092	(63,047)	1,483,409	3,202,396

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

Note:

On 14 January 2011, the Group entered a subscription agreement with an independent third party to subscribe for warrants of up to HK\$609,352,000 at a warrant subscription price of HK\$0.05 per warrant, the aggregate of which amounting to HK\$10,328,000 (equivalent to approximately RMB8,762,000). The expenses related to issuance of warrants were approximately RMB173,000.

The warrant entitle the subscriber to subscribe for a total of 206,560,000 warrant shares at the warrant exercise price of HK\$2.95 per warrant share (subject to adjustments as provided in the subscription agreement) at any time during a period of 12 months commencing from the completion date of the subscription of the warrants. The subscription of the warrants was completed on 21 January 2011.

The notes on pages 78 to 168 form part of these consolidated financial statements.

附註：

二零一一年一月十四日，本公司與獨立第三方訂立認購協議，按認股權證認購價每份0.05港元認購最多609,352,000港元的認股權證，總額為10,328,000港元（約相當於人民幣8,762,000元），發行認股權證之相關費用約為人民幣173,000元。

認股權證授權認購人於認股權證認購完成日期起12個月內隨時按每股認股權證股份2.95港元的認股權證行使價（可按認購協議所載者予以調整）認購合共206,560,000股認股權證股份。認股權證之認購已於二零一一年一月二十一日完成。

於第78至168頁之附註構成此等綜合財務報表之一部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

	Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Cash flows from operating activities	經營活動所得現金流量		
Profit before taxation	除稅前溢利	256,183	455,973
Adjustments for:	就以下各項調整：		
Amortisation of lease prepayments	租賃預付款項攤銷	341	341
Amortisation of prepayment for flood prevention expenses	防洪開支預付款項攤銷	850	425
Depreciation	折舊	197,776	150,960
Impairment loss in respect of property, plant and equipment	物業、廠房及設備減值虧損	—	4,137
Interest income	利息收入	(3,131)	(2,212)
Foreign exchange (gain)/loss	外匯(收益)/虧損	(3,723)	359
Change in working capital:	營運資金變動：		
Increase in inventories	存貨增加	(4,478)	(11,628)
Decrease/(increase) in trade and other receivables	應收貿易賬款及其他應收款項減少/(增加)	36,998	(65,624)
Increase in trade and other payables	應付貿易賬款及其他應付款項增加	13,492	32,534
Cash generated from operations	經營業務產生之現金	494,308	565,265
PRC income tax paid	已付中國所得稅	(43,847)	(55,975)
Net cash generated from operating activities	經營活動所得現金淨額	450,461	509,290
Cash flows from investing activities	投資活動所得現金流量		
Payment for the purchase of property, plant and equipment	購置物業、廠房及設備所付之款項	(891)	(2,434)
Payment for construction in progress	支付在建工程款項	(548,253)	(674,821)
Prepayment for the acquisition of property, plant and equipment	購置物業、廠房及設備預付款項	—	(24,029)
Prepayment for flood prevention expenses	防洪開支預付款項	—	(42,500)
Interest received	已收利息	3,131	2,212

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
	Notes 附註		
Net cash used in investing activities	投資活動所用現金淨額	(546,013)	(741,572)
Cash flows from financing activities	融資活動所得現金流量		
Net proceeds from shares issued under open offer	根據公開發售發行股份所得款項淨額	294,132	—
Net proceeds from issuance of unlisted warrants	發行非上市認股權證所得款項淨額	8,589	—
Dividends paid	已派股息 10	(160,694)	—
Net cash generated from financing activities	融資活動所得現金淨額	142,027	—
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物淨額增加／(減少)	46,475	(232,282)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	447,763	682,764
Effect of foreign exchange rate changes	匯率變動之影響	(5,304)	(2,719)
Cash and cash equivalents at end of the year	年終現金及現金等價物 23	488,934	447,763

The notes on pages 78 to 168 form part of these consolidated financial statements.

於第78至168頁之附註構成此等綜合財務報表之一部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 5 September 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Group is principally engaged in the manufacturing and trading of decorative base paper products and printing paper product.

The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) on 2 October 2007.

At 31 December 2011, the Directors consider the immediate parent and ultimate controlling party of the Group to be Boom Instant Limited, which is incorporated in the BVI. This entity does not produce financial statements available for public use.

The consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated, rounded to the nearest thousand.

1. 一般資料

本公司於二零零六年九月五日根據開曼群島公司法第22章(一九六一年法例3，經綜合及修訂)，在開曼群島註冊成立為一間獲豁免有限公司。本集團主要從事製造及銷售裝飾原紙產品及印刷用紙產品。

本公司的股份於二零零七年十月二日在香港聯合交易所有限公司(「聯交所」)上市。

董事認為於二零一一年十二月三十一日本集團之直接母公司及最終控股公司為於英屬處女群島註冊成立之Boom Instant Limited。該實體並未編製供公眾查閱之財務報表。

除另有指明，綜合財務報表以人民幣呈列，湊整至最接近千元計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual IFRSs, International Accounting Standards (“IASs”) and Interpretations, issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. A summary of the significant accounting policies adopted by the Group is set out below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

(b) Basis of preparation

The consolidated financial statements for the year ended 31 December 2011 comprise the Company and its subsidiaries (together referred to as “the Group”).

2. 主要會計政策

(a) 合規聲明

此等綜合財務報表乃根據國際財務報告準則(「國際財務報告準則」)而編製，國際財務報告準則此統稱包括國際會計準則委員會(「國際會計準則委員會」)頒佈之所有適用之個別國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋。

此等綜合財務報表亦符合香港公司條例之披露規定及聯交所證券上市規則之適用披露規定。本集團採納之主要會計政策概要載於後文。

國際會計準則委員會頒佈了若干於本集團現行會計期間首次生效或可供提前採納的新增及經修訂的國際財務報告準則。附註3載列初次應用該等調整引致之會計政策變更資料，惟該等調整與該等綜合財務報表所反映之本集團現時及過往會計期間有關。

(b) 編製基準

截至二零一一年十二月三十一日止年度的綜合財務報表涉及本公司及其附屬公司(統稱為「本集團」)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(b) Basis of preparation (Continued)

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis.

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 4.

2. 主要會計政策(續)

(b) 編製基準(續)

編製綜合財務報表時使用之計量基準為歷史成本基準。

管理層在編製符合國際財務報告準則的綜合財務報表時，須作出可影響會計政策應用及資產和負債、收入和支出的呈報金額之判斷、估計和假設。該等估計和相關假設是根據過往經驗和管理層因應當時情況認為合理之各種其他因素為基礎。所得結果是用作判斷該等無法從其他渠道直接獲得的資產和負債項目的賬面值的依據。實際結果可能有別於估計的金額。

管理層會持續審閱各項估計和相關假設。倘若會計估計之修訂僅對作出修訂之期間產生影響，則有關修訂會在該期間內確認；倘若修訂對現時及未來期間均有產生影響，則在作出修訂的期間和未來期間確認。

有關管理層在採用國際財務報告準則時所作出對綜合財務報表及主要估計不確定性來源有重大影響之判斷，載列於附註4。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The consolidated financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(h)).

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

2. 主要會計政策(續)

(c) 綜合基準

(i) 附屬公司

附屬公司是指本集團控制之實體。倘本集團有權支配一間實體之財務和經營政策，並藉此從其業務中取得利益，本集團便被視為擁有該實體之控制權。在評估控制權時，將會考慮目前可行使的潛在投票權。附屬公司之綜合財務報表由擁有控制權當日起計入綜合財務報表直至控制權結束為止。

在本公司的財務狀況表內，於附屬公司的投資按成本減除減值虧損列賬(見附註2(h))。

(ii) 綜合賬目時抵銷之交易

集團內公司間之結餘和交易及集團內公司間交易所產生的任何未變現溢利，會在編製綜合財務報表時全數抵銷。集團內公司間交易所產生之未變現虧損的抵銷方法與未變現收益相同，但抵銷額只限於沒有證據顯示已出現減值之部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(d) Lease prepayments

Lease prepayments represent payments made to acquire leasehold land. Leasehold land is carried at cost less accumulated amortisation and impairment losses (see note 2(h)). Amortisation is charged to profit or loss on a straight-line basis over the respective periods of the leases.

(e) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses (see note 2(h)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

2. 主要會計政策(續)

(d) 租賃預付款項

租賃預付款項是收購租賃土地而支付的費用。租賃土地按成本減累計攤銷和減值虧損(見附註2(h))列賬。攤銷費用在租賃期內以直線法於損益表中扣除。

(e) 物業、廠房及設備

物業、廠房及設備是以成本減累計折舊及減值虧損(見附註2(h))於綜合財務狀況表列賬。

報廢或出售物業、廠房及設備項目所產生的損益以出售所得款項淨額與項目賬面值之間的差額釐定，並於報廢或出售日期在損益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Property, plant and equipment

(Continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

— Buildings	40 years
— Plant and machinery	10–20 years
— Motor vehicles	10 years
— Furniture and fixtures and computer equipment	2–10 years
— Leasehold improvements	Over the period of the lease term

Both the useful life of an asset and its residual value, if any, are reviewed annually.

(f) Construction in progress

Construction in progress represents property, plant and equipment under construction and equipment pending installation, and is initially recognised in the statement of financial position at cost less impairment losses (see note 2(h)). Cost comprises direct costs of construction. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all of the activities necessary to prepare the assets for their intended use are completed.

No depreciation is provided in respect of construction in progress until it is completed and substantially ready for its intended use.

2. 主要會計政策(續)

(e) 物業、廠房及設備(續)

物業、廠房及設備項目的折舊是以直線法在以下估計可使用年內沖銷其成本(已扣除估計剩餘價值(如有))計算：

— 樓宇	40年
— 廠房及機器	10–20年
— 汽車	10年
— 傢俬及裝置以及 電腦設備	2–10年
— 租賃裝修	按租賃期限

本集團會每年審閱資產的可使用年限及其剩餘價值(如有)。

(f) 在建工程

在建工程是在建中的物業、廠房及設備以及有待安裝的設備，並在財務狀況表按成本減去減值虧損(見附註2(h))初步確認。成本包括施工時的直接成本。當絕大部份為準備該資產可投入擬定用途的活動完成時，此等成本將停止資本化，而在建工程會被轉撥至物業、廠房及設備。

在建工程於竣工及接近可作其擬定用途前，並不計提任何折舊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(g) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal installments over the accounting periods covered by the lease terms, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

(h) Impairment of assets

(i) Impairment of trade and other receivables

Receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;

2. 主要會計政策(續)

(g) 經營租賃費用

當本集團透過經營租賃使用資產，則根據租賃支付的款項會在租賃年期所涵蓋的會計期間內按等額在損益表內扣除；但如有其他基準能夠更清楚反映租賃資產所產生的收益模式時則除外。已收租賃優惠均計入損益表內，確認為租賃淨付款總額的組成部份。

(h) 資產減值

(i) 應收貿易賬款及其他應收款項的減值

本集團於每個報告期末審閱以成本或經攤銷成本列賬的應收賬款，以確定是否存在減值的客觀證據。減值的客觀證據包括本集團注意到以下一項或多項虧損事項的顯著數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠利息或本金的償還；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Impairment of assets (Continued)

(i) Impairment of trade and other receivables (Continued)

- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, any impairment loss is determined and recognised as follows:

For financial assets carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material.

2. 主要會計政策(續)

(h) 資產減值(續)

(i) 應收貿易賬款及其他應收款項的減值(續)

- 債務人可能破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境有重大的改變而對債務人有不利影響。

倘有任何該等證據存在，減值虧損按下列釐定及確認：

就按成本列值之金融資產而言，減值虧損按金融資產賬面值與估計未來現金流量之差額計算，如貼現影響重大，則按同類金融資產現有市場回報率貼現。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Impairment of assets (Continued)

(i) Impairment of trade and other receivables (Continued)

For financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of the asset), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2. 主要會計政策(續)

(h) 資產減值(續)

(i) 應收貿易賬款及其他應收款項的減值(續)

就按攤銷成本列值之金融資產而言，減值虧損按資產賬面值與估計未來現金流量現值之差額計算，如貼現影響屬重大，則按金融資產原來實際利率(即初始確認該等資產時計算之實際利率)貼現。如按攤銷成本列賬之金融資產具備類似之風險特徵，例如類似之逾期情況及並未單獨被評估為減值，則有關之評估會同時進行。同時進行評估之金融資產之未來現金流量會根據與被評估資產具有類似信貸風險特徵資產之過往虧損情況來一同減值。

倘減值虧損金額其後減少，且該等減少可客觀地與減值虧損確認後發生之事件聯繫，則減值虧損將在損益表撥回。減值虧損之撥回額不得導致資產之賬面值超過假設該資產於以往年度從來未確認減值虧損情況下確認之賬面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Impairment of assets (Continued)

(i) Impairment of trade and other receivables (Continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2. 主要會計政策(續)

(h) 資產減值(續)

(i) 應收貿易賬款及其他應收款項的減值(續)

因包含在應收貿易賬款及其他應收款項中的應收貿易賬款的可收回性被視為難以預料而並非微乎其微，就其確認的減值虧損不會從相應的資產中直接撤銷。相反，就其他資產確認的減值虧損應從相應的資產中直接撤銷。在此情況下，呆壞賬的減值虧損以撥備賬記錄。倘本集團確認能收回應收賬款的機會微乎其微，則視為不可收回金額會從應收貿易賬款中直接撤銷，而在撥備賬中持有有關該債務的任何金額會被撥回。若之前計入撥備賬的款項在其後收回，則相關的撥備會被撥回。其他有關撥備賬及其後收回之前直接撤銷的金額的變動均計入損益表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Impairment of assets (Continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- a. investments in subsidiaries;
- b. lease prepayments;
- c. property, plant and equipment;
- d. construction in progress; and
- e. prepayment for the acquisition of plant and equipment.

If any such indication exists, the asset's recoverable amount is estimated.

