



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

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號: 3868)

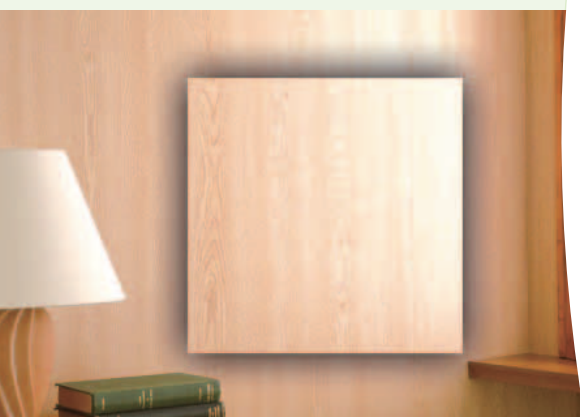
ANNUAL REPORT | 2008
年報 |





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

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

We currently own and operate nine highly automated paper Production lines nos. 1 to 9 in Zouping County, Binzhou City, Shandong Province, the PRC with an aggregate designed annual production capacity of approximately 260,000 tonnes.

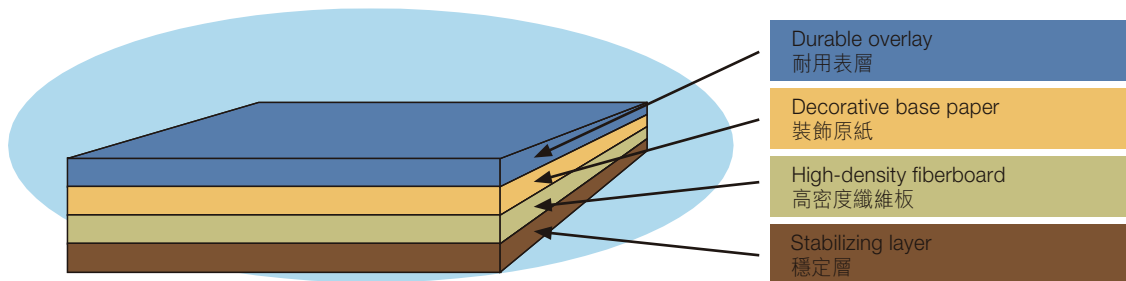
We have an experienced sales and marketing team serving six sales regions which cover over 96 customers located in 13 provinces, autonomous regions and municipalities in the PRC.

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

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

本集團目前於中國山東省濱州市鄒平縣擁有及營運第1至第9號九條高度自動化紙張生產線，其總設計年產能約為260,000噸。

本集團擁有一支經驗豐富的銷售及市場推廣團隊，為六個銷售地區服務，覆蓋位於中國13個省份、自治區及市逾96名客戶。



Structure diagram of a laminated board
人造板的結構圖

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

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

Remuneration Committee

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

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

朱墨群先生(*委員會主席*)
趙偉先生
王魯先生
鄭焜堂先生

薪酬委員會

朱玉國博士(*委員會主席*)
趙偉先生
王魯先生
鄭焜堂先生

COMPANY SECRETARY

Mr. AU-YEUNG Kwong Wah
CPA (Hong Kong), CPA (Australia)

公司秘書

歐陽廣華先生
CPA (香港) · CPA (澳洲)

AUTHORISED REPRESENTATIVES

Dr. ZHU Yu Guo
Mr. AU-YUENG Kwong Wah

法定代表

朱玉國博士
歐陽廣華先生

LEGAL ADVISERS

As to Hong Kong law

K&L Gates

法律顧問

香港法律

高蓋茨律師事務所

As to Cayman Islands law

Conyers Dill & Pearman

開曼群島法律

康德明律師事務所

PRINCIPAL BANKERS IN HONG KONG

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

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

PRINCIPAL BANKERS IN THE PRC

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

中國主要往來銀行

中國農業銀行，長山支行
中國銀行，鄒平支行
中國建設銀行，鄒平支行
中國工商銀行，鄒平支行

AUDITORS

KPMG
Certified Public Accountants

核數師

畢馬威會計師事務所
執業會計師

REGISTERED OFFICE

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

註冊辦事處

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

CORPORATE INFORMATION 公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3103-5, Enterprise Square Two
No. 3 Sheung Yuet Road
Kowloon Bay
Hong Kong

香港主要營業地點

香港
九龍灣
常悅道3號
企業廣場2期3103-5室

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

中國總辦事處及主要營業地點

中國
山東省
鄒平縣
長山鎮
三里河

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
George Town
Grand Cayman
KY1-1107
Cayman Islands

主要股份過戶登記處

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
George Town
Grand Cayman
KY1-1107
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東28號
金鐘匯中心26樓

STOCK CODE

The Stock Exchange of Hong Kong Limited: 3868

股份代號

香港聯合交易所有限公司：3868

WEBSITES

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

網址

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

INVESTOR RELATIONS CONTACT

iPR Ogilvy Ltd.
Units 2608-10, 26/F., The Center
99 Queen's Road Central
Hong Kong

FINANCIAL CALENDAR

Announcement of 2008 Annual Results:
18 March 2009
Announcement of 2009 Interim Results:
August 2009 (*tentative date*)

2008 FINAL DIVIDEND

Payment of : HK8.45 cents
Dividend Per
Share

Period of Book : 23 April 2009 to 5 May 2009
Closure

Payment Date : 13 May 2009

投資者關係聯絡資料

iPR 奧美公關
香港
皇后大道中 99 號
中環中心 26 樓 2608-10 室

財務日誌

二零零八年全年業績公佈：
二零零九年三月十八日
二零零九年中中期業績公佈：
二零零九年八月 (*暫定日期*)

二零零八年末期股息

每股派息 : 8.45 港仙

截止過戶時間 : 二零零九年四月二十三日
至二零零九年五月五日

派發日期 : 二零零九年五月十三日

DEFINITIONS

釋義

“associate(s)” 「聯繫人」		has the same meaning ascribed to it under the Listing Rules 具有上市規則所賦予的涵義
“Articles of Association” 「組織章程細則」	指	the articles of association of the Company (as amended from time of time) 本公司組織章程細則(經不時修訂)
“Board” 「董事會」	指	the board of Directors 董事會
“BVI” 「英屬處女群島」	指	the British Virgin Islands 英屬處女群島
“CG Code” 「企業管治守則」	指	the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules 上市規則附錄 14 所載的《企業管治常規守則》
“Code Provision(s)” 「守則條文」	指	the code provision(s) under the CG Code 載於企業管治守則的守則條文
“Company” or “QX Paper” 「本公司」或「群星紙業」	指	Qunxing Paper Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange 群星紙業控股有限公司，一間在開曼群島註冊成立的有限公司，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的涵義
“decorative base paper” 「裝飾原紙」	指	a kind of specialty paper which is used as a decorative layer to be impregnated with various wooden or synthetic materials to form laminated board 一種特種紙，用作裝飾表層並與不同木製或合成物料浸漬製成人造板
“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

<p>“HK\$” 「港元」</p>	<p>指</p>	<p>Hong Kong dollars, the lawful currency of Hong Kong 港元，香港法定貨幣</p>
<p>“Hong Kong” 「香港」</p>	<p>指</p>	<p>the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區</p>
<p>“laminated board” 「人造板」</p>	<p>指</p>	<p>a board product comprising a plurality of adjacent sheets of wooden or synthetic materials and decorative base paper, laid onto each other by an adhesive bonding material positioned in between to form a laminate 由多層互相重疊的木製或合成物料及裝飾原紙組成的木板產品，以黏性物質將物料黏緊以形成薄片</p>
<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所載的《上市公司董事進行證券交易的標準守則》</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>“printing paper” 「印刷用紙」</p>	<p>指</p>	<p>a kind of paper commonly used for photocopying and office printing 一種普遍用於影印及辦公室印刷的紙張</p>
<p>“Prospectus” 「招股章程」</p>	<p>指</p>	<p>the prospectus of the Company dated 17 September 2007 本公司日期為二零零七年九月十七日的招股章程</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的證券買賣守則(經不時修訂)，其條款不較標準守則寬鬆</p>

DEFINITIONS

釋義

“RMB” 「人民幣」	指	Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣
“specialty paper” 「特種紙」	指	a kind of paper with unique properties which is suitable for special purposes and is not considered to be one of the standard papers by paper manufacturing industry 一種具獨特性而適用於特別用途的紙張，在造紙業中不被界定為標準紙張之一
“SFO” 「證券及期貨條例」	指	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) 《證券及期貨條例》(香港法例第571章)
“Shandong QX” 「山東群星」	指	Shandong Qunxing Paper Limited*, a limited liability company established in the PRC and a wholly-owned subsidiary of the Company 山東群星紙業有限公司，一間於中國成立的有限公司，並為本公司的全資附屬公司
“sq.m.” 「平方米」	指	square meter 平方米
“Stock Exchange” 「聯交所」	指	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“substantial shareholder(s)” 「主要股東」	指	has the same meaning ascribed to it under the Listing Rules 具有上市規則所賦予的涵義
“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

FINANCIAL HIGHLIGHTS 財務摘要

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	Change 變動
Operating Results	經營業績			
Turnover	營業額	1,496,360	1,125,524	+33.0%
Profit from operations	經營溢利	396,681	371,637	+6.7%
Profit before taxation	除稅前溢利	383,361	350,572	+9.4%
Profit attributable to equity shareholders	權益股東應佔溢利	383,361	350,572	+9.4%
Per Share Data	每股數據			
Basic earnings per share (RMB cents)	每股基本盈利 (人民幣分)	37	42	-11.9%
Dividend per share (HK cents)	每股股息 (港仙)	12.61	11.28	+11.8%
— Final	— 末期	8.45	11.28	
— Interim	— 中期	4.16	—	
Financial Position	財務狀況			
Total assets	資產總值	2,689,828	2,517,922	+6.8%
Cash and cash equivalents	現金及現金等價物	1,539,373	1,792,158	-14.1%
Total liabilities	負債總值	454,621	476,272	-4.5%
Total equity	權益總值	2,235,207	2,041,650	+9.5%
Financial Ratios	財務比率			
Gross profit margin	毛利率	27.1%	25.2%	+1.9% pts 百分點
Net profit margin	淨溢利率	25.6%	31.1%	-5.5% pts 百分點
Return on assets	資產回報率	14.3%	13.9%	+0.4% pts 百分點
Return on equity	權益回報率	17.2%	17.2%	—
Current ratio	流動比率	3.7	7.0	-3.3 times倍
Quick ratio	速動比率	3.6	6.8	-3.2 times倍
Gearing ratio	資產負債比率	4.6%	9.4%	-4.8% pts 百分點

AWARDS AND RECOGNITION 獎項及嘉許

The Board is proud to report that QX Group's efforts to achieve business and management excellence, while demonstrating a strong commitment to corporate social responsibility, were being recognised on both local and international levels during the year ended 31 December 2008.

Outlined below are the major awards and recognition received by the Group during the year:

ADVANCED ENTERPRISE OF SHANDONG PROVINCE'S PAPER MANUFACTURING INDUSTRY IN 2007

In May 2008, Shandong QX was conferred with the "Advanced Enterprise of Shandong Province's Paper Manufacturing Industry in 2007" by Shandong Province Paper Association* and was appointed as the standing council member by the association in recognition of its strengths and achievements in the PRC's paper industry.

