



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)



2012 ANNUAL REPORT
年報

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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 Limited
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 2102, 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

國衛會計師事務所有限公司
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2102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

Royal Bank of Canada Trust Company
(Cayman) Limited
4/F, Royal Bank House
24 Shedden Road
George Town
Grand Cayman KYI-1110
Cayman Islands

主要股份過戶登記處

加拿大皇家銀行信託(開曼)有限公司*
4/F, Royal Bank House
24 Shedden Road
George Town
Grand Cayman KYI-1110
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

* *for identification purpose only*
僅供識別

2013 FINANCIAL CALENDAR

Announcement of 2012 Annual Results:
18 March 2013
2013 Annual General Meeting:
19 June 2013
Announcement of 2013 Interim Results:
August 2013 (*tentative date*)

2012 FINAL DIVIDEND

Final Dividend : HK1.229 cents
Per Share

Period of Book : 26 June 2013 to 28 June 2013
Closure (both days inclusive)

Dividend Payment : 12 July 2013
Date

二零一三年財務日誌

二零一二年全年業績公佈：
二零一三年三月十八日
二零一三年股東週年大會：
二零一三年六月十九日
二零一三年中期業績公佈：
二零一三年八月(暫定日期)

二零一二年末期股息

每股末期股息 : 1.229港仙

截止過戶時間 : 二零一三年
六月二十六日至
二零一三年
六月二十八日
(包括首尾兩日)

派發股息日期 : 二零一三年七月十二日

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
“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

<p>“Listing Rules” 「上市規則」</p>	<p>指</p>	<p>the Rules Governing the Listing of Securities on the Stock Exchange 《聯交所證券上市規則》</p>
<p>“Model Code” 「標準守則」</p>	<p>指</p>	<p>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》</p>
<p>“PRC” 「中國」</p>	<p>指</p>	<p>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</p>
<p>“QX Securities Dealing Code” 「群星證券買賣守則」</p>	<p>指</p>	<p>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</p>
<p>“RMB” 「人民幣」</p>	<p>指</p>	<p>Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣</p>
<p>“SFO” 「證券及期貨條例」</p>	<p>指</p>	<p>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》</p>
<p>“Shandong QX” 「山東群星」</p>	<p>指</p>	<p>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</p>
<p>“Stock Exchange” 「聯交所」</p>	<p>指</p>	<p>The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司</p>

DEFINITIONS

釋義

“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

		2012	2011	
		二零一二年	二零一一年	
		RMB'000	RMB'000	Change
		人民幣千元	人民幣千元	變動
Operating Results	經營業績			
Turnover	營業額	1,880,407	2,003,651	-6.2%
Gross profit	毛利	206,979	326,910	-36.7%
Profit from operations	經營溢利	109,977	256,183	-57.1%
Profit attributable to equity shareholders	權益股東應佔溢利	75,253	221,968	-66.1%
Per Share Data	每股數據			
Basic earnings per share (RMB cents)	每股基本盈利 (人民幣分)	5	14	-64.3%
Dividend per share (HK cents)	每股股息 (港仙)	1.229	3.380	-63.6%
— Final dividend	— 末期股息	1.229	3.380	
— Interim dividend	— 中期股息	—	—	
Financial Position	財務狀況			
Total assets	資產總值	3,345,282	3,316,004	+0.8%
Cash and cash equivalents	現金及現金等價物	539,535	488,934	+10.3%
Total liabilities	負債總值	110,991	113,608	-2.3%
Total equity	權益總值	3,234,291	3,202,396	+1.0%
Financial Ratios	財務比率			
Gross profit margin	毛利率	11.0%	16.3%	-5.3% pts 百分點
Net profit margin	淨溢利率	4.0%	11.1%	-7.1% pts 百分點
Return on assets	資產回報率	2.2%	6.7%	-4.5% pts 百分點
Return on equity	權益回報率	2.3%	6.9%	-4.6% pts 百分點
Current ratio	流動比率	6.4	5.4	+1 times 倍
Quick ratio	速動比率	6.0	5.0	+1 times 倍
Gearing ratio	資產負債比率	0%	0%	Nil 無

CHAIRMAN'S STATEMENT

主席報告書

Dear Shareholders,

On behalf of the Board of QX Paper, I hereby present the audited annual results of the Group for the year ended 31 December 2012.

BUSINESS REVIEW

In 2012, the global economy was perplexed by the sovereign debt crisis in Europe and the financial cliff in the United States. In comparison to the global economy, the Chinese economy maintained sound growth momentum despite its slowing economic growth. According to the National Bureau of Statistics of China, the country's gross domestic product (GDP) for 2012 amounted to RMB51.9 trillion, representing a growth of 7.8%, which decelerated from 2011.

Although the real estate market showed signs of recovery during the year, the sales of floor space of commodity housing only recorded a slight increase of 1.8% to 1,113.04 million square metres largely due to central government's property curbs. This represented a decline of 2.6 percentage points in sales growth from 2011, exerting pressure on the demand for decorative items and in turn relatively significant effect on the business of the Group.

For the year ended 31 December 2012, the Group recorded a turnover of RMB1,880,407,000, representing a decrease of 6.2% from the turnover of RMB2,003,651,000 for the same period in 2011. Gross profits dropped from approximately RMB326,910,000 in 2011 by 36.7% to approximately RMB206,979,000 in 2012. In 2012, profits declined by 66.1% to RMB75,253,000. Basic earnings per share was RMB5 cents (2011: RMB14 cents). The Board recommends distribution of final dividends of HK1.229 cents per share (2011: HK3.38 cents).

尊敬的各位股東：

本人謹代表群星紙業董事會呈報本集團截至二零一二年十二月三十一日止年度的經審核全年業績。

業務回顧

二零一二年的歐債危機與美國財政懸崖問題，困擾全球經濟。相對環球經濟，儘管中國經濟增長緩慢，但仍保持較佳增長動力。中國國家統計局公佈，二零一二年國家的國內生產總值為人民幣51.9萬億元，增長7.8%，增速較二零一一年放緩。

縱使房地產市場於年內有回暖跡象，商品房銷售面積比去年同期僅輕微上升1.8%至111,304萬平方米，主要由於中央政府抑制房地產所致，銷售增長較二零一一年回落2.6個百分點，對房地產裝飾用品的需求構成一定壓力，本集團年內的業務亦受到較大的影響。

截至二零一二年十二月三十一日止年度，本集團之營業額為人民幣1,880,407,000元，與二零一一年同期營業額約人民幣2,003,651,000元比較下跌約6.2%。毛利由二零一一年約人民幣326,910,000元減少36.7%至二零一二年約人民幣206,979,000元。二零一二年溢利減少66.1%至人民幣75,253,000元。每股基本盈利為人民幣5分(二零一一年：人民幣14分)。董事會建議派發末期股息每股1.229港仙(二零一一年：3.38港仙)。

Decrease in profits of the Group during the year was mainly attributable to (1) decrease in overall sales volume, leading to an increase in the fixed cost shared by each tonne of products and therefore a decrease in the gross profit margin; (2) loss from disposal of the legacy Production line no. 2 upon completion of reconstruction and commencement of commercial production of Production line no. 2 in March 2012; (3) increment in administrative expense resulting from the Company's measures to investigate audit issues raised by its former auditors and (4) increase in income tax expenses as compared to the same period last year as the tax concession entitled by the Group as a foreign investment enterprise expired at the end of 2011.

SALES PERFORMANCE

During the year under review, the Group's products recorded decrease in the overall sales volume, which mainly reflected customers' more prudent approach to placing orders under the influence of the macroeconomy, as well as the direct impact of intensifying competition in the PRC's decorative base paper market on the sales revenue of the Group. Despite their completion of reconstruction in the fourth quarter of 2011 and their additional contribution to the production capacity, Production lines nos. 1 and 2 would be unable to help invigorate sales growth in the short term.

During the year, the overall sales volume of the Group dropped from 164,202 tonnes for the same period last year by approximately 3.5% to 158,405 tonnes of 2012. Of this, the sales volume of our major product decorative base paper was down by 8.4% from 142,480 tonnes of 2011 to 130,529 tonnes of 2012, whereas the average sales price maintained at a steady level. In 2012, the sales revenue of decorative base paper shrunk by 8.3%, accounting for 90.7% of the total turnover.

年內，本集團利潤下跌，主要原因為(1)整體銷量下跌，使每噸產品所攤分之固定成本增加，從而導致毛利率下跌；(2)第2號生產線於二零一二年三月重建完成並投入商業生產後，處置舊有的第2號生產線錄得清理虧損；(3)行政費用因本公司就調查前任核數師提出之審計事宜所作出的舉措而有所增加及(4)本集團因外商投資企業資格取得之稅務優惠已於二零一一年底完結，所得稅開支相對去年同期上升。

銷售表現

回顧年內，本集團產品的整體銷量有所下降，主要反映宏觀經濟環境影響下，客戶訂單態度趨於審慎，加上中國裝飾原紙市場競爭日趨激烈，直接影響本集團的銷售收入。雖然第1及第2號生產線已於二零一一年第四季完成重建，額外產能亦已順利投入生產，但短期內亦無助銷售增長。

年內，本集團整體銷售量由去年同期的164,202噸下跌約3.5%至二零一二年的158,405噸，其中主要產品裝飾原紙銷售量由二零一一年142,480噸元減少8.4%至二零一二年130,529噸，平均銷售價格則維持於穩定水平。二零一二年，裝飾原紙銷售收入減少8.3%，佔總營業額90.7%。

CHAIRMAN'S STATEMENT

主席報告書

EXPANSION OF PRODUCTION CAPACITY

After completion of reconstruction in the fourth quarter of 2011, the Group's Production lines nos. 1 and 2 commenced commercial production in March 2012. The additional production capacity mainly concentrates on high-end decorative base paper products. On the other hand, reconstruction of Production line no. 3 on the relocation site selected by the Group in May 2012 continued to proceed, and was expected to complete in the fourth quarter of 2013. The reconstruction of Production line no. 3 was aimed at enhancing the production techniques and preparing ahead for long-term development. The existing Production line no. 3 would maintain operation during the reconstruction period.

SOPHISTICATED DISTRIBUTION CHANNELS

Currently, the Group has set foot in six retail sales regions in the PRC, namely Shandong, Sichuan, Guangdong, Beijing, Jiangsu and Zhejiang. The Company boasts a sophisticated distribution network and its clientele comes from 13 provinces, autonomous regions and municipalities in the PRC.

VERSATILE PRODUCT PORTFOLIO

The Group strives to develop widely applicable and quality decorative base paper products. At present, the Group produces and retails over 80 types of products catering to different markets. Products of the Group are suitable for a broad range of applications, ranging from furniture and office and home products to interior decorations of large facilities such as stadiums, community halls, exhibition centres, as well as vehicles and aircrafts. The Group will continue to enhance sales of high-end decorative paper base products to increase its profits.

擴充產能

本集團於二零一一年第四季完成重建的第1及第2號生產線，已於二零一二年三月投入商業生產。新增的產能以高毛利率的高檔裝飾原紙產品為主。另外，本集團於二零一二年五月另外選址重建第3號生產線繼續進行，預期於二零一三年第四季如期竣工。重建第3號生產線旨在提升製造技術，及早為長遠發展作出部署。現有的第3號生產線於重建期間仍會如常運作。

成熟的分銷渠道

本集團目前在中國設有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。本集團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。

ENVIRONMENTAL PROTECTION

The Group places high emphasis on environmental protection. High-end wood pulp used to produce decorative base paper products causes almost zero environmental pollution during the production process. At present, we have two waste water treatment systems with a total annual processing capacity of approximately 5,350,000 cubic metres. Waste water after treatment is reused for irrigation at the Group's production base in Shandong.

INDEPENDENT AUDIT AND INVESTIGATION REPORT

During the year, the Group made its best efforts to strengthen its internal audit system and engaged an independent professional firm at the end of 2011 to investigate audit matters raised by its ex-auditor and to make further report on the audit and investigation. The relevant investigation report was submitted to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 30 November 2012. On 28 February 2013, the Stock Exchange sent its comments on the Company's submission dated 10 January 2013. The Company replied on 15 March 2013 and is awaiting the response of the Stock Exchange to the replies. The Group is aware of the concerns raised by shareholders and investors about the Group's internal audit and control functions. We hereby reiterate that the Group is conducting its business as usual. The Group will make further announcement in due course to inform the shareholders of the progress of the investigation.

環境保護

集團十分注重環境保護工作，我們生產裝飾原紙產品時所使用的高級木漿，在生產過程中幾乎完全不會對環境造成污染。此外，本集團現時擁有兩個污水處理系統，合共可處理約5,350,000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，本集團盡最大努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及作進一步審查及調查報告。有關調查報告已於二零一二年十一月三十日提交予香港聯合交易所有限公司（「聯交所」）。聯交所於二零一三年二月二十八日就本公司於二零一三年一月十日所提交的文件發出意見，本公司已於二零一三年三月十五日作回覆，現正等待聯交所就其回覆作回應。本集團理解股東和投資者對本集團內部審核及監控工作的關注，我們謹此強調本集團一直如常運作。本集團將於適當時候再作公告，以知會股東調查的進展。

CHAIRMAN'S STATEMENT

主席報告書

OUTLOOK

Looking ahead, the property sector cooling measures imposed by the Central Government of China will likely remain unchanged despite the uncertainty in the global and China's economies in the near future. However, the "12th Five-year Plan" states that more public and government subsidised housing will be built, which will continue to be one of the major policies during the five-year period. Such policy environment is expected to continue to lend support to the decorative base paper market. Moreover, sustained stable growth of China's economy in the long run, continued active and steady progress of urbanisation, as well as continually rising national income, will continue to fuel the demand for commercial houses and in turn decorative base paper products. Building on the Group's high-end technologies in producing decorative base paper products and its solid foundation, the Board is cautiously optimistic towards the business growth of the Group in 2013.

In face of a more challenging market environment, the Group will continue to enhance its product quality through improvements of production facilities, and to increase its market share through enhancements of goodwill. Furthermore, paralleled to the consolidation of market leadership and customer base in existing sales regions, the Group will also strive to tap into new markets. On top of these, the Group will continue to fine tune its product portfolio and increase the sales weight and market share of high-end products with higher gross profit margins. Lastly, the Group will consistently implement stringent cost control measures, including controlling procurement costs, in order to increase the gross profit margin of products and in turn deliver better returns for our shareholders.