2. 主要會計政策(續)

(h) 資產減值(續)

(ii) 其他資產減值

本集團會於各報告期末審閱內部和外來的信息來源，以辨識下列資產是否有可能出現減值跡象，或是以往確認的減值虧損是否已不再存在或可能有所減少：

- a. 於附屬公司的投資；
- b. 租賃預付款項；
- c. 物業、廠房及設備；
- d. 在建工程；及
- e. 收購廠房及設備之預付款項。

如果出現任何減值跡象，便會對資產的可收回金額作出估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Impairment of assets (Continued)

(ii) Impairment of other assets

(Continued)

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

2. 主要會計政策(續)

(h) 資產減值(續)

(ii) 其他資產減值(續)

- 可收回金額的計算

資產的可收回金額是其公平值減銷售成本與使用價值兩者之間的較高者。在評估使用價值時，估計未來現金流量會按可反映當時市場對貨幣時間值及該資產特定風險的稅前貼現率貼現至其現值。倘若資產產生現金流入大致上不能獨立於其他資產所產生的現金流入，則能夠獨立產生現金流入的最小資產組別(即現金產生單位)來釐定可收回金額。

- 減值虧損的確認

當資產或其所屬的現金產生單位的賬面值高於其可收回金額時，便會在損益表中確認減值虧損。就現金產生單位確認的減值虧損會予以分配，以按比例減去該單位(或一組單位)中資產的賬面值，但資產賬面值不會減少至低於其個別公平值減銷售成本或其使用價值(如可確定)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Impairment of assets (Continued)

(ii) Impairment of other assets

(Continued)

- Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange, the Group is required to prepare an interim financial report in compliance with IAS 34 *Interim financial reporting* in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(h)(i) and (ii)).

2. 主要會計政策(續)

(h) 資產減值(續)

(ii) 其他資產減值(續)

- 減值虧損的撥回

倘若用作釐定資產可收回金額的估算出現正面的變動，則有關的減值虧損會被撥回。

所撥回的減值虧損，以假設於以往年度並無確認減值虧損而應釐定的資產賬面值為限。所撥回的減值虧損於確認撥回年度計入損益表。

(iii) 中期財務報告及減值

根據聯交所證券上市規則，本集團須按照國際會計準則第34號中期財務報告編製財政年度首六個月之中期財務報告。於中期結算日，本集團採用之減值測試、確認及撥回標準與該財政年度結算日所採用者相同(見附註2(h)(i)及(ii))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. 主要會計政策(續)

(i) 存貨

存貨以成本及可變現淨值兩者之間的較低者入賬。

成本按加權平均成本法計算，其中包括所有採購成本、轉換成本及將存貨運至現址及變成現狀所產生的其他成本。

可變現淨值乃日常業務過程中的估計售價減去完成生產及銷售所需的估計成本。

存貨出售時，存貨的賬面值在相關收入獲確認的期間內確認為開支。存貨撇減至可變現淨值及存貨的所有虧損均在出現撇減或虧損期間確認為開支。因撇減任何存貨而撥回的金額在撥回期間確認為列作支出的存貨全額減少。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see note 2(h)(i)), except where the receivables are interest free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(k) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and other financial institutions and on hand, demand deposits with banks and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

2. 主要會計政策(續)

(j) 應收貿易賬款及其他應收款項

應收貿易賬款及其他應收款項初步按公平值確認，其後則按攤銷成本減去呆壞賬減值撥備(見附註2(h)(i))入賬；惟倘應收款項乃給予關連方的無固定還款期免息貸款或其貼現影響並不重大者，則應收款項則會按成本減去呆壞賬減值撥備入賬。

(k) 應付貿易賬款及其他應付款項

應付貿易賬款及其他應付款項初步按公平值確認，其後按攤銷成本入賬；但如貼現影響並不重大，則按成本入賬。

(l) 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、存放於銀行及其他財務機構的活期存款，以及短期和高流通性的投資。此等投資可以隨時換算為已知的現金額，而價值變動方面的風險並不重大，並在購入後三個月內到期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(m) Warrant

Warrant issued by the Company that will be settled by the exchange of a fixed amount of cash for a fixed number of the Company's own equity instruments are classified as an equity instrument.

The fair value of warrants on the date of issue is recognised in equity (warrant reserve). The warrants reserve will be transferred to share capital and share premium upon exercise of the warrants. Where the warrants remain unexercised at the expiry date, the amount previously recognised in warrants reserve will be released to the retained profits or accumulated losses.

(n) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Contributions to appropriate local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the PRC are recognised as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

2. 主要會計政策(續)

(m) 認股權證

本公司發行的認股權證將以既定現金交換本公司本身既定數目之股本工具被分類為股本工具。

認股權證於發行日期的公平值於權益(認股權證儲備)確認。認股權證儲備將於認股權證獲行使時轉至股本及股份溢價。倘認股權證於到期日仍未獲行使，之前已於認股權證儲備確認的金額將解除至保留溢利或累計虧損。

(n) 僱員福利

- (i) 薪金、年終花紅、有薪年假、向定額供款退休計劃作出的供款及非現金福利的成本，均在僱員提供服務的年度內計提。若有關的付款延遲及其影響重大，則該數額以現值列賬。
- (ii) 根據中國相關勞動規則及法規向適當的地方定額供款退休計劃作出的供款，於供款時在損益表確認為開支，但已計入存貨成本且尚未確認為開支的金額除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(n) Employee benefits (Continued)

- (iii) The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions under which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

2. 主要會計政策(續)

(n) 僱員福利(續)

- (iii) 授予僱員的購股權公平值作為僱員成本確認入賬，並會相應增加權益內的資本儲備。公平值於授出日期採用二項式點陣模式，經考慮授出購股權的條款及條件計量。倘僱員於無條件有權獲授購股權前符合歸屬條件，購股權的估計總公平值經考慮購股權歸屬的可能性後，於歸屬期內分攤。

歸屬期內會審閱預期將會歸屬的購股權數目。凡對過往年度已確認的累計公平值作出的調整，須扣自／計入回顧年度的損益表，並會對資本儲備作出相應調整，惟合資格確認為資產的原有僱員開支則除外。於歸屬日期，已確認為開支的款額會作出調整，以反映實際歸屬的購股權數目，並會對資本儲備作出相應調整，惟只因未能達成有關本公司股份市價的歸屬條件而沒收的情況則除外。權益數額在資本儲備內確認，直至購股權於轉撥至股份溢價賬時獲行使或購股權直接自留存溢利解除時到期為止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(o) Income tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2. 主要會計政策(續)

(o) 所得稅

- (i) 本年度所得稅包括即期稅項和遞延稅項資產與負債之變動。即期稅項和遞延稅項資產與負債之變動均在損益表內確認，但與於其他全面收入確認之項目有關或直接在權益中確認者之相關稅款則分別於其他全面收入或直接於權益確認。
- (ii) 即期稅項是按本年度應課稅收入根據在報告期末已生效或實質上已生效的稅率計算的預期應付所得稅，以及對過往年度應付所得稅的任何調整。
- (iii) 遞延稅項資產與負債分別由可扣稅和應課稅暫時差額產生。暫時差異是指資產與負債就財務報告而言的賬面值與這些資產與負債的計稅基礎的差額。遞延稅項資產亦可由未使用稅項虧損和未使用稅款抵免產生。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(o) Income tax (Continued)

(iii) (Continued)

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

2. 主要會計政策(續)

(o) 所得稅(續)

(iii) (續)

除若干有限例外情況外，所有遞延稅項負債及所有遞延稅項資產以只限於有可能產生未來應課稅溢利用作抵扣有關資產為限而會確認。支持確認由可抵扣暫時差額所產生遞延稅項資產之未來應課稅溢利，包括因轉回現有應課稅暫時差額而產生之金額，惟差額須與相同稅務機關及相同應課稅實體有關，並預期在預計轉回可抵扣暫時差額之同一期間轉回，或在遞延稅項資產所產生之稅項虧損可承前或結轉之期間內轉回。在判斷現有應課稅暫時差額是否足以支援確認因未動用稅項虧損及抵免所產生之遞延稅項資產時，亦會採用相同準則。即如差額與相同稅務機關及相同應課稅實體有關，並預期在稅項虧損或抵免可被動用之同一期間內轉回情況下始會計入有關差額。

所確認的遞延稅項金額按照各資產及負債項目賬面值的預期變現或償還方式並根據在報告期末已生效或實質上已生效的稅率計算。遞延稅項資產及負債均不予貼現。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(o) Income tax (Continued)

(iii) (Continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

2. 主要會計政策(續)

(o) 所得稅(續)

(iii) (續)

遞延稅項資產的賬面值會於每一個報告期末予以審閱。倘預計不再可能獲得足夠的應課稅溢利用以抵銷相關稅務利益，則遞延稅項資產會相應地被減少至其預期可實現的金額。如可能有足夠應課稅溢利，該減少金額將被撥回。

(iv) 即期稅項結餘及遞延稅項結餘以及有關變動均獨立呈列及不予抵銷。倘本公司或本集團具備合法可強制執行權力將即期稅項資產與即期稅項負債抵銷，且符合以下額外條件，則即期稅項資產與即期稅項負債可以相抵，而遞延稅項資產則與遞延稅項負債可以相抵：

- 就即期稅項資產及負債而言，本公司或本集團擬按淨值基準結算或同時變現資產及清償負債；或

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(o) Income tax (Continued)

(iv) (Continued)

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(p) Provision and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

2. 主要會計政策(續)

(o) 所得稅(續)

(iv) (續)

- 就遞延稅項資產及負債而言，倘此等資產及負債與相同稅務機構就以下其中一項徵收的所得稅有關：
 - 相同應課稅實體；或
 - 如屬不同應課稅實體，此等實體計劃在清償或收回遞延稅項負債或資產的重大金額期間變現即期稅項資產和清償即期稅項負債時以淨值基準結算或同時變現資產及清償負債。

(p) 撥備及或然負債

倘本集團或本公司須就已發生的事件承擔法律或推定責任時，可能須就清償責任而導致經濟利益外流，則在可以作出可靠的估計時，便會就該未能確定時間或數額的負債計提撥備。如果貨幣的時間價值重大，則按預計履行責任所需支出的現值計列撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(p) Provision and contingent liabilities

(Continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sales of goods

Revenue is recognised when the customer has accepted the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

2. 主要會計政策(續)

(p) 撥備及或然負債(續)

倘因事件而引致經濟利益外流的機會不大，或是無法對有關數額作出可靠的估計，便有需要將有關責任披露為或然負債，但付出經濟效益的可能性極低則除外。如果本集團的責任須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或然負債，但付出經濟效益的可能性極低則除外。

(q) 收益確認

收益按已收或應收代價公平值計算。如果經濟利益可能流入本集團，而收益及成本(如適用)又能夠可靠地計算時，收益便會根據下列基準在損益表內確認：

(i) 銷售貨品

收益於客戶接納貨品所有權的有關風險及回報時確認。收益不包括增值稅或其他銷售稅，並已扣除任何營業折扣。

(ii) 利息收入

利息收入於應計時以實際利率法確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(r) Transaction of foreign currencies

(i) **Functional and presentation currency**

Items included in the consolidated financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (“functional currency”). The functional currency of the Company and its subsidiaries outside the PRC is Hong Kong dollars and the functional currency of the subsidiary in the PRC is RMB. As the Group mainly operates in the PRC, RMB is used as the presentation currency of the Group (“presentation currency”).

(ii) **Transactions and balances**

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

2. 主要會計政策(續)

(r) 外幣換算

(i) 功能及呈列貨幣

計入本集團各實體之綜合財務報表之項目乃以最能反映相關事件及情況之經濟因素之貨幣(「功能貨幣」)計量。本公司及其中國以外附屬公司之功能貨幣為港元，而於中國之附屬公司之功能貨幣為人民幣。由於本集團主要於中國營運，故使用人民幣為本集團之呈列貨幣(「呈列貨幣」)。

(ii) 交易及結餘

年內之外幣交易以交易日之滙率換算。以外幣計值之貨幣資產及負債均以報告期末之滙率換算。滙兌盈虧於損益表內確認。

按歷史成本以外幣計值之非貨幣資產及負債，按交易日之滙率換算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(r) Transaction of foreign currencies

(Continued)

(ii) Transactions and balances

(Continued)

The results of operations outside the PRC are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of an operation outside the PRC, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

2. 主要會計政策(續)

(r) 外幣換算(續)

(ii) 交易及結餘(續)

中國境外業務之業績按與交易日之相若匯率換算為人民幣。財務狀況表項目則按報告期末公佈之匯率換算為人民幣。所產生之滙兌差額於其他全面收益內確認並獨立累計入滙兌儲備之權益內。

出售中國境外業務時，與該境外業務相關之滙兌差額累計金額須於確認出售損益時從權益重新歸類至損益內。

(s) 借貸成本

直接歸屬於收購、興建或生產而需要相當時間才可達到預定使用或出售狀態之資產之借貸成本將予以資本化，使之成為該資產之成本。其他借貸成本在產生期間支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(s) Borrowing costs (Continued)

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(t) Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. Other development expenditure is recognised as an expense in the period in which it is incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2. 主要會計政策(續)

(s) 借貸成本(續)

倘若就資產產生開支、招致借貸成本以及就使有關資產達到預定使用或出售狀態而進行必要之活動，代表開始將借貸資本化為合資格資產之成本部份。借貸成本之資本化在所有準備合資格資產作其擬定用途或銷售之所須活動絕大部分終止或完成時終止或停止。

(t) 研發

研究活動之費用於其產生期間內確認為開支。倘若產品或程式在技術上和商業上可行，且本集團有足夠之資源和意願完成開發，則開發活動的費用會予以資本化。其他開發費用於產生期間確認為開支。之前確認為開支之開發費用於往後期間不會確認為資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(u) Repair and maintenance expenditure

Repair and maintenance expenditure, including cost of overhaul, is expensed as incurred.

(v) Related party transactions

(i) A person, or a close member of that person's family, is related to the Group if that person:

- (1) has control or joint control over the Group;
- (2) has significant influence over the Group; or
- (3) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

- (1) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (2) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

2. 主要會計政策(續)

(u) 維修及保養支出

維修及保養支出(包括檢修成本)於產生時入賬。

(v) 關連方交易

(i) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：

- (1) 控制或共同控制本集團；
- (2) 對本集團有重大影響；或
- (3) 為本集團或本集團母公司的主要管理層成員。

(ii) 倘符合下列任何條件，即實體與本集團有關連：

- (1) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
- (2) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(v) Related party transactions (Continued)

(ii) (Continued)

- (3) both entities are joint ventures of the same third party.
- (4) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (5) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (6) the entity is controlled or jointly controlled by a person identified in (i).
- (7) a person identified in note 2(v)(i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

2. 主要會計政策(續)

(v) 關連方交易(續)

(ii) (續)

- (3) 兩間實體均為同一第三方的合營企業。
- (4) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
- (5) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。
- (6) 實體受(i)所識別人土控制或受共同控制。
- (7) 於附註2(v)(i)(1)所識別人土對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

任何人士的近親是指與該實體交易時預期可影響該名人士或受該人士影響的家庭成員。

倘交易涉及關連方之間的資源或責任轉讓，則有關交易被視為關連方交易。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. 主要會計政策(續)

(w) 分部報告

經營分部及綜合財務報表內呈報之各分部項目之金額自定期提供予本集團最高行政管理人員之財務資料中識別出來，以將資源分配至本集團之各項業務及地理位置及評估本集團之各項業務及地理位置之表現。

就財務呈報而言，除非分部具備相似之經濟特徵及在產品及服務性質、生產工序性質、客戶類型或類別、用作分配產品或提供服務之方法及監管環境之性質方面相似，否則各個重大經營分部不會進行合算。個別非重大之經營分部，如果符合上述大部分標準，則可進行合算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

3. APPLICATION OF NEW AND REVISED IFRSs

The following new and revised standards, interpretations and amendments (“new IFRSs”) issued by IASB have been applied by the Group in the current period which are or have become effective. The impact of the application of the new IFRSs is discussed below.