ASIA'S 200 BEST UNDER A BILLION COMPANY IN 2008

With our consistent growth of sales and profit over the past three years, QX Paper was being selected as one of the "Asia's 200 Best Under a Billion" companies in 2008 by *Forbes Asia*, an authoritative international financial magazine, in its issue in September 2008.

ONE OF TOP 20 PAPERMAKING ENTERPRISES IN CHINA IN 2007

In October 2008, Shandong QX was named one of the "Top 20 Papermaking Enterprises in China" in 2007 by *China Paper Industry**, a journal of China Paper Association. Shandong QX is the only decorative base paper manufacturer to make the top 20, recognising Shandong QX's leading position in the PRC's decorative base paper manufacturing industry.

董事會欣然報告群星集團在業務及管理方面的卓越表現，並於企業社會責任方面的堅決承擔，在截至二零零八年十二月三十一日止年度內獲得本地及國際嘉許。

以下為本集團於年內所獲得的主要獎項及嘉許：

2007年度山東省造紙行業先進企業

於二零零八年五月，山東群星獲山東省造紙工業協會授予「2007年度山東省造紙行業『先進企業』」的殊榮，並同時獲委任為該協會的常務理事，以表彰其在中國造紙業的實力和成就。

二零零八年亞太區200家最佳中小上市企業(年銷售額在10億美元以下)

憑藉本集團在過往三年的銷售額及溢利均持續取得增長，群星紙業獲國際權威財經雜誌《福布斯亞洲》在其二零零八年九月號中評選為二零零八年「亞太區200家最佳中小上市企業」(年銷售額在10億美元以下)之一。

二零零七年中國造紙企業二十強

於二零零八年十月，山東群星獲中國造紙協會會刊《中華紙業》評為二零零七年「中國造紙企業二十強」之一。山東群星乃唯一入選二十強的裝飾原紙製造商，足證山東群星在中國裝飾原紙製造業的領導地位。

GROWING CHINA CORPORATE CITIZEN IN 2008

In November 2008, QX Paper was conferred with the “Growing China Corporate Citizen in 2008”, by Committee of Corporate Citizenship of China Association of Social Workers, CCTV Economic Channel and Tencent Charity Foundation. This award recognised the Group’s excellent corporate citizenship and contributions to society.

2008年成長型中國企業公民獎

於二零零八年十一月，群星紙業獲中國社會工作協會企業公民委員會、中央電視台經濟頻道及騰訊公益慈善基金會聯合頒發「2008年成長型中國企業公民獎」，以表彰本集團在履行企業公民責任及對社會作出貢獻的傑出表現。



2008 CHINESE ENTERPRISE WITH EXCELLENT INTEGRITY



In December 2008, Shandong QX was awarded “Chinese Enterprise with Excellent Integrity in 2008” by the China Enterprise

Confederation and the China Entrepreneur Association in recognition of the Group’s remarkable business ethics and standard of corporate governance.

2008年度中國優秀誠信企業

於二零零八年十二月，山東群星獲中國企業聯合會及中國企業家協會授予「2008年度中國優秀誠信企業」的殊榮，以表彰本集團優良的商業操守及企業管治水平。



Dr. ZHU YU GUO 朱玉國博士
Chairman 主席

BUSINESS REVIEW

2008 was an extraordinary and challenging year for global economy. The unprecedented financial tsunami triggered by the U.S. subprime mortgage crisis swept across the world. The PRC economy was not immune from the crisis either, but the damage has been relatively less severe. According to a preliminary forecast made by the National Bureau of Statistics of China, the gross domestic product (GDP) of the PRC increased by 9% during the year to reach RMB30,067 billion. The growth rate was at its slowest in five years. Nonetheless, in absolute term, the PRC's pace of growth remained fast and steady.

During the year under review, the PRC government introduced new measures to encourage construction of economic residential properties. Development prompted by these measures will form one of the major growth drivers of the Group in the future. Moreover, urbanisation of second- and third-tiered cities and the emergence of new housing demand from lower income group in the PRC continued to prop up demand for laminated board, a cost-effective substitute of wooden material with diversified applications. Such rising demand in turn fuelled the demand for decorative base paper products.

業務回顧

二零零八年是環球經濟極為嚴峻及充滿挑戰之一年。由美國次按危機所觸發之史無前例的金融海嘯席捲全球。中國經濟亦不能倖免，惟所受的打擊相對較輕。根據中華人民共和國國家統計局初步預測，中國於年內之國內生產總值增加9%，達人民幣300,670億元，增長率為五年來最慢。惟按絕對值計算，中國仍然維持快速及穩定的增長步伐。

於回顧年內，中國政府推出新措施以鼓勵興建經濟型住宅物業，在此等政策支持下之發展將於日後成為本集團的主要增長動力之一。此外，二三線城市都市化及中國收入較低階層對新住屋之需求增加，繼續導致木料代替品並兼具多種用途之人造板的需求上升，並繼而刺激裝飾原紙產品之需求。

BUSINESS REVIEW (Continued)

Despite the challenging market environment and growing cost pressure, QX Group continued to achieve satisfactory results in 2008. For the year ended 31 December 2008, turnover increased by approximately 33.0% to RMB1,496.4 million as compared with RMB1,125.5 million last year. With the commercial operation of Production line no. 7 commenced in early 2008, the Group further benefited from its economies of scale and enhancement of operational efficiency. Gross profit margin increased from 25.2% in 2007 to 27.1% in 2008. Profit for the year amounted to RMB383.4 million, representing an increase of approximately 9.4% as compared with last year. Basic earnings per share were RMB37 cents.

Domestic supply of premium decorative base paper products in the PRC still significantly falls short of the rising market demand. Currently, approximately two-third of the products in the PRC is imported. During the year under review, the Group continued with the realignment of product mix by increasing the sale proportion of premium decorative base paper products. As a result, with the better quality of premium decorative base paper products, the Group was able to raise the average selling prices of its products so as to offset rising cost pressure. Capitalising on our capability to deliver quality products of international standard while producing at a cost significantly lower than overseas rivals, QX Group has successfully captured a greater market share and remained as the largest decorative base paper manufacturer in the PRC.

業務回顧(續)

儘管市場環境充滿挑戰，成本壓力不斷上升，惟群星集團於二零零八年繼續取得令人滿意之業績。截至二零零八年十二月三十一日止年度，營業額較去年人民幣1,125,500,000元上升約33.0%至人民幣1,496,400,000元。隨著第7號生產線於二零零八年初開始商業營運，本集團進一步受惠於其經濟規模及營運效率之提升。毛利率由二零零七年之25.2%升至二零零八年之27.1%。年度溢利為人民幣383,400,000元，較去年增加約9.4%。每股基本盈利為人民幣37分。

中國高檔裝飾原紙產品之本地供應仍遠遠跟不上日益殷切之市場需求。中國現時約三分二之產品均來自進口。於回顧年內，本集團繼續透過增加高檔裝飾原紙產品銷售比例以重整產品組合。因此，由於高檔裝飾原紙產品質素較佳，本集團得以提高其產品之平均售價以抵銷成本上升之壓力。憑著本集團能以遠低於海外競爭對手之成本生產達致國際水平的優質產品之優勢，群星集團成功於中國裝飾原紙市場取得更大的市場佔有率，維持其作為中國最大裝飾原紙製造商之地位。

BUSINESS REVIEW (Continued)

Expansion of production capacity

To date, the Group has invested and is operating nine highly automated Production lines nos. 1 to 9 with an aggregate designed annual production capacity of approximately 260,000 tonnes, comprising approximately 210,000 tonnes of decorative base paper products and approximately 50,000 tonnes of printing paper product. Construction of Production lines nos. 8 and 9 was completed in late 2008 and commercial production was commenced in early March 2009. Meanwhile, Production lines nos. 10 and 11 are currently under construction and are expected to be completed by mid 2009. Besides, construction of Production lines nos. 12 and 13 is expected to be commenced in the second half of 2009 and to be completed by early 2010. The designed annual production capacity of each of the four Production lines nos. 10 to 13 is approximately 30,000 tonnes. These new production facilities will further expand the Group's total production capacity in order to cater for the growing market demand for decorative base paper products.

Consolidation of distribution channels

During the year, the Group consolidated its distribution channels as we sought to increase the sales of products with a higher profit margin. Currently, the Group has six designated sales regions in the PRC, namely, Shandong, Sichuan, Guangdong, Beijing, Jiangsu and Zhejiang. The Group has over 96 customers covering 13 provinces, autonomous regions and municipalities in the PRC. The consolidation of customer base not only improves our overall scale and quality of clientele, but also enables us to further improve client relationship.

業務回顧(續)

擴充產能

本集團迄今已投資及營運第1至第9號九條高度自動化之生產線，總設計年產能約為260,000噸，包括約210,000噸為裝飾原紙產品及約50,000噸為印刷用紙產品。第8及第9號生產線之建設已於二零零八年底竣工，並於二零零九年三月初投產。同時，本集團正興建第10及第11號生產線，預期將於二零零九年中竣工。此外，第12及第13號生產線預期於二零零九年下半年開始興建，並於二零一零年初竣工。第10至第13號四條生產線之每條設計年產量約為30,000噸。該等新生產設施將進一步擴大本集團之總產能，以應付市場對裝飾原紙產品不斷上升之需求。

整合分銷渠道

年內，本集團藉著增加毛利率較高產品的銷售而整合其分銷渠道。本集團現時已於中國選定六個銷售地區進行銷售，分別為山東、四川、廣東、北京、江蘇及浙江。本集團擁有逾96名客戶，遍佈中國13個省份、自治區及直轄市。整合客戶基礎不單改善本集團之整體規模及客戶質素，更可進一步促進本集團與客戶的關係。

BUSINESS REVIEW (Continued)

Diversification of product applications

Over the years, QX Group has been developing quality decorative base paper products with wide applications. To date, the Group has marketed more than 80 types of decorative base paper products to meet the ever changing market demand. Our products are used in a broad spectrum of areas, from furniture and home flooring to large scale infrastructure facilities like sports stadiums, community halls and the interior decoration of motor vehicles and air-crafts.

Awards

Our business and management excellence as well as a strong commitment to corporate social responsibility were exemplified in the awards and recognitions we won during the year. QX Paper was conferred with the honorary title of the "Growing China Corporate Citizen in 2008" by Committee of Corporate Citizenship of China Association of Social Workers, CCTV Economic Channel and Tencent Charity Foundation. The title was a recognition of QX Group's efforts in fulfilling its corporate citizenship and its involvement in community services. Besides, the Group has been included as one of the "Asia's 200 Best Under a Billion" companies in 2008 by *Forbes Asia*, a renowned international finance magazine.