前景

展望未來，儘管全球及中國經濟於不久將來仍然不確定，中國中央政府施加之房地產抑壓措施很大可能維持不變。然而，「十二五規劃」指更多公共及政府補貼房屋將予重建，並將於五年期間內繼續為重點政策之一。有關政策環境預期將繼續支持裝飾原紙市場。此外，中國經濟長遠保持穩定增長、城鎮化積極穩妥地推進、國民收入持續提升，長遠將推動商品房以至裝飾原紙產品的需求。憑藉本集團生產裝飾原紙產品的高端技術及穩固基礎，董事會對本集團在二零一三年的業務發展審慎樂觀。

面對來年充滿挑戰的經營環境，本集團將繼續通過改善現有生產設施以進一步提升產品質量，並藉著加強本集團的商譽以增加市場份額。其次，本集團在鞏固現有銷售地區的市場領導地位及客戶基礎的同時，亦會致力開拓新客源以增加銷售。另外，本集團將繼續調整產品組合，增加毛利率較高的高檔次產品之銷售比重及市場份額。最後，本集團會貫徹執行嚴格的成本控制措施，包括控制採購成本，從而提高產品的毛利率，為股東帶來更佳回報。

APPRECIATION

On behalf of the Board, I hereby express our sincere gratitude to the management and staff for their hard work and contributions, and thank our shareholders, business partners and investors for their support during the year.



ZHU Yu Guo 朱玉國

Chairman 主席

Shandong, the PRC, 18 March 2013

中國山東·二零一三年三月十八日

致謝

本人謹此代表董事會向管理層及員工於年內的辛勤工作及貢獻致以衷心的謝意，並向股東、業務合作夥伴及投資者的支持表示感謝。

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 2012 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 6.2% from RMB2,003.7 million for the year ended 31 December 2011 to RMB1,880.4 million for the year ended 31 December 2012.

Our profit before taxation decreased by approximately 57.1% from RMB256.2 million for the year ended 31 December 2011 to RMB110.0 million for the year ended 31 December 2012.

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. Since 1 January 2012, our applicable PRC income tax rate is 25%. Our taxation for the years ended 31 December 2011 and 2012 were RMB34.2 million and RMB34.7 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二零一二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二零一一年十二月三十一日止年度人民幣2,003,700,000元下降約6.2%至截至二零一二年十二月三十一日止年度人民幣1,880,400,000元。

本集團除稅前溢利由截至二零一一年十二月三十一日止年度人民幣256,200,000元下降約57.1%至截至二零一二年十二月三十一日止年度人民幣110,000,000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，為期三年至二零一一年十二月三十一日止。自二零一二年一月一日開始，本集團須按適用稅率25%繳納中國所得稅。截至二零一一年及二零一二年十二月三十一日止年度，本集團之稅項分別為人民幣34,200,000元及人民幣34,700,000元。

Our net profit attributable to the shareholders decreased by approximately 66.1% from RMB222.0 million for the year ended 31 December 2011 to RMB75.3 million for the year ended 31 December 2012.

The basic earnings per share for the years ended 31 December 2011 and 2012 were RMB14 cents and RMB5 cents, respectively. The decrease in the basic earnings per share was mainly attributable to the decrease in net profit attributable to the shareholders for the year ended 31 December 2012.

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二零一一年十二月三十一日止年度之人民幣222,000,000元下降約66.1%至截至二零一二年十二月三十一日止年度之人民幣75,300,000元。

截至二零一一年及二零一二年十二月三十一日止年度，每股基本盈利分別為人民幣14分及人民幣5分。每股基本盈利下降之主因是截至二零一二年十二月三十一日止年度股東應佔純利減少。

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，本集團之產能近年得以顯著擴大。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						2012 二零一二年
		2008 二零零八年	2009 二零零九年	2010 二零一零年	2011 二零一一年	2012 二零一二年		
(unit: tonnes) (單位：噸)								
1	March 2012 二零一二年三月	10,000	10,000	10,000	— (note) (附註)		30,000	
2	March 2012 二零一二年三月	20,000	20,000	20,000	— (note) (附註)		30,000	
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		30,000	
9	April 2009 二零零九年四月	30,000	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		30,000	
11	December 2009 二零零九年十二月	—	30,000	30,000	30,000		30,000	
12	October 2010 二零一零年十月	—	—	30,000	30,000		30,000	
13	October 2010 二零一零年十月	—	—	30,000	30,000		30,000	
		260,000	320,000	380,000	350,000		410,000	

Note:

- Production lines nos. 1 and 2 commenced rebuilding in September 2010 and the commercial production commenced in March 2012.

Subsequent to the commencement of the commercial operation of Production lines nos. 1 and 2 in March 2012, the aggregate designed annual production capacity of our Group is 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，及於二零一二年三月進行商業生產。

隨著第1及第2號生產線於二零一二年三月投入商業營運，本集團之總設計年產能約為410,000噸。

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.

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 decreased by approximately 8.4% from 142,480 tonnes in 2011 to 130,529 tonnes in 2012 while the average selling price increased by approximately 0.1% from RMB13,056 per tonne in 2011 to RMB13,065 per tonne in 2012. Turnover of decorative base paper products achieved RMB1,750.4 million for the year ended 31 December 2012, represented a decrease of approximately 5.9% from RMB1,860.2 million for the year ended 31 December 2011.

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合共一至兩日，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。

財務回顧

營業額

於回顧年內，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二零一一年的一百四十二萬四千八百噸下降約8.4%至二零一二年的130,529噸，平均售價則由二零一一年每噸人民幣13,056元增加約0.1%至二零一二年每噸人民幣13,065元。截至二零一二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1,750,400,000元，較截至二零一一年十二月三十一日止年度人民幣1,860,200,000元減少約5.9%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Nonetheless the average selling price of printing paper product decreased by approximately 4.9% from RMB6,602 per tonne in 2011 to RMB6,278 per tonne in 2012, turnover of printing paper product increased by approximately 22.0% from RMB143.4 million in 2011 to RMB175.0 million in 2012 was mainly due to exploration of new customers during the year where the sales volume of printing paper product increased by approximately 28.3% from 21,722 tonnes in 2011 to 27,876 tonnes in 2012.

The overall turnover for the year ended 31 December 2012 decreased by approximately 6.2% from RMB2,003.7 million in 2011 to RMB1,880.4 million in 2012.

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 decreased by approximately 0.2% from RMB1,676.7 million for the year ended 31 December 2011 to RMB1,673.4 million for the year ended 31 December 2012. The decrease in cost of sales was primarily due to the combined effects of (i) a decrease in the aggregate raw materials consumed, which are the major component of our cost of sales, as a result of the decreased sales volume in decorative base paper products, (ii) a decrease in unit purchasing cost of wood pulp and an increase in unit purchasing cost of titanium dioxide powder, our principal raw materials for production during the year ended 31 December 2012 (as discussed below); and (iii) an increase in depreciation expenses due to the commercial operation of rebuilt Production lines nos. 1 and 2 since March 2012.

儘管印刷用紙產品的平均售價由二零一一年每噸人民幣6,602元下降約4.9%至二零一二年每噸人民幣6,278元，但印刷用紙產品的營業額則由二零一一年人民幣143,400,000元增加約22.0%至二零一二年人民幣175,000,000元，主要是由於年內開拓新客戶，使印刷用紙產品的銷售量由二零一一年21,722噸增加約28.3%至二零一二年27,876噸。

截至二零一二年十二月三十一日止年度整體營業額減少約6.2%，由二零一一年人民幣2,003,700,000元減至二零一二年人民幣1,880,400,000元。

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。

銷售成本由截至二零一一年十二月三十一日止年度人民幣1,676,700,000元減少約0.2%至截至二零一二年十二月三十一日止年度之人民幣1,673,400,000元。銷售成本減少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下降而減少；(ii)截至二零一二年十二月三十一日止年度，生產所需主要原料木漿的單位採購成本下降，以及鈦白粉的單位採購成本上升(後文另有闡述)；及(iii)折舊費用亦因經重建之第1及第2號生產線於二零一二年三月起進行商業生產而增加。

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 2011 and 2012, the purchase of wood pulp amounted to approximately RMB572.4 million and RMB520.5 million, respectively, representing approximately 34.1% and 31.1% of the total cost of sales for the respective years. The decrease is due to the combined effect of (i) a decrease in the average purchase price (value added tax inclusive) of wood pulp by approximately 5.9% from approximately RMB6,514 per tonne in 2011 to RMB6,130 per tonne in 2012; and (ii) a decrease in usage of wood pulp as a result of the decrease in sales volume of decorative base paper products.

For each of the two years ended 31 December 2011 and 2012, the purchase of titanium dioxide powder amounted to approximately RMB544.0 million and RMB559.0 million, respectively, representing approximately 32.4% and 33.4% 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 12.2% from approximately RMB15,787 per tonne in 2011 to RMB17,720 per tonne in 2012; and (ii) a decrease in the usage of titanium dioxide as a result of the decreased sales volume in decorative base paper products.

Depreciation charges

During the year ended 31 December 2011 and 2012, our depreciation charges included in cost of sales increased by approximately 17.5% from RMB194.7 million in 2011 to RMB228.7 million in 2012, was mainly due to the commercial operation of rebuilt Production lines nos. 1 and 2 since March 2012.

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。

截至二零一一年及二零一二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572,400,000元及人民幣520,500,000元，佔各年度總銷售成本約34.1%及31.1%。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)由二零一一年每噸約人民幣6,514元下降約5.9%至二零一二年每噸約人民幣6,130元；及(ii) 木漿之耗用量隨裝飾原紙產品銷售量減少而下降。

截至二零一一年及二零一二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544,000,000元及人民幣559,000,000元，佔各年度總銷售成本約32.4%及33.4%。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)由二零一一年每噸約人民幣15,787元上升約12.2%至二零一二年每噸約人民幣17,720元；及(ii) 鈦白粉之耗用量隨裝飾原紙產品銷量減少而下降。

折舊費用

截至二零一一年及二零一二年十二月三十一日止年度，計入銷售成本之折舊費用由二零一一年人民幣194,700,000元增加約17.5%至二零一二年人民幣228,700,000元，增加主要是因為經重建之第1及第2號生產線於二零一二年三月起進行商業生產所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Utilities and steam expenses

During the years ended 31 December 2011 and 2012, our electricity and steam expenses decreased by approximately 2.5% from RMB163.5 million in 2011 to RMB159.4 million in 2012, were mainly due to the combined effect of i) a decrease in utilisation of electricity and steam as a result of decrease in production volume under the decrease in sales; and ii) the inadequate local supply of electricity and steam in the second half of 2011 while no such situation existed in 2012. The electricity and steam expenses accounted for approximately 9.8% and 9.5% of the total cost of sales for the respective years.

Gross profit and gross profit margin

The gross profit of our Group decreased by approximately 36.7% from RMB326.9 million for the year ended 31 December 2011 to RMB207.0 million for the year ended 31 December 2012. The following table sets forth the gross profit margin of each category of the products for the two years ended 31 December 2011 and 2012:

公用事業及蒸汽費用

截至二零一一年及二零一二年十二月三十一日止年度，電力及蒸汽費用由二零一一年人民幣163,500,000元減少約2.5%至二零一二年人民幣159,400,000元，減少主要由於下列因素之綜合影響所致：i) 電力及蒸汽使用量隨銷量減少導致產量減少而下降；及ii) 於二零一一年下半年地方電力及蒸氣供應不足，而於二零一二年並沒有出現此情況。電力及蒸汽費用分別佔各年度總銷售成本約9.8%及9.5%。

毛利及毛利率

本集團之毛利由截至二零一一年十二月三十一日止年度之人民幣326,900,000元下降約36.7%至截至二零一二年十二月三十一日止年度之人民幣207,000,000元。下表載列截至二零一一年及二零一二年十二月三十一日止兩個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	截至十二月三十一日止年度
		2012	2011
		二零一二年	二零一一年
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	17.8%	27.5%
— Premium white decorative base paper	— 高檔無色裝飾原紙產品	10.7%	15.2%
— Ordinary coloured decorative base paper	— 普通有色裝飾原紙產品	2.7%	16.1%
Sub-total	小計	11.6%	17.2%
Printing paper product	印刷用紙產品	7.0%	5.2%
Overall	總計	11.0%	16.3%

The change in overall gross profit margin of our decorative base paper products in 2012 was mainly attributable to the decrease in sales volume, changes in raw material costs and increased depreciation charges 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 2012 and the gross profit margins were affected.

The gross profit margin of printing paper product increased from 5.2% in 2011 to 7.0% in 2012 was mainly due to the expansion of clientele during 2012 where the economies of scale in operating the printing paper product segment improved. The Group will continue to solicit 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 16.3% for the year ended 31 December 2011 to approximately 11.0% for the year ended 31 December 2012.

Other revenue and other net loss

Other revenue, which represented mainly the interest income earned from the bank deposits, decreased by approximately 31.3% from RMB3.2 million for the year ended 31 December 2011 to RMB2.2 million for the year ended 31 December 2012 was mainly due to the decrease in average cash held on hand after the settlement of construction costs for rebuilding Production lines nos. 1 and 2 and the distribution of 2012 final dividend.

Upon the commercial operation of rebuilt Production line no. 2 in March 2012, the aged Production line no. 2 was disposed and a loss on disposal of RMB12.6 million was recognized during the year ended 31 December 2012.

裝飾原紙產品於二零一二年的整體毛利率變動主要由於上文所述的銷量減少、原料成本變動及折舊費用增加，使我們無法達致規模經濟效益所致。因此，裝飾原紙產品截至二零一二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。

印刷用紙產品的毛利率由二零一一年之5.2%上升至二零一二年之7.0%，主要由於二零一二年內客戶增加，及經營印刷用紙產品分部的規模效益有所改善所致。本集團將繼續全力招攬新客戶，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二零一一年十二月三十一日止年度約16.3%降至截至二零一二年十二月三十一日止年度約11.0%。

其他收益及其他虧損淨額

其他收益乃指銀行存款所賺取之利息收入，由截至二零一一年十二月三十一日止年度之人民幣3,200,000元減少約31.3%至截至二零一二年十二月三十一日止年度之人民幣2,200,000元，主要由於本集團於清償重建第1及第2號生產線之建設成本後的平均手頭現金減少，以及於分派二零一二年終期股息所致。

經重建第2號生產線於二零一二年三月起進行商業生產後，舊有的第2號生產線已經處置，錄得的清理虧損人民幣12,600,000元於截至二零一二年十二月三十一日止年度確認入賬。

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Selling expenses

As at 31 December 2012, our sales and marketing team 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 RMB25.5 million and RMB28.3 million for the year ended 31 December 2011 and 2012, respectively. Our selling expenses represented approximately 1.3% and 1.5% of turnover for the two years ended 31 December 2011 and 2012.