IAS 24 (Revised) *Related Party Disclosures* is effective for annual period beginning on or after 1 January 2011. It introduces an exception from all of the disclosure requirements of IAS 24 for transactions among government related entities and the government. Those disclosures are replaced with a requirement to disclose:

- The name of the government and the nature of their relationship
- The nature and amount of any individually significant transactions; and
- The extent of any collectively-significant transactions qualitatively or quantitatively.

It also clarifies and simplifies the definition of a related party.

3. 應用新增及經修訂之國際財務報告準則

於本期間，本集團應用以下由國際會計準則委員會頒佈並已生效之新增及經修訂準則、詮釋及修訂（「新國際財務報告準則」）。有關應用該等新增國際財務報告準則構成的影響之討論如下。

國際會計準則第24號（經修訂）*關連方披露*於二零一一年一月一日或之後開始之年度期間生效。此修訂引入國際會計準則第24號有關政府相關主體之間及與政府進行交易之所有披露規定之豁免。此等披露由一項如下披露規定所取代：

- 政府名稱與彼等關係之性質
- 任何個別重大交易之性質及數額；及
- 整體而言屬重大之任何交易之內容或數額。

此修訂亦澄清及簡化了關連方之定義。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

3. APPLICATION OF NEW AND REVISED IFRSs (Continued)

Amendment to IAS 32 *Classification of Rights Issues* is effective for annual period beginning on or after 1 February 2010. This is not currently applicable to the Group, as it has not made any rights issue.

Amendment to IFRIC — Int 14 *Prepayments of a Minimum Funding Requirement* is effective for annual periods beginning on or after 1 January 2011. This is not currently applicable to the Group, as it does not have a minimum funding requirement.

IFRIC — Int 19 *Extinguishing Financial Liabilities with Equity Instruments* is effective for annual period beginning on or after 1 July 2010. This is not currently applicable to the Group, as it has no extinguishment of financial liabilities replaced with equity instruments currently.

Improvement to IFRSs (2010) were issued in May 2010 by IASB are not currently relevant to the Group. All improvements are effective in the financial year of 2011.

3. 應用新增及經修訂之國際財務報告準則(續)

國際會計準則第32號供股之分類之修訂本於二零一零年二月一日或之後開始之年度期間生效。由於本集團並無進行任何供股，故目前不適用於本集團。

國際財務報告詮釋委員會 — 詮釋第14號最低供款規定之預付款之修訂本於二零一一年一月一日或之後開始之年度期間生效。由於本集團並無最低供款規定，故目前不適用於本集團。

國際財務報告詮釋委員會 — 詮釋第19號以股本工具消除金融負債於二零一零年七月一日或之後開始之年度期間生效。由於本集團目前並無以股本工具取代金融負債之消除，故目前不適用於本集團。

國際會計準則委員會於二零一零年五月頒佈國際財務報告準則之改進(二零一零年)目前與本集團無關。所有改進於二零一一年財政年度生效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

3. APPLICATION OF NEW AND REVISED IFRSs (Continued)

The Group has not early applied the following new IFRS that have been issued but are not yet effective:

IFRS 1 Amendments	Amendments to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i> ¹
IFRS 7 Amendment	Amendment to IFRS 7 <i>Financial instruments: Disclosures – Transfers of Financial Assets</i> ¹
IFRS 9	<i>Financial Instruments</i> ⁵
IFRS 10	<i>Consolidated Financial Statements</i> ⁴
IFRS 11	<i>Joint Arrangements</i> ⁴
IFRS 12	<i>Disclosure of Interests in Other Entities</i> ⁴
IFRS 13	<i>Fair Value Measurement</i> ⁴
IAS 1 Amendments	<i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i> ³
IAS 12 Amendments	Amendments to IAS 12 <i>Income Taxes – Deferred Tax: Recovery of Underlying Assets</i> ²
IAS 19 (2011)	<i>Employee Benefits</i> ⁴
IAS 27 (2011)	<i>Separate Financial Statements</i> ⁴
IAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i> ⁴
IFRIC – Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> ⁴

3. 應用新增及經修訂之國際財務報告準則(續)

本集團並無提早應用下列已頒佈但尚未生效之新國際財務報告準則：

國際財務報告準則第1號(修訂本)	修訂國際財務報告準則第1號「首次採納國際財務報告準則—嚴重高通脹及剔除首次採納者的固定日期」 ¹
國際財務報告準則第7號(修訂本)	修訂國際財務報告準則第7號「金融工具：披露—金融資產轉讓」 ¹
國際財務報告準則第9號	金融工具 ⁵
國際財務報告準則第10號	綜合財務報表 ⁴
國際財務報告準則第11號	共同安排 ⁴
國際財務報告準則第12號	於其他實體權益之披露 ⁴
國際財務報告準則第13號	公允價值計量 ⁴
國際會計準則第1號(修訂本)	呈列財務報表—其他全面收入項目之呈列 ³
國際會計準則第12號(修訂本)	修訂國際會計準則第12號「所得稅—遞延稅項：相關資產的收回」 ²
國際會計準則第19號(二零一一年)	僱員福利 ⁴
國際會計準則第27號(二零一一年)	獨立財務報表 ⁴
國際會計準則第28號(二零一一年)	於聯營公司及合營公司之權益 ⁴
國際財務報告詮釋委員會—詮釋第20號	露天礦場生產階段之剝採成本 ⁴

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

3. APPLICATION OF NEW AND REVISED IFRSs (Continued)

- ¹ Effective for annual periods beginning on or after 1 July 2011
- ² Effective for annual periods beginning on or after 1 January 2012
- ³ Effective for annual periods beginning on or after 1 July 2012
- ⁴ Effective for annual periods beginning on or after 1 January 2013
- ⁵ Effective for annual periods beginning on or after 1 January 2015

The amendments to IAS 1 require companies preparing financial statements in accordance with IFRSs to group together items within other comprehensive income (“OCI”) that may be reclassified to the profit or loss section of the income statement. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements.

The amendments to IAS 12 provide an exception to the general principles in IAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specially, under the amendments, investment properties that are measured using the fair value model in accordance with IAS 40 *Investment Property* are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

3. 應用新增及經修訂之國際財務報告準則(續)

- ¹ 於二零一一年七月一日或之後開始的年度期間生效
- ² 於二零一二年一月一日或之後開始的年度期間生效
- ³ 於二零一二年七月一日或之後開始的年度期間生效
- ⁴ 於二零一三年一月一日或之後開始的年度期間生效
- ⁵ 於二零一五年一月一日或之後開始的年度期間生效

國際會計準則第1號(修訂本)規定公司根據國際財務報告準則編製財務報表，將可能重新分類至損益表損益部分之項目在其他全面收益中集結。該修訂本亦重申現有規定——其他全面收益及損益應於單一報表或兩個連續報表呈列。

國際會計準則第12號(修訂本)提供國際會計準則第12號一般原則之例外情況，遞延稅項資產和遞延稅項負債之計量應反映該企業預計收回資產賬面值的方式而引致之稅務後果。特別是，在此項修訂下，根據國際會計準則第40號投資物業以公平價值計量之投資物業，除非在某情況下被駁回，否則在計算遞延稅項時其價值假定從出售收回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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3. APPLICATION OF NEW AND REVISED IFRSs (Continued)

The amendments to IAS 12 are effective for annual periods beginning on or after 1 January 2012. The Directors anticipate that the application of the amendments to IAS 12 in future reporting periods may result in adjustments to the amounts of deferred tax liabilities recognised in prior years regarding the Group's investment properties of which the carrying amounts are presumed to be recovered through sales. However, the Directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

3. 應用新增及經修訂之國際財務報告準則(續)

國際會計準則第12號(修訂本)於二零一二年一月一日或之後開始之年度期間生效。董事預期，於日後報告期間應用國際會計準則第12號(修訂本)，可能導致就本集團之投資物業(其賬面值假定從出售收回)於過往年度確認之遞延稅項負債金額作出調整。然而，董事仍未對應用此修訂之影響進行詳細分析，因此未能量化該影響的範圍。

國際會計準則第19號(修訂本)改變定額福利計劃和終止福利之會計處理方式。最重大的轉變與定額福利責任和計劃資產的會計處理方式有關。該修訂規定於定額福利責任以及計劃資產的公平值出現轉變時予以確認，及因此取消國際會計準則第19號過往版本允許的「緩衝區法」。此修訂規定所有精算盈虧須即時透過其他全面收益確認，以令於綜合財務狀況表確認之淨退休金資產或負債可反映計劃虧絀或盈餘之全面價值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

3. APPLICATION OF NEW AND REVISED IFRSs (Continued)

The amendments to IAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The Directors anticipate that the amendments to IAS 19 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the amendments to IAS 19 may have impact on amounts reported in respect of the Group's defined benefit plans. However, the Directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

IFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets. IFRS 9 *Financial Instruments* (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

The standard requires all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investment that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of IFRS 9 will affect the classification and measurement of the Group's financial assets.

3. 應用新增及經修訂之國際財務報告準則(續)

國際會計準則第19號(修訂本)於二零一三年一月一日或之後開始之年度期間生效，除若干例外情況外須追溯應用。董事預期，國際會計準則第19號(修訂本)將於本集團於二零一三年一月一日開始之年度期間之綜合財務報表中採納，而應用國際會計準則第19號(修訂本)可能影響就本集團之定額福利計劃呈報之金額。然而，董事仍未對應用此修訂之影響進行詳細分析，因此未能量化該影響的範圍。

國際財務報告準則第9號金融工具引入金融資產分類及計量之新規定。國際財務報告準則第9號金融工具(於二零一零年十一月經修訂)加入有關金融負債及取消確認之規定。

該準則規定所有屬於國際會計準則第39號金融工具：確認及計量範圍內之已確認金融資產以攤銷成本或公平值計量。具體而言，如債項投資(i)於目的為收取合約現金流量之業務模式下持有及(ii)附有純粹作本金及尚未償還本金之利息付款之合約現金流量，則一般按攤銷成本計量。所有其他債項投資及股權投資乃按公平值計量。應用國際財務報告準則第9號將影響本集團金融資產之分類及計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

3. APPLICATION OF NEW AND REVISED IFRSs (Continued)

In relation of financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Previously, under IAS 39, the entire amount of change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The amendments to IFRS 7 *Disclosures – Transfer of Financial Assets* increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level continuing exposure in the asset. The amendments also require disclosures when transfers of financial assets are not evenly distributed throughout the period.

3. 應用新增及經修訂之國際財務報告準則(續)

就金融負債而言，重大變動乃與指定為按公平值計入損益之金融負債有關。尤其是，根據國際財務報告準則第9號，就指定為按公平值計入損益之金融負債而言，因金融負債信貸風險有變而導致其公平值變動之款額乃於其他全面收益呈列，除非於其他全面收益呈報該負債信貸風險變動之影響會產生或增加損益之會計錯配，則作別論。過往，根據國際會計準則第39號，指定為按公平值計入損益之金融負債之全部公平值變動款額均於損益中呈列。

國際財務報告準則第7號(修訂本)披露—轉讓金融資產，增設涉及金融資產轉讓之交易之披露規定。該等修訂旨在就於金融資產被轉讓而轉讓人保留該資產一定程度之持續風險承擔時，提供風險承擔之更大透明度。該等修訂亦規定於該期間內金融資產轉讓並非均衡分佈時作出披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

3. APPLICATION OF NEW AND REVISED IFRSs (Continued)

IFRS 10 *Consolidated Financial Statements* builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This standard replaces SIC-12 *Consolidation — Special Purpose Entities* and replaces parts of IAS 27 *Consolidated and Separate Financial Statements*.

IFRS 11 *Joint Arrangements* provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities — Non-monetary Contributions by Venturers*.

IFRS 12 *Disclosure of Interests in Other Entities* is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

3. 應用新增及經修訂之國際財務報告準則(續)

國際財務報告準則第10號*綜合財務報表*於現有原則上建立透過識別控制概念作為實體是否應計入母公司之綜合財務報表之釐定因素。該準則提供額外指引協助釐定難以評估之控制權。該準則取代會計詮釋委員會詮釋 — 第12號*綜合 — 特殊目的實體*及取代國際會計準則第27號*綜合及獨立財務報表*之一部分。

國際財務報告準則第11號*共同安排*透過著重安排之權利及責任(而非目前之法定形式)提供共同安排之更現實反映。該準則透過規定以單一方法將於共同控制實體之權益入賬以解決呈報共同安排之不一致性。國際財務報告準則第11號取代國際會計準則第31號於*合營企業之權益*及會計詮釋委員會詮釋 — 第13號*共同控制實體 — 合營方之非貨幣貢獻*。

國際財務報告準則第12號*披露於其他實體之權益*為有關其他實體所有形式之權益(包括共同安排、聯營公司、特別用途工具及其他不計入資產負債表之工具)之披露規定之新增全面之準則。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

3. APPLICATION OF NEW AND REVISED IFRSs (Continued)

IFRS 13 *Fair Value Measurement* improves consistency and reduces complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting, but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

The Directors of the Company anticipate that the application of the other new and revised IFRSs will have no material impact on the results and the financial position of the Group.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

Sources of estimation uncertainty

Key sources of estimation uncertainty are as follows:

(a) Impairment

If circumstances indicate that the carrying value of an asset may not be recoverable, the asset may be considered “impaired” and an impairment loss may be recognised in profit or loss. The carrying amounts of assets are reviewed at least annually in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount.