業務回顧(續)

產品用途多元化

群星集團在過去數年一直開發用途廣泛之優質裝飾原紙產品。迄今，本集團已銷售逾80種裝飾原紙產品，以迎合不斷轉變之市場需求。本集團之產品應用範圍廣泛，由傢具及家居地板以至大型基建設施如體育館、社區會堂及汽車和飛機的內部裝飾等。

獎項

本集團於業務及管理方面之傑出表現，以及致力履行企業社會責任，在本集團於年內所贏取之獎項及嘉許可見一斑。群星紙業榮獲由中國社會工作協會企業公民委員會、中央電視台經濟頻道及騰訊公益慈善基金會聯合頒發「2008年成長型中國企業公民獎」。此殊榮肯定了群星集團在履行企業公民責任及參與社會公益工作之努力。此外，本集團榮獲享負盛名的國際財經雜誌《福布斯亞洲》評為二零零八年「亞太區200家最佳中小上市企業」(年銷售額在10億美元以下)之一。

BUSINESS REVIEW (Continued)

Awards (Continued)

Shandong QX was named one of the “Top 20 Papermaking Enterprises in China” in 2007 by *China Paper Industry**, the Journal of China Paper Association. In addition, Shandong QX was named “2008 Chinese Enterprise with Excellent Integrity” by the China Enterprise Confederation and the China Entrepreneur Association, in recognition of the Group’s excellent business ethics. Shandong QX was also awarded the “Advanced Enterprise of Shandong Province’s Paper Manufacturing Industry in 2007” and was appointed the standing council member by Shandong Province Paper Association* to commend its outstanding achievements in the PRC’s paper industry.

OUTLOOK

In light of the impact of the global financial crisis, 2009 is destined to be a challenging year across all industries globally. The sluggish economic environment will continue to dampen the economic growth around the world. However, the PRC will probably remain as one of the fastest growing economies in the world, with urbanisation in the second- and third-tiered cities underway.

In view of the changing economic environment and in order to satisfy the housing demand of mainland Chinese citizens living in the suburbs, the PRC government implemented a new policy in 2008 to speed up construction of economic residential properties as well as renovation of old buildings over the country. In addition, the less positive economic prospect will drive middle class families to consider price-efficient alternatives while seeking to improve their living standards. These will create new demand for laminated boards and, hence, the demand for decorative base paper products.

業務回顧(續)

獎項(續)

山東群星獲中國造紙協會會刊《中華紙業》評為二零零七年「中國造紙企業二十強」之一。此外，山東群星獲中國企業聯合會及中國企業家協會授予「2008年中國優秀誠信企業」之殊榮，以表彰本集團良好之商業操守。山東群星亦獲山東省造紙工業協會授予「2007年度山東省造紙行業『先進企業』」之殊榮，並同時獲委任為該協會之常務理事，以表彰其在中國造紙業之傑出成就。

前景

在全球金融危機的衝擊下，二零零九年對全球各行各業而言勢將為挑戰重重之一年。經濟蕭條將繼續抑制全球的經濟增長。然而，隨著第二及第三線城市邁向都市化，中國應可維持世界上增長最快速之經濟體系之一。

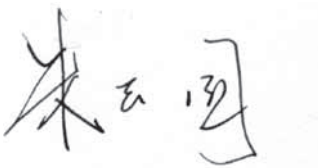
鑒於經濟環境逆轉，以及為了滿足在中國國內郊區生活的人民對房屋之需求，中國政府於二零零八年實施新政策以加快國家經濟型住宅物業之興建，以及翻新舊樓宇。此外，由於經濟前景不容樂觀，中產家庭在尋求改善生活水平的同時，亦會選擇考慮具價格效益之產品，繼而帶動對人造板之新需求，並進而刺激對裝飾原紙產品之需求。

OUTLOOK (Continued)

In the face of these market opportunities, the Group will continue to expand production capacity, widen product applications, refine production technologies and enhance proprietary research and development capabilities, with a view to ensuring our products are unique with excellent quality. On the other hand, we will implement stringent cost control measures to improve operational efficiency. In addition, the Group will remain cautious about the changing market situation and will continue to pursue a stable expansion approach as part of its long-term growth strategy. Leveraging our quality products with wide applications, the high competence of our core technology as well as our strong cash position, the Group is well-positioned to tackle the challenges ahead and ultimately generates lucrative returns for our shareholders.

APPRECIATION

The achievements of the Group are attributable to the concerted efforts of our management and staff. On behalf of the Board, I would like to take this opportunity to thank our management and staff for their hard work loyal services and contributions and to our shareholders, business associates and investors for their valuable support during the year.



ZHU Yu Guo 朱玉國

Chairman 主席

Shandong, the PRC, 18 March 2009

中國山東，二零零九年三月十八日

前景(續)

面對市場之種種機遇，本集團將繼續擴充產能、增加產品用途、改良生產技術及提升專利研發能力，以確保產品優質獨特。另一方面，本集團將實施嚴謹之成本控制措施，以改善經營效率。此外，本集團將對市況的變化維持審慎態度，並將繼續採取穩定擴張之模式作為其長遠增長策略的一環。憑藉本集團用途廣泛之優質產品、強大的核心技術能力及其穩健之現金狀況，本集團已準備就緒迎接當前的挑戰，並最終為股東帶來可觀的回報。

致謝

本集團之成就有賴管理層及員工的共同努力。本人謹藉此機會代表董事會向本集團管理層及員工在年內的辛勤工作、忠誠服務及貢獻致以謝意，並向股東、業務合作夥伴及投資者的寶貴支持表示感謝。



Our Production lines nos. 8 and 9 with an aggregate designed annual production capacity of approximately 60,000 tonnes have commenced commercial production in early March 2009.
本集團第8及第9號生產線於二零零九年三月初開始商業生產，總設計年產能約為60,000噸。

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 2008 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, Shandong QX is one of the top 20 paper manufacturers in the PRC in 2007 and the largest decorative base paper manufacturer in terms of the actual annual production capacity in the PRC since 2005.

在閱讀下述討論與分析時，請一併參閱本年報載列的本集團於二零零八年十二月三十一日及截至該日止年度的經審核綜合財務報表及隨附的附註。

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。山東群星獲中國造紙協會評為二零零七年中國造紙企業二十強之一，而按實際年產能計算，亦自二零零五年起獲評為中國最大的裝飾原紙製造商。

OVERVIEW (Continued)

By leveraging on the production capacity expansion and the technical know-how in the manufacture of quality decorative base paper products, our Group continued to achieve encouraging growth in the business during the year. Turnover increased by approximately 33.0% from RMB1,125.5 million for the year ended 31 December 2007 to RMB1,496.4 million for the year ended 31 December 2008 and the profit for the year increased by approximately 9.4% from RMB350.6 million for the year ended 31 December 2007 to RMB383.4 million for the year ended 31 December 2008. However, profit for the year ended 31 December 2007 did include an one-off interest income of RMB106.9 million arisen from the subscription monies of our IPO exercise. By netting off the effects of the other revenue and other net loss arisen from non-core operations, the profit for the year should had increased by approximately 50.2%. The basic earnings per share for the two years ended 31 December 2007 and 2008 were RMB42 cents and RMB37 cents respectively. The decrease in the basic earnings per share for the year was mainly attributable to the full year effect on weighted average number of ordinary share in issue of 1,038,273,000 shares in 2008, while that of 2007 was affected by our listing since October 2007 where the weighted average number of ordinary shares was 826,562,000 shares only.

概覽(續)

憑著本集團的產能擴充及製造優質裝飾原紙產品的專業技術知識，本集團於本年度的業務繼續取得令人鼓舞的增長，營業額由截至二零零七年十二月三十一日止年度的人民幣1,125,500,000元上升約33.0%至截至二零零八年十二月三十一日止年度的人民幣1,496,400,000元；年度溢利由截至二零零七年十二月三十一日止年度的人民幣350,600,000元上升約9.4%至截至二零零八年十二月三十一日止年度的人民幣383,400,000元。然而，截至二零零七年十二月三十一日止年度的溢利包括由本集團首次公開發售活動的認購款項所產生的一次性利息收入人民幣106,900,000元。扣除非核心業務所產生其他收益及其他虧損淨額之影響後，本年度溢利應已增加約50.2%。截至二零零七年及二零零八年十二月三十一日止兩個年度，每股基本盈利分別為人民幣42分及人民幣37分。本年度每股基本溢利之減少乃主要由於二零零八年的已發行普通股的加權平均數目1,038,273,000股的全年影響，而於二零零七年則受本集團於二零零七年十月起開始上市影響，當時的普通股加權平均數僅為826,562,000股。



Our Production lines nos. 10 and 11 with an aggregate designed annual capacity of approximately 60,000 tonnes are currently under construction.

本集團正興建中的第10及第11號生產線，總設計年產能約為60,000噸。

Qunxing Paper Holdings Company Limited

OVERVIEW (Continued)

The increases in turnover and net profit for the year were mainly attributable to the increase in our Group's production capacity as a result of the commercial operation of Production line no. 7 since March 2008 and the realignment of our product mix to focus on selling more premium decorative base paper products.

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.

Production lines nos. 1 to 6

During 2004 to 2006, we owned and operated six highly automated Production lines nos. 1 to 6, with an aggregate designed annual production capacity of approximately 170,000 tonnes.

Production line no. 7

In order to tap the continuously growing demand for decorative base paper products in the PRC, we commenced the construction of Production line no. 7 with a designed annual production capacity of approximately 30,000 tonnes in May 2007. The construction was completed in December 2007 and the commercial production was commenced in March 2008.

概覽(續)

本年度的營業額及淨溢利均告上升，主要是因為第7號生產線自二零零八年三月起進行商業營運令本集團的產能增加、調整本集團產品組合以集中銷售更多優質裝飾原紙產品所致。

近年產能的提升

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，本集團的產能在近年來得以顯著擴大。本集團設於中國山東省濱州市鄒平縣的生產基地配備高度自動化的生產設施，使本集團得以提供各類型裝飾原紙產品的一站式服務。

第1至第6號生產線

於二零零四年至二零零六年期間，本集團擁有及經營第1至第6號六條高度自動化生產線，其總設計年產能約為170,000噸。

第7號生產線

為了適應中國對裝飾原紙產品持續增加的需求，於二零零七年五月，本集團施工興建設計年產能約為30,000噸的第7號生產線。該建設於二零零七年十二月竣工，並於二零零八年三月初開始商業生產。

OVERVIEW (Continued)

The expansion of production capacity in recent years (Continued)

Production lines nos. 8 to 11

In February 2008, the construction of Production lines nos. 8 and 9 with a designed annual production capacity of approximately 30,000 tonnes each commenced. The construction was completed in late 2008 and the commercial production of Production lines nos. 8 and 9 commenced in early March 2009.

In September 2008, the construction of Production lines nos. 10 and 11 commenced. Each of the production lines has a designed annual production capacity of approximately 30,000 tonnes. The construction is estimated to be completed by mid 2009.

Subsequent to the commencement of the commercial operation of Production line no. 11 starting late 2009, the aggregate designed annual production capacity of our Group will be increased by approximately 52.9% to approximately 260,000 tonnes from approximately 170,000 tonnes by the end of 2006.