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 20.5% from RMB48.4 million for the year ended 31 December 2011 to RMB58.3 million for the year ended 31 December 2012 was mainly attributable to the professional costs of approximately RMB8.8 million incurred in 2012 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 2.4% for the year ended 31 December 2011 to approximately 3.1% for the year ended 31 December 2012.

Finance costs

Our Group did not incur any finance costs during the year ended 31 December 2011 and 2012.

Income tax

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

銷售開支

於二零一二年十二月三十一日，本集團之銷售及市場推廣團隊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。截至二零一一年及二零一二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25,500,000元及人民幣28,300,000元。截至二零一一年及二零一二年十二月三十一日止兩個年度，銷售開支分別佔營業額約1.3%及1.5%。

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。

行政開支由截至二零一一年十二月三十一日止年度之人民幣48,400,000元增加約20.5%至截至二零一二年十二月三十一日止年度之人民幣58,300,000元。增加主要是由於二零一二年就本集團調查前任核數師提出之審計事宜所作出的舉措招致專業成本約人民幣8,800,000元所致。行政開支佔營業額之百分比由截至二零一一年十二月三十一日止年度約2.4%升至截至二零一二年十二月三十一日止年度約3.1%。

融資成本

截至二零一一年及二零一二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。

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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 PRC income tax at the tax rate of 12.5% for the year ended 31 December 2011. Since 1 January 2012, our Group is subject to the PRC income tax at the applicable tax rate of 25%.

No provision has been made for Hong Kong Profits Tax for 2011 and 2012 as the Group did not earn assessable profits subject to Hong Kong Profits Tax for either year.

The effective tax rates of our Group for the year ended 31 December 2011 and 2012 were 13.3% and 31.5%, respectively. The reconciliation between income tax expenses and accounting profit at the applicable tax rates was set out as follows:

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。因此截至二零一一年十二月三十一日止年度，本集團須按12.5%之稅率繳納中國所得稅。由二零一二年一月一日起，本集團須按適用稅率25%繳納中國所得稅。

鑑於本集團於二零一一年及二零一二年並無賺取須繳納香港利得稅之應課稅溢利，故毋須就各年度之香港利得稅計提撥備。

本集團截至二零一一年及二零一二年十二月三十一日止年度之實際稅率分別為13.3%及31.5%。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	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before taxation	除稅前溢利	109,977	256,183
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	29,561	65,277
Tax effect of tax concession period	稅務優惠期間之稅務影響	—	(33,620)
Tax effect of non-deductible expenses	不可扣減開支之稅務影響	4,801	2,310
Tax effect of non-taxable income	非應課稅收入之稅務影響	(127)	(283)
Under provision in prior year	過往年度撥備不足	489	531
Income tax expenses for the year	年度所得稅開支	34,724	34,215

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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		
		Note	2012	2011
		附註	二零一二年	二零一一年
Profitability ratios	盈利能力比率			
Gross profit margin	毛利率	1	11.0%	16.3%
Net profit margin	淨溢利率	2	4.0%	11.1%
Return on assets	資產回報率	3	2.2%	6.7%
Return on equity	權益回報率	4	2.3%	6.9%
Liquidity ratios	流動資金比率			
Current ratio	流動比率	5	6.4	5.4
Quick ratio	速動比率	6	6.0	5.0
Gearing ratio	資產負債比率	7	0%	0%
Inventory turnover days	存貨週轉天數	8	13	15
Debtors' turnover days	應收賬款週轉天數	9	10	13
Creditors' turnover days	應付賬款週轉天數	10	24	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%.

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。

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- 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 by 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.
- 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。
- 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

As at 31 December 2011 and 2012, the current ratios of the Group were 5.4 and 6.4 and the quick ratios of the Group were 5.0 and 6.0, respectively.

Gearing ratio

As at 31 December 2011 and 2012, the Group did not have any outstanding bank borrowings and the gearing ratio was 0.0%.

流動比率及速動比率

於二零一一年及二零一二年十二月三十一日，本集團流動比率分別為5.4及6.4，而本集團速動比率則分別為5.0及6.0。

資產負債比率

於二零一一年及二零一二年十二月三十一日，本集團並無任何未償還銀行借貸，資產負債比率為0.0%。

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管理層討論及分析

Return on assets

The return on assets decreased from 6.7% for the year ended 31 December 2011 to 2.2% for the year ended 31 December 2012. The decrease in return on assets for the year ended 31 December 2012 was mainly attributable to the decrease in our turnover and increase in our cost of sales, other net loss and administrative expenses as discussed above.

Return on equity

The return on equity for the years ended 31 December 2011 and 2012 were approximately 6.9% and 2.3% respectively. The decrease in return on equity for the year ended 31 December 2012 was mainly attributable to the decrease in turnover and increase in cost of sales, other net loss and administrative expenses.

Inventories and the inventory turnover days

Our inventory level decreased by approximately 22.7% from approximately RMB53.4 million as at 31 December 2011 to approximately RMB41.3 million as at 31 December 2012. Nonetheless, the inventory turnover days maintained at 15 and 13 days for the year ended 31 December 2011 and 2012 respectively 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.

資產回報率

資產回報率由截至二零一一年十二月三十一日止年度之6.7%下降至截至二零一二年十二月三十一日止年度之2.2%。截至二零一二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、其他虧損淨額及行政開支增加。

權益回報率

截至二零一一年及二零一二年十二月三十一日止兩個年度之權益回報率分別約為6.9%及2.3%。截至二零一二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、其他虧損淨額及行政開支增加。

存貨及存貨週轉天數

本集團之存貨水平由二零一一年十二月三十一日之約人民幣53,400,000元減少約22.7%至二零一二年十二月三十一日之約人民幣41,300,000元。然而，存貨週轉天數於二零一一年及二零一二年十二月三十一日止年度分別維持於15天及13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。

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.

The trade receivables balance decreased by approximately 25.3% from approximately RMB72.3 million as at 31 December 2011 to RMB54.0 million as at 31 December 2012. The decrease in trade receivables as at 31 December 2012 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 13 days for the year ended 31 December 2011 to 10 days for the year ended 31 December 2012.

Trade payables and creditors' turnover days

Our trade payable balance decreased by approximately 1.3% from RMB79.1 million as at 31 December 2011 to RMB78.1 million as at 31 December 2012. The credit periods granted by various suppliers generally not more than 30 days. The creditors' turnover days were 23 and 24 for the year ended 31 December 2011 and 2012, 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.

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。是否授予客戶除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天之除賬期。

應收貿易賬款結餘由二零一一年十二月三十一日約人民幣72,300,000元減少約25.3%至二零一二年十二月三十一日之人民幣54,000,000元。於二零一二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除賬期有所不同。

應收賬款週轉天數由截至二零一一年十二月三十一日止年度之13天下降至截至二零一二年十二月三十一日止年度之10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二零一一年十二月三十一日之人民幣79,100,000元下降約1.3%至二零一二年十二月三十一日之人民幣78,100,000元。各供應商給予之除款期通常不多於30天。截至二零一一年及二零一二年十二月三十一日止兩個年度，應付賬款週轉天數分別為23天及24天。為了與各供應商維持良好之關係，本集團會於除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。

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Financial resources

The financial resources of the Group continued to be strong. As at 31 December 2012 shareholders' funds of the Group totalled RMB3,234.3 million, representing an increase of approximately 1.0% from RMB3,202.4 million at 31 December 2011. The Group had cash and cash equivalents of approximately RMB539.5 million as at 31 December 2012 (2011: RMB488.9 million).

The Group continues to enjoy a stable and strong net cash inflow from operations. During the year ended 31 December 2011 and 2012, the net cash generated from operations was RMB450.5 million and RMB333.3 million, respectively.

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 2012, 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.

財務資源

本集團之財務資源仍然穩健。於二零一二年十二月三十一日，本集團之股東資金總額為人民幣3,234,300,000元，較二零一一年十二月三十一日之人民幣3,202,400,000元增加約1.0%。本集團於二零一二年十二月三十一日之現金及現金等價物約為人民幣539,500,000元（二零一一年：人民幣488,900,000元）。

本集團繼續享有穩定及強勁經營業務現金流入淨額。截至二零一一年及二零一二年十二月三十一日止年度，經營業務所產生之現金淨額分別為人民幣450,500,000元及人民幣333,300,000元。

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案，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。於二零一二年十二月三十一日，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。

Capital expenditure

During the year ended 31 December 2012, the Group recorded aggregate additions to property, plant and equipment and construction in progress of approximately RMB240.6 million (2011: RMB549.1 million).

Capital commitments, contingencies and charge on assets

The Group will further invest RMB156.8 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 2012.

As at 31 December 2011 and 2012, the Group did not have any property, plant and equipment secured for any borrowings.

資本開支

截至二零一二年十二月三十一日止年度，本集團之物業、廠房及設備及在建工程合共增加約人民幣240,600,000元(二零一一年：人民幣549,100,000元)。

資本承擔、或然項目及資產質押

本集團將進一步投資人民幣156,800,000元於擴充產能，以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，本集團於二零一二年十二月三十一日並無重大或然負債。

於二零一一年及二零一二年十二月三十一日，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

HUMAN RESOURCES

As at 31 December 2012, our Group employed over 1,700 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.

人力資源

於二零一二年十二月三十一日，本集團於國內及香港共聘用約超過1,700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 57, 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，57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 33, 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 58, 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，33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，58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 57, 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 52, 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 30 years of experience in the paper making industry.

董事(續)

非執行董事

孫瑞芳女士，57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，52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30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 32, 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 9 years of experience in computer engineering.

Mr. KWONG Kwan Tong, aged 47, 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 financial controller and company secretary of Weichai Power Co., Ltd., a company listed both on the Main Board of the Stock Exchange and Shenzhen Stock Exchange. Mr. Kwong has over 25 years of experience in management accounting and financial control.

董事(續)

獨立非執行董事(續)

王魯先生，32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9年之經驗。

鄺焜堂先生，47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中國投資基金有限公司(於聯交所主板上市)之獨立非執行董事。彼現時為金盾控股(實業)有限公司(於聯交所主板上市)之獨立非執行董事，以及為濰柴動力股份有限公司(於聯交所主板及深圳交易所上市)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25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 59, 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 35, 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 37, 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，59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，35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，37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。

REPORT OF THE DIRECTORS

董事會報告書

The Board submits herewith the annual report together with the audited consolidated financial statements of QX Group for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries as at 31 December 2012 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 2012 are set out in the Consolidated Income Statement on page 68 of this annual report.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK1.229 cents (2011: HK3.38 cents) per share for the year ended 31 December 2012. No interim dividend was paid for the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

Subject to the approval of the shareholders at the annual general meeting (the "2013 AGM") of the Company to be held on Wednesday, 19 June 2013, the proposed final dividend will be paid on or about Friday, 12 July 2013 to shareholders whose names appear on the register of members of the Company on Friday, 28 June 2013.

董事會茲提呈群星集團截至二零一二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二零一二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

本集團截至二零一二年十二月三十一日止年度之業績載於本年報第68頁之綜合損益表。

末期股息

董事會建議派發截至二零一二年十二月三十一日止年度之末期股息每股1.229港仙(二零一一年：3.38港仙)，截至二零一二年六月三十日止六個月並無派付中期股息(截至二零一一年六月三十日止六個月：無)。

待股東於二零一三年六月十九日(星期三)舉行之本公司股東週年大會(「二零一三年度股東週年大會」)上批准後，建議終期股息將於二零一三年七月十二日(星期五)或左右向於二零一三年六月二十八日(星期五)名列本公司股東名冊之股東派發。

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 17 June 2013 to Wednesday, 19 June 2013 (both days inclusive), for the purpose of ascertaining the shareholders who are entitled to attend and vote at the 2013 AGM. In order to qualify for attending and voting at the 2013 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, 14 June 2013.

The register of members of the Company will be closed from Wednesday, 26 June 2013 to Friday, 28 June 2013 (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, 25 June 2013.

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

本公司將於二零一三年六月十七日(星期一)至二零一三年六月十七日(星期三)(包括首尾兩天在內)暫停辦理股份過戶登記手續，以確定有權出席二零一三年度股東週年大會並於會上投票的股東。為確保符合資格出席二零一三年度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二零一三年六月十四日(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。

本公司將於二零一三年六月二十六日(星期三)至二零一三年六月二十八日(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終期股息的股東。為確保符合資格收取終期股息，所有轉讓書連同有關股票須於二零一三年六月二十五日(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。

REPORT OF THE DIRECTORS

董事會報告書

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 pages 72 to 73 of this annual report.

SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2012 are set out in note 17 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2012, 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 RMB1,368.8 million, of which approximately RMB15.9 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72至73頁之綜合權益變動表。

附屬公司

本公司附屬公司於二零一二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

於二零一二年十二月三十一日，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1,368,800,000元，其中約人民幣15,900,000元已建議作為本年度終期股息。

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。

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, Ms. Sun Rui Yang, Mr. Zhao Wei and Mr. Kwong Kwan Tong 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，孫瑞芳女士、趙偉先生及鄭焜堂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。

REPORT OF THE DIRECTORS

董事會報告書

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。

DIRECTORS' REMUNERATION

Details of the remuneration of the Directors during the year are set out in note 11 to the financial statements.

董事酬金

董事於年內之酬金詳情載於財務報表附註11。

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

As at 31 December 2012, 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:

董事於本公司及其相聯法團股份之權益

於二零一二年十二月三十一日，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：

Long Positions in Shares of the Company

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%

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 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%

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 2012, 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 BoomInstant Limited 股份之權益。

除上文所披露者外，於二零一二年十二月三十一日，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。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES (CONTINUED)

As at 31 December 2012, 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)

於二零一二年十二月三十一日，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。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES OF THE COMPANY

Save as disclosed above, as at 31 December 2012, 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.

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 157 to 160 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，於二零一二年十二月三十一日，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。

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157至160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。

REPORT OF THE DIRECTORS

董事會報告書

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:

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：

		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	6.5%	—
Five largest customers in aggregate	五大客戶合計	31.8%	—
The largest supplier	最大供應商	—	10.3%
Five largest suppliers in aggregate	五大供應商合計	—	41.8%

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.

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。

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.

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。

CORPORATE GOVERNANCE PRACTICES

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has fully complied with the code provisions under the Code on Corporate Governance Practices (effective until 31 March 2012) (the "Former Code") and Corporate Governance Code (effective from 1 April 2012) (the "New Code") as set out in Appendix 14 to the Listing Rules throughout the year save for deviation from the provision A.2.1 of both the Former Code and the New Code and provision A.6.7 of the New Code. The full details of corporate governance practices adopted by the Company during the year ended 31 December 2012, or where applicable, up to the date of this annual report, are set out in the Corporate Governance Report on pages 50 to 64 of this annual report.