3. 應用新增及經修訂之國際財務報告準則(續)

國際財務報告準則第13號公平值計量透過首次提供公平值之精確定義及公平值計量之單一來源以及所有國際財務報告準則均適用之披露規定改善一致性及降低複雜性。有關規定並無擴大公平值會計法之使用範圍，惟就其於國際財務報告準則已規定或准許使用時如何使用提供指引。

本公司董事預期，應用其他新增及經修訂國際財務報告準則不會對本集團業績及財務狀況造成重大影響。

4. 會計判斷及估計

估算不明朗因素之來源

主要估計不確定性來源如下：

(a) 減值

倘情況顯示資產之賬面值可能無法收回時，該資產會被視為「減值」而在損益表內確認減值虧損。該等資產之賬面值最少每年被檢討以評估可收回金額是否已跌至低於賬面值。當有事件或變動顯示該等資產之記錄賬面值可能無法收回時，該等資產會作減值測試。在發生減值時，賬面值會減至可收回金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

4. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Sources of estimation uncertainty

(Continued)

(a) Impairment (Continued)

The recoverable amount is the greater of the fair value less costs to sell and the value in use. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to level of sales volumes, sales revenue and the amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of sales volumes, sales revenue and the amount of operating costs.

(b) Write-down of inventories

The Group determines the write-down for obsolescence of inventories. These estimates are made with reference to aged inventories analyses, projections of expected future saleability of goods and management experience and judgement. Based on this review, a write-down of inventories will be made when the carrying amounts of inventories decline below their estimated net realisable value. Due to changes in market conditions, actual saleability of goods may be different from estimation and profit or loss could be affected by differences in this estimation.

4. 會計判斷及估計(續)

估算不明朗因素之來源(續)

(a) 減值(續)

可收回金額為公平值減銷售成本或使用價值之較高者。在釐定使用價值時，該資產產生之預期現金流量會被折現至其現值，而此需要就銷量、銷售收益及營運成本金額作重大判斷。本集團利用所有現有資料釐定可收回金額之合理概約金額，包括基於銷量、銷售收益及營運成本金額之合理及有依據之假設及預測而作出之估計。

(b) 存貨撇減

本集團會釐定陳舊存貨之撇減。此等估計乃參考存貨賬齡分析、預期未來貨品之銷售情況及管理層之經驗及判斷而作出。根據此審閱，倘存貨之賬面值跌至低於其估計可變現淨值，則本集團會撇減存貨之價值。鑒於市況可能發生變動，實際貨品銷售之情況可能與估計有所不同，而此估計之差異可能影響損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

4. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Sources of estimation uncertainty

(Continued)

(c) Depreciation

Property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the relevant assets, after taking into account the estimated residual value, if any. The Group reviews the estimated useful lives of the assets annually in order to determine the amount of depreciation expenses to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expenses for future periods are adjusted if there are significant changes from previous estimates.

(d) Income tax

Judgement is required in determining the provision for income taxes. There are transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. Additional provision is made in the consolidated financial statements to cover the expected outcome of the ultimate tax determination to the extent that outcomes are likely and reliable estimates can be made. However, the final outcomes are subject to uncertainties and resulting liabilities may exceed provisions.

4. 會計判斷及估計(續)

估算不明朗因素之來源(續)

(c) 折舊

物業、廠房及設備經考慮其估計剩餘價值(如有)後，按估計可使用年期以直線法計提折舊。本集團每年檢討資產之估計可使用年期以釐定於任何列報期間所記錄之折舊費用金額。可使用年期乃根據本集團對類似資產之過往經驗及考慮到預期技術變動後計算。倘過往估計出現重大變動，未來期間之折舊費用會予以調整。

(d) 所得稅

於釐訂所得稅撥備時須作出判斷。於日常業務過程中會有最終釐訂稅項屬不明朗之交易及計算。在綜合財務報表中已作出額外撥備，以涵蓋可能出現之後果以及可作出合理之估計而釐訂之預期最終稅項後果。然而，最終後果涉及不明朗因素，而所產生之負債可能超逾撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate, business, commodity price and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primary attributable to trade and other receivables and deposits with banks. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are generally due within 10 to 30 days from the date of billing. Debtors with balances that are overdue are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not collect collateral from customers.

5. 財務風險管理及公平值

本集團日常業務過程中須承擔信貸風險、流動資金風險、利息風險、商品價格風險及外匯風險。

本集團面對之該等風險，以及本集團所採納以應對該等風險之金融風險管理政策及慣例概述如下。

(a) 信貸風險

本集團之信貸風險主要涉及貿易賬款及其他應收款項，以及銀行存款。管理層設有信貸政策，而該等信貸風險乃按持續進行基準監督。

就應收貿易賬款而言，本集團對要求超過一定金額信貸之所有客戶進行信貸評估。此等評估集中於客戶過往繳付到期款項之歷史及現時付款之能力，以及考慮到客戶之具體資料及客戶營運所在地之經濟環境。該等應收貿易賬款乃於發票日期後10至30日內到期。借款人在獲授任何其他信貸前必須先清償所有未償還結餘。一般而言，本集團並無向客戶收取抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 1% (2010: 15%) and 32% (2010: 35%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The Group limits its exposure to credit risk by placing deposits with financial institutions with sound credit rating. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position. The Group does not provide any financial guarantees which would expose the Group to credit risk.

5. 財務風險管理及公平值(續)

(a) 信貸風險(續)

本集團之信貸風險受各個客戶之不同情況所影響，而非客戶經營之行業或國家，因此重大信貸集中風險主要於本集團涉及大量獨立客戶時出現。於報告期末，本集團最大及五大客戶之應收貿易賬款分別佔本集團應收貿易賬款總額之1%（二零一零年：15%）及32%（二零一零年：35%）。

本集團存放現金於具備良好信貸評級之金融機構以減低其信貸風險。鑒於該等獲得高信貸評級，管理層不預期任何交易方不能履行其責任。

最高信貸風險指綜合財務狀況表內各金融資產之賬面值。本集團並無提供任何令本集團面臨信貸風險之金融擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The following table show the remaining contractual maturities at the end of the reporting period of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group and the Company can be required to pay:

The Group

At 31 December 2011

5. 財務風險管理及公平值(續)

(b) 流動資金風險

集團內獨立經營實體負責其本身之現金管理，包括現金盈餘之短期投資，以及籌集貸款以應付預期現金需求，當借款超出既定權限，則須獲母公司董事會批准。本集團之政策是盡量確保隨時具備足夠流動資金應付到期之負債，令本集團毋須承擔不能接受之虧損或聲譽損害。

下表詳列本集團於報告期末餘下受契約規管之到期款項及本公司之金融負債，乃基於合約未貼現現金流量(包括按合約利率計算之應付利息)及本集團及本公司須付款之最早日期：

本集團

於二零一一年十二月三十一日

		Total undiscounted cash flows	Total carrying amount at year end
	Within 1 year or on demand	Total undiscounted cash flows	Total carrying amount at year end
	一年內或 按要求	未貼現現金 流量總額	年末 賬面總值
	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元
Trade and other payables	100,532	100,532	100,532
應付貿易賬款及 其他應付款項			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk (Continued)

At 31 December 2010

		Within 1 year or on demand 一年內或 按要求 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現現金 流量總額 RMB'000 人民幣千元	Total carrying amount at year end 年末 賬面總值 RMB'000 人民幣千元
Trade and other payables	應付貿易賬款及 其他應付款項	87,040	87,040	87,040

The Company

本公司

At 31 December 2011

於二零一一年十二月三十一日

		Within 1 year or on demand 一年內或 按要求 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現現金 流量總額 RMB'000 人民幣千元	Total carrying amount at year end 年末 賬面總值 RMB'000 人民幣千元
Other payables and accruals	其他應付款項及 預提費用	2,863	2,863	2,863

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk (Continued)

At 31 December 2010

	Within 1 year or on demand 一年內或 按要求 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現現金 流量總額 RMB'000 人民幣千元	Total carrying amount at year end 年末 賬面總值 RMB'000 人民幣千元
Other payables and accruals 其他應付款項及 預提費用	1,253	1,253	1,253

(c) Interest rate risk

The Group does not have any interest bearing borrowings at 31 December 2011 and 2010 that would expose the Group to interest rate risk.

5. 財務風險管理及公平值(續)

(b) 流動資金風險(續)

於二零一零年十二月三十一日

(c) 利率風險

於二零一一年及二零一零年十二月三十一日，本集團並無任何令本集團承擔利率風險之計息借貸。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Business risk

The Group's purchases of raw materials are primarily from several major suppliers. The Group has a certain concentration of business risk as 61% (2010: 65%) of the total purchases were from the Group's five largest suppliers. If the Group could not purchase adequate quantities of materials from these suppliers and failed to identify alternative sources, the Group's turnover and profitability could be adversely affected.

(e) Commodity price risk

The major raw materials used in the production of the Group's products include wood pulp and titanium dioxide powder. The Group is exposed to fluctuations in the prices of wood pulp and titanium dioxide powder which are influenced by global as well as regional supply and demand conditions. Fluctuations in the price of wood pulp and titanium dioxide powder could adversely affect the Group's financial performance. The Group historically has not entered into any commodity derivative instruments to hedge the potential commodity price changes.

(f) Foreign currency risk

As most of the Group's monetary assets and liabilities are denominated in RMB and the Group conducts its business transactions principally in Renminbi, the exchange rate risk of the Group is not significant and the Group does not employ any financial instruments for hedging purposes.

5. 財務風險管理及公平值(續)

(d) 業務風險

本集團集中向多名主要供應商採購原材料。本集團有一定程度之業務風險集中，此乃由於本集團向五大供應商採購之採購額佔總採購額之61%（二零一零年：65%）。倘本集團未能向此等供應商採購足夠數量之材料，且未能物色其他來源，則會對本集團之營業額及盈利能力造成不利影響。

(e) 商品價格風險

於生產本集團之產品時所採用之主要原材料包括木漿及鈦白粉。本集團因受木漿及鈦白粉之價格波動影響而須承受木漿及鈦白粉價格風險，而價格波動則視乎全球及地區之供求情況而定。木漿及鈦白粉之價格波動可對本集團之財務表現造成不利影響。本集團於過往並無訂立任何商品衍生工具以對沖商品價格之潛在變動。

(f) 外匯風險

由於本集團之大部份貨幣資產及負債以人民幣列值及本集團之業務交易主要以人民幣進行，故本集團所承擔之匯率風險並不重大，而本集團並無利用任何金融工具作對沖用途。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(g) Fair values

As stated in note 17, the balances with subsidiaries are interest-free and have no fixed repayment terms. Given these terms it is not meaningful to disclose their fair values.

6. TURNOVER

The principal activities of the Group are the manufacturing and sale of decorative base paper products and printing paper product in the PRC. Turnover represents the sales value of goods sold less returns, discounts and excludes value added taxes and other sales taxes, which may be analysed as follows:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Decorative base paper products	裝飾原紙產品	1,860,237	1,825,455
Printing paper product	印刷用紙產品	143,414	233,461
		2,003,651	2,058,916

The Group's customer base is diversified and no other single customers contributed more than 10% of the Group's revenue in 2011 (2010: one customer with whom transactions have exceeded 10% of the Group's revenue, revenue from sales of printing paper product to this customer amounted to approximately RMB233,461,000 and all arose in the PRC).

5. 財務風險管理及公平值(續)

(g) 公平值

如附註17所述，與附屬公司之結欠為免息及無固定還款期。根據有關條款，披露公平值並無意義。

6. 營業額

本集團主要於中國從業製造及銷售裝飾原紙產品及印刷用紙產品的業務。營業額指已售貨品銷售額扣除退貨、折扣並不包括增值稅及其他銷售稅，其可分析如下：

本集團之客源分散，於二零一一年並無單一客戶佔本集團收益多於10%（二零一零年：有一名與本集團進行交易之客戶佔本集團收益超過10%，向該名客戶銷售印刷用紙紙品之收益約為人民幣233,461,000元，全部在中國產生）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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7. OTHER REVENUE AND OTHER NET GAIN/(LOSS)

7. 其他收益及收益／(虧損)淨額

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Other revenue	其他收益		
Bank interest income	銀行利息收入	3,131	2,212
Other	其他	36	—
		3,167	2,212
Other net gain/(loss)	其他收益／(虧損)淨額		
Net foreign exchange gain/(loss)	外匯收益／(虧損)淨額	18	(189)

8. PROFIT BEFORE TAXATION

8. 除稅前溢利

Profit before taxation is arrived at after charging/
(crediting):

除稅前溢利已扣除／(計入)：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
(a) Staff costs (including directors' remuneration (note 11))	(a) 員工成本 (包括董事酬金 (附註11))		
Contributions to defined contribution retirement plans	定額供款退休金計劃供款	5,097	3,905
Salaries, wages and other benefits	薪金、工資及其他福利	50,081	42,338
		55,178	46,243

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

8. PROFIT BEFORE TAXATION (Continued)

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiary participates in a defined contribution retirement benefit scheme (“the Scheme”) organised by the local authority whereby the PRC subsidiary is required to make contributions to the Scheme at a fixed amount announced annually by the municipal government. The municipal government is responsible for the entire pension obligations payable to the retired employees.

The Group operates a Mandatory Provident Fund Scheme (“the MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees in Hong Kong under the jurisdiction of the Hong Kong Employment Ordinance. The assets of the MPF Scheme are held separately from those of the Group and administrated by an independent trustee. Under the MPF Scheme, both the Group and the employees are required to make regular contributions to the MPF Scheme. The Group is required to contribute an amount equivalent to 5% of the employees’ relevant income to the MPF Scheme, subject to the maximum level of relevant income of HK\$20,000 per month during the year. Mandatory contributions to the MPF Scheme are vested immediately.

The Group has no other material obligation for the payment of pension benefits associated with the two schemes referred to above beyond the contributions described above.

8. 除稅前溢利(續)

根據中國的相關勞工規則及法規，中國附屬公司參與地方當局組織的定額供款退休福利計劃(「計劃」)，據此，中國附屬公司須根據市政府每年公佈的定額供款額就計劃作出供款。市政府承擔應付退休僱員的全部退休金責任。

本集團根據香港強制性公積金計劃條例向其在香港根據僱傭條例聘用的僱員提供強制性公積金計劃(「強積金計劃」)。強積金計劃的資產與本集團的資產分開持有，由獨立信託人管理。根據強積金計劃，本集團及其僱員均須定期向強積金計劃作出供款，本集團於本年度的供款額相當於僱員有關收入的5%，以月薪20,000港元為上限。向強積金計劃作出的強制性供款實時歸屬。

除上文所述兩個計劃下的每年供款外，本集團概無其他與該兩個計劃相關的重大退休金福利支付責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除非另有指明，以人民幣呈列)

8. PROFIT BEFORE TAXATION (Continued)

8. 除稅前溢利(續)

		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
(b) Other items	(b) 其他項目：		
Amortisation of lease prepayments	租賃預付款項攤銷	341	341
Amortisation of prepayment for flood prevention expenses	防洪開支預付款項攤銷	850	425
Auditors' remuneration	核數師酬金		
— Audit services	— 審核服務		
— current year	— 本年度	1,904	1,001
— under-provision in prior year	— 過往年度撥備不足	497	—
— Tax services	— 稅務服務	—	66
Depreciation of property, plant and equipment	物業、廠房及設備折舊	197,776	150,960
Impairment loss in respect of property, plant and equipment	物業、廠房及設備減值虧損	—	4,137
Operating lease charges in respect of	有關的經營租賃費用		
— leasehold land and properties	— 租賃土地及物業	6,523	4,944
— others	— 其他	150	150
Sewage disposal expenses	排污費	438	362
Research and development costs	研發成本	119	189

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

9. INCOME TAX EXPENSE

(a) Taxation in the consolidated income statement represents:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Current tax – PRC corporate income tax	即期稅項 — 中國企業所得稅		
Current tax expense in respect of the current year	本年度即期稅項開支	33,684	58,017
Under-provision in respect of the prior year	過往年度撥備不足	531	450
		34,215	58,467

(i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

(ii) No provision has been made for Hong Kong Profits Tax as the Group did not have assessable profits subject to Hong Kong Profits Tax during the year (2010: Nil).