概覽(續)

近年產能的提升(續)

第8至第11號生產線

於二零零八年二月，各自設計年產能約為30,000噸的第8及第9號生產線開始施工興建。該建設已於二零零八年底竣工。第8及第9號生產線於二零零九年三月初開始商業生產。

於二零零八年九月，本集團施工興建各自設計年產能約為30,000噸的第10及第11號生產線。該建設估計將於二零零九年中前竣工。

隨著第11號生產線於二零零九年底投入商業營運，本集團的總設計年產能由二零零六年底的約170,000噸增加約52.9%至約260,000噸。

OVERVIEW (Continued)

The expansion of production capacity in recent years (Continued)

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

概覽(續)

近年產能的提升(續)

下表載列所示日期本集團的設計年產能。

		As at 31 December				
		於十二月三十一日				
<i>Unit: tonne</i>	<i>單位:噸</i>	2004 二零零四年	2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年
Production line no(s).	生產線編號					
1, 2, 3, 4	1, 2, 3, 4	110,000	110,000	110,000	110,000	110,000
5, 6	5, 6	—	—	60,000	60,000	60,000
7	7	—	—	—	30,000	30,000
8, 9 (note 1)	8, 9 (附註1)	—	—	—	—	60,000
10, 11 (note 2)	10, 11 (附註2)	—	—	—	—	—
		110,000	110,000	170,000	200,000	260,000

Notes:

- Construction was completed in late 2008 and commercial production commenced in early March 2009.
- Construction was commenced in September 2008 and is estimated to be completed by mid 2009.

附註:

- 該建設於二零零八年底竣工，並於二零零九年三月初開始商業生產。
- 該建設於二零零八年九月開始施工，並估計將於二零零九年中前竣工。

OVERVIEW (Continued)

The expansion of production capacity in recent years (Continued)

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. It is our plan to keep expanding the production capacity in the future, and such plan was approved by Shandong Province Light Industry Council* in January 2007 as one of the approved projects for paper manufacturing industry in the PRC under The Outline for Development of the Laminated Board Industry under the Eleventh Five Year Plan. Accordingly, we have constructed Production lines nos. 7 to 11 since 2007 and the commercial production of Production line no. 7 and Production lines nos. 8 to 9 have commenced since March 2008 and early March 2009, respectively.

Furthermore, our Group also planned to construct another two new Production lines nos. 12 to 13, which are expected to start construction by mid 2009. The designed annual production capacity of each of the two new production lines is approximately 30,000 tonnes.

概覽(續)

近年產能的提升(續)

本集團相信，近年產能的上升使本集團的市場領導地位得以加強，並提升本集團的市場競爭力。本集團計劃在未來繼續擴展產能，山東省輕工業辦公室於二零零七年一月批准此計劃作為人造板工業十一五規劃分析報告內中國造紙業獲批項目之一。因此，本集團自二零零七年起興建第7至第11號生產線，而第7號生產線及第8至9號生產線已分別自二零零八年三月及二零零九年三月初開始商業生產。

此外，本集團亦計劃興建第12至第13號另外兩條新生產線，預期將於二零零九年中施工。上述兩條新生產線各自的設計年產能均約為30,000噸。

OVERVIEW (Continued)

The expansion of production capacity in recent years (Continued)

The increase of equipment utilisation rate

The following table illustrates information on the utilisation rates and actual and planned hours of operation for the production lines over the past years.

概覽(續)

近年產能的提升(續)

設備使用率的增加

下表顯示近年來本集團各生產線的使用率、實際及計劃運作小時的資料。

Production line 生產線編號	Year ended 31 December 截至十二月三十一日止年度												2008 二零零八年		
	2004 二零零四年			2005 二零零五年			2006 二零零六年			2007 二零零七年			Actual	Planned	Equipment
	Actual	Planned hours	Equipment	Actual	Planned hours	Equipment	Actual	Planned hours	Equipment	Actual	Planned hours	Equipment	hours of	hours of	utilisation
	hours of operation	of operation ⁽¹⁾	rate ⁽²⁾	hours of operation	of operation ⁽¹⁾	rate ⁽²⁾	hours of operation	of operation ⁽¹⁾	rate ⁽²⁾	hours of operation	of operation ⁽¹⁾	rate ⁽²⁾	operation	operation ⁽¹⁾	rate ⁽²⁾
實際	計劃營運	設備	實際	計劃營運	設備	實際	計劃營運	設備	實際	計劃營運	設備	實際	計劃營運	設備	
營運小時	小時 ⁽¹⁾	使用率 ⁽²⁾	營運小時	小時 ⁽¹⁾	使用率 ⁽²⁾	營運小時	小時 ⁽¹⁾	使用率 ⁽²⁾	營運小時	小時 ⁽¹⁾	使用率 ⁽²⁾	營運小時	小時 ⁽¹⁾	使用率 ⁽²⁾	
1	6,163	7,776	79.3%	6,660	7,776	85.6%	7,558	7,776	97.2%	7,872	8,040	97.9%	8,023	8,208	97.7%
2	6,646	7,776	85.5%	6,840	7,776	88.0%	6,034	7,776	77.6% ⁽³⁾	7,608	7,752	98.1%	8,071	8,208	98.3%
3	6,031	7,128	84.6%	6,770	7,776	87.1%	7,294	7,776	93.8%	7,824	8,040	97.3%	8,003	8,208	97.5%
4	3,017	3,240 ⁽³⁾	93.1%	7,284	7,776	93.7%	7,740	7,776	99.5%	7,872	8,040	97.9%	7,920	8,040	98.5%
5							5,033	5,832 ⁽⁴⁾	86.3%	7,920	8,040	98.5%	8,097	8,208	98.6%
6							5,477	5,832 ⁽⁴⁾	93.9%	7,968	8,040	99.1%	8,084	8,208	98.5%
7										— ⁽⁶⁾	— ⁽⁶⁾	— ⁽⁶⁾	6,960 ⁽⁵⁾	7,176 ⁽⁵⁾	97.0%
8													— ⁽⁷⁾	— ⁽⁷⁾	— ⁽⁷⁾
9													— ⁽⁷⁾	— ⁽⁷⁾	— ⁽⁷⁾

OVERVIEW (Continued)

The expansion of production capacity in recent years (Continued)

Notes:

- (1) Planned hours of operation takes into account, among other things, planned maintenance shutdowns and shutdowns for equipment optimisation and temporary stoppage for the purposes of machine cleaning, recalibration for different product specifications.
- (2) Equipment utilisation rates represent the actual hours of operation as a percentage of the planned hours of operation.
- (3) Commercial operation of Production line no. 4 commenced in August 2004.
- (4) Commercial operation of Production lines nos. 5 and 6 commenced in April 2006.
- (5) The decrease in the equipment utilisation rate is due to the re-engineering works carried out in this production line during the year.
- (6) Commercial operation of Production line no. 7 commenced in March 2008.
- (7) Commercial operation of Production lines nos. 8 and 9 commenced in early March 2009.
- (8) The average age of the machinery and equipment is approximately 4.6 years.

概覽 (續)

近年產能的提升 (續)

附註：

- (1) 計劃營運小時計及(其中包括)因進行計劃維修及設備優化，以及就機器清潔及調校不同產品規格的設定而需暫時停產的時間。
- (2) 設備使用率指實際營運小時佔計劃營運小時的百分比。
- (3) 第4號生產線已於二零零四年八月開始商業營運。
- (4) 第5及第6號生產線已於二零零六年四月開始商業營運。
- (5) 設備使用率下降因該生產線於年內進行重整工程所致。
- (6) 第7號生產線於二零零八年三月開始商業營運。
- (7) 第8及第9號生產線於二零零九年三月初開始商業營運。
- (8) 機械及設備的平均壽命約為4.6年。

OVERVIEW (Continued)

The expansion of production capacity in recent years (Continued)

The production lines normally operate on a continuous basis, subject to the temporary stoppage, 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, 1 to 2 days (2007: 3 days) each month and an annual maintenance which lasts for about a week. As increase or decrease 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.

DESCRIPTION OF THE MAJOR COMPONENTS OF THE RESULTS OF OPERATIONS

Turnover

Turnover increased by approximately 33.0% from RMB1,125.5 million in the year ended 31 December 2007 to RMB1,496.4 million in the year ended 31 December 2008. The increase in turnover during the year ended 31 December 2008 was mainly attributable to the combined effects of (i) the increase in overall sales volumes by approximately 18.2% from 112,681 tonnes to 133,213 tonnes, out of which sales volumes of the decorative base paper products increased by approximately 28.2% from 72,187 tonnes for the year ended 31 December 2007 to 92,564 tonnes for the year ended 31 December 2008; and (ii) the increase in the average selling prices of the decorative base paper products by approximately 10.0% from RMB12,028 per tonne in 2007 to RMB13,236 per tonne in 2008, as well as the printing paper product by approximately 5.0% from RMB6,353 per tonne in 2007 to RMB6,670 per tonne in 2008.

概覽(續)

近年產能的提升(續)

生產線一般會持續運作，但可能會因清潔機器、調整不同產品規格的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(二零零七年：三日)，而年度維修則維持約一週。由於設備使用率的增減將對產量造成影響，並會對單位成本及毛利率有重大影響，因此本集團會仔細計劃作出生產安排，以減少因應產品及規格的變動而調整造紙機器所需的停產時間。

經營業績各主要部分的概況

營業額

營業額由截至二零零七年十二月三十一日止年度之人民幣1,125,500,000元增加約33.0%至截至二零零八年十二月三十一日止年度之人民幣1,496,400,000元。營業額於截至二零零八年十二月三十一日止年度上升，主要是由於下列因素：(i) 整體銷售量由112,681噸上升約18.2%至133,213噸，其中裝飾原紙產品之銷售量由截至二零零七年十二月三十一日止年度之72,187噸上升約28.2%至截至二零零八年十二月三十一日止年度之92,564噸；及(ii) 裝飾原紙產品之平均售價由二零零七年之每噸人民幣12,028元上升約10.0%至二零零八年之每噸人民幣13,236元，以及印刷用紙產品之平均售價由二零零七年之每噸人民幣6,353元上升約5.0%至二零零八年之每噸人民幣6,670元。

DESCRIPTION OF THE MAJOR COMPONENTS OF THE RESULTS OF OPERATIONS *(Continued)*

Cost of sales

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

The cost of sales increased by approximately 29.5% from RMB842.1 million in the year ended 31 December 2007 to RMB1,090.8 million in the year ended 31 December 2008. The increase in the cost of sales was primarily due to the increase in the raw material costs, which were the major components of our cost of sales, as a result of the increased sales volumes. Moreover, production overheads such as electricity and steam expenses also increased in line with the increase in sales volumes. Depreciation expenses also increased due to the commercial production of Production line no. 7 since March 2008.