AUDITORS

HLB Hodgson Impey Cheng were appointed as auditors of the Company (the "Auditors") on 1 August 2011 to fill the casual vacancy created by the retirement of KPMG at the conclusion of the adjourned general meeting of the Company held on 8 June 2011. The consolidated financial statements for the years ended 31 December 2011 were audited by HLB Hodgson Impey Cheng.

In March 2012, the practice of HLB Hodgson Impey Cheng was reorganised as HLB Hodgson Impey Cheng Limited. An ordinary resolution for the appointment of HLB Hodgson Impey Cheng Limited as the Auditors to hold office until the conclusion of the 2013 AGM has been passed at the annual general meeting of the Company held on 27 June 2012.

The consolidated financial statements of the Group for the year ended 31 December 2012 have been audited by HLB Hodgson Impey Cheng Limited, who shall retire at the 2013 AGM and, being eligible, will offer themselves for re-appointment.

ZHU Yu Guo 朱玉國

Chairman 主席

Shandong, the PRC, 18 March 2013
中國山東，二零一三年三月十八日

企業管治常規

董事會已審閱本公司企業管治常規，並信納本公司在整個年度公司一直遵守上市規則附錄14所載之《企業管治常規守則》(於二零一二年三月三十一日前生效)(「舊守則」)及《企業管治守則》(自二零一二年四月一日起生效)(「新守則」)的守則條文(「守則條文」)(偏離舊守則及新守則第A.2.1條及新守則第A.6.7條除外)。本公司在截至二零一二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50至64頁之企業管治報告內。

核數師

國衛會計師事務所於二零一一年八月一日獲委任為本公司核數師(「核數師」)，以填補畢馬威會計師事務所於本公司在二零一一年六月八日召開的股東週年大會結束後退任所產生之臨時空缺之已退任核數師。截至二零一一年十二月三十一日止年度之綜合財務報表由國衛會計師事務所審核。

於二零一二年三月，國衛會計師事務所之業務重組為國衛會計師事務所有限公司。委聘國衛會計師事務所有限公司為核數師以任職至二零一三年股東週年大會結束之普通決議案已於二零一二年六月二十七日召開的本公司股東週年大會上獲通過。

本集團截至二零一二年十二月三十一日止年度之綜合財務報表已由國衛會計師事務所有限公司審核，國衛會計師事務所有限公司將於二零一三年股東週年大會上任滿告退，且符合資格並表示願意續聘連任。

CORPORATE GOVERNANCE REPORT

企業管治報告

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 2012, the Company has complied with the code provisions under the Code on Corporate Governance Practices (effective until 31 March 2012) (the “**Former Code**”) and Corporate Governance Code (effective from 1 April 2012) (the “**New Code**”) as set out in Appendix 14 to the Listing Rules throughout the year save for the following deviations:

Under the provision A.2.1 of the Former Code and the New Code, the roles of chairman and chief executive officer (CEO) should be separate and should not be performed by the same individual. During the year, 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。

截至二零一二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《企業管治常規守則》(於二零一二年三月三十一日前生效)(「舊守則」)及《企業管治守則》(自二零一二年四月一日起生效)(「新守則」)的守則條文，惟下述偏離除外：

根據舊守則及新守則第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。年內，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。

Under the provision A.6.7 of the New Code, independent non-executive directors and other non-executive directors should, inter alia, attend general meetings. Ms. Sun Rui Fang, a non-executive Director and Mr. Wang Lu, an independent non-executive Director, were unable to attend the annual general meeting (the “**2012 AGM**”) of the Company held on 27 June 2012 due to prior business commitment whilst Mr. Zhao Wei was unable to attend the 2012 AGM as he has gone on a business trip on that day.

BOARD OF DIRECTORS

Composition

The Board currently comprises 3 executive Directors, 1 non-executive Director and 3 independent non-executive Directors (the “INED(s)”) 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 33 to 36 of this annual report and the Company’s website at www.qxpaper.com. To the knowledge of the Directors, the Board members have no financial, business, families or other material relationships with each other.

根據新守則第A.6.7條，獨立非執行董事及其他非執行董事應(其中包括)須出席股東大會。非執行董事孫瑞芳女士及獨立非執行董事王魯先生因事先業務承諾而未能出席本公司於二零一二年六月二十七日舉行的股東週年大會(「二零一二年股東週年大會」)，而獨立非執行董事趙偉先生亦於當日需要出差工作而未能出席二零一二年股東週年大會。

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(「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、會計及金融以及業務管理，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33至36頁「董事及高級管理層履歷」一節及本公司網站www.qxpaper.com。就董事所知，董事會成員間並無財務、業務、家屬或其他重大關係。

CORPORATE GOVERNANCE REPORT

企業管治報告

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.

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須進行之事宜，則授權本公司董事會旗下之執行委員會及本公司高級管理層處理。

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。

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).

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.

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）。

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。

CORPORATE GOVERNANCE REPORT

企業管治報告

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.

Training and Support for Directors

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

Moreover, 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.

During the year, the Company organised a formal training session conducted by its Hong Kong legal adviser DLA Piper Hong Kong for the Directors. The training session covered topics including the New Code, the disclosure of price sensitive information, etc.. All the Directors attended the training session. Moreover, all the Directors have participated in continuous professional development by reading newspapers, journals and updates relating to the Group's business and to the legislative regulatory environments in which the Group operates, directors' duties and responsibilities, etc.. All the Directors are required to provide the Company with their record of training they received during the year.

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。

董事培訓及支援

董事均須了解其集體職責。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。

此外，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。

年內，本公司曾邀請其香港法律顧問歐華律師事務所為董事舉辦一次正式培訓，其中內容涵蓋新守則及股價敏感資料的披露等。全體董事均有出席該培訓。此外，全體董事均有透過閱讀報章、期刊及有關本集團業務及其營運所處之法例監管環境、董事職責及責任等最新資料參與持續專業培訓。全體董事均須向本公司提供彼等於年內所獲培訓之記錄。

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 2012, the Board held a total of 6 meetings (the “**Board Meeting(s)**”) to review and approve, among other things, the 2011 annual results and 2012 interim results, connected transactions 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.

If a Director has a conflict of interest in relation to a transaction or proposal to be considered by the Board, the individual is required to declare such interest and to abstain from voting. The matter is considered at a Board Meeting attended by Directors who have no material interest in the transaction.

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

截至二零一二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**」），以審議及批准（其中包括）二零一一年全年業績及二零一二年中期業績、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。

若有董事在董事會將予考慮的交易或建議中存有利益衝突，涉及的董事須申報有關利益及放棄投票。有關事項須經董事會會議考慮，由在交易中不存在重大利益的董事出席此會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

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.

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。

DIRECTORS' MEETING ATTENDANCE RECORD

During the year, the attendance of the Directors at Board meetings, the Board committees' meetings and the 2012 AGM is as follows:

董事之會議出席率記錄

年內，董事出席董事會會議、董事委員會會議及二零一二年股東週年大會的情況如下：

Directors	董事	Number of meetings attended/held 出席／召開會議次數			2012 AGM 二零一二年 股東週年大會
		Board 董事會	Audit Committee 審核委員會	Remuneration and Nomination Committee 薪酬及 提名委員會	
Executive Directors <i>執行董事</i>					
Dr. ZHU Yu Guo (Chairman)	朱玉國博士(主席)	6/6	N/A 不適用	1/1	1/1
Mr. ZHU Mo Qun (Vice-chairman)	朱墨群先生(副主席)	6/6	N/A 不適用	N/A 不適用	0/1
Mr. SUN Zhen Shui	孫振水先生	6/6	N/A 不適用	N/A 不適用	0/1
Non-executive Director <i>非執行董事</i>					
Ms. SUN Rui Fang	孫瑞芳女士	6/6	N/A 不適用	N/A 不適用	0/1
Independent Non-executive Directors <i>獨立非執行董事</i>					
Mr. ZHAO Wei	趙偉先生	6/6	3/3	1/1	0/1
Mr. WANG Lu	王魯先生	6/6	3/3	1/1	0/1
Mr. KWONG Kwan Tong	鄺焜堂先生	6/6	3/3	1/1	1/1

Company Secretary

Ms. Lam Wai Yee, Sophie, the Company Secretary, is a full time employee of the Group and has day-to-day knowledge of the Company's affairs. During the year, Ms. Lam has completed no less than 15 hours of relevant professional training.

公司秘書

公司秘書林慧怡女士為本集團之全職僱員，並對本公司的日常事務有所認識。年內，林女士已完成不少於15小時的相關專業培訓。

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.

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酬金福利條件是按表現釐定，其中計入本集團之業務表現及當時之市場常規等因素。本集團酬金福利條件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。董事或高級管理層概不參與有關其本身酬金之一切決定。

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酬金推薦建議時，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。

CORPORATE GOVERNANCE REPORT

企業管治報告

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 2012.

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:

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二零一二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。

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) 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.

(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.

(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) 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。

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During the year, the Audit Committee has held 3 meetings to review, inter alia, (a) to review the 2011 annual results and 2012 interim results of the Group; (b) the matters concerning the internal control, risk management, auditing and financial reporting matters of the Group and arrangements for employees to raise concerns about possible improprieties. (c) the staffing and resources of the Company's internal audit department (the "Internal Audit Department"); and (d) re-appointment of external auditors. The Audit Committee also met with the external auditors twice without the presence of the executive Directors. Besides, there is no disagreement between the Board and the Audit Committee regarding the re-appointment of external auditors.

審核委員會於年內舉行了3次會議，以審議(其中包括)(a)審議本集團二零一一年全年業績及二零一二年中期業績；(b)關於本集團的內部監控、風險管理、審計及財務報告的事宜，以及員工就可能發生的不正當行為提出關注的安排等事項；(c)本公司的內部審核部門(「內部審核部門」)的職員配備及資源；及(d)重新委任外聘核數師。審核委員會亦曾在沒有執行董事出席的情況下，與外聘核數師進行兩次會面。此外，董事會及審核委員會就重新委任外聘核數師方面並無任何意見分歧。

(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.

(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酬金。薪酬委員會每年最少舉行1次會議。

During the year, the Remuneration Committee has held 1 meeting. At the meeting, members of the Remuneration Committee reviewed and approved the remuneration packages of the Directors and senior management.

薪酬委員會於年內舉行了1次會議。於會上，薪酬委員會成員審議及批准各董事及高級管理層之酬金福利條件。

During the year, the annual remuneration of the Company's senior management is within the following bands:

年內，本公司高級管理層的年度酬金之所屬酬金組別如下：

Remuneration band HKD	Number of Senior management	酬金組別 港元	高級管理層 人數
0 to 500,000	2	0至500,000	2
500,001-1,000,000	4	500,001至1,000,000	4

(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. 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.

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.

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.

(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。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。

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。

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營經能力存疑。

CORPORATE GOVERNANCE REPORT

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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 67 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 made by the Audit Committee, the Board is satisfied that during the year ended 31 December 2012, 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.

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67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，同意本集團在截至二零一二年十二月三十一日止年度已實行足夠之內部監控及風險管理程序，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。

REMUNERATION OF INDEPENDENT EXTERNAL AUDITORS

The Company's independent external auditors are HLB Hodgson Impey Cheng Limited ("HLB"). During the year, the interim and annual audit fees paid by the Company to HLB were approximately RMB500,000 and RMB1,800,000 respectively.

SHAREHOLDERS

Communication with Shareholders and Investors

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 the Company's website includes announcements, circulars, press releases, results presentations as well as interim and annual reports.

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.

Shareholders may at any time send their enquiries in writing to the Company (sent to the Company's principal place of business in Hong Kong at Suite 2102, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong). In addition, shareholders may direct their enquiries about their shareholdings to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, which is presently situated at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.

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有限公司(「國衛」)。年內，本公司向國衛支付之中期及年度核數費用分別約為人民幣500,000元及人民幣1,800,000元。

股東

與股東及投資者之溝通

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會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。

股東可隨時以書面形式向本公司提出查詢(寄發至本公司之香港主要營業地點，地址為香港九龍灣宏照道33號國際交易中心2102室)。此外，股東可向本公司之香港股份過戶登記處分處卓佳證券登記有限公司查詢持股情況，地址為香港皇后大道東28號金鐘匯中心26樓。

CORPORATE GOVERNANCE REPORT

企業管治報告

Annual General Meeting

The annual general meeting (the “AGM”) 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 AGM proceedings are reviewed from time to time to ensure that the Company follows best corporate governance practices. The notice of AGM is distributed to all shareholders at least 20 clear business days prior to the AGM and the accompanying circular also sets out details of each proposed resolution and other relevant information as required under the Listing Rules. The chairman of the AGM exercises his power under the Articles of Association to put each proposed resolution to the vote by way of a poll. The procedures for demanding and conducting a poll are explained at the beginning of the meeting. Voting results are published on the website of the Company at www.qxpaper.com and HKExnews website of the Stock Exchange at www.hkexnews.hk respectively on the day of the AGM.

Shareholders’ Rights

Pursuant to Article 64 of the Articles of Association, shareholder(s) holding not less than one-tenth of the paid up capital of the Company can make a written requisition to the Board or the Company Secretary to convene an extraordinary general meeting. The written requisition must state the objects of the meeting, and must be signed by the relevant shareholder(s) and deposited at the Company’s principal place of business in Hong Kong at Suite 2102, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong.

There are no provisions under the Articles of Association or the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

The website of the Company at www.qxpaper.com also sets out the procedure for a shareholder to propose a person for election as a Director.

Other Information for Shareholders

During the year, no amendment has been made to the Articles of Association.

股東週年大會

本公司股東週年大會(「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。

股東週年大會之程序不時檢討，以確保本公司遵從最佳之企業管治常規。股東週年大會通告會於股東週年大會舉行前至少20個完整營業日派送予所有股東，而隨附之通函亦列明每個決議案之詳情及按上市規則要求之其他有關資料。股東週年大會之主席行使本公司組織章程細則所賦予之權力，就各項提呈之決議案按投票方式進行表決。在大會開始時，會解釋要求及進行按投票方式表決之程序。投票表決之結果於股東週年大會同日在本公司之網站www.qxpaper.com及聯交所「披露易」網站www.hkexnews.hk發佈。

股東權利

根據章程細則第64條，持有不少於本公司已繳足股本十分之一的股東可提出書面請求予董事會或公司秘書要求召開股東特別大會。該書面請求須列明會議的目的，並由有關股東簽署及遞交至本公司之香港主要營業地點，地址為香港九龍灣宏照道33號國際交易中心2102室。

根據章程細則或開曼群島第22章公司法(一九六一年第3號法案，綜合及經修訂)，概無條文涉及股東在股東大會提出建議的程序(除提名候選董事的建議)。股東可根據上述程序召開股東特別大會以處理其於書面請求提出的事宜。

本公司網站www.qxpaper.com亦登載有關股東提名人選參選董事的程序。

其他股東資料

年內，章程細則並無作出任何修訂。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



Chartered Accountants
Certified Public Accountants

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

香港
中環
畢打街11號
置地廣場
告羅士打大廈31樓

To the shareholders of Qunxing Paper Holdings Company Limited

(Incorporated in the Cayman Island 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 68 to 156, which comprise the statements of financial position of the Group and the Company as at 31 December 2012, 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.