9. 所得稅開支

(a) 綜合收益表內稅項為：

(i) 根據開曼群島及英屬處女群島的規則及法規，本集團無須繳納開曼群島及英屬處女群島的任何所得稅。

(ii) 於本年度，由於本集團並無賺取任何須繳納香港利得稅的應課稅溢利，因此並無就香港利得稅計提撥備（二零一零年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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9. INCOME TAX EXPENSE (Continued)

(a) Taxation in the consolidated income statement represents: (Continued)

- (iii) Shandong Qunxing is a foreign investment enterprise and has been granted certain tax relief whereby it is fully exempted from PRC income tax for the two years starting from 1 January 2007 to 31 December 2008, followed by a 50% reduction in the PRC income tax rate for the three years from 1 January 2009 to 31 December 2011. The applicable tax rate for Shandong Qunxing for the year ended 31 December 2010 and 2011 is 12.5%.

In addition, the Group would be subject to withholding tax at the rate of 5% if profits generated by Shandong Qunxing after 31 December 2007 were to be distributed. As Shandong Qunxing is wholly owned by the Company, the Company can control the payments of dividends by Shandong Qunxing and the Company's directors have confirmed that it is unlikely that Shandong Qunxing will pay dividends in the foreseeable future.

9. 所得稅開支(續)

(a) 綜合收益表內稅項為：(續)

- (iii) 山東群星為外資企業並獲批若干稅務寬減，包括自二零零七年一月一日至二零零八年十二月三十一日兩年間獲豁免繳納中國所得稅，以及於二零零九年一月一日至二零一一年十二月三十一日三年間按50%的減免稅率繳納的中國所得稅。山東群星於二零一零年及二零一一年十二月三十一日年度適用稅率為12.5%。

此外，倘山東群星從二零零七年十二月三十一日起將其賺取之溢利將予分派，則本集團須就此按稅率5%繳納預扣稅。鑒於本公司全資擁有山東群星，本公司可控制山東群星派付之股息，而本公司董事確認，山東群星不太可能在可見將來派付股息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

9. INCOME TAX EXPENSE (Continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

9. 所得稅開支(續)

(b) 按適用稅率計算的稅項開支與會計溢利的對賬：

		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before taxation	除稅前溢利	256,183	455,973
Notional tax on profit before taxation, calculated at the tax rates applicable to profit in the countries concerned	按相關國家的溢利所適用稅率計算的除稅前溢利名義稅項	65,277	114,729
Tax effect of tax concession period	稅務優惠期間的稅務影響	(33,620)	(58,548)
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	2,310	1,857
Tax effect of non-taxable income	毋須課稅收入的稅務影響	(283)	(21)
Under-provision in prior year	過往年度撥備不足	531	450
Income tax expense recognised in profit or loss	於損益表確認的所得稅開支	34,215	58,467

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

10. DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year

10. 股息

(a) 應付本公司權益持有人年度應佔股息

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 <i>RMB'000</i> 人民幣千元
Final dividend proposed after the end of the reporting period of HK3.38 cents (equivalent to approximately RMB2.798 cents) per ordinary share (2010: HK8.633 cents, equivalent to approximately RMB7.517 cents, per ordinary share)	於報告期末後建議派付之末期股息每股普通股3.38港仙(相等於約人民幣2.798分)(二零一零年：每股普通股8.633港仙，相等於約人民幣7.517分)	44,394	119,252
Special dividend proposed after the end of reporting period of HKNil cents per ordinary share (2010: HK3 cents, equivalent to approximately RMB2.612 cents, per ordinary share)	於報告期末後建議派付之特別股息每股普通股零港仙(二零一零年：每股普通股3港仙，相等於約人民幣2.612分)	—	41,442
		44,394	160,694

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

10. DIVIDENDS (Continued)

(b) Dividends payable to equity shareholders of the Company attributable to previous financial year, approved and paid during the year

10. 股息(續)

(b) 應付本公司權益持有人上一財政年度應佔股息，已於年內批准及派付

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Final dividend in respect of the year ended 31 December 2010, approved and paid during the year of HK8.633 cents (equivalent to approximately RMB7.517 cents) per ordinary share wholly in cash form (2009: HK7.403 cents, equivalent to approximately RMB6.525 cents, per ordinary share wholly in scrip form)	已批准及派付截至二零一零年十二月三十一日止年度末期股息每股普通股8.633港仙(約相當於人民幣7.517分)，全部採用以現金方式派付(二零零九年：每股普通股7.403港仙，約相當於人民幣6.525分，全部採用以股代息方式派付)	119,252	67,385
Special dividend in respect of the year ended 31 December 2010, approved and paid during the year, of HK3 cents (equivalent to approximately RMB2.612 cents) per ordinary share (2009: Nil)	已批准及派付截至二零一零年十二月三十一日止年度特別股息每股普通股3港仙(約相當於人民幣2.612分)(二零零九年：無)	41,442	—
		160,694	67,385

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

11. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

11. 董事酬金

根據香港公司條例第161條所披露的董事酬金如下：

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

		Directors' fee	Basic salaries, allowances and other benefits in kind	Contributions to retirement benefit scheme	Bonuses	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors	執行董事					
Dr. Zhu Yu Guo	朱玉國博士	596	—	—	—	596
Mr. Zhu Mo Qun	朱墨群先生	596	—	—	—	596
Mr. Sun Zhen Shui	孫振水先生	298	—	—	—	298
Non-executive Director	非執行董事					
Ms. Sun Rui Fang	孫瑞芳女士	60	—	—	—	60
Independent Non-executive Directors	獨立非執行董事					
Mr. Zhao Wei	趙偉先生	102	—	—	—	102
Mr. Wang Lu	王魯先生	102	—	—	—	102
Mr. Kwong Kwan Tong	鄭焜堂先生	161	—	—	—	161
		1,915	—	—	—	1,915

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

11. DIRECTORS' REMUNERATION

(Continued)

For the year ended 31 December 2010

11. 董事酬金 (續)

截至二零一零年十二月三十一日止年度

		Basic salaries, allowances and other benefits in kind	Contributions to retirement benefit scheme	Bonuses	Total
	Directors' fee	基本薪金、津貼及其他福利	退休福利計劃供款	花紅	合計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors	執行董事				
Dr. Zhu Yu Guo	朱玉國博士	627	—	—	627
Mr. Zhu Mo Qun	朱墨群先生	627	—	—	627
Mr. Sun Zhen Shui	孫振水先生	313	—	—	313
Non-executive Director	非執行董事				
Mrs. Sun Rui Fang	孫瑞芳女士	63	—	—	63
Independent Non-executive Directors	獨立非執行董事				
Mr. Zhao Wei	趙偉先生	104	—	—	104
Mr. Wang Lu	王魯先生	104	—	—	104
Mr. Kwong Kwan Tong	鄺焜堂先生	157	—	—	157
		1,995	—	—	1,995

During the year, no amount was paid or payable by the Group to the Directors or any of the five highest paid individuals set out in note 12 below as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a Director waived or agreed to waive any remuneration during the year.

在本年度，本集團概無已付或應付董事或下文附註12所述五名最高薪酬人士中任何人士酬金以吸引彼等加盟本集團或加入後的獎金或作為離職補償。在本年度，概無訂立安排以致董事放棄或同意放棄任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

12. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2010: three) are Directors whose emoluments are disclosed in note 11. The aggregate of the emoluments in respect of the other two (2010: two) individuals are as follows:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他酬金	1,253	1,281
Retirement scheme contributions	退休金計劃供款	20	21
		1,273	1,302

The emoluments of the two individuals (2010: two) with the highest emoluments are within the following band:

		Number of individuals 人數	
		2011 二零一一年	2010 二零一零年
HK\$Nil to HK\$1,000,000	零港元至1,000,000港元	2	2

12. 最高薪酬人士

五名最高薪酬人士中有三名(二零一零年：三名)亦為董事，彼等的酬金於附註11中披露。其他兩名(二零一零年：兩名)最高薪酬人士的酬金總額如下：

兩名(二零一零年：兩名)最高薪酬人士的酬金介乎以下範圍：

13. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a loss of RMB13,420,000 for the year ended 31 December 2011 (2010: RMB7,716,000) which has been dealt with in the financial statements of the Company.

13. 本公司權益持有人應佔溢利

本公司權益持有人應佔綜合溢利包括截至二零一一年十二月三十一日止年度虧損人民幣13,420,000元(二零一零年：人民幣7,716,000元)，並已於本公司財務報表內處理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

14. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the year ended 31 December 2011 is based on the profit attributable to ordinary equity shareholders of the Company of RMB221,968,000 (2010: RMB397,506,000) and the weighted average number of 1,586,391,450 ordinary shares (2010: 1,057,594,300) in issue during the year.

14. 每股盈利

截至二零一一年十二月三十一日止年度每股基本及攤薄盈利乃根據本公司普通股股東應佔溢利人民幣221,968,000元(二零一零年：人民幣397,506,000元)以及於本年度已發行普通股的加權平均數1,586,391,450(二零一零年：1,057,594,300)股計算，計算方式如下。

Weighted average number of ordinary shares

普通股的加權平均數

		2011	2010
		二零一一年	二零一零年
		'000	'000
		千股	千股
Issued ordinary shares at 1 January	於一月一日已發行普通股	1,057,594	1,032,800
Effect of scrip dividend issued (note 1)	發行以股代息股份影響 (附註1)	—	24,794
Effect of shares issued under open offer (note 2)	根據公開發售發行股份影響 (附註2)	528,797	—
Weighted average number of ordinary shares for the purpose of basic earnings per share at 31 December	於十二月三十一日 就計算每股基本盈利 普通股的加權平均數	1,586,391	1,057,594

Notes:

- On 5 May 2010, the Board resolved to recommend the payment of a final dividend for the year ended 31 December 2009 wholly in scrip form. 24,794,300 shares were issued on 8 June 2010.
- On 10 January 2011, the Company issued 528,797,150 ordinary shares pursuant to the open offer on the basis of one offer share for every two shares held on the record date at a subscription price of HK\$0.66 per offer share. The ordinary shares were issued for the purpose of increasing general working capital for the Group. The new shares rank pari passu with the existing shares in all respects.

附註：

- 於二零一零年五月五日，董事會議決建議派發截至二零零九年十二月三十一日止年度之末期股息，全部採用以股代息之方式派付。24,794,300股股份乃於二零一零年六月八日發行。
- 於二零一一年一月十日，本公司根據公開發售按於記錄日期每持有兩股股份獲發一股發售股份的基準發行了528,797,150股普通股，每股發售股份的認購價為0.66港元。發行普通股的目的是增加本集團的一般營運資金。新股份在各方面與現有股份享有同等權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

14. EARNINGS PER SHARE (Continued)

The computation of diluted earnings per share for the year ended 31 December 2011 does not assume the exercise of the Company's outstanding warrants as the exercise of warrants is anti-dilutive.

Diluted earnings per share for the year ended 31 December 2010 were the same as the basic earnings per share as there were no diluting event existed during the year.

15. SEGMENT REPORTING

The Group operates in a single business segment, the manufacturing and trading of decorative base paper products and printing paper product in the PRC. The Group's chief operating decision maker regards and manages the Group based on the information of this single business segment, for the purposes of assessing performance and making decisions about operating matters. Accordingly, no segmental analysis is presented. All of the Group's revenues are generated in the PRC and substantially all of the Group's assets are located in the PRC and therefore no geographical segment information has been disclosed.

14. 每股盈利(續)

計算截至二零一一年十二月三十一日止年度之每股攤薄盈利並未假設行使本公司之尚未行使認股權證，因行使認股權證具有反攤薄作用。

截至二零一零年十二月三十一日止年度每股攤薄盈利與每股基本盈利相同，原因為於該年度公司並無攤薄事項。

15. 分部報告

本集團的業務涉及單一業務分部，即在中國製造及銷售裝飾原紙產品及印刷用紙產品。本集團主要經營決策者按這單一業務分部的資料考慮及管理本集團，旨在針對經營事宜評核績效及作出決定。因此，本集團並無呈列分部分析。由於本集團全部收入源自中國，而絕大部份的資產亦位於中國境內，故此本集團並無披露地區分部資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除非另有指明，以人民幣呈列)

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

(a) The Group

(a) 本集團

		Buildings 樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃裝修 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Furniture and fixtures and computer equipment 傢俬、裝置 及電腦設備 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Cost:	成本：						
At 1 January 2010	於二零一零年一月一日	308,850	295	1,388,789	2,515	6,148	1,706,597
Additions	添置	—	—	2,239	—	195	2,434
Transfer from construction in progress (note 18)	轉撥自在建工程 (附註18)	292,476	—	510,257	—	—	802,733
Exchange adjustments	匯兌調整	—	(6)	—	—	(5)	(11)
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及 二零一一年一月一日	601,326	289	1,901,285	2,515	6,338	2,511,753
Additions	添置	—	—	891	—	891	891
Transfer from construction in progress (note 18)	轉撥自在建工程 (附註18)	119,870	—	254,798	—	—	374,668
Exchange adjustments	匯兌調整	—	(8)	—	—	(8)	(16)
At 31 December 2011	於二零一一年十二月三十一日	721,196	281	2,156,974	2,515	6,330	2,887,296
Accumulated depreciation and impairment:	累計折舊及減值：						
At 1 January 2010	於二零一零年一月一日	9,026	8	328,203	1,032	2,808	341,077
Charge for the year	本年度折舊	9,695	97	140,457	198	513	150,960
Impairment loss	減值虧損	2,879	—	1,258	—	—	4,137
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及 二零一一年一月一日	21,600	105	469,918	1,230	3,321	496,174
Charge for the year	本年度折舊	14,524	93	182,506	198	455	197,776
At 31 December 2011	於二零一一年十二月三十一日	36,124	198	652,424	1,428	3,776	693,950
Net book value:	賬面淨值：						
At 31 December 2011	於二零一一年十二月三十一日	685,072	83	1,504,550	1,087	2,554	2,193,346
At 31 December 2010	於二零一零年十二月三十一日	579,726	184	1,431,367	1,285	3,017	2,015,579

All of the Group's buildings and plant and machinery are located in the PRC.