經營業績各主要部分的概況(續)

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。

銷售成本由截至二零零七年十二月三十一日止年度之人民幣842,100,000元增加約29.5%至截至二零零八年十二月三十一日止年度之人民幣1,090,800,000元。銷售成本增加主要因為作為本集團之銷售成本主要部分之原料成本隨銷量上升而增加所致。此外，經常性生產開支如電力及蒸汽等費用亦因銷售量增加而相應增加，折舊費用亦因第7號生產線自二零零八年三月起進行商業生產而增加。

DESCRIPTION OF THE MAJOR COMPONENTS OF THE RESULTS OF OPERATIONS *(Continued)*

Cost of sales *(Continued)*

The results of operations are subject to price fluctuations of raw materials used in the production process. The principal raw materials for the production are wood pulp and titanium dioxide powder. For each of the two years ended 31 December 2007 and 2008, the purchase of wood pulp amounted to approximately RMB363.1 million and RMB472.7 million respectively, representing approximately 43.1% and 43.3% of the total cost of sales for the respective years; the purchase of titanium dioxide powder amounted to approximately RMB208.9 million and RMB303.8 million respectively, representing approximately 24.8% and 27.9% of the total cost of sales for the respective years. For each of the two years ended 31 December 2007 and 2008, the Group purchased wood pulp at the average price per tonne (value added tax inclusive) of approximately RMB6,100 and RMB6,540 respectively, and titanium dioxide powder at the average price per tonne (value added tax inclusive) of approximately RMB13,079 and RMB13,741 respectively. The prices of both wood pulp and titanium dioxide powder had increased steadily and moderately during the two years. Nevertheless, the increase in the prices of both wood pulp and titanium dioxide powder during the two years had not posed material impact on the Group's financial results because of the increase in the average selling prices of the Group's products and enhancement of the economies of scale through the expansion of the Group's production scale.

經營業績各主要部分的概況(續)

銷售成本(續)

經營業績受制於用於生產過程之原料價格之波動。生產之主要原料是木漿及鈦白粉。截至二零零七年及二零零八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363,100,000元及人民幣472,700,000元，分別約佔相關年度總銷售成本43.1%及43.3%；而購買鈦白粉則分別耗資約人民幣208,900,000元及人民幣303,800,000元，分別約佔相關年度總銷售成本24.8%及27.9%。截至二零零七年及二零零八年十二月三十一日止兩個年度，本集團購買木漿之每噸平均價格(包括增值稅)分別約為人民幣6,100元及人民幣6,540元，而購買鈦白粉之每噸平均價格(包括增值稅)分別約為人民幣13,079元及人民幣13,741元。木漿與鈦白粉於兩年期間之價格升幅平穩且溫和。然而，因為本集團產品之平均售價上升以及本集團之經濟規模透過擴大生產規模得以提升，木漿及鈦白粉價格於兩年期間之升幅並未對本集團之財務業績構成重大影響。

DESCRIPTION OF THE MAJOR COMPONENTS OF THE RESULTS OF OPERATIONS *(Continued)*

Cost of sales *(Continued)*

During the two years ended 31 December 2007 and 2008, our electricity and steam expenses increased by approximately 24.6% from RMB100.0 million in 2007 to RMB124.6 million in 2008, which was mainly due to the increase in sales volumes as a result of the commencement of commercial operation of Production line no. 7 in March 2008, the increase in sales volumes and the realignment of our product mix. The electricity and steam expenses accounted for approximately 11.9% and 11.4% of the total cost of sales for the respective years.

Gross profit and gross profit margin

The gross profit of the Group increased by approximately 43.0% from RMB283.5 million for the year ended 31 December 2007 to RMB405.5 million for the year ended 31 December 2008, while the gross profit margin improved from approximately 25.2% for the year ended 31 December 2007 to approximately 27.1% for the year ended 31 December 2008.

經營業績各主要部分的概況 *(續)*

銷售成本 *(續)*

於截至二零零七年及二零零八年十二月三十一日止兩個年度，本集團之電力及蒸汽費用由二零零七年之人民幣100,000,000元增加約24.6%至二零零八年之人民幣124,600,000元，主要由於第7號生產線於二零零八年三月開始商業營運令銷售量增加、銷售量增加及重新調整本集團之產品組合所致。電力及蒸汽費用分別佔有關年度之總銷售成本約11.9%及11.4%。

毛利及毛利率

本集團之毛利由截至二零零七年十二月三十一日止年度之人民幣283,500,000元增加約43.0%至截至二零零八年十二月三十一日止年度之人民幣405,500,000元，同時本集團之毛利率由截至二零零七年十二月三十一日止年度約25.2%增加至截至二零零八年十二月三十一日止年度約27.1%。

DESCRIPTION OF THE MAJOR COMPONENTS OF THE RESULTS OF OPERATIONS (Continued)

Gross profit and gross profit margin (Continued)

The following table sets forth the gross profit margin of each category of products of the Group for the two years ended 31 December 2007 and 2008:

By product	按產品劃分	Year ended 31 December 截至十二月三十一日止年度	
		2008 二零零八年	2007 二零零七年
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	36.7%	35.1%
— Premium white decorative base paper	— 高檔無色裝飾原紙產品	27.2%	26.4%
— Ordinary coloured decorative base paper	— 普通有色裝飾原紙產品	22.2%	25.9%
— Ordinary white decorative base paper	— 普通無色裝飾原紙產品	N/A (Note) 不適用 (附註)	18.4%
Sub-total	小計	29.1%	27.2%
Printing paper product	印刷用紙產品	17.8%	18.3%

Note:

Our Group ceased to sell ordinary white decorative base paper since March 2007 as a result of product mix realignment.

經營業績各主要部分的概況(續)

毛利及毛利率(續)

下表載列本集團於截至二零零七年及二零零八年十二月三十一日止兩個年度各產品類別之毛利率：

附註：

本集團因重整產品組合而自二零零七年三月停止銷售普通無色裝飾原紙產品。

DESCRIPTION OF THE MAJOR COMPONENTS OF THE RESULTS OF OPERATIONS *(Continued)*

Gross profit and gross profit margin *(Continued)*

The increase in overall gross profit margin of the decorative base paper products during the year ended 31 December 2008 was mainly attributable to (i) the realignment of our product mix to focus on selling more premium decorative base paper products which have higher gross profit margins; and (ii) the increase in the average selling prices of the decorative base paper products in 2008 as mentioned above.

Other revenue and other net loss

Other revenue, which represented mainly the interest income earned from the bank deposits and financial assets not at fair value through profit or loss and dividend income from listed securities, decreased from RMB122.0 million for the year ended 31 December 2007 to RMB41.5 million for the year ended 31 December 2008. The decrease in other revenue by approximately 66.0% was mainly due to the combined effect of (i) one-off interest income of RMB106.9 million earned during the initial public offering of the Company in October 2007 where no such interest income earned in 2008; (ii) other interest income earned from financial assets not at fair value through profit or loss of RMB27.2 million during the year ended 31 December 2008; and (iii) dividend income earned from listed securities amounted to RMB1.4 million during the year ended 31 December 2008.

In compliance with the financial management and treasury policies, certain investments were made on uncommitted funds during the year. During the year ended 31 December 2008, we recorded a net realised and unrealised loss on financial assets at fair value through profit or loss of RMB2.0 million.

經營業績各主要部分的概況(續)

毛利及毛利率(續)

截至二零零八年十二月三十一日止年度裝飾原紙產品之整體毛利率上升，主要是因為(i)重整產品組合，集中銷售較多毛利率較高之高檔裝飾原紙產品及(ii)如上文所述裝飾原紙產品之平均售價於二零零八年上升所致。

其他收益及其他虧損淨額

其他收益主要指從銀行存款及非按公平值計入損益之財務資產所賺取之利息收入，以及上市證券之股息收入，由截至二零零七年十二月三十一日止年度之人民幣122,000,000元減少至截至二零零八年十二月三十一日止年度之人民幣41,500,000元。其他收益減少約66.0%主要是因為(i)於二零零七年十月本公司作首次公開發售時賺取一次性利息收入人民幣106,900,000元，而二零零八年並無賺取有關利息收入；(ii)於截至二零零八年十二月三十一日止年度內從非按公平值計入損益之財務資產所賺取之其他利息收入人民幣27,200,000元；及(iii)於截至二零零八年十二月三十一日止年度內從上市證券所賺取之股息收入達人民幣1,400,000元所致。

遵照財務管理及庫存政策，年內已就未定用途資金作出若干投資。於截至二零零八年十二月三十一日止年度內，本集團錄得按公平值計入損益之財務資產已變現及未變現虧損淨額人民幣2,000,000元。

DESCRIPTION OF THE MAJOR COMPONENTS OF THE RESULTS OF OPERATIONS *(Continued)*

Selling expenses

As disclosed in the Prospectus, our Group planned to strengthen our marketing activities. During the year ended 31 December 2008, the Group increased its sales and marketing staff to 40 and carried out various promotional activities in an attempt to solicit new customers in the six designated sales regions in the PRC. As a result, the selling expenses increased by approximately 67.4% from RMB9.5 million for the year ended 31 December 2007 to RMB15.9 million for the year ended 31 December 2008. As a percentage of turnover, our selling expenses were maintained at approximately 1.0% for each of the two years ended 31 December 2007 and 2008. It was in line with the existing policy of the Group to allocate approximately 1.0% of the sales as the annual budget for the marketing activities.

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 cost, and pension contributions.

經營業績各主要部分的概況(續)

銷售開支

誠如招股章程所披露，本集團計劃加強本集團之市場推廣活動。截至二零零八年十二月三十一日止年度，本集團增加其銷售及市場推廣員工至40人，並進行多項宣傳活動，務求於中國六個指定銷售地區尋求新客戶。因此，銷售開支由截至二零零七年十二月三十一日止年度之人民幣9,500,000元上升約67.4%至截至二零零八年十二月三十一日止年度之人民幣15,900,000元。截至二零零七年及二零零八年十二月三十一日止兩個年度各年，本集團之銷售開支佔營業額之百分比維持在約1.0%之水平，這與本集團將銷售額約1.0%分配於市場推廣活動之年度預算之現行政策一致。

行政開支

行政開支主要包括行政及管理員工之薪酬及福利、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。

DESCRIPTION OF THE MAJOR COMPONENTS OF THE RESULTS OF OPERATIONS (Continued)

Administrative expenses (Continued)

The administrative expenses increased by approximately 35.0% from RMB23.7 million for the year ended 31 December 2007 to RMB32.0 million for the year ended 31 December 2008. The increase in administrative expenses was mainly due to (i) the increase in administrative staff costs, employee benefits and pension expenses by approximately 65.3% from RMB4.9 million in the year ended 31 December 2007 to RMB8.1 million in the year ended 31 December 2008, which was resulted from the employment of additional staff, and the corresponding change in the employee composition after the listing in October 2007; (ii) additional professional fees incurred after the listing; and (iii) the donation to Sichuan Earthquake Relief of RMB1.0 million during the year ended 31 December 2008.

Finance costs

Finance costs consist primarily of interest expenses on the bank borrowings. The amount decreased by approximately 37.0% from RMB21.1 million for the year ended 31 December 2007 to RMB13.3 million for the year ended 31 December 2008. The decrease in interest expenses was mainly due to the repayment of certain bank borrowings during the year.

Income tax

Members of the Group are incorporated in different jurisdictions, with different taxation requirements. For the two years ended 31 December 2007 and 2008, our Group was not liable to pay any income tax in the PRC since Shandong QX had been exempted from the PRC income tax for the two years started 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.