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 Standards 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.

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68至156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二零一二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資料。

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 貴公司董事認為就編製綜合財務報表而言屬必需的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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.

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.

核數師的責任

我們的責任是根據我們的審核對綜合財務報表作出意見，並僅向閣下(作為一個個體)匯報，別無其他用途。我們並不就本報告的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的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。

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的審核憑證。選用的程序須視乎核數師的判斷，包括評估綜合財務報表的重大錯誤陳述(不論是由欺詐或錯誤引起)的風險。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的內部監控，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的恰當性，貴公司董事所作會計估算的合理性，並就綜合財務報表的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，作為審核意見的基準。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

OPINION

In our opinion, 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 2012 and of the Group's 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.

EMPHASIS OF MATTER

We draw attention to note 1 to the consolidated financial statements which describes the uncertainty related to the outcome of an ongoing independent review and investigation currently undertaken by an independent professional advisor appointed by the Company in respect of certain audit issues raised by the Company's previous auditor in its report dated 30 March 2011 on the consolidated financial statements of the Group for the year ended 31 December 2010. Our opinion is not qualified in respect of this matter.

HLB Hodgson Impey Cheng Limited

Chartered Accountants
Certified Public Accountants

Hon Koon Fai, Alex

Practising Certificate Number: P05029
Hong Kong

Hong Kong, 18 March 2013

意見

我們認為，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 貴公司於二零一二年十二月三十一日的事務狀況及 貴集團截至該日的年度溢利及現金流量及已按照香港公司條例的披露規定妥為編製。

強調事宜

我們注意到綜合財務報表附註1所述， 貴公司委任獨立專業顧問現正就其前任核數師於二零一一年三月三十日發出有關 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之報告內提出的若干審計事宜進行持續獨立審查及調查，而審查及調查結果存有不確定性。我們對上述事宜並無保留意見。

國衛會計師事務所有限公司

英國特許會計師
香港執業會計師

韓冠輝

執業證書編號：P05029
香港

香港，二零一三年三月十八日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

			2012	2011
			二零一二年	二零一一年
		Notes	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Turnover	營業額	6	1,880,407	2,003,651
Cost of sales	銷售成本		(1,673,428)	(1,676,741)
Gross profit	毛利		206,979	326,910
Other revenue	其他收益	7	2,221	3,167
Other net (loss)/gain	其他(虧損)/溢利淨額	7	(12,610)	18
Selling expenses	銷售開支		(28,272)	(25,494)
Administrative expenses	行政開支		(58,341)	(48,418)
Profit before taxation	除稅前溢利	8	109,977	256,183
Income tax expense	所得稅開支	9(a)	(34,724)	(34,215)
Profit for the year	年度溢利		75,253	221,968
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		75,253	221,968
Earnings per share (RMB cents)	每股盈利(人民幣分)	14		
Basic	基本		5	14

The notes on pages 76 to 156 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76至156頁的附註構成此等綜合財務報表之一部份。有關應付本公司權益持有人年度溢利應佔股息之詳情載於附註10。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

		2012	2011
		二零一二年	二零一一年
		RMB\$'000	RMB'000
		人民幣千元	人民幣千元
Profit for the year	年度溢利	75,253	221,968
Other comprehensive income/ (loss) for the year	年度其他全面收益/(虧損)		
Exchange differences on translation of financial statements of operations outside the People's Republic of China ("the PRC")	換算中華人民共和國(「中國」)境外業務之財務報表產生之滙兌差額	1,036	(9,043)
Total comprehensive income for the year	年度全面收益總額	76,289	212,925
Attributable to:	應佔：		
Equity shareholders of the Company	本公司權益持有人	76,289	212,925

The notes on pages 76 to 156 form part of these consolidated financial statements.

於第76至156頁的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 2012

於二零一二年十二月三十一日

			2012	2011
		Notes	二零一二年	二零一一年
		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)	2,473,224	2,193,346
Construction in progress	在建工程	18	111,832	451,492
Lease prepayments	租賃預付款項	19	13,786	14,127
Prepayment for flood prevention expenses	防洪開支預付款項	20	39,525	40,375
			2,638,367	2,699,340
Current assets	流動資產			
Inventories	存貨	21	41,319	53,440
Trade and other receivables, prepayments and deposits	應收貿易賬款及其他應收款項、預付款項及按金	22	126,061	74,290
Cash and cash equivalents	現金及現金等價物	23	539,535	488,934
			706,915	616,664
Current liabilities	流動負債			
Trade and other payables	應付貿易賬款及其他應付款項	24	101,123	100,532
Current taxation	即期稅項	25	9,868	13,076
			110,991	113,608
Net current assets	流動資產淨值		595,924	503,056
Net assets	資產淨值		3,234,291	3,202,396
Capital and reserves	資本及儲備			
Share capital	股本	26(a)	147,562	147,562
Reserves	儲備		3,086,729	3,054,834
Total equity	權益總值		3,234,291	3,202,396

Approved and authorised for issue by the board of directors on 18 March 2013.

董事會於二零一三年三月十八日批准及授權刊發。

Zhu Yu Guo

朱玉國

Director

董事

Zhu Mo Qun

朱墨群

Director

董事

The notes on pages 76 to 156 form part of these consolidated financial statements.

於第76至156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 2012

於二零一二年十二月三十一日

			2012	2011
			二零一二年	二零一一年
		Notes	RMB'000	RMB\$'000
		附註	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(b)	200	163
Interests in subsidiaries	於附屬公司之權益	17	1,120,814	1,121,839
			1,121,014	1,122,002
Current assets	流動資產			
Other receivables and prepayments	其他應收及預付款項	22	1,542	1,175
Cash and cash equivalents	現金及現金等價物	23	132,049	198,599
			133,591	199,774
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及預提費用	24	3,314	2,863
Net current assets	流動資產淨值		130,277	196,911
Net assets	資產淨值		1,251,291	1,318,913
Capital and reserves	資本及儲備			
Share capital	股本	26(a)	147,562	147,562
Reserves	儲備		1,103,729	1,171,351
Total equity	權益總值		1,251,291	1,318,913

Approved and authorised for issue by the board of directors on 18 March 2013.

董事會於二零一三年三月十八日批准及授權刊發。

Zhu Yu Guo

朱玉國

Director

董事

Zhu Mo Qun

朱墨群

Director

董事

The notes on pages 76 to 156 form part of these financial statements.

於第76至156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 2012

截至二零一二年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							
		Share capital 股本	Share premium 股份溢價	Warrant reserve 認股權證儲備	Other reserve 其他儲備	Surplus reserves 法定盈餘儲備	Exchange reserve 匯兌儲備	Retained profits 保留溢利	Total equity 權益總計
Note 附註		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 (note) (附註)	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	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	—	(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 income for the year	年度其他全面收益	—	—	—	—	—	(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)
Share issued under open offer	根據公開發售發行股份	45,135	252,752	—	—	—	—	—	297,887
Share 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 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日結餘	147,562	1,454,114	8,589	(10,323)	182,092	(63,047)	1,483,409	3,202,396
Profit for the year	年度溢利	—	—	—	—	—	—	75,253	75,253
Other comprehensive loss for the year	年度其他全面虧損	—	—	—	—	—	1,036	—	1,036
Total comprehensive income for the year	年度全面收益總額	—	—	—	—	—	1,036	75,253	76,289
Appropriation to surplus reserve	分配至法定盈餘儲備	—	—	—	—	10,018	—	(10,018)	—
Dividends declared and approved in respect of the previous year	宣派及批准上一年度股息	10	(44,394)	—	—	—	—	—	(44,394)
Lapse of warrants	認股權證失效	—	—	(8,589)	—	—	—	8,589	—
Balance at 31 December 2012	於二零一二年十二月三十一日結餘	147,562	1,409,720	—	(10,323)	192,110	(62,011)	1,557,233	3,234,291

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2012

截至二零一二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 entitles 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.

All warrants were expired as at 20 January 2012.

The notes on pages 76 to 156 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港元之認股權證，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。

認股權證賦予認購人權利，可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港元之認股權證行使價(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。

所有認股權證均於二零一二年一月二十日到期。

於第76至156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 2012

截至二零一二年十二月三十一日止年度

		2012 二零一二年 RMB\$'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
	Notes 附註		
Cash flows from operating activities	經營活動所得現金流量		
Profit before taxation	除稅前溢利	109,977	256,183
Adjustments for:	就以下各項作出調整：		
Amortisation of lease prepayments	租賃預付款項攤銷	341	341
	8(b)		
Amortisation of prepayment for flood prevention expenses	防洪開支預付款項攤銷	850	850
	8(b)		
Depreciation	折舊	229,871	197,776
	8(b)		
Impairment loss of property, plant and equipment	物業、廠房及設備減值虧損	12,608	—
	8(b)		
Interest income	利息收入	(2,182)	(3,131)
	7		
Foreign exchange loss/(gain)	外匯虧損/(收益)	1,012	(3,723)
Change in working capital:	營運資金變動：		
Decrease/(increase) in inventories	存貨減少/(增加)	12,121	(4,478)
Decrease in trade and other receivables, prepayments and deposits	應收貿易賬款及其他應收款項、預付款項及按金減少	15,429	36,998
Increase in trade and other payables	應付貿易賬款及其他應付款項增加	591	13,492
Cash generated from operations	經營業務產生之現金	380,618	494,308
PRC income tax paid	已付中國所得稅	(37,931)	(43,847)
Net cash generated from operating activities	經營活動所得現金淨額	342,687	450,461
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	(930)	(891)
Payment for construction in progress	支付在建工程款項	(181,786)	(548,253)
Prepayment for the acquisition of plant and equipment	收購廠房及設備所付之預付款項	(67,200)	—
Interest received	已收利息	2,182	3,131
Net cash used in investing activities	投資活動所用現金淨額	(247,734)	(546,013)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

		2012 二零一二年 RMB\$'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
	Notes 附註		
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 issued of unlisted warrants	發行非上市認股權證所得款項淨額	—	8,589
Dividends paid to equity shareholders of the Company	已支付本公司權益持有人的股息	10	(160,694)
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額	(44,394)	142,027
Net increase in cash and cash equivalents	現金及現金等價物淨額增加	50,559	46,475
Cash and cash equivalents at the beginning of the year	年初現金及現金等價物	23	447,763
Effect of foreign exchange rate changes	匯率變動之影響	42	(5,304)
Cash and cash equivalents at the end of the year	年終現金及現金等價物	539,535	488,934

The notes on pages 76 to 156 form part of these consolidated financial statements.

於第76至156頁的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

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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 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.

The consolidated financial statements of the Group for the year ended 31 December 2010 were audited by another auditor, whose report dated 30 March 2011 contained a disclaimer of opinion arising from inability to obtain sufficient appropriate audit evidence in relation to certain audit issues (the “Audit Issues”). Since 2011, the Company has appointed an independent professional advisor to undertake an independent review and investigation in respect of the Audit Issues. As at the date of approval of these condensed consolidated financial statements, the Group’s business has been operating as usual and the Company is not aware of any possible impact on the Group’s operations and financial position arising from the investigation which is still on-going.

Further announcement will be made by the Company as and when appropriate informing our shareholders on the progress of the investigation.

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的直接母公司及最終控股公司為於英屬處女群島註冊成立的BoomInstant Limited。該實體並未編製供公眾查閱的財務報表。

除另有指明外，綜合財務報表以人民幣(「人民幣」)呈列，湊整至最接近千元計算。

本集團截至二零一零年十二月三十一日止年度之綜合財務報表經另一名核數師審核，該核數師因無法就若干審計事宜(「審計事宜」)取得充分合適之審計憑證而於二零一一年三月三十日發出載有拒絕發表意見之報告。自二零一一年起，本公司已委任一名獨立專業顧問就審計事宜進行獨立審核及調查。於批准此等簡明綜合財務報表時，本集團之業務如常運作，本公司亦無知悉任何因仍在進行之調查而對本集團業務及財務狀況所產生之潛在影響。

本公司將適時另發公告，以知會本公司股東有關調查之進展。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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.

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」)頒佈的所有適用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的披露規定及聯交所證券上市規則的適用披露規定。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若干於本集團及本公司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載列首次應用該等調整引致的任何會計政策變更資料，惟該等調整與該等綜合財務報表所反映的本集團現時及過往會計期間有關。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(b) Basis of preparation

The consolidated financial statements for the year ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as “the Group”).

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

截至二零一二年十二月三十一日止年度的綜合財務報表包括本公司及其附屬公司(統稱為「本集團」)。

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、負債、收入及開支的呈報金額之判斷、估計及假設。該等估計及相關假設是根據過往經驗及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及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及相關假設。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及未來期間確認。

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

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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及經營政策，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。附屬公司的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) 綜合賬目時抵銷的交易

集團內公司間的結餘及交易以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的未變現虧損的抵銷方法與未變現收益相同，但抵銷額只限於並無證據顯示已出現減值的部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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.

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.

2. 主要會計政策(續)

(d) 租賃預付款項

租賃預付款項指收購租賃土地而支付的費用。租賃土地按成本減累計攤銷及減值虧損(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收益或虧損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中確認。

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期內對銷其成本(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)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(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.

(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.

2. 主要會計政策(續)

(f) 在建工程

在建工程指在建中的物業、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除減值虧損(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。

(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內，確認為租賃淨付款總額的組成部份。

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綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(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;
- 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:

2. 主要會計政策(續)

(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；
- 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：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Impairment of assets (Continued)

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

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.

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.

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。

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。

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綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Impairment of assets (Continued)

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

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.

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)

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。

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。

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For the year ended 31 December 2012

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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及外來的信息來源，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. 收購廠房及設備的預付款項。

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。

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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，則就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)。

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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。

(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))。

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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。

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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)), 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.

(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.