本集團全部樓宇、廠房及機器均位於中國。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

16. PROPERTY, PLANT AND EQUIPMENT

(Continued)

(a) The Group (Continued)

As at 31 December 2011, the Group does not have any prepayment for acquisition of plant and machinery (2010: RMB24,029,000).

Impairment loss

During the year, the Directors of the Company conducted a review on the production line and the plant and machinery of the Group and determined that there was no indication for impairment was noted (2010: an impairment loss of RMB4,137,000 was recognised). The recoverable amounts of the relevant assets have been determined on the basis of their value in use of the production line and plant and machinery.

16. 物業、廠房及設備(續)

(a) 本集團(續)

於二零一一年十二月三十一日，本集團沒有就購置廠房及機器預付款額(二零一零年：人民幣24,029,000元)。

減值虧損

年內，本公司董事對生產線以及廠房與機器進行檢討，並斷定並無減值跡象(二零一零年：已確認人民幣4,137,000元的減值虧損)。相關資產的可收回金額按生產線及廠房與機器的使用價值作基準予以釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

16. PROPERTY, PLANT AND EQUIPMENT

(Continued)

16. 物業、廠房及設備(續)

(b) The Company

(b) 本公司

		Leasehold improvements	Furniture and fixtures and computer equipment	Total
		租賃裝修 RMB'000 人民幣千元	傢俬、裝置 及電腦設備 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
Cost:	成本：			
At 1 January 2010	於二零一零年一月一日	295	553	848
Additions	添置	—	6	6
Exchange adjustments	匯兌調整	(6)	(5)	(11)
At 31 December 2010 and 1 January 2011	於二零一零年 十二月三十一日及 二零一一年一月一日	289	554	843
Exchange adjustments	匯兌調整	(8)	(8)	(16)
At 31 December 2011	於二零一一年 十二月三十一日	281	546	827
Accumulated depreciation:	累計折舊：			
At 1 January 2010	於二零一零年一月一日	8	254	262
Charge for the year	本年度折舊	97	136	233
At 31 December 2010 and 1 January 2011	於二零一零年 十二月三十一日及 二零一一年一月一日	105	390	495
Charge for the year	本年度折舊	93	76	169
At 31 December 2011	於二零一一年 十二月三十一日	198	466	664
Net book value:	賬面淨值：			
At 31 December 2011	於二零一一年 十二月三十一日	83	80	163
At 31 December 2010	於二零一零年 十二月三十一日	184	164	348

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

17. INTERESTS IN SUBSIDIARIES

17. 於附屬公司的權益

		The Company	
		本公司	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Unlisted shares, at cost	非上市股份，按成本值	996	996
Amounts due from subsidiaries	應收附屬公司款項	1,120,843	1,189,652
		1,121,839	1,190,648

The amounts due from subsidiaries are unsecured, interest free and have no fixed terms of repayment. In the opinion of the Directors, the amounts due from subsidiaries will not be repaid within twelve months from the end of the reporting period and are, therefore, shown in the statement of financial position as non-current.

應收附屬公司的款項為無抵押、免息及無固定還款期。董事認為應收附屬公司的款項不會於報告期末起計十二個月內償還，故於財務狀況表內列為非流動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

17. INTERESTS IN SUBSIDIARIES (Continued)

Details of the subsidiaries at 31 December 2011 and 2010 are set out below:

17. 於附屬公司的權益(續)

於二零一一年及二零一零年十二月三十一日附屬公司的詳情載列如下：

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued and fully paid up capital 已發行及繳足股本詳情	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct	Indirect	
			直接	間接	
Double Nation Limited	BVI 英屬處女群島	100 ordinary shares of US\$1 each 100股每股面值1美元 之普通股	100%	—	Investment holding 投資控股
Best Known Group Limited 慧富集團有限公司	Hong Kong 香港	100 ordinary shares of HK\$1 each 100股每股面值1港元 之普通股	—	100%	Investment holding 投資控股
Shandong Qunxing Paper Limited* 山東群星紙業有限公司*	The PRC 中國	RMB1,294,000,000 人民幣1,294,000,000元	—	100%	Manufacturing and sale of decorative base paper products and printing paper product 製造及銷售 裝飾原紙產品 及印刷用紙產品

* This entity is a wholly foreign owned enterprise established in the PRC.

* 該實體為於中國成立之外商獨資企業。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

18. CONSTRUCTION IN PROGRESS

18. 在建工程

The Group

本集團

		RMB'000 人民幣千元
At 1 January 2010	於二零一零年一月一日	296,911
Additions	添置	759,700
Transfer to property, plant and equipment (note 16)	轉撥至物業、廠房及設備 (附註16)	(802,733)
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及 二零一一年一月一日	253,878
Additions	添置	572,282
Transfer to property, plant and equipment (note 16)	轉撥至物業、廠房及設備 (附註16)	(374,668)
At 31 December 2011	於二零一一年十二月三十一日	451,492

Construction in progress comprises costs incurred on buildings and plant and machinery not yet completed at the end of the respective reporting period.

在建工程包括於報告期末尚未完成之樓宇與廠房及機器產生的成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

19. LEASE PREPAYMENTS

19. 租賃預付款項

The Group

本集團

		RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2010, 31 December 2010 and 31 December 2011	於二零一零年一月一日、 二零一零年十二月三十一日及 二零一一年十二月三十一日	15,646
Accumulated amortisation:	累計攤銷：	
At 1 January 2010	於二零一零年一月一日	837
Charge for the year	本年度攤銷	341
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及 二零一一年一月一日	1,178
Charge for the year	本年度攤銷	341
At 31 December 2011	於二零一一年十二月三十一日	1,519
Net book value:	賬面淨值：	
At 31 December 2011	於二零一一年十二月三十一日	14,127
At 31 December 2010	於二零一零年十二月三十一日	14,468

Lease prepayments represent the cost of the land use rights in the PRC which was classified as medium-term lease.

租賃預付款項指被分類為中期租賃的中國土地使用權之成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

20. PREPAYMENT FOR FLOOD PREVENTION EXPENSES

Prepayment amounting to RMB42,500,000 were made on 11 June 2010 for the flood prevention expenses charged for a period of 50 years up to 2059. Amortisation of the prepayment for flood prevention expenses is being charged to consolidated income statement on a straight-line basis over 50 years.

20. 防洪開支預付款項

於二零一零年六月十一日，本集團預付防洪開支款項為人民幣42,500,000元，款項預付50年並於二零五九年屆滿。預付防洪開支之攤銷於50年期間按直線法計入綜合收益表。

The Group	本集團	RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2010	於二零一零年一月一日	—
Addition	添置	42,500
At 31 December 2010, 1 January 2011 and 31 December 2011	於二零一零年十二月三十一日、二零一一年一月一日及二零一一年十二月三十一日	42,500
Accumulated amortisation and impairment:	累計攤銷及減值：	
At 1 January 2010	於二零一零年一月一日	—
Charge for the year	本年度攤銷	425
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日	425
Charge for the year	本年度攤銷	850
At 31 December 2011	於二零一一年十二月三十一日	1,275
Net book value:	賬面淨值：	
At 31 December 2011	於二零一一年十二月三十一日	41,225
At 31 December 2010	於二零一零年十二月三十一日	42,075

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

20. PREPAYMENT FOR FLOOD PREVENTION EXPENSES (Continued)

20. 防洪開支預付款項(續)

		The Group 本集團	
		2011 二零一一年	2010 二零一零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Analysed for reporting purposes as:	就報告而言的分析：		
Current portion (included in prepayments, deposits and other receivables as stated in note 22)	即期部份 (包括附註22所述預付款項、按金及其他應收款項)	850	850
Non-current portion	非即期部份	40,375	41,225
		41,225	42,075

21. INVENTORIES

21. 存貨

(a) Inventories in the consolidated statement of financial position comprise:

(a) 綜合財務狀況表內的存貨包括：

		The Group 本集團	
		2011 二零一一年	2010 二零一零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Raw materials and consumables	原材料及消耗品	36,006	33,372
Finished goods	製成品	17,434	15,590
		53,440	48,962

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

21. INVENTORIES (Continued)

- (b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

		The Group 本集團	
		2011 二零一一年	2010 二零一零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Carrying amount of inventories sold	已售存貨賬面值	1,676,741	1,539,131

21. 存貨(續)

- (b) 在損益中確認為開支的存貨金額分析如下：

22. TRADE AND OTHER RECEIVABLES

		The Group 本集團		The Company 本公司	
		2011 二零一一年	2010 二零一零年	2011 二零一一年	2010 二零一零年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Trade receivables	應收貿易賬款	72,258	97,503	—	—
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	2,032	1,228	1,175	378
Other tax recoverable	可收回其他稅項	—	12,557	—	—
		74,290	111,288	1,175	378

22. 應收貿易賬款及其他應收款項

The amount of prepayments, deposits and other receivables includes the current portion of RMB850,000 (2010: RMB850,000) relating to the prepayment for flood prevention expenses as referred to in note 20.

All of the trade receivables are expected to be recovered or recognised as an expense within one year.

預付款項、按金及其他應收款項之金額包括附註20所述預付防洪開支即期部份之人民幣850,000元(二零一零年：人民幣850,000元)。

所有應收貿易賬款預期於一年內收回或確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

22. TRADE AND OTHER RECEIVABLES

(Continued)

(a) Ageing analysis

Included in trade and other receivables are trade receivables with the following ageing analysis as of the end of the reporting period:

		The Group 本集團	
		2011 二零一一年	2010 二零一零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Current	即期	72,258	93,802
Less than one month past due	逾期少於一個月	—	3,701
		72,258	97,503

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly (see note 2(h)(i)).

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

22. 應收貿易賬款及其他應收款項(續)

(a) 賬齡分析

包括在應收貿易賬款及其他應收款項的應收貿易款項於報告期末之賬齡分析如下：

(b) 應收貿易賬款減值

就應收貿易賬款而言，減值虧損使用於撥備賬予以記錄，除非本集團相信日後收回該等款項的可能性很低，則有關的減值虧損將直接於應收貿易賬款中撇銷(見附註2(h)(i))。

尚未逾期或減值之應收款項乃有關廣泛之客戶，他們近期並無欠款記錄。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

22. TRADE AND OTHER RECEIVABLES

(Continued)

(b) Impairment of trade receivables

(Continued)

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

22. 應收貿易賬款及其他應收款項(續)

(b) 應收貿易賬款減值(續)

已逾期但未減值之應收款項乃有關若干獨立客戶，其與本集團之往績記錄良好。根據過往經驗，由於客戶之信貸質量並未出現重大變動，且認為餘額可悉數收回，故管理層相信無需作出減值撥備。本集團並未就有關結餘持有任何抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

23. 現金及現金等價物

現金及現金等價物包括：

		The Group		The Company	
		本集團		本公司	
		2011	2010	2011	2010
		二零一一年	二零一零年	二零一一年	二零一零年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Deposits with banks	銀行存款	207,063	69,945	179,710	41,719
Cash at bank and other financial institutions and cash in hand	銀行及其他金融機構之存款及手頭現金	281,871	377,818	18,889	34,313
Cash and cash equivalents in the statement of financial position	財務狀況表的現金及現金等價物	488,934	447,763	198,599	76,032
Cash and cash equivalents in the consolidated statement of cash flows	綜合現金流量表的現金及現金等價物	488,934	447,763		

As at 31 December 2011, cash in hand and cash at banks in the PRC included in the cash and cash equivalents above amounted to approximately RMB261,697,000 (2010: RMB341,710,000). Remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government.

於二零一一年十二月三十一日，手頭現金及存放於中國的銀行存款包括上述現金及現金等價物約為人民幣261,697,000元(二零一零年：人民幣341,710,000元)。將款項匯出中國須受中國政府施行的外匯管制所限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

24. TRADE AND OTHER PAYABLES

24. 應付貿易賬款及其他應付款項

		The Group 本集團		The Company 本公司	
		2011 二零一一年	2010 二零一零年	2011 二零一一年	2010 二零一零年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Trade payables	應付貿易賬款	79,119	75,596	—	—
Other payables and accruals	其他應付款項及 預提費用	21,413	11,444	2,863	1,253
		100,532	87,040	2,863	1,253

Included in trade and other payables are trade payables with the following ageing analysis as of the end of the reporting period. The average credit period granted by suppliers generally is not more than 30 days.

包含在應付貿易賬款及其他應付賬款項中的應付貿易賬款於報告期末賬齡分析如下。各供貨商授予的信貸期一般不多於30日。

		The Group 本集團	
		2011 二零一一年	2010 二零一零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Due within 30 days	30天內到期	79,119	75,596

All of the trade and other payables are expected to be settled within one year.

所有應付貿易賬款及其他應付款項預計於一年內償付。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

25. CURRENT TAXATION

(a) Current taxation in the consolidated statement of financial position represents:

		The Group 本集團	
		2011 二零一一年	2010 二零一零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Provision for PRC income tax for the year	本年度已計提的中國所得稅	33,684	58,017
PRC income tax paid	已繳付的中國所得稅	(30,476)	(45,177)
		3,208	12,840
Balance of PRC income tax relating to prior years	過往年度中國所得稅結餘	9,868	9,868
Income tax payable	應付所得稅	13,076	22,708

(b) **Deferred tax assets not recognised**

In accordance with the accounting policy set out in note 2(o), the Group has not recognise deferred tax assets in respect of cumulative tax losses of RMB12,506,00 (2010: RMB13,262,840) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

25. 即期稅項

(a) 綜合財務狀況表內的即期稅項代表：

(b) **未經確認的遞延稅項資產**

根據附註2(o)之會計政策，本集團並無確認由累計稅項虧損人民幣12,506,000元(二零一零年：人民幣13,262,840元)產生之遞延稅項資產，原因是在相關稅務司法權區及實體不太可能產生未來應課稅溢利可用作抵扣有關虧損。根據現行稅法，稅務虧損並無限期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

25. CURRENT TAXATION (Continued)

(c) Deferred tax liabilities not recognised

At 31 December 2011, temporary differences relating to the undistributed profits of the PRC subsidiary amounted to approximately RMB1,231,487,000 (2010: RMB1,019,809,000). Deferred tax liabilities of approximately RMB61,574,000 (2010: RMB50,990,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of this subsidiary and it has been determined that it is probable that retained profits will not be distributed in the foreseeable future.