經營業績各主要部分的概況(續)

行政開支(續)

行政開支由截至二零零七年十二月三十一日止年度之人民幣23,700,000元增加約35.0%至截至二零零八年十二月三十一日止年度之人民幣32,000,000元。行政開支增加之主要原因為：(i)本集團於二零零七年十月上市後增聘額外員工及員工組成相應變動，從而令行政職員成本、員工福利及退休金開支由截至二零零七年十二月三十一日止年度之人民幣4,900,000元增加約65.3%至截至二零零八年十二月三十一日止年度之人民幣8,100,000元；(ii)上市後產生額外專業費用；及(iii)於截至二零零八年十二月三十一日止年度內向四川地震賑災捐款人民幣1,000,000元。

融資成本

融資成本主要包括銀行借貸之利息支出。利息支出由截至二零零七年十二月三十一日止年度之人民幣21,100,000元減少約37.0%至截至二零零八年十二月三十一日止年度之人民幣13,300,000元。利息支出減少，主要由於年內償還若干銀行借貸所致。

所得稅

本公司之成員公司於不同司法權區註冊成立，而不同司法權區擁有不同之稅務規定。根據於二零零七年三月十六日通過之中國企業所得稅法之稅務優惠過渡辦法，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，因此截至二零零七年及二零零八年十二月三十一日止兩個年度，本集團在中國並不需要承擔任何所得稅。

DESCRIPTION OF THE MAJOR COMPONENTS OF THE RESULTS OF OPERATIONS (Continued)

Income tax (Continued)

The effective tax rates of our Group for the two years ended 31 December 2007 and 2008 were 0% and the reconciliation between income tax expenses and accounting profit at the applicable tax rates was set out as follows:

經營業績各主要部分的概況(續)

所得稅(續)

本集團截至二零零七年及二零零八年十二月三十一日止兩個年度之實際稅率均為0%，而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	
		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before taxation	除稅前溢利	383,361	350,572
Income tax on profit before taxation, calculated at the tax rates applicable in the respective tax jurisdictions concerned	按相關稅務司法權區的所適用稅率計算之除稅前溢利所得稅	96,882	97,267
Tax effect of tax concession period	稅務優惠期間之稅務影響	(100,001)	(78,021)
Tax effect of non-deductible expenses	不可扣減開支之稅務影響	3,739	1,866
Tax effect of non-taxable income	非應課稅收入之稅務影響	(620)	(21,112)
Income tax expenses for the year	年度所得稅開支	—	—

KEY FINANCIAL RATIOS

The following table sets forth certain financial ratios of the 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的若干財務比率：

		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	2008	2007
		附註	二零零八年	二零零七年
Profitability ratios		盈利能力比率		
Gross profit margin	毛利率	1	27.1%	25.2%
Net profit margin	淨溢利率	2	25.6%	31.1%
Return on assets	資產回報率	3	14.3%	13.9%
Return on equity	權益回報率	4	17.2%	17.2%
Liquidity ratios		流動資金比率		
Current ratio	流動比率	5	3.7	7.0
Quick ratio	速動比率	6	3.6	6.8
Gearing ratio	資產負債比率	7	4.6%	9.4%
Inventory turnover days	存貨週轉天數	8	18	20
Debtors' turnover days	應收賬款週轉天數	9	9	16
Creditors' turnover days	應付賬款週轉天數	10	37	35

Notes:

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

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。

KEY FINANCIAL RATIOS (Continued)

Notes: (Continued)

- 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.

Analysis on Selected Financial Ratios

Current and quick ratios

The current ratio of the Group substantially decreased from 7.0 as at 31 December 2007 to 3.7 as at 31 December 2008 and the quick ratio of the Group also decreased from 6.8 as at 31 December 2007 to 3.6 as at 31 December 2008, respectively, which was mainly attributable to the combined effects of (i) the settlement to contractors for construction of Production line no. 7 by the Group during the year ended 31 December 2008; and (ii) the balance payable to contractors of approximately RMB208.2 million on the construction of Production lines nos. 8 to 11.

主要財務比率(續)

附註：(續)

- 速動比率以流動資產總值與存貨的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。

部分財務比率分析

流動比率及速動比率

本集團的流動比率由二零零七年十二月三十一日的7.0大幅下降至二零零八年十二月三十一日的3.7，而本集團的速動比率亦由二零零七年十二月三十一日的6.8下降至二零零八年十二月三十一日的3.6，主要由於下列因素的綜合影響所致：(i)本集團於截至二零零八年十二月三十一日止年度內清償因建造第7號生產線應付承包商的款項；及(ii)因建造第8至第11號生產線應付承包商的結餘約人民幣208,200,000元。

KEY FINANCIAL RATIOS (Continued)

Analysis on Selected Financial Ratios (Continued)

Gearing ratio

The gearing ratio decreased from approximately 9.4% as at 31 December 2007 to approximately 4.6% as at 31 December 2008. Such decrease was mainly due to the decrease in bank borrowings by approximately 47.7% from RMB237.0 million as at 31 December 2007 to RMB124.0 million as at 31 December 2008. During the year ended 31 December 2008, the bank loans were repaid by the internal resources generated from operating activities.

Return on assets

The return on assets increased from 13.9% for the year ended 31 December 2007 to 14.3% for the year ended 31 December 2008. The improved return on assets during the year ended 31 December 2008 was mainly attributable to the economies of scale brought by the increase in utilisation rate of our production lines as well as the expansion of our production scale since the commencement of the commercial production of Production line no. 7 since March 2008.

Return on equity

The return on equity for the two years ended 31 December 2007 and 2008 were the same at approximately 17.2%. Our return on equity can be maintained at the current equity level.

主要財務比率(續)

部分財務比率分析(續)

資產負債比率

資產負債比率由二零零七年十二月三十一日約9.4%下降至二零零八年十二月三十一日約4.6%，下降的主要原因是銀行貸款由二零零七年十二月三十一日的人民幣237,000,000元減少約47.7%至二零零八年十二月三十一日的人人民幣124,000,000元。於截至二零零八年十二月三十一日止年度內，銀行貸款乃以經營業務產生的內部資源償還。

資產回報率

資產回報率由截至二零零七年十二月三十一日止年度的13.9%上升至截至二零零八年十二月三十一日止年度的14.3%。資產回報率於截至二零零八年十二月三十一日止年度得以改善，主要由於本集團提高生產線的設備使用率以及第7號生產線自二零零八年三月起開始商業生產後擴大生產規模以達至規模經濟效益。

權益回報率

截至二零零七年及二零零八年十二月三十一日止兩個年度的權益回報率均約為17.2%。本集團的權益回報率可維持於現行權益水平。

KEY FINANCIAL RATIOS (Continued)

Analysis on Selected Financial Ratios (Continued)

Inventories and the inventory turnover days

Our inventory level increased by approximately 22.8% from RMB35.5 million as at 31 December 2007 to RMB43.6 million as at 31 December 2008. The increase in the inventory level as at 31 December 2008 was mainly attributable to the fact that more raw materials were kept by us as at 31 December 2008 to satisfy our increased production needs. The finished goods were kept at a constant level by us as at 31 December 2008 for delivery to our customers after the year end.

Despite of the increase in inventory level kept at 31 December 2008, the inventory turnover days decreased from 20 days for the year ended 31 December 2007 to 18 days for the year ended 31 December 2008. The improvement was mainly due to the implementation of more effective inventory control policy and measures. It is the 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 the Group's practice to keep minimal stock of finished products in our storage warehouse to satisfy any customer's urgent demand. The Group may also keep reserve stock of finished products at times when the market demand for decorative base paper makes it prudent to do so.

Trade receivables and debtors' turnover days

Our Group normally requires the customers to settle the invoices by cash on delivery. The granting of credit to customers is assessed on a case-by-case basis and our Group may generally grant credit terms of 3 to 20 days on a rolling basis to the customers, depending on whom our Group has maintained a longer business relationship.

主要財務比率(續)

部分財務比率分析(續)

存貨及存貨週轉天數

本集團的存貨水平由二零零七年十二月三十一日之人民幣35,500,000元上升約22.8%至二零零八年十二月三十一日之人民幣43,600,000元。二零零八年十二月三十一日的存貨水平上升，主要原因是本集團於二零零八年十二月三十一日保存較多原材料以應付有所增加的生產需要。本集團於二零零八年十二月三十一日維持製成品於固定水平，以便於年末後付運予客戶。

儘管於二零零八年十二月三十一日保存的存貨水平上升，惟截至二零零八年十二月三十一日止年度的存貨週轉天數由截至二零零七年十二月三十一日止年度之20天減少至18天。存貨週轉天數得到改善主要是因為實施更有效的存貨控制政策及措施。本集團的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的供應。而針對製成品，本集團的一貫做法是保存最少製成品庫存，以應付客戶突如其來的需求。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，為一個審慎的做法。

應收貿易賬款及應收賬款週轉天數

本集團通常要求客戶貨到付款。是否授予客戶除賬期視乎客戶的個別情況，本集團一般給予長期客戶3至20天的除賬期。

KEY FINANCIAL RATIOS (Continued)

Analysis on Selected Financial Ratios (Continued)

Trade receivables and debtors' turnover days (Continued)

The trade receivables balance decreased by approximately 24.9% from approximately RMB50.3 million as at 31 December 2007 to RMB37.8 million as at 31 December 2008. The decrease in trade receivables as at 31 December 2008 was mainly attributable to that our Group had further tightened the credit period offered to part of the major customers with a view to minimising the outstanding balance receivable from such customers, such that our exposure to the credit risk from trade debtors could be reduced. Such measure continued to be carried out effectively during the year and as a result, the debtors' turnover days also decreased from 16 days for the years ended 31 December 2007 to 9 days for the year ended 31 December 2008. The decrease was also due to the early collection of receivables before the Chinese New Year in January 2009 in order to avoid past due of credit terms.

Trade payables and creditors' turnover days

In line with the increased production volume, our Group purchased more raw materials from the suppliers. As a result, our trade payables balance increased by approximately 46.2% from RMB61.1 million as at 31 December 2007 to RMB89.3 million as at 31 December 2008.

The credit periods granted by various suppliers generally range from 3 days to 30 days. The creditors' turnover days were 35 and 37 for the two years ended 31 December 2007 and 2008, respectively. It is the 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.