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))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。

(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。

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(m) Warrant (Continued)

The fair value of warrants on the date of issue is recognised in equity (warrant reserve). The warrant 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(續)

認股權證於發行日的公平值於權益(認股權證儲備)內確認。認股權證儲備於認股權證獲行使後將轉撥至股本及股份溢價。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。

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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。

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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及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益或直接於權益確認。
- (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及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及未使用稅款抵免產生。

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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.

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。支持確認可由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。

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(o) Income tax (Continued)

(iii) (Continued)

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.

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.

2. 主要會計政策(續)

(o) 所得稅(續)

(iii) (續)

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。

遞延稅項資產的賬面值會於各報告期末予以審閱。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，任何該等減少金額將被撥回。

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(o) Income tax (Continued)

(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
- 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.

2. 主要會計政策(續)

(o) 所得稅(續)

(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，本集團的本公司擬按淨值基準結算或同時變現資產及清償負債；或
- 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及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。

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(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.

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:

2. 主要會計政策(續)

(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。

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內確認：

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(q) Revenue recognition *(Continued)*

(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.

(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 Renminbi. As the Group mainly operates in the PRC, Renminbi is used as the presentation currency of the Group (“presentation currency”).

2. 主要會計政策(續)

(q) 收益確認(續)

(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。

(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」)。

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(r) Transaction of foreign currencies

(Continued)

(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.

The results of operations outside the PRC are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Renminbi 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.

2. 主要會計政策(續)

(r) 外幣換算(續)

(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。

中國境外業務之業績按與交易日之相若滙率換算為人民幣。財務狀況表項目則按報告期末公佈之滙率換算為人民幣。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。

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(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.

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

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。

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並意願完成開發，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。

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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) the party is a person or a close member of that person's family and 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; or

(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 on 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) 該方屬該人士或該人士之近親而該人士，

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；或

(ii) 倘該方符合下列任何條件，即該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與各自有關連)；
2. 一間實體為另一實體的聯營公司或合營企業(或聯營公司或集團成員公司的合營公司或另一實體為成員公司)。

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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 1; and
7. a person identified in 2(v)(i) 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(a)所識別人士控制或受共同控制；及
7. 於附註2(v)(i)所識別人士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。

一個實體的近親家庭成員指與該實體交易時可能影響該個別人士或受該個別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。

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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。

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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 and revised standards and interpretations is discussed below.

Amendments to IFRS 7 *Disclosures – Transfers of Financial Assets* are effective for annual period beginning or after 1 July 2011. It increases the disclosure requirements for transactions involving the transfer of financial assets in order to provide greater transparency around risk exposures when financial assets are transferred. The Group did not enter into any types of transfer of financial assets during the year. The amendments to IFRS 7 had no material impact on the disclosure requirements in the Group’s consolidated financial statements.

Amendments to IAS 12 *Deferred Tax: Recovery of Underlying Assets* are effective for annual period beginning on or after 1 January 2012. Those 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 measure using the fair value mode in accordance with IAS 40 *Investment Properties* are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances. This is not currently applicable to the Group, as it has no deferred tax on recovery of underlying assets.

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」）。應用該等新增及經修訂準則及詮釋之影響討論如下。

國際財務報告準則第7號(修訂本)披露 – 轉讓金融資產，於二零一一年七月一日或之後開始之年度期間生效。該修訂增設涉及金融資產轉讓之交易之披露規定，以提高金融資產被轉讓時出現風險承擔之透明度。年內，本集團並無訂立任何類型之金融資產轉讓。國際財務報告準則第7號(修訂本)對本集團綜合財務報表之披露規定並無重大影響。

國際會計準則第12號(修訂本)遞延稅項：收回相關資產，於二零一二年一月一日或之後開始之年度期間生效。該修訂提供國際會計準則第12號一般原則之例外情況，遞延稅項資產及遞延稅項負債之計量應反映該實體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號投資物業採用公平值模式計量之投資物業，在計算遞延稅項時其價值假定可從出售收回，除非在某情況下該假定被駁回，則作別論。由於本集團現時並無收回相關資產之遞延稅項，故該修訂現時不適用於本集團。

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3. APPLICATION OF NEW AND REVISED IFRSs (Continued)

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective:

IAS 1 (Amendments)	Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income ⁴
IAS 16 (Amendments)	Property, Plant and Equipment ³
IAS 19 (Amendments) (as revised in 2011)	Employee Benefits ³
IAS 27 (as revised in 2011)	Separate Financial Statements ³
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ³
IAS 32 (as revised in 2011)	Financial Instruments: Offsetting Financial Assets and Financial Liabilities ²
IAS 34 (Amendments)	Interim Financial Reporting ³
IFRIC – Int 20	Stripping Cost in Production Phase a Surface Mine ³
IFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities ³
IFRS 9	Financial Instruments ¹
IFRS 10	Consolidated Financial Statements ³
IFRS 11	Joint Arrangements ³
IFRS 12	Disclosure of Interests in Other Entities ³
IFRS 13	Fair Value Measurement ³
IFRS 10, 11, 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transitional Guidance ³
IFRS 10,12 and IAS 27 (Amendments)	Investment Entities ²
IFRS (Amendments)	Annual Improvements to IFRSs 2009-2011 Cycle ³

- ¹ Effective for annual periods beginning on or after 1 January 2015
- ² Effective for annual periods beginning on or after 1 January 2014
- ³ Effective for annual periods beginning on or after 1 January 2013
- ⁴ Effective for annual periods beginning on or after 1 July 2012

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以下已頒佈但尚未生效之新增及經修訂準則、修訂或詮釋：

國際會計準則第1號 (修訂本)	財務報表之呈列：其他全面收益項目之呈列 ⁴
國際會計準則第16號 (修訂本)	物業、廠房及設備 ³
國際會計準則第19號 (修訂本) (二零一一年經修訂)	僱員福利 ³
國際會計準則第27號 (二零一一年經修訂)	獨立財務報表 ³
國際會計準則第28號 (二零一一年經修訂)	於聯營公司及合營企業之投資 ³
國際會計準則第32號 (二零一一年經修訂)	金融工具：抵銷金融資產及金融負債 ²
國際會計準則第34號 (修訂本)	中期財務報告 ³
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 ³
國際財務報告準則第7號 (修訂本)	披露 – 抵銷金融資產及金融負債 ³
國際財務報告準則第9號	金融工具 ¹
國際財務報告準則第10號	綜合財務報表 ³
國際財務報告準則第11號	共同安排 ³
國際財務報告準則第12號	披露於其他實體之權益 ³
國際財務報告準則第13號	公平值計量 ³
國際財務報告準則第10、11、12號(修訂本)	綜合財務報表、共同安排及披露於其他實體之權益：過渡指引 ³
國際財務報告準則第10、12號 及國際會計準則第27號(修訂本)	投資實體 ²
國際財務報告準則(修訂本)	二零零九年至二零一一年週期國際財務報告準則之年度改進 ³

- ¹ 於二零一五年一月一日或之後開始之年度期間生效
- ² 於二零一四年一月一日或之後開始之年度期間生效
- ³ 於二零一三年一月一日或之後開始之年度期間生效
- ⁴ 於二零一二年七月一日或之後開始之年度期間生效

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3. APPLICATION OF NEW AND REVISED IFRSs (Continued)

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.

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.

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，如債務投資(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。所有其他債務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。

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列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。

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3. APPLICATION OF NEW AND REVISED IFRSs (Continued)

IFRS 9 will be effective from 1 January 2013, with earlier application permitted.

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9號將由二零一三年一月一日起生效，可提早應用。

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權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資產負債表外工具)之披露規定之新增及全面準則。

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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.

In June 2012, the amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the application of these IFRSs for the first time.

Amendments to IAS 1 *Presentation of Financial Statements-Presentation of Items of Other Comprehensive Income* are effective for annual period beginning on or after 1 July 2012. Those introduce new terminology for the statement of comprehensive income and income statement. Those 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.

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其他準則已規定或准許使用時如何使用提供指引。

於二零一二年六月，國際財務報告準則第10號、國際財務報告準則第11號及國際財務報告準則第12號獲頒佈，以釐清首次應用該等國際財務報告準則之若干過渡指引。

國際會計準則第1號(修訂本)財務報表之呈列 – 其他全面收益項目之呈列，於二零一二年七月一日或之後開始之年度期間生效。該修訂為全面收益表及損益表引進新專門用語，規定根據國際財務報告準則編製財務報表之公司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(「其他全面收益」)中集結。該修訂亦重申現有規定 – 其他全面收益及損益應於單一報表或兩個連續報表呈列。

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3. APPLICATION OF NEW AND REVISED IFRSs (Continued)

Amendment to IAS 1 *Presentation of Financial Statements* is effective for annual period beginning on or after 1 January 2013. It requires an entity that changes accounting policies retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period. The amendments to IAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specially, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realisation and settlement”.

The amendments to IFRS 7 requires entities to disclose information about rights of offset and related arrangement (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

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.

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1號(修訂本)財務報表之呈列，於二零一三年一月一日或之後開始之年度期間生效。該修訂規定更改會計政策追溯重列或重新分類之實體呈列於上一期間期初之財務狀況表。國際會計準則第1號(修訂本)釐清實體於追溯應用、重列或重新分類對第三份財務狀況表之資料有重大影響時，方須呈列第三份財務狀況表，且第三份財務狀況表毋須隨附相關附註。

國際會計準則第32號(修訂本)釐清有關抵銷金融資產及金融負債規定之現有應用問題。尤其是，該修訂釐清「現時擁有在法律上可強制執行之抵銷權」及「同時變現及結算」之涵義。

國際財務報告準則第7號(修訂本)要求實體披露有關可強制執行總淨額結算協議或類似安排項下之金融工具抵銷權利及相關安排(如抵押品過賬規定)之資料。

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。

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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.

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.

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。

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。

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4. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Sources of estimation uncertainty (Continued)

(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.

(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.

4. 會計判斷及估計(續)

估算不明朗因素之來源(續)

(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。

(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。

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4. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Sources of estimation uncertainty (Continued)

(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.

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.

4. 會計判斷及估計(續)

估算不明朗因素之來源(續)

(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。

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、業務風險、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。

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5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

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.

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, 21% (2011: 14%) and 73% (2011: 56%) 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.

5. 財務風險管理及公平值(續)

(a) 信貸風險(續)

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。

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21%（二零一一年：14%）及73%（二零一一年：56%）。

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。

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5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

(a) Credit risk *(Continued)*

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.

(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.

5. 財務風險管理及公平值(續)

(a) 信貸風險(續)

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。

(b) 流動資金風險

本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。

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5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk (Continued)

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 2012

		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 period end 期末 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	(101,123)	(101,123)	(101,123)

At 31 December 2011

		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	(100,532)	(100,532)	(100,532)

5. 財務風險管理及公平值(續)

(b) 流動資金風險(續)

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

於二零一二年十二月三十一日

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5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk (Continued)

The Company

At 31 December 2012

	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	(3,314)	(3,314)	(3,314)

At 31 December 2011

	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)

(c) Interest rate risk

The Group does not have any interest bearing borrowings at 31 December 2012 and 31 December 2011 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)

本公司

於二零一二年十二月三十一日

	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	(3,314)	(3,314)	(3,314)

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)

(c) 利率風險

於二零一二年十二月三十一日及二零一一年十二月三十一日，本集團並無任何令本集團承擔利率風險之計息借貸。

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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 43% (2011: 61%) 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.

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43%（二零一一年：61%）。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。

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5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(f) Foreign currency risk

As most of the Group's monetary assets and liabilities are denominated in Renminbi 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.

(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 value added taxes and other sales taxes, which may be analysed as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Decorative base paper products	裝飾原紙產品	1,705,393	1,860,237
Printing paper product	印刷用紙產品	175,014	143,414
		1,880,407	2,003,651

5. 財務風險管理及公平值(續)

(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。

(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、折扣及增值稅及其他銷售稅，其可分析如下：

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6. TURNOVER (Continued)

The Group's customer base is diversified and no other single customers contributed 10% of the Group's revenue in 2012 (2011: no other single customer with whom transactions have exceeded 10% of the Group's revenue). Details of concentrations of credit risk arising from this customer are set out in note 5(a).

6. 營業額(續)

本集團之客源分散，於二零一二年並無單一客戶佔本集團收益10%(二零一一年：並無單一與本集團進行交易之客戶佔本集團收益超過10%)。該客戶產生之集中信貸風險詳情，載於附註5(a)。

7. OTHER REVENUE AND OTHER NET (LOSS)/GAIN

7. 其他收益及其他(虧損)/溢利淨額

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Other revenue	其他收益		
Bank interest income	銀行利息收入	2,182	3,131
Other	其他	39	36
		2,221	3,167
Other net (loss)/gain	其他(虧損)/溢利淨額		
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(12,608)	—
Net foreign exchange (loss)/gain	外匯(虧損)/收益淨額	(2)	18
		(12,610)	18

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For the year ended 31 December 2012

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8. PROFIT BEFORE TAXATION

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

8. 除稅前溢利

除稅前溢利已扣除／(計入)：

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
(a) Staff costs (including directors' remuneration) <i>(note 11)</i>	(a) 員工成本(包括董事酬金) <i>(附註11)</i>		
Contributions to defined contribution retirement plans	定額供款退休金計劃供款	6,637	5,097
Salaries, wages and other benefits	薪金、工資及其他福利	61,954	50,081
		68,591	55,178

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.

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。

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8. PROFIT BEFORE TAXATION (Continued)

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 up to 31 May 2012 and of HK\$25,000 per month since 1 June 2012. 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)

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%，直至二零一二年五月三十一日以月薪20,000港元為上限，以及自二零一二年六月一日起計以月薪25,000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。

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8. PROFIT BEFORE TAXATION (Continued)

8. 除稅前溢利(續)

		2012	2011
		二零一二年	二零一一年
		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	850
Auditors' remuneration	核數師酬金		
— audit services	— 審核服務		
— current year	— 本年度	2,300	1,904
— under-provision in prior year	— 過往年度撥備不足	800	497
Depreciation	折舊	229,871	197,776
Impairment loss of property, plant and equipment	物業、廠房及設備減值虧損	12,608	—
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	9,199	6,523
— others	— 其他	170	150
Sewage disposal expenses	排污費	438	438
Research and development costs	研發成本	118	119

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截至二零一二年十二月三十一日止年度

9. INCOME TAX EXPENSE

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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Current tax – PRC corporate income tax	即期稅項 – 中國企業所得稅		
Provision for the year	本年度計提	34,235	33,684
Under-provision in respect of the prior year	過往年度撥備不足	489	531
		34,724	34,215

- (i) Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands (“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 (2011: 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（「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（二零一一年：無）。

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9. INCOME TAX EXPENSE (Continued)

(a) (Continued)

- (iii) Shandong Qunxing Paper Limited (“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 2011 and 2012 is 12.5% and 25% respectively.