25. 即期稅項(續)

(c) 未經確認的遞延稅項負債

於二零一一年十二月三十一日，有關中國附屬公司之未分配利潤之暫時差額為人民幣1,231,487,000元(二零一零年：人民幣1,019,809,000元)。由於本公司控制此等附屬公司之股息政策，且已確定於可見之將來其留存溢利可能不予分配，故未有確認於分配此等留存溢利時須要繳納之稅款共人民幣61,574,000元(二零一零年：人民幣50,990,000元)為遞延稅項負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

26. CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

26. 資本及儲備

(a) 權益項目變動

本集團綜合權益各項目之年初與年終結餘之對賬載於綜合權益變動表內。本公司權益個別項目年初與年終之變動詳情如下：

<i>The Company</i>		<i>本公司</i>					
		Share capital	Share premium	Warrant reserve	Exchange reserve	Accumulated losses	Total
		股本	股份溢價	認股權證儲備	匯兌儲備	累計虧損	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2010	於二零一零年一月一日結餘	100,258	1,367,980	—	(159,895)	(3,942)	1,304,401
Loss for the year	本年度虧損	—	—	—	—	(7,716)	(7,716)
Other comprehensive loss for the year	年度其他全面虧損	—	—	—	(30,532)	—	(30,532)
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	(30,532)	(7,716)	(38,248)
Dividends declared and approved in respect of previous year	宣派及批准上一年度股息	—	(67,385)	—	—	—	(67,385)
Shares issued in respect of scrip dividend of previous year	發行上一年度以股代息股份	2,169	65,216	—	—	—	67,385
Balance at 31 December 2010	於二零一零年十二月三十一日結餘	102,427	1,365,811	—	(190,427)	(11,658)	1,266,153

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除非另有指明，以人民幣呈列)

26. CAPITAL AND RESERVES (Continued)

(a) Movements in components of equity

(Continued)

The Company (Continued)

		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Warrant reserve 認股權證儲備 RMB'000 人民幣千元	Exchange reserve 匯兌儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Balance at 1 January 2011	於二零一一年一月一日結餘	102,427	1,365,811	—	(190,427)	(11,658)	1,266,153
Loss for the year	本年度虧損	—	—	—	—	(13,420)	(13,420)
Other comprehensive loss for the year	年度其他全面虧損	—	—	—	(75,847)	—	(75,847)
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	(75,847)	(13,420)	(89,267)
Dividends declared and approved in respect of the previous year	宣派及批准上一年度股息	—	(160,694)	—	—	—	(160,694)
Shares issued under open offer	根據公開發售發行股份	45,135	252,752	—	—	—	297,887
Shares issue expenses	股份發行開支	—	(3,755)	—	—	—	(3,755)
Issue of warrants	發行認股權證	—	—	8,589	—	—	8,589
Balance at 31 December 2011	於二零一一年十二月三十一日結餘	147,562	1,454,114	8,589	(266,274)	(25,078)	1,318,913

26. 資本及儲備(續)

(a) 權益項目變動(續)

本公司(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

26. CAPITAL AND RESERVES (Continued)

26. 資本及儲備(續)

(b) Authorised and issued share capital

(b) 法定及已發行股本

		At 31 December 2011		At 31 December 2010	
		於二零一一年 十二月三十一日		於二零一零年 十二月三十一日	
		Number of shares 股份數目		Number of shares 股份數目	
		'000	HK\$'000	'000	HK\$'000
		千股	千港元	千股	千港元
Authorised:	法定：				
Ordinary shares of HK\$0.1 each	每股面值0.1港元 的普通股	10,000,000	1,000,000	10,000,000	1,000,000
Ordinary shares issued and fully paid:	已發行及繳足 普通股：				
					'000 千股
At 1 January 2010	於二零一零年一月一日			1,032,800	
Shares issued under scrip dividend (note i)	發行以股代息股份 (附註i)			24,794	
At 31 December 2010 and 1 January 2011	於二零一零年十二月 三十一日及 二零一一年一月一日			1,057,594	
Shares issued under open offer (note ii)	根據公開發售發行 股份 (附註ii)			528,797	
At 31 December 2011	於二零一一年十二月 三十一日			1,586,391	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

26. CAPITAL AND RESERVES (Continued)

(b) Authorised and issued share capital

(Continued)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Note:

(i) Share issued under scrip dividend

The Board has resolved to recommend the payment of a final dividend for the year ended 31 December 2009 wholly in scrip form equivalent to HK7.403 cents (equivalent to approximately RMB6.525 cents) per ordinary share to shareholders whose names appear on the register of members of the Company on 5 May 2010, totalling of approximately HK\$76,458,000 (equivalent to approximately RMB67,385,000).

For the purpose of calculating the number of scrip shares allotted in respect of the final dividend in 2009, the market value of the scrip dividend was HK\$3.0837, which was the average closing price of the Company's share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding 5 May 2010, less a discount of 5% and rounding such figure to four decimal places.

On 8 June 2010, the Company issued and allotted 24,794,300 of shares in scrip form to shareholders totalling of HK\$76,458,000 (equivalent to approximately RMB67,385,000), out of which approximately RMB2,169,000 was recorded in share capital and approximately RMB65,216,000 was recorded in share premium. These shares rank pari passu with the existing shares of the Company in all aspects.

26. 資本及儲備(續)

(b) 法定及已發行股本(續)

普通股持有人有權收取不時宣派的股息，並有權於本公司會議上按每股一票的比例投票。就本公司餘下資產而言，所有普通股均享有同等地位。

附註：

(i) 發行代息股份

董事會決議向於二零一零年五月五日名列本公司股東名冊上之股東派發截至二零零九年十二月三十一日止之末期股息，每股7.403港仙(相當於約人民幣6.525分)，全部採用以股代息的方式派付。總金額約為港幣76,458,000元(相當於約人民幣67,385,000元)。

就計算二零零九年末期股息之代息股份數目而言，代息股息之市值釐定為每股3.0837港元，乃緊接於二零一零年五月五日前五個連續交易日在聯交所所報本公司股份平均收市價經5%折讓(約數至小數點後四個位)。

於二零一零年六月八日，本公司向股東發行及配發24,794,300股代息股份，總金額76,458,000港元(約相等於人民幣67,385,000元)，其中約人民幣2,169,000元記入股本，約人民幣65,216,000元記入股份溢價。該等股份與本公司之現有股份在各方面具有同等地位。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

26. CAPITAL AND RESERVES (Continued)

(b) Authorised and issued share capital

(Continued)

Note: (Continued)

(ii) Share issued under open offer

On 10 January 2011, the Company issued 528,797,150 ordinary shares pursuant to the open offer on the basis of one offer share for every two shares held on the record date at a subscription price of HK\$0.66 per offer share totaling of approximately HK\$349,006,000 (equivalent to approximately RMB297,887,000). The ordinary shares were issued for the purpose of increasing general working capital for the Group. The new shares rank pari passu with the existing shares in all respects.

(c) Nature and purpose of reserves

(i) Share premium

In accordance with the Companies Law of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares. During the year ended 31 December 2011, a final dividend of RMB119,252,000 (2010: RMB67,385,000) and a special dividend of RMB41,442,000 (2010: Nil) in respect of the previous year were paid out from the share premium account.

26. 資本及儲備(續)

(b) 法定及已發行股本(續)

附註：(續)

(ii) 根據公開發售發行股份

於二零一一年一月十日，本公司根據公開發售按於記錄日期每持有兩股股份獲發一股發售股份之基準以認購價每股發售股份0.66港元發行528,797,150股普通股，涉及總額約349,006,000港元（約相等於人民幣297,887,000元）。本集團發行普通股，以增加本集團之一般營運資金。新股份與現有股份在各方面具有同等地位。

(c) 儲備性質及目的

(i) 股份溢價

根據開曼群島公司法，股份溢價賬可分派予本公司股東，惟緊隨建議宣派股息之日後，本公司須有能力支付在日常業務過程中到期支付的債項。股份溢價亦可以繳足紅股分式分派。截至二零一一年十二月三十一日止年度，上一年度之末期股息人民幣119,252,000元（二零一零年：人民幣67,385,000元）及特別股息人民幣41,442,000元（二零一零年：無）已從股份溢價賬中派付。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

26. CAPITAL AND RESERVES (Continued)

(c) Nature and purpose of reserves

(Continued)

(ii) Surplus reserves

Transfers from retained profits to the surplus reserves were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiary incorporated in the PRC and were approved by its board of Directors.

The PRC subsidiary is required to appropriate 10% of its net profit, as determined in accordance with the PRC accounting rules and regulations, to the surplus reserves until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside the PRC which are dealt with in accordance with the accounting policy as set out in note 2(r).

(iv) Distributability of reserves

At 31 December 2011, the aggregate amount of reserves available for distribution to equity shareholders of the Company, including the distributable amounts disclosed in note 26(c)(i) was RMB1,429,036,000 (2010: RMB1,354,153,000).

26. 資本及儲備(續)

(c) 儲備性質及目的(續)

(ii) 法定盈餘儲備

本集團是根據有關中國規則及法規以及本公司於中國註冊成立的附屬公司的公司章程細則將留存收益撥往法定盈餘儲備，並已獲得董事會批准。

中國附屬公司須根據中國會計規則及法規將溢利淨額的10%轉撥至法定盈餘儲備，直至該儲備的結餘達致註冊資本的50%為止。本集團須在向股東分派股息前提取法定盈餘儲備。

(iii) 匯兌儲備

匯兌儲備包括換算中國境外業務的財務報表而產生的所有匯兌差額，並根據附註2(r)所載的會計政策處理。

(iv) 可供分派儲備

於二零一一年十二月三十一日，可供分派予本公司權益持有人的儲備總額，包括在附註26(c)(i)所披露的可分派金額為人民幣1,429,036,000元(二零一零年：人民幣1,354,153,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

26. CAPITAL AND RESERVES (Continued)

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors its capital structure on the basis of gearing ratio, which is calculated as the Group's total bank borrowings over the Group's total assets. The Group has not engaged in any bank borrowings as at 31 December 2011 and 31 December 2010.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

26. 資本及儲備(續)

(d) 資本管理

本集團管理資本的主要目標是保障本集團以持續經營方式營運的能力，以使其能繼續為股東提供回報及為其他權益持有人提供利益，同時維持最佳資本結構以減少資金成本。

為維持或調整資本架構，本集團可調整其向股東派付的股息金額、股東回報、發行新股份或出售資產以減少負債。

本集團根據資產負債比率之基準，監察其資本結構。資產負債比率是以本集團銀行借貸總額除以資產總值計算。於二零一一年及二零一零年十二月三十一日，本集團並無涉及任何銀行借貸。

本公司或其任何附屬公司概無受限於外界施加的資本限制。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

27. COMMITMENTS AND CONTINGENCIES

(a) Operating leases

At 31 December 2011, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		The Group		The Company	
		本集團		本公司	
		2011	2010	2011	2010
		二零一一年	二零一零年	二零一一年	二零一零年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Within one year	一年內	6,273	5,523	292	447
After one year but within five years	一年後但在五年內	18,730	13,064	—	372
After five years	五年以上	200,546	125,178	—	—
		225,549	143,765	292	819

The Group is the lessee in respect of leasehold land and properties held under operating leases. The leases run for an initial period of two to fifty years, with an option to renew the leases upon expiry when all terms are renegotiated. Lease payments for the leasehold land situated in PRC are renegotiated every five years to reflect market rentals. None of the lease includes contingent rentals.

27. 承擔及或然負債

(a) 經營租賃

於二零一一年十二月三十一日，根據不可撤銷的經營租賃在日後應付的經營租賃費用總額如下：

本集團是為以經營租賃形式租賃土地及物業的承租人。該等租賃一般初步為期二至五十年，並可於租賃期滿時選擇續租並重新磋商所有條款。位於中國租賃土地的租賃費用每五年重新磋商，以反映實際之市場租值。所有租賃不包括或然租金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

27. COMMITMENTS AND CONTINGENCIES

(Continued)

(b) Capital commitments

Capital commitments outstanding at 31 December 2011 not provided for in the consolidated financial statements were as follows:

		The Group	
		本集團	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contracted for	已訂約	59,940	312,760
Authorised but not contracted for	已獲授權但未訂約	—	—
		59,940	312,760

At 31 December 2011 and 2010, the Group was committed to certain construction contracts for the acquisition of plant and machinery and buildings.

27. 承擔及或然負債(續)

(b) 資本承擔

於二零一一年十二月三十一日尚未償付且未在綜合財務報表作出撥備的資本承擔如下：

於二零一一年及二零一零年十二月三十一日，本集團承擔若干購置廠房與機器及樓宇之建設合約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

27. COMMITMENTS AND CONTINGENCIES

(Continued)

(c) Environmental contingencies

To date, the Group has not incurred any significant expenditure for environmental remediation and is currently not involved in any environmental remediation. As such, the Group has not accrued any amounts for environmental remediation relating to its operations. Under existing legislation, management believes that there are no probable liabilities that could have a material adverse effect on the financial position or operating results of the Group. The PRC government, however, has moved, and may move further towards more rigorous enforcement of applicable laws, and towards the adoption of more stringent environmental standards. Environmental liabilities are subject to considerable uncertainties which affect the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include (i) the exact nature and extent of the contamination, (ii) the extent of required clean up efforts, (iii) varying costs of alternative remediation strategies, (iv) changes in environmental remediation requirements and (v) the identification of new remediation sites. The amount of such future cost is indeterminable due to such factors as the unknown magnitude of possible contamination and the unknown timing and extent of the corrective actions that may be required. Accordingly, the outcome of environmental liabilities under proposed or future environmental legislation cannot reasonably be estimated at present and could be material.