主要財務比率(續)

部分財務比率分析(續)

應收貿易賬款及應收賬款週轉天數(續)

於二零零七年十二月三十一日的應收貿易賬款結餘由二零零七年十二月三十一日約人民幣50,300,000元減少約24.9%至二零零八年十二月三十一日的人民幣37,800,000元。於二零零八年十二月三十一日的應收貿易賬款減少，主要是因為本集團進一步加強對部分主要客戶收緊賬期，以減少該批客戶未清還的應收賬款結餘，從而減低應收貿易賬款的信貸風險。有關措施於年內繼續有效進行，故應收賬款週轉天數亦由截至二零零七年十二月三十一日止年度的16天減少至截至二零零八年十二月三十一日止年度的9天。減少亦由於在二零零九年一月農曆新年前提早收取應收賬款以避免除賬期過期所致。

應付貿易賬款及應付賬款週轉天數

本集團向供應商採購更多原材料以應付生產量增加。因此，本集團的應付貿易賬款結餘由二零零七年十二月三十一日的人民幣61,100,000元上升約46.2%至二零零八年十二月三十一日的人民幣89,300,000元。

各供應商給予的除款期通常介乎3至30天。截至二零零七年及二零零八年十二月三十一日止兩個年度，應付賬款週轉天數分別為35天及37天。為了與各供應商維持良好的關係，本集團會於除賬期內償付所有結欠供應商的欠款。

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

Upon the initial public offering of the Company on 2 October 2007 (the "Listing Date"), the Group received net proceeds amounted to approximately HK\$1,492.8 million (equivalent to approximately RMB1,445.5 million), after deduction of related expenses and the exercise of the Over-allotment Option (Note 1) on the Listing Date. As disclosed in the Prospectus, our Group planned to apply most of the net proceeds to expand our production capacity as well as to re-engineer and modify our existing production facilities to enhance production efficiency. As at 31 December 2008, part of the net proceeds had been applied as follows:

首次公開發售所得款項用途

本公司於二零零七年十月二日(「上市日期」)首次公開發售後，本集團獲取所得款項淨額約為1,492,800,000港元(約相當於人民幣1,445,500,000元)(扣除相關費用及於上市日期行使超額配股權(附註1)後)。誠如招股章程所披露，本集團計劃將大部分所得款項淨額用於擴充產能，以及重整及改善現有生產設施以提升生產效率。於二零零八年十二月三十一日，部分所得款項淨額已應用於下列各項：

		Amount utilised up to 31 December 2008 直至 二零零八年 十二月三十一日 已使用金額 RMB'000 人民幣千元	Balance as at 31 December 2008 於 二零零八年 十二月三十一日 之結餘 RMB'000 人民幣千元
	Planned amount 計劃金額 RMB'000 人民幣千元		
Settlement of the remaining balance of the construction of Production line no. 7	支付建造第7號生產線的餘款	163,300	8,339
Construction of Production lines nos. 8 to 11	建造第8至第11號生產線	720,000	501,255
Construction of Production lines nos. 12 to 13 (Note 2)	建造第12至第13號生產線(附註2)	360,000	360,000
Re-engineering and modification of Production lines nos. 1 and 3	重整及改善現有第1及第3號生產線	40,000	40,000
		1,283,300	909,594

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING (Continued)

Notes:

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

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2008, our Group employed a total of approximately 1,100 employees. Remuneration policies are reviewed regularly to ensure that our Group is offering competitive employment packages to the staff. Compensation of the employees includes salaries and contributions to retirement benefit schemes. Promotion and salary increments are assessed based on a performance related basis.

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

首次公開發售所得款項用途(續)

附註：

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

僱員及薪酬政策

於二零零八年十二月三十一日，本集團共聘用約1,100名員工。本集團會定期檢討薪酬政策以確保本集團向員工提供具競爭力之薪酬福利。僱員薪酬包括薪金及退休福利計劃供款。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。

FINANCIAL MANAGEMENT AND TREASURY POLICIES

The Group adopts a conservative approach for cash management and investment on 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 aims 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 and to ensure there are no undue exposures to significant interest rate movements and rates are appropriately fixed. As at 31 December 2008, all of the Group's bank borrowings were denominated in RMB, of which are fixed rate instruments and insensitive to any change in market interest rates.

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 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 period did not have significant impact on the result of the Group.

財務管理及庫務政策

本集團對現金管理及未定用途資金投資採取保守方法，旨在提高股東之實際回報、維持足夠流動資金及保留資本。本集團之融資及庫務活動集中管理，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。

本集團的政策是管理利率風險及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。於二零零八年十二月三十一日，本集團所有銀行借貸均以人民幣計值，乃定息工具，且不受任何市場利率變動影響。

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元計值，人民幣乃本集團之功能貨幣並於編製本集團綜合財務報表中用作呈列貨幣。因此，本期間人民幣兌外幣波動對本集團之業績並無重大影響。

CAPITAL EXPENDITURE

During the year ended 31 December 2008, the Group had aggregate additions to property, plant and equipment and construction in progress, acquisition of land use right and prepayment for the acquisition of plant and equipment of RMB434.8 million (2007: RMB181.1 million).

CAPITAL COMMITMENTS, CONTINGENCIES AND CHARGE ON ASSETS

The Group will further invest approximately RMB909.6 million to expand the production capacity and re-engineering and modify the existing production facilities to enhance production efficiency. Such capital commitments will be financed by the net proceeds received from the initial public offering on 2 October 2007. For details, please refer to the paragraph "Use of proceeds from the Initial Public Offering".

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 not currently involved in any environmental remediation. In addition, the outcome of environmental liabilities under proposed or future environmental legislation could not be reasonably estimated. As such, the Group has not accrued any amounts for environmental remediation relating to its operations.

資本開支

截至二零零八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添置、購買土地使用權及購置廠房及設備之預付款項合共為人民幣434,800,000元(二零零七年：人民幣181,100,000元)。

資本承擔、或然項目及資產抵押

本集團將進一步投資約人民幣909,600,000元於擴充產能，以及重整及改善現有生產設施以提升生產效率。有關資本承擔將以於二零零七年十月二日首次公開發售獲得之所得款項淨額撥付。詳情請參閱「首次公開發售所得款項用途」一段。

本集團在中國日益嚴格之環保法例及規例下有環保或然項目。然而，於本公佈日期，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，無法合理估計建議中或將來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。

**CAPITAL COMMITMENTS,
CONTINGENCIES AND CHARGE ON
ASSETS** *(Continued)*

Saved as disclosed above, the Group had no material contingent liabilities as at 31 December 2008.

As at 31 December 2008, all of the bank borrowings were secured by property, plant and equipment of the Group with net carrying amount of approximately RMB225.2 million (2007: RMB383.2 million).

資本承擔、或然項目及資產抵押(續)

除上文所披露者外，本集團於二零零八年十二月三十一日並無重大或然負債。

於二零零八年十二月三十一日，所有銀行借貸均以本集團賬面淨值約人民幣225,200,000元（二零零七年：人民幣383,200,000元）之物業、廠房及設備作抵押。

DIRECTORS

Executive Directors

Dr. ZHU Yu Guo, aged 53, is the co-founder of QX Group. Dr. Zhu was appointed as an executive Director and 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 acquired the experience and knowledge of 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 part-time 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 conferred with Honorary Doctoral Degree from Sinte Gleska University of California. 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，53歲，為群星集團的聯席創辦人之一。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的董事。彼亦為本公司主要股東 Boom Instant Limited 的董事。彼負責監察及規劃本集團的業務策略。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（現時為本公司的全資附屬公司）註冊成立之前，朱博士一直從事與造紙機器零件製造有關的工作逾10年，在此期間，彼亦研究各類紙產品的特徵，從而獲得造紙業的經驗及知識。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。朱博士為非執行董事孫瑞芳女士的配偶，以及董事會副主席朱墨群先生的父親。

DIRECTORS (Continued)

Executive Directors (Continued)

Mr. ZHU Mo Qun, aged 29, is the co-founder of QX Group. He was appointed as an executive Director, general manager of the Company as well as 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 a country-level database of experts, 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.

董事(續)

執行董事(續)

朱墨群先生，29歲，為群星集團的聯席創辦人之一。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的董事。彼亦為本公司主要股東 Boom Instant Limited 的董事。朱先生負責本集團業務的整體管理。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的審批成為縣級數據庫專才，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的資料。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的兒子。

DIRECTORS (Continued)

Executive Directors (Continued)

Mr. SUN Zhen Shui, aged 54, was appointed as an executive Director in September 2007 and is responsible for managing the financial and administrative affairs of the Group. Mr. Sun 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 gained over 20 years of experiences in the financial field through his position as a supervising accountant of Changshan Town Economy Committee* from 1983 to 2004.

Non-executive Director

Ms. SUN Rui Fang, aged 53, 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.

董事(續)

執行董事(續)

孫振水先生，54歲，於二零零七年九月獲委任為執行董事，並負責管理本集團的財務及行政事務。孫先生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的資格。自一九八三年至二零零四年，孫先生藉著擔任長山鎮經濟委員會的主管會計師，於財務範疇累積逾20年經驗。

非執行董事

孫瑞芳女士，53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的董事。彼亦為本公司主要股東Boom Instant Limited的董事。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的一般行政工作。孫女士為朱玉國博士的配偶，以及朱墨群先生的母親。

DIRECTORS (Continued)

Independent Non-executive Directors

Mr. ZHAO Wei, aged 48, 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 Guangdong Guanhao High-Tech Co., Ltd., a company listed on the Shanghai Stock Exchange of the PRC. Mr. Zhao is also a non-executive director of Shandong Chenming Paper Holdings Limited*, a company listed on the Main Board of the Stock Exchange. Mr. Zhao has accumulated approximately 26 years of experience in the paper industry through his current and previous employment in different organisations as well as his tertiary education.

Mr. WANG Lu, aged 28, 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 accumulated approximately 5 years of experience in computer engineering through his tertiary education and employment with different universities.

董事(續)

獨立非執行董事

趙偉先生，48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的會員，並自二零零六年起成為全國造紙工業標準化技術委員會的副主任委員。

趙先生現時為中國上海證券交易所上市公司廣東冠豪高新技術股份有限公司的獨立董事。趙先生同時為聯交所主板上市公司山東晨鳴紙業集團股份有限公司的非執行董事。趙先生藉著過往及現時於各機構任職以及接受專上教育，於造紙行業累積了約26年經驗。

王魯先生，28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的講師。彼現時於中國煙台大學擔任工程師。王先生藉著接受專上教育及其後於不同的大學任職，累積了約5年電腦工程經驗。

DIRECTORS *(Continued)*

Independent Non-executive Directors *(Continued)*

Mr. KWONG Kwan Tong, aged 43, was appointed as an independent non-executive Director in September 2007. He is currently 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. Mr. Kwong has over 20 years of experience in management accounting and financial control through his previous employment with different companies in Hong Kong and the PRC. He is now an independent non-executive director of China Investment Fund Company Limited, a company listed on the Main Board of the Stock Exchange.

SENIOR MANAGEMENT

Mr. SUN Shu Guang, aged 55, 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 work 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.

董事 *(續)*

獨立非執行董事 *(續)*

鄺焜堂先生，43歲，於二零零七年九月獲委任為獨立非執行董事。彼現時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。鄺先生憑藉於香港及中國不同的公司任職，於管理會計及財務監控方面擁有逾20年經驗。彼現時為聯交所主板上市公司中國投資基金有限公司的獨立非執行董事。

高級管理層

孫曙光先生，55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財政部門主管，負責本集團在中國的財務管理工作。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的經濟機關任職。彼於企業管理方面擁有豐富經驗。

SENIOR MANAGEMENT (Continued)

Mr. LIU Shu Li, aged 53, joined the Group as a deputy general manager of Shandong QX in August 2003 and is responsible for the Group's administrative affairs. Mr. Liu completed tertiary education in National Judicial Official Amateur Legal University* in the PRC in August 1994, majoring in law. Prior to joining the Group, Mr. Liu performed military service at the General Administration of Civil Aviation of China and was given a title of senior engineer. He had also worked in the judicial authority of the PRC government and is experienced in legal matters.