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) (續)

- (iii) 山東群星紙業有限公司(「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。山東群星於二零一一年及二零一二年十二月三十一日年度適用稅率分別為12.5%及25%。

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予以分派，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。

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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：

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before taxation	除稅前溢利	109,977	256,183
Notional tax on profit before taxation, calculated at the 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	29,561	65,277
Tax effect of tax concession period	稅務優惠期間的稅務影響	—	(33,620)
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	4,801	2,310
Tax effect of non-taxable income	毋須課稅收入的稅務影響	(127)	(283)
Under-provision in prior year	過往年度撥備不足	489	531
Actual tax expenses	實際稅項開支	34,724	34,215

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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

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interim dividend declared and paid of HK Nil cents per ordinary share (2011: Nil)	已宣派及派付之中期股息 每股普通股零港仙 (二零一一年：無)	—	—
Final dividend proposed after the end of reporting period of HK1.229 cents (equivalent to approximately RMB1 per ordinary share (2011: HK3.380 cents (equivalent to approximately RMB2.798 cents, per ordinary share)	於報告期末後建議派付之終期股息每股普通股 1.229 港仙 (約相當於人民幣 1 分) (二零一一年：每股普通股 3.380 港仙，約相當於人民幣 2.798 分)	15,864	44,394
		15,864	44,394

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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

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Final dividend in respect of the year ended 31 December 2011, approved and paid during the year of HK3.380 cents (equivalent to RMB2.798 cents) per ordinary share (2010: HK8.633 cents, equivalent to approximately RMB7.517 cents, per ordinary share)	年內已批准及派付截至二零一一年十二月三十一日止年度終期股息每股普通股3.380港仙(約相當於人民幣2.798分)(二零一零年：每股普通股8.633港仙，約相當於人民幣7.517分)全部採用以股代息之方式派付	44,394	119,252
Special dividend in respect of the year ended 31 December 2011, approved and paid of HK Nil cents per ordinary share (2010: HK3 cents, equivalent to RMB2.612 cents, per ordinary share)	年內已批准及派付截至二零一一年十二月三十一日止年度特別股息每股普通股零港仙(二零一零年：3港仙(相當於人民幣2.612分))	—	41,442
		44,394	160,694

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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 2012

截至二零一二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 (Chairman)	朱玉國博士(主席)	586	185	—	—	771
Mr. Zhu Mo Qun	朱墨群先生	586	—	—	—	586
Mr. Sun Zhen Shui	孫振水先生	293	—	—	—	293
Non-executive Director	非執行董事					
Ms. Sun Rui Fang	孫瑞芳女士	59	—	—	—	59
Independent Non-executive Directors	獨立非執行董事					
Mr. Zhao Wei	趙偉先生	107	—	—	—	107
Mr. Wang Lu	王魯先生	107	—	—	—	107
Mr. Kwong Kwan Tong	龔焜堂先生	195	—	—	—	195
		1,933	185	—	—	2,118

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11. DIRECTORS' REMUNERATION

(Continued)

For the year ended 31 December 2011

11. 董事酬金(續)

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 (Chairman)	朱玉國博士(主席)	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					
Mrs. 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	鄺焜堂先生	161	—	—	—	161
		1,915	—	—	—	1,915

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。

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12. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2011: three) are Directors whose emoluments are disclosed in note 11. The aggregate of the emoluments in respect of the other two (2011: two) individuals, include two (2011: two) of senior management, are as follows:

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other emoluments	薪金及其他酬金	1,150	1,253
Retirement scheme contributions	退休金計劃供款	22	20
		1,172	1,273

The emoluments of the two individuals (2011: two) with the highest emoluments are within the following band:

		Number of individuals	
		人數	
		2012	2011
		二零一二年	二零一一年
HK\$ Nil to HK\$1,000,000	零港元至 1,000,000 港元	2	2

The emoluments of the senior management of the Company are within the following band:

		Number of individuals	
		人數	
		2012	2011
		二零一二年	二零一一年
Nil – HK\$1,000,000	零港元至 1,000,000 港元	3	3

12. 最高薪酬人士

五名最高薪酬人士中有三名(二零一一年: 三名)為董事, 彼等的酬金於附註11中披露。其他兩名(二零一一年: 兩名)人士(包括兩名(二零一一年: 兩名)高級管理層)的酬金總額如下:

兩名(二零一一年: 兩名)最高薪酬人士的酬金介乎以下範圍:

本公司高級管理層之薪酬介乎以下範圍:

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13. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a loss of RMB24,470,000 for the year ended 31 December 2012 (2011: RMB13,420,000) which has been dealt with in the financial statements of the Company.

14. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the year ended 31 December 2012 is based on the profit attributable to ordinary equity shareholders of the Company of RMB75,253,000 (2011: RMB221,968,000) and the weighted average number of 1,586,391,450 ordinary shares (2011: 1,586,391,450) in issue during the year.

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二零一二年十二月三十一日止年度虧損人民幣24,470,000元(二零一一年：人民幣13,420,000元)，並已於本公司財務報表內處理。

14. 每股盈利

截至二零一二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75,253,000元(二零一一年：人民幣221,968,000元)以及於本年度已發行普通股的加權平均數1,586,391,450(二零一一年：1,586,391,450)股計算，計算方式如下。

Weighted average number of ordinary shares

普通股的加權平均數

		2012	2011
		二零一二年	二零一一年
		'000	'000
		千股	千股
Issued ordinary shares at 1 January	於一月一日已發行普通股	1,586,391	1,057,594
Effect of share issued under open offer (note 1)	根據公開發售發行股份影響 (附註1)	—	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	1,586,391

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14. EARNINGS PER SHARE (Continued)

Notes:

1. On 10 January 2010, 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.

The computation of diluted earnings per share for the year ended 31 December 2012 and 2011 does not assumed the exercise of the Company's outstanding warrants as the exercise of warrants is anti-dilutive.

Diluted earnings per share for the years ended 31 December 2012 and 2011 were the same as the basic earnings per share.

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)

附註：

1. 於二零一零年一月十日，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。

計算截至二零一二年及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。

截至二零一二年及二零一一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。

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。

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16. PROPERTY, PLANT AND EQUIPMENT

(a) The Group

16. 物業、廠房及設備

(a) 本集團

		Buildings	Leasehold improvements	Plant and machinery	Motor vehicles	Furniture and fixtures and computer equipment	Total
		樓宇	租賃裝修	廠房及機器	汽車	傢俬、裝置及電腦設備	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
Cost:	成本：						
At 1 January 2011	於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
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 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	721,196	281	2,156,974	2,515	6,330	2,887,296
Additions	添置	—	181	734	—	15	930
Transfer from construction in progress (note 18)	轉撥自在建工程(附註18)	114,836	—	406,610	—	—	521,446
Disposal	出售	—	(271)	—	—	—	(271)
Exchange adjustments	匯兌調整	—	(11)	—	—	(8)	(19)
At 31 December 2012	於二零一二年十二月三十一日	836,032	180	2,564,318	2,515	6,337	3,409,382
Accumulated depreciation and impairment:	累計折舊及減值：						
At 1 January 2011	於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 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	36,124	198	652,424	1,428	3,776	693,950
Charge for the year	本年度折舊	17,647	83	211,516	197	428	229,871
Disposal	出售	—	(271)	—	—	—	(271)
Impairment	減值	4,693	—	7,915	—	—	12,608
At 31 December 2012	於二零一二年十二月三十一日	58,464	10	871,855	1,625	4,204	936,158
Net book value:	賬面淨值：						
At 31 December 2012	於二零一二年十二月三十一日	777,568	170	1,692,463	890	2,133	2,473,224
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

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16. PROPERTY, PLANT AND EQUIPMENT

(Continued)

(a) The Group (Continued)

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

Impairment loss

During the year ended 2012, an impairment loss amounted to RMB12,608,000 was made for a production line due to technical obsolescence. The Group assessed the recoverable amount of this production line and as a result the remaining carrying amount of the production line was written down by RMB12,608,000 in the year ended 31 December 2012 (2011: Nil). The estimate of recoverable amount was based on the value in use of the production line to the Group.

16. 物業、廠房及設備(續)

(a) 本集團(續)

本集團全部樓宇以及廠房及機器均位於中國。

減值虧損

截至二零一二年止年度，本集團由於技術陳舊而為一生產線作減值虧損人民幣12,608,000元。本集團評核該生產線之可收回金額，因此該生產線的餘下賬面值於截至二零一二年十二月三十一日止年度撇銷人民幣12,608,000元(二零一一年：零)。估計可收回金額時乃根據生產線對本集團之使用價值而釐定。

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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 2011	於二零一一年 一月一日	289	554	843
Exchange adjustments	匯兌調整	(8)	(8)	(16)
At 31 December 2011 and 1 January 2012	於二零一一年 十二月三十一日及 二零一二年 一月一日	281	546	827
Additions	添置	181	15	196
Disposals	出售	(271)	—	(271)
Exchange adjustments	匯兌調整	(11)	(8)	(19)
At 31 December 2012	於二零一二年 十二月三十一日	180	553	733
Accumulated depreciation:	累計折舊：			
At 1 January 2011	於二零一一年 一月一日	105	390	495
Charge for the year	本年度折舊	93	76	169
At 31 December 2011 and 1 January 2012	於二零一一年 十二月三十一日及 二零一二年 一月一日	198	466	664
Charge for the year	本年度折舊	83	57	140
Disposals	出售	(271)	—	(271)
At 31 December 2012	於二零一二年 十二月三十一日	10	523	533
Net book value: At 31 December 2012	賬面淨值： 於二零一二年 十二月三十一日	170	30	200
At 31 December 2011	於二零一一年 十二月三十一日	83	80	163

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17. INTERESTS IN SUBSIDIARIES

17. 於附屬公司的權益

		The Company	
		本公司	
		2012	2011
		二零一二年	二零一一年
		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	1,119,818	1,120,843
		1,120,814	1,121,839

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。

Details of the subsidiaries at 31 December 2012 are set out below:

於二零一二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 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Double Nation Limited ("Double Nation")	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

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17. INTERESTS IN SUBSIDIARIES (Continued)

17. 於附屬公司的權益(續)

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 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
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 decorative base paper products and printing paper product 製造裝飾原紙產品 及印刷用紙產品
Zouping DaFa Trading Company Limited 鄒平大發商貿有限公司	The PRC 中國	RMB1,000,000 人民幣1,000,000元	—	100	Purchase of raw materials 採購原材料
Zouping DaTong Trading Limited* 鄒平大通商貿有限公司	The PRC 中國	RMB1,000,000 人民幣1,000,000元	—	100	Sales of decorative and printing paper 銷售裝飾及印刷用紙

* These entities are wholly foreign owned enterprises established in the PRC.

* 該等實體為於中國成立之外商獨資企業。

18. CONSTRUCTION IN PROGRESS

18. 在建工程

The Group

本集團

		RMB'000 人民幣千元
At 1 January 2011	於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 and 1 January 2012	於二零一一年十二月三十一日 及二零一二年一月一日	451,492
Additions	添置	181,786
Transfer to property, plant and equipment (note 16)	轉撥至物業、廠房及設備 (附註16)	(521,446)
At 31 December 2012	於二零一二年十二月三十一日	111,832

Construction in progress comprises costs incurred on buildings and plant and machinery and the cost of dismantling and removing trees not yet completed at the end of the respective reporting period.

在建工程包括於各報告期末尚未完成之樓宇與廠房及機器產生的成本以及剷除及移除樹木的成本。

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19. LEASE PREPAYMENTS

The Group

19. 租賃預付款項

本集團

		RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2011, 31 December 2011 and 31 December 2012	於二零一一年一月一日、 二零一一年十二月三十一日及 二零一二年十二月三十一日	15,646
Accumulated amortisation:	累計攤銷：	
At 1 January 2011	於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 and 1 January 2012	於二零一一年十二月三十一日及 二零一二年一月一日	1,519
Charge for the year	本年度攤銷	341
At 31 December 2012	於二零一二年十二月三十一日	1,860
Net book value:	賬面淨值：	
At 31 December 2012	於二零一二年十二月三十一日	13,786
At 31 December 2011	於二零一一年十二月三十一日	14,127

Lease prepayments represent the cost of the land use rights in the PRC which expire in 2053.

租賃預付款項指於二零五三年到期的中國土地使用權之成本。

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20. PREPAYMENTS FOR FLOOD PREVENTION EXPENSES

Prepayments 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 profit or loss 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，本集團的防洪開支預付款項為人民幣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損益。

The Group

本集團

		RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2011	於二零一一年一月一日	42,500
Addition	添置	—
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及 二零一二年十二月三十一日	42,500
Addition	添置	—
At 31 December 2012	於二零一二年十二月三十一日	42,500
Accumulated amortisation:	累計攤銷：	
At 1 January 2011	於二零一一年一月一日	425
Charge for the year	本年度攤銷	850
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及 二零一二年一月一日	1,275
Charge for the year	本年度攤銷	850
At 31 December 2012	於二零一二年十二月三十一日	2,125
Net book value:	賬面淨值：	
At 31 December 2012	於二零一二年十二月三十一日	40,375
At 31 December 2011	於二零一一年十二月三十一日	41,225

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20. PREPAYMENTS FOR FLOOD PREVENTION EXPENSES (Continued)

20. 防洪開支預付款項(續)

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Current portion (included in prepayments, deposits and other receivables as stated in note 22)	即期部份(計入預付款項、按金及其他應收款項)(誠如附註22所述)	850	850
Non-current portion	非即期部份	39,525	40,375
		40,375	41,225

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	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Raw materials and consumables	原材料及消耗品	24,762	36,006
Finished goods	製成品	16,557	17,434
		41,319	53,440

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

(b) 在損益中確認為開支的存貨金額分析如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Carrying amount of inventories sold	已售存貨賬面值	1,673,428	1,676,741

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22. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

22. 應收貿易賬款及其他應收款項、預付款項及按金

		The Group 本集團		The Company 本公司	
		2012	2011	2012	2011
		二零一二年	二零一一年	二零一二年	二零一一年
		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
Trade receivables	應收貿易賬款	53,999	72,258	—	—
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	72,062	2,032	1,542	1,175
		126,061	74,290	1,542	1,175

The amount of prepayments, deposits and other receivables includes the current portion of RMB850,000 (2011: RMB850,000) relating to the prepayment for flood prevention expenses as referred to in note 20.

Included in prepayment, deposits and other receivables, deposits of approximately RMB67,200,000 was paid to acquire plant and machinery as at 31 December 2012 (2011: Nil).