27. 承擔及或然負債(續)

(c) 環保或然項目

迄今，本集團並未因環境修復問題發生任何重大支出，現時並無涉及任何環境修復事件，故此亦未就任何與業務相關的環境修復計提任何金額。在現行法例下，管理層相信不會發生任何可能對本集團財務狀況或經營業績有重大負面影響的負債。然而，中國政府已經並有可能進一步實施更為嚴格的適用法律及環境保護標準。環保負債的不確定因素較大，可影響本集團估計環境修復最終成本的能力。這些不定因素包括(i)相關地點所發生污染的實際性質和程度；(ii)所需清除工作的程度；(iii)各種補救措施的成本；(iv)環境修復要求的變化；及(v)新確認需要實施環保修復的地點。由於可能發生污染的程度和所需採取的補救措施的確切時間和程度等因素尚未確定，因此無法確定未來可能發生此類費用的金額，故無法在目前合理預測建議中的或將來的環境保護法律規定可能導致在環保方面的負債，而有關負債可能十分重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

28. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed by the sole shareholder of the Company on 8 September 2007, the Company adopted a share option scheme (the “Scheme”) for the purpose of enabling the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. The Scheme will remain in force for a period of 10 years from adoption of such scheme and will expire on 7 September 2017.

Under the Scheme, the Board may at their discretion grant options to:

- (a) any employee (whether full-time or part-time, including any executive Director but excluding any non-executive Director) of the Company, any of its subsidiaries or any entity in which the Group holds an equity interest (“Invested Entity”) (“Eligible Employee”);
- (b) any non-executive Directors (including independent non-executive Directors) of the Company, any of its subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;

28. 購股權計劃

根據本公司當時唯一股東於二零零七年九月八日通過的一項普通決議案，本公司採納一項購股權計劃（「計劃」），以使本集團能就僱員、董事及其他經挑選的參與者對本集團作出的貢獻作出回饋。計劃於採納計劃日期起計十年內一直生效，並將於二零一七年九月七日屆滿。

根據計劃，董事會可酌情授出購股權予下列人士：

- (a) 本公司、其任何附屬公司或本集團持有股本權益之任何實體（「注資實體」）之任何僱員（不論全職或兼職並包括執行董事但不包括任何非執行董事）（「合資格僱員」）；
- (b) 本公司、其任何附屬公司或任何注資實體之任何非執行董事（包括獨立非執行董事）；
- (c) 向本集團任何成員公司或任何注資實體提供貨品或服務之任何供貨商；
- (d) 本集團或任何注資實體之任何客戶；
- (e) 向本集團或任何注資實體提供研究、開發或其他技術支持之任何人士或實體；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

28. SHARE OPTION SCHEME (Continued)

- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and
- (h) any other Group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group.

For the purposes of the Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of participants.

28. 購股權計劃(續)

- (f) 本集團任何成員公司或任何注資實體之任何股東或本集團任何成員公司或任何注資實體已發行之任何證券之持有人；
- (g) 本集團或任何注資實體之任何業務範圍或業務發展之顧問(專業或其他類型)或諮詢人；及
- (h) 曾經或可能藉合資經營、業務聯盟或其他業務安排而對本集團的發展及增長作出貢獻的任何其他類別參與者。

就計劃而言，購股權可批授予屬於上述任何參與者類別之一位或多位人士全資擁有之任何公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

28. SHARE OPTION SCHEME (Continued)

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option, upon payment of a nominal consideration of HK\$1 per option. The maximum number of the Company's shares ("Share(s)") in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company on the date of listing (exclusive of shares issued upon the exercise of the overallotment option). The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company as at the date of the shareholders' approval of the refreshed limit in general meeting. However, the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme of the Company must not in aggregate exceed 30% of Shares in issue from time to time. The maximum number of Shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of Shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules. Options granted to substantial shareholders or independent nonexecutive Directors representing in aggregate over 0.1% of Shares in issue, and in excess of HK\$5 million must be approved in advance by the shareholders of the Company.

Options may be exercised at any time from the date of grant of the options to the tenth anniversary of the date of grant, subject to the provisions for early termination thereof.

28. 購股權計劃(續)

參與者可於授出購股權要約日期起計21日內，於繳納每份購股權象徵式代價1港元後接納購股權。根據計劃可能授出的購股權所涉及的本公司股份(「股份」)最高數目，將不得超過於本公司上市當日已發行股本的10%(不包括因行使超額配股權而發行之股份)。該上限可於任何時間予以更新，但新上限合共不得超過股東在股東大會上批准更新上限當日本公司已發行股本的10%。然而，於行使所有根據計劃以及本公司任何其他計劃授出但尚未行使的購股權而予發行的股份總數，合共不得超過不時已發行股份的30%。於任何十二個月期間向任何人士所授出的購股權所涉及的股份最高數目，不得超過該十二個月期間最後一日已發行股份的1%，除非獲本公司股東根據上市規則作出批准。向主要股東或獨立非執行董事授出的購股權，倘合共超過已發行股份的0.1%或超過5,000,000港元，則必須獲本公司股東事先批准。

購股權可於授出購股權當日至授出日期十週年屆滿期間行使，惟可根據有關提前終止的條款予以終止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

28. SHARE OPTION SCHEME (Continued)

Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Scheme for the holding of an option before it can be exercised. The exercise price is determined by the Directors, and will not be less than the highest of (i) the average closing price of Shares as stated in the Stock Exchange's daily quotation sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of a Share.

No option has been granted by the Company under the Scheme since its date of adoption.

28. 購股權計劃(續)

除董事另有訂明以及於向承授人授出購股權的要約所列明者外，根據計劃，於行使購股權前，該購股權概無持有的最低期限作出限制。行使價由董事釐訂，並將不少於下列者的最高者：(i)於授出要約日期(必須為營業日)聯交所每日報表所列的股份平均收市價；(ii)緊接授出要約日期前五個交易日聯交所每日報表所列的股份平均收市價；及(iii)股份面值。

本公司自採納計劃當日起並未根據計劃授出購股權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

29. MATERIAL RELATED PARTY TRANSACTIONS

During the year ended 31 December 2011 and 2010, transactions with the following party are considered to be related party transactions:

29. 重大關連方交易

截至二零一一年及二零一零年十二月三十一日止年度，與下列各方進行的交易被視為關連方交易：

Name of related party 關連方名稱	Relationship 關係
Shandong Changxing Group Limited ("SD Changxing") * 山東長星集團有限公司 (「山東長星」)	Effectively 55% owned by Dr. Zhu Yu Guo, 30% by Mr. Zhu Mo Qun and 15% by Ms. Sun Rui Fang, the Directors 董事朱玉國博士、朱墨群先生及孫瑞芳女士 分別實際擁有55%、30%及15%權益

* The English translation of the company name is for reference only. The official name of this company is in Chinese.

* 該公司之中文名稱為正式名稱，英文名稱僅供參考。

(a) Recurring transaction

(a) 經常性交易

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Lease of leasehold properties from: — SD Changxing	向以下一方租用租賃物業： — 山東長星	2,270	2,270

The Directors are of the opinion that the above related party transaction was conducted on normal commercial terms and in the ordinary course of business.

董事認為，上述關連方交易乃根據一般商業條款在日常業務過程中進行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除非另有指明，以人民幣呈列)

29. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's Directors as disclosed in note 11 and certain of the highest paid employees as disclosed in note 12, is as follows:

		The Group 本集團	
		2011 二零一一年	2010 二零一零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	3,552	3,675
Contribution to defined contribution retirement plans	定額供款退休金計劃供款	55	50
		3,607	3,725

Total remuneration is included in "staff cost" (see note 8(a)).

酬金總額計入「員工成本」(見附註8(a))。

30. EVENTS AFTER THE REPORTING PERIOD

There are no significant events for the Group after the reporting period.

30. 報告期後事項

於報告期後，本集團並無任何重大事項。

31. CONTINGENT LIABILITIES

As at 31 December 2011, the Group and the Company had no material contingent liabilities.

31. 或然負債

於二零一一年十二月三十一日，本集團及本公司並無重大或然負債。

32. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of Directors on 14 March 2012.

32. 綜合財務報表的批核

董事會已於二零一二年三月十四日批核且授權刊發綜合財務報表。

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

		For the year ended 31 December				
		截至十二月三十一日止年度				
		2007	2008	2009	2010	2011
		二零零七年	二零零八年	二零零九年	二零一零年	二零一一年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
CONSOLIDATED INCOME STATEMENT	綜合收益表					
Turnover	營業額	1,125,524	1,496,360	1,530,321	2,058,916	2,003,651
Cost of sales	銷售成本	(842,055)	(1,090,844)	(1,105,517)	(1,539,131)	(1,676,741)
Gross profit	毛利	283,469	405,516	424,804	519,785	326,910
Other revenue	其他收益	121,952	41,503	4,371	2,212	3,167
Other net (loss)/gain	其他(虧損)/收益					
	淨額	(627)	(2,441)	(62)	(189)	18
Selling expenses	銷售開支	(9,459)	(15,896)	(19,233)	(26,426)	(25,494)
Administrative expenses	行政開支	(23,698)	(32,001)	(34,018)	(39,409)	(48,418)
Profit from operations	經營溢利	371,637	396,681	375,862	455,973	256,183
Finance costs	融資成本	(21,065)	(13,320)	(4,168)	—	—
Profit before taxation	除稅前溢利	350,572	383,361	371,694	455,973	256,183
Income tax expense	所得稅開支	—	—	(47,607)	(58,467)	(34,215)
Profit for the year	年度溢利	350,572	383,361	324,087	397,506	221,968
Earnings per share	每股盈利					
Basic (RMB cents)	基本(人民幣分)	42	37	31	38	14

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

		As at 31 December				
		於十二月三十一日				
		2007	2008	2009	2010	2011
		二零零七年	二零零八年	二零零九年	二零一零年	二零一一年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	綜合財務狀況表					
Non-current assets	非流動資產					
Property, plant and equipment	物業、廠房及設備	461,021	561,146	1,365,520	2,015,579	2,193,346
Construction in progress	在建工程	167,098	316,060	296,911	253,878	451,492
Lease prepayments	租賃預付款項	11,255	15,150	14,809	14,468	14,127
Prepayment for the acquisition of plant and equipment	購買廠房及設備預付款項	—	110,880	60,780	24,029	—
Prepayment for flood prevention expenses	防洪開支預付款項	—	—	—	41,225	40,375
		639,374	1,003,236	1,738,020	2,349,179	2,699,340
Current assets	流動資產					
Trading securities	交易證券	—	64,753	—	—	—
Inventories	存貨	35,487	43,622	37,334	48,962	53,440
Trade and other receivables	應收貿易賬款及其他應收款項	50,903	38,844	72,407	111,288	74,290
Cash and cash equivalents	現金及現金等價物	1,792,158	1,539,373	682,764	447,763	488,934
		1,878,548	1,686,592	792,505	608,013	616,664
Current liabilities	流動負債					
Bank loans	銀行貸款	30,000	124,000	—	—	—
Trade and other payables	應付貿易賬款及其他應付款項	229,404	320,753	58,000	87,040	100,532
Current taxation	即期稅項	9,868	9,868	20,216	22,708	13,076
		269,272	454,621	78,216	109,748	113,608

FIVE-YEAR FINANCIAL SUMMARY
五年財務摘要

		As at 31 December				
		於十二月三十一日				
		2007	2008	2009	2010	2011
		二零零七年	二零零八年	二零零九年	二零一零年	二零一一年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Net current assets	流動資產淨值	1,609,276	1,231,971	714,289	498,265	503,056
Total assets less current liabilities	資產總值減流動負債	2,248,650	2,235,207	2,452,309	2,847,444	3,202,396
Non-current liabilities	非流動負債					
Bank loans	銀行貸款	207,000	—	—	—	—
NET ASSETS	資產淨值	2,041,650	2,235,207	2,452,309	2,847,444	3,202,396
Capital and reserves	資本及儲備					
Share capital	股本	101,359	100,258	100,258	102,427	147,562
Reserves	儲備	1,940,291	2,134,949	2,352,051	2,745,017	3,054,834
TOTAL EQUITY	權益總值	2,041,650	2,235,207	2,452,309	2,847,444	3,202,396

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

KEY FINANCIAL RATIOS

主要財務比率

		As at or for the year ended 31 December					
		於十二月三十一日或截至該日止年度					
	Note	2007	2008	2009	2010	2011	
	附註	二零零七年	二零零八年	二零零九年	二零一零年	二零一一年	
Profitability ratios	盈利能力比率						
Gross profit margin	毛利率	25.2%	27.1%	27.8%	25.2%	16.3%	
Net profit margin	淨溢利率	31.1%	25.6%	21.2%	19.3%	11.1%	
Return on assets	資產回報率	13.9%	14.3%	12.8%	13.4%	6.7%	
Return on equity	權益回報率	17.2%	17.2%	13.2%	14.0%	6.9%	
Liquidity ratios	流動資金比率						
Current ratio	流動比率	7.0	3.7	10.1	5.5	5.4	
Quick ratio	速動比率	6.8	3.6	9.7	5.1	5.0	
Gearing ratio	資產負債比率	9.4%	4.6%	0.0%	0.0%	0.0%	
Inventory turnover days	存貨週轉天數	20	18	16	15	15	
Debtors' turnover days	應收賬款週轉天數	16	9	7	17	13	
Creditors' turnover days	應付賬款週轉天數	35	37	20	23	23	

Notes:

- Gross profit margin is calculated based on the gross profit divided by turnover and multiplied by 100%.
- Net profit margin is calculated based on the profit for the year divided by turnover and multiplied by 100%.
- Return on assets is calculated based on the profit for the year divided by the total assets at the end of the year and multiplied by 100%.
- Return on equity is calculated based on the profit for the year divided by capital and reserves at the end of the year and multiplied by 100%.
- Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the year.
- Quick ratio is calculated based on the difference between the total current assets and the inventories divided by the total current liabilities at the end of the year.
- Gearing ratio is calculated based on the total bank borrowings divided by total assets and multiplied 100%.
- Inventory turnover days is calculated based on the inventory at the end of the year divided by the total purchases during the year and multiplied by the number of days during the year.
- Debtors' turnover days is calculated based on trade receivables at the end of the year divided by turnover during the year and multiplied by the number of days during the year.
- Creditors' turnover days is calculated based on trade payables at the end of the year divided by the total purchases during the year and multiplied by the number of days during the year.

附註：

- 毛利率以毛利除以營業額乘以100%計算。
- 淨溢利率以本年度溢利除以營業額乘以100%計算。
- 資產回報率以本年度溢利除以年末資產總值乘以100%計算。
- 權益回報率以本年度溢利除以年末資本及儲備乘以100%計算。
- 流動比率以流動資產總值除以年末流動負債總值計算。
- 速動比率以流動資產總值與存貨之差額除以年末流動負債總值計算。
- 資產負債比率以銀行借貸總額除以資產總值乘以100%計算。
- 存貨週轉天數以年末存貨除以本年度採購總額乘以本年度內天數計算。
- 應收賬款週轉天數以年末應收貿易賬款除以本年度營業額乘以本年度內天數計算。
- 應付賬款週轉天數以年末應付貿易賬款除以本年度採購總額乘以本年度內天數計算。





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