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所述防洪開支預付款項的即期部份之人民幣850,000元(二零一一年：人民幣850,000元)。

於二零一二年十二月三十一日，計入預付款項、按金及其他應收款項之款項中，按金約人民幣67,200,000元已支付以收購廠房及機器(二零一一年：零)。

所有應收貿易賬款預期於一年內收回或確認為開支。

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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	
		2012 二零一二年	2011 二零一一年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Current	即期	53,999	72,258

(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.

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)

(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與廣泛客戶有關，他們近期並無欠款記錄。

已逾期但未減值之應收款項乃與若干獨立客戶有關，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。

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23. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

23. 現金及現金等價物

(a) 現金及現金等價物包括：

	The Group		The Company	
	本集團		本公司	
	2012	2011	2012	2011
	二零一二年	二零一一年	二零一二年	二零一一年
	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	116,812	207,063	89,294	179,710
Cash at bank and other financial institutions and cash in hand	422,723	281,871	42,755	18,889
Cash and cash equivalents in the statement of financial position	539,535	488,934	132,049	198,599
Cash and cash equivalents in the consolidated statement of cash flows	539,535	488,934		

As at 31 December 2012, cash in hand and cash at banks in the PRC included in the cash and cash equivalents above amounted to RMB379,416,000 (2011: RMB261,697,000). Remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government.

於二零一二年十二月三十一日，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人民幣379,416,000元(二零一一年：人民幣261,697,000元)。將款項匯出中國須受中國政府施行的外匯管制所限。

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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	
		2012	2011	2012	2011
		二零一二年	二零一一年	二零一二年	二零一一年
		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
Trade payables	應付貿易賬款	78,120	79,119	—	—
Other payables and accruals	其他應付款項及預提費用	23,003	21,413	3,314	2,863
		101,123	100,532	3,314	2,863

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.

包括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。各供應商授予的信貨期一般不超過30日。

		The Group 本集團	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
0 to 30 days	0至30日	78,120	79,119

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。

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25. CURRENT TAXATION

- (a) Current taxation in the consolidated statement of financial position represents:

		The Group	
		本集團	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	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	34,235	33,684
PRC income tax paid	已繳付的中國所得稅	(34,235)	(30,476)
		—	3,208
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	9,868	13,076

(b) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 2(o), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB12,508,000 (2011: RMB12,506,000) 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.

(c) Deferred tax liabilities not recognised

At 31 December 2012, temporary differences relating to the undistributed profits of the PRC subsidiary amounted to approximately RMB1,321,653,000 (2011: RMB1,231,487,000). Deferred tax liabilities of approximately RMB66,083,000 (2011: RMB61,574,000) 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

- (a) 綜合財務狀況表內的即期稅項指：

(b) 未確認的遞延稅項資產

根據附註2(o)所列的會計政策，本集團並無就累計稅項虧損確認遞延稅項資產人民幣12,508,000元（二零一一年：人民幣12,506,000元），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。

(c) 未確認的遞延稅項負債

於二零一二年十二月三十一日，有關中國附屬公司之未分配溢利之暫時差額約為人民幣1,321,653,000元（二零一一年：人民幣1,231,487,000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，故未就分配此等留存溢利時須要繳納之稅款確認遞延稅項負債約人民幣66,083,000元（二零一一年：人民幣61,574,000元）。

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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：

The Company

本公司

		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	本年度其他全面虧損	—	—	—	(75,847)	—	(75,847)
Total comprehensive loss for the year	本年度全面虧損總額	—	—	—	(75,847)	(13,420)	(89,267)
Dividend declared and approved in respect of the previous year	宣派及批准上一年度股息	—	(160,694)	—	—	—	(160,694)
Share issued under open offer	根據公開發售發行股份	45,135	252,752	—	—	—	297,887
Share issued expenses	股份發行開支	—	(3,755)	—	—	—	(3,755)
Issue of warrants	發行認股權證	—	—	8,589	—	—	8,589
At 31 December 2011	於二零一一年十二月三十一日	147,562	1,454,114	8,589	(266,274)	(25,078)	1,318,913

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26. CAPITAL AND RESERVES (Continued)

(a) Movements in components of equity

(Continued)

The Company (Continued)

26. 資本及儲備(續)

(a) 權益項目變動(續)

本公司(續)

		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 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日結餘	147,562	1,454,114	8,589	(266,274)	(25,078)	1,318,913
Loss for the year	本年度虧損	-	-	-	-	(24,470)	(24,470)
Other comprehensive loss for the year	本年度其他全面虧損	-	-	-	1,242	-	1,242
Total comprehensive income for the year	本年度全面收益總額	-	-	-	1,242	(24,470)	(23,228)
Dividend declared and approved in respect of the previous year	宣派及批准上一年度股息	-	(44,394)	-	-	-	(44,394)
Lapse of warrants	認股權證失效	-	-	(8,589)	-	8,589	-
At 31 December 2012	於二零一二年十二月三十一日	147,562	1,409,720	-	(265,032)	(40,959)	1,251,291

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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 2012 於二零一二年十二月三十一日		At 31 December 2011 於二零一一年十二月三十一日	
		Number of shares 股份數目		Number of shares 股份數目	
		'000 千股	HK\$'000 千港元	'000 千股	HK\$'000 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 2011					1,057,594
Shares issued under open offer (note i)					528,797
At 31 December 2011, 1 January 2012 and 31 December 2012				於二零一一年十二月三十一日、 二零一二年一月一日及 二零一二年十二月三十一日	1,586,391

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.

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。

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26. CAPITAL AND RESERVES (Continued)

(b) Authorised and issued share capital

(Continued)

Note: (Continued)

(i) 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 HK\$349,006,000 (equivalent to 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 2012, a final dividend of RMB44,394,000 (2011: RMB119,252,000) and a special dividend of RMBNil (2011: RMB41,442,000) in respect of the previous year were paid out from the share premium account.

(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.

26. 資本及儲備(續)

(b) 法定及已發行股本(續)

附註：

(i) 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349,006,000港元(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。截至二零一二年十二月三十一日止年度，上一年度之終期股息人民幣44,394,000元(二零一一年：人民幣119,252,000元)及特別股息人民幣零元(二零一一年：人民幣41,442,000元)已從股份溢價賬中派付。

(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。

26. CAPITAL AND RESERVES (Continued)

(c) Nature and purpose of reserves (Continued)

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 2012, 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 RMB1,368,761,000 (2011: RMB1,429,036,000).

(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 2012 and 31 December 2011.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

26. 資本及儲備(續)

(c) 儲備性質及目的(續)

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

於二零一二年十二月三十一日，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1,368,761,000元(二零一一年：人民幣1,429,036,000元)。

(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。於二零一二年及二零一一年十二月三十一日，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

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

27. COMMITMENTS AND CONTINGENCIES

(a) Operating leases

At 31 December 2012, 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	
		2012	2011	2012	2011
		二零一二年	二零一一年	二零一二年	二零一一年
		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	6,239	6,273	457	292
After one year but within five years	一年後但在五年內	18,654	18,730	775	—
After five years	五年以上	157,524	200,546	—	—
		182,417	225,549	1,232	292

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

於二零一二年十二月三十一日，根據不可撤銷的經營租賃在日後應付的最低經營租賃款項總額如下：

本集團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款項每五年重新磋商，以反映實際的市場租值。所有租賃不包括或然租金。

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綜合財務報表附註

For the year ended 31 December 2012

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27. COMMITMENTS AND CONTINGENCIES

(Continued)

(b) Capital commitments

Capital commitments outstanding at 31 December 2012 not provided for in the consolidated financial statements were as follows:

		The Group	
		本集團	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contracted for	已訂約	160,496	59,940
Authorised but not contracted for	已獲授權但未訂約	—	—
		160,496	59,940

At 31 December 2012 and 31 December 2011, 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

於二零一二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：

於二零一二年十二月三十一日及二零一一年十二月三十一日，本集團承擔若干購置廠房與機器及樓宇的建設合約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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.

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.

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。

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。

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綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

28. SHARE OPTION SCHEME (Continued)

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;
- (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)

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的任何實體(「注資實體」)的任何僱員(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的任何非執行董事(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的任何供應商；
- (d) 本集團或任何注資實體的任何客戶；
- (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的任何人士或實體；
- (f) 本集團任何成員公司或任何注資實體的任何股東或本集團任何成員公司或任何注資實體已發行的任何證券之持有人；
- (g) 本集團或任何注資實體的任何業務範圍或業務發展的顧問(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的任何公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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的股份)。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。

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綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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.

29. MATERIAL RELATED PARTY TRANSACTIONS

During the years ended 31 December 2012 and 2011, transactions with the following party are considered to be related party transactions:

Name of related party	Relationship
Shandong Changxing Group Limited ("SD Changxing") *	Effectively 55% owned by Dr. Zhu Yu Guo, 30% by Mr. Zhu Mo Qun and 15% by Ms. Sun Rui Fang, the Directors

* The English translation of the company name is for reference only. The official name of this company is in Chinese.

(a) Recurring transaction

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Lease of leasehold land and properties from:	向以下一方租用租賃土地及物業：		
— SD Changxing	— 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.

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。

29. 重大關連方交易

截至二零一二年及二零一一年十二月三十一日止年度內，與下列各方進行的交易被視為關連方交易：

關連方名稱	關係
山東長星集團有限公司 ("山東長星")*	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

* 該公司之中文名稱為正式名稱，英文名稱僅供參考。

(a) 經常性交易

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。

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綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	3,351	3,552
Contribution to defined contribution retirement plans	定額供款退休金計劃供款	24	55
		3,375	3,607

Total remuneration is included in "staff cost" (see note 8(a)).

29. 重大關連方交易(續)

(b) 主要管理人員酬金

本集團主要管理人員的酬金(包括已付本公司董事的酬金(見附註11)及已付若干最高薪酬僱員的酬金(見附註12))如下:

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 2012, the Group and the Company had no material contingent liabilities.

31. 或然負債

於二零一二年十二月三十一日，本集團及本公司概無重大或然負債。

32. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 18 March 2013.

32. 綜合財務報表的批核

董事會已於二零一三年三月十八日批核且授權刊發綜合財務報表。

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	2008	2009	2010	2011	2012	
	附註	二零零八年	二零零九年	二零一零年	二零一一年	二零一二年	
Profit ability ratios	盈利能力比率						
Gross profit margin	毛利率	1	27.1%	27.8%	25.2%	16.3%	11.0%
Net profit margin	淨溢利率	2	25.6%	21.2%	19.3%	11.1%	4.0%
Return on assets	資產回報率	3	14.3%	12.8%	13.4%	6.7%	2.2%
Return on equity	權益回報率	4	17.2%	13.2%	14.0%	6.9%	2.3%
Liquidity ratios	流動資金比率						
Current ratio	流動比率	5	3.7	10.1	5.5	5.4	6.4
Quick ratio	速動比率	6	3.6	9.7	5.1	5.0	6.0
Gearing ratio	資產負債比率	7	4.6%	0%	0%	0%	0%
Inventory turnover days	存貨週轉天數	8	18	16	15	15	13
Debtors' turnover days	應收賬款週轉天數	9	9	7	17	13	10
Creditors' turnover days	應付賬款週轉天數	10	37	20	23	23	24

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 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。

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				
		2008	2009	2010	2011	2012
		二零零八年	二零零九年	二零一零年	二零一一年	二零一二年
		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	1,496,360	1,530,321	2,058,916	2,003,651	1,880,407
Cost of sales	銷售成本	(1,090,844)	(1,105,517)	(1,539,131)	(1,676,741)	(1,673,428)
Gross profit	毛利	405,516	424,804	519,785	326,910	206,979
Other revenue	其他收益	41,503	4,371	2,212	3,167	2,221
Other net (loss)/gain	其他(虧損)/收益淨額	(2,441)	(62)	(189)	18	(12,610)
Selling expenses	銷售開支	(15,896)	(19,233)	(26,426)	(25,494)	(28,272)
Administrative expenses	行政開支	(32,001)	(34,018)	(39,409)	(48,418)	(58,341)
Profit from operations	經營溢利	396,681	375,862	455,973	256,183	109,977
Finance costs	融資成本	(13,320)	(4,168)	—	—	—
Profit before taxation	除稅前溢利	383,361	371,694	455,973	256,183	109,977
Income tax expense	所得稅開支	—	(47,607)	(58,467)	(34,215)	(34,724)
Profit for the year	年度溢利	383,361	324,087	397,506	221,968	75,253
Earnings per share	每股盈利					
Basic (RMB cents)	基本(人民幣分)	37	31	38	14	5

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				
		2008	2009	2010	2011	2012
		二零零八年	二零零九年	二零一零年	二零一一年	二零一二年
		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	綜合財務狀況表					
STATEMENT OF						
FINANCIAL POSITION						
Non-current assets	非流動資產					
Property, plant and equipment	物業、廠房及設備	561,146	1,365,520	2,015,579	2,193,346	2,473,224
Construction in progress	在建工程	316,060	296,911	253,878	451,492	111,832
Lease prepayments	租賃預付款項	15,150	14,809	14,468	14,127	13,786
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	39,525
		1,003,236	1,738,020	2,349,179	2,699,340	2,638,367
Current assets	流動資產					
Trading securities	交易證券	64,753	—	—	—	—
Inventories	存貨	43,622	37,334	48,962	53,440	41,319
Trade and other receivables	應收貿易賬款及其他應收款項	38,844	72,407	111,288	74,290	126,061
Cash and cash equivalents	現金及現金等價物	1,539,373	682,764	447,763	488,934	539,535
		1,686,592	792,505	608,013	616,664	706,915
Current liabilities	流動負債					
Bank loans	銀行貸款	124,000	—	—	—	—
Trade and other payables	應付貿易賬款及其他應付款項	320,753	58,000	87,040	100,532	101,123
Current taxation	即期稅項	9,868	20,216	22,708	13,076	9,868
		454,621	78,216	109,748	113,608	110,991

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				
		2008	2009	2010	2011	2012
		二零零八年	二零零九年	二零一零年	二零一一年	二零一二年
		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	1,231,971	714,289	498,265	503,056	595,924
NET ASSETS	資產淨值	2,235,207	2,452,309	2,847,444	3,202,396	3,234,291
Capital and reserves	資本及儲備					
Share capital	股本	100,258	100,258	102,427	147,562	147,562
Reserves	儲備	2,134,949	2,352,051	2,745,017	3,054,834	3,086,729
TOTAL EQUITY	權益總值	2,235,207	2,452,309	2,847,444	3,202,396	3,234,291



Qunxing Paper Holdings Company Limited

群星紙業控股有限公司

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