Mr. AU-YEUNG Kwong Wah, aged 44, joined the Group in January 2007 as a financial controller and company secretary. Mr. Au-Yeung is responsible for overseeing the Group's corporate affairs including financial control and accounting, company secretarial, corporate governance and investor relations. He has over 10 years of experience in auditing and financial control. Mr. Au-Yeung has obtained a bachelor's degree in commerce from the Bond University in Australia in 1996, a master's degree in accountancy from the Chinese University of Hong Kong in 2000, a postgraduate diploma in corporate administration from the Hong Kong Polytechnic University in 2005, as well as a master of business administration degree from the Chinese University of Hong Kong in 2008. Mr. Au-Yeung is a member of CPA Australia and the Hong Kong Institute of Certified Public Accountants.

高級管理層(續)

劉樹理先生，53歲，於二零零三年八月加入本集團為山東群星的副總經理，負責本集團的行政事務。劉先生於一九九四年八月於中國全國法院幹部業餘法律大學完成專上教育，主修法律。於加入本集團前，劉先生曾於中國民用航空總局服役，並獲授高級工程師銜。彼亦曾在中國政府司法機關工作，擁有豐富的法律事務經驗。

歐陽廣華先生，44歲，於二零零七年一月加入本集團為財務總監及公司秘書。歐陽先生負責監察本集團的公司事務，包括財務監控及會計、公司秘書、企業管治及投資者關係等。彼擁有逾10年的核數及財務管理經驗。歐陽先生於一九九六年從澳洲的Bond University獲取商業學士學位，並於二零零零年在香港中文大學獲取會計碩士學位、於二零零五年在香港理工大學獲取企業行政管理深造文憑，以及於二零零八年在香港中文大學獲取工商管理碩士學位。歐陽先生為澳洲會計師公會及香港會計師公會會員。

The Board has pleasure in submitting the annual report together with the audited consolidated financial statements of QX Group for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries as at 31 December 2008 are set out in note 13 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2008 are set out in the consolidated income statements.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK8.45 cents (2007: HK11.28 cents) per share which, together with the interim dividend of HK4.16 cents (2007: Nil) per share, will result in total dividends of HK12.61 cents (2007: HK11.28 cents) per share for the year ended 31 December 2008.

Subject to the approval of the shareholders at the annual general meeting of the Company to be held on Wednesday, 6 May 2009, the proposed final dividend will be paid on or about Wednesday, 13 May 2009 to shareholders whose names appear on the register of members of the Company on Tuesday, 5 May 2009.

董事會欣然提呈群星集團截至二零零八年十二月三十一日止年度的年報連同經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股。本公司的附屬公司於二零零八年十二月三十一日的主要業務載於財務報表附註13。本集團的主要業務性質於年內概無重大變動。

業績及股息

本集團截至二零零八年十二月三十一日止年度的業績載於綜合損益表。

末期股息

董事會建議派發的末期股息每股8.45港仙(二零零七年：11.28港仙)，連同中期股息每股4.16港仙(二零零七年：無)，在截至二零零八年十二月三十一日止年度之每股股息總額為12.61港仙(二零零七年：11.28港仙)。

待股東於二零零九年五月六日(星期三)舉行之本公司股東週年大會上批准後，建議末期股息將於二零零九年五月十三日(星期三)或左右向於二零零九年五月五日(星期二)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 Thursday, 23 April 2009 to Tuesday, 5 May 2009, both days inclusive. In order to qualify for the above mentioned proposed final dividend, all transfers 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 Wednesday, 22 April 2009.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 24 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.

PURCHASE, REDEMPTION OR SALE OF SHARES OF THE COMPANY

During the year, the Company repurchased a total of 12,200,000 ordinary shares of the Company in total on the Stock Exchange at an aggregate price of HK\$26,970,711 (before expenses).

暫停辦理股份過戶登記

本公司將於二零零九年四月二十三日(星期四)至二零零九年五月五日(星期二)(包括首尾兩天)暫停辦理股東登記手續。為符合獲派上述建議末期股息的資格，所有股份過戶文件連同有關股票須於二零零九年四月二十二日(星期三)下午四時三十分前送達本公司的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

本公司於年內的股本變動詳情載於財務報表附註24。

優先認購權

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

購買、贖回或出售本公司股份

於本年度，本公司合共斥資26,970,711港元(扣除開支前)於聯交所購回合共12,200,000股本公司普通股。

**PURCHASE, REDEMPTION OR SALE OF
SHARES OF THE COMPANY** (Continued)

Details of repurchases of such ordinary shares were as follows:

Month of repurchase	購回之月份	Number of ordinary shares repurchased 購回的 普通股數目	Repurchase price per ordinary share 每股普通股的購回價格		Aggregate repurchase price (before expenses) 購回價總額 (扣除開支前)
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
January 2008	二零零八年一月	3,990,000	3.02	2.80	11,897,550
February 2008	二零零八年二月	2,391,000	3.41	2.99	7,560,780
September 2008	二零零八年九月	269,000	2.98	2.85	791,670
October 2008	二零零八年十月	2,492,000	1.37	1.00	2,849,920
November 2008	二零零八年十一月	2,867,000	1.40	1.05	3,641,241
December 2008	二零零八年十二月	191,000	1.25	1.18	229,550
	Total 總計	12,200,000			26,970,711

These repurchased shares were cancelled during the year and the issued share capital of the Company was reduced by the par value thereof. The above repurchases were effected by the Directors pursuant to the repurchase mandate granted to them for the benefit of the Company and its shareholders as a whole in enhancing the net asset and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year.

購買、贖回或出售本公司股份(續)

購回該等普通股的詳情如下：

Month of repurchase	購回之月份	Number of ordinary shares repurchased 購回的 普通股數目	Repurchase price per ordinary share 每股普通股的購回價格		Aggregate repurchase price (before expenses) 購回價總額 (扣除開支前)
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
January 2008	二零零八年一月	3,990,000	3.02	2.80	11,897,550
February 2008	二零零八年二月	2,391,000	3.41	2.99	7,560,780
September 2008	二零零八年九月	269,000	2.98	2.85	791,670
October 2008	二零零八年十月	2,492,000	1.37	1.00	2,849,920
November 2008	二零零八年十一月	2,867,000	1.40	1.05	3,641,241
December 2008	二零零八年十二月	191,000	1.25	1.18	229,550
	Total 總計	12,200,000			26,970,711

該等購回股份已於年內註銷，而本公司的已發行股本亦已減去相關的面值。上述購回乃由董事根據已授予彼等的購回授權進行，旨在透過提升本公司的每股資產淨值及盈利，從而令本公司及其股東整體得益。

除上文所披露者外，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。

RESERVES

Details of the movements in the reserves of the Group during the year are set out in note 24 to the financial statements.

SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2008 are set out in note 13 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2008, 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 RMB1,477.1 million, of which approximately RMB77.0 million has been proposed as a final dividend for the year.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to RMB1.0 million.

儲備

本集團於年內的儲備變動載於財務報表附註24。

附屬公司

本公司附屬公司於二零零八年十二月三十一日的詳情載於財務報表附註13。

可供分派儲備

於二零零八年十二月三十一日，根據開曼群島公司法第22章(一九六一年第3條法例，經綜合及修訂)計算的本公司可供分派儲備約為人民幣1,477,100,000元，其中約人民幣77,000,000元已建議作為本年度末期股息。

慈善捐款

本集團於年內所作的慈善捐款為人民幣1,000,000元。

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment during the year are set out in note 12 to the financial statements.

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*)^{2, 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 Fang, Mr. Zhao Wei and Mr. Wang Lu will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company.

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.

物業、廠房及設備

物業、廠房及設備於年內的變動詳情載於財務報表附註12。

董事

於年內及截至本年報日期止的在任董事為：

執行董事

朱玉國博士(主席)^{3, 4}
朱墨群先生(副主席)^{2, 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

根據組織章程細則第108條，孫瑞芳女士、趙偉先生及王魯先生將於本公司即將召開的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條就其獨立性發出的年度確認書，並認為所有獨立非執行董事均屬獨立人士。

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for a term of three years commencing on 1 October 2007.

The non-executive Director and each of the independent non-executive Directors are appointed for a term of two years commencing on 1 October 2007 in accordance with their respective appointment letters.

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

None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company 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

Save for transactions as set out in the section headed "Connected Transactions" below, 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服務協議，自二零零七年十月一日起為期三年。

根據非執行董事及各獨立非執行董事各自的委任書，彼等自二零零七年十月一日起獲委任，任期為兩年。

董事須按照組織章程細則第108條規定輪值告退，並合資格膺選連任。

擬於本公司即將召開的股東週年大會上膺選連任的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)而終止的服務合約。

董事於合約的權益

除下文「關連交易」一節所載的交易外，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的合約中直接或間接擁有任何重大權益。

董事於競爭業務的權益

於本年度，董事及彼等各自的聯繫人概無從事直接或間接與本集團業務競爭或可能競爭的業務，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 7 to the financial statements.

董事薪酬

董事於年內的薪酬詳情載於財務報表附註7。

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

As at 31 December 2008, the number of issued ordinary shares of the Company was 1,032,800,000; 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的權益

於二零零八年十二月三十一日，本公司的已發行普通股數目為1,032,800,000股；而董事於本公司及其相聯法團（具證券及期貨條例第XV部的涵義）的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的登記冊內的權益，或根據標準守則須知會本公司及聯交所的權益載列如下：

Long Positions in Shares of the Company

於本公司股份的好倉

Name of Director 董事名稱	Capacity/Nature of interest 身份／權益性質	Number of ordinary shares held 持有的普通股數目	Approximate percentage of shareholding 股權的概約百分比
Dr. ZHU Yu Guo 朱玉國博士	Interest of controlled corporation 受控制公司權益	700,000,000 (Note) (附註)	67.78%
Ms. SUN Rui Fang 孫瑞芳女士	Interest of spouse 配偶權益	700,000,000 (Note) (附註)	67.78%

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

Note:

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 was deemed to be interested in the same parcel of shares held by Boom Instant Limited under the SFO.

Ms. Sun Rui Fang, being the spouse of Dr. Zhu Yu Guo, was deemed to be interested in the same parcel of shares deemed to be interested by Dr. Zhu under the SFO.

These shares were same as those shares 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的權益
(續)

附註：

該等股份由 Boom Instant Limited 實益擁有，Addinsight Limited 擁有其 80% 權益。鑑於朱玉國博士擁有 Addinsight Limited 的 87.5% 直接權益，根據證券及期貨條例被視為擁有 Boom Instant Limited 持有的同一批股份之權益。

根據證券及期貨條例，孫瑞芳女士(朱玉國博士的配偶)被視為擁有朱博士被視為擁有權益的同一批股份之權益。

該等股份與下文「主要股東於本公司股份的權益」一節所披露的股份相同。

於本公司相聯法團股份的好倉

Name of Director 董事名稱	Name of associated corporation 相聯法團名稱	Capacity/Nature of interest 身份／權益性質	Number of ordinary shares held 持有的普通股數目	Approximate percentage of the issued ordinary shares 佔已發行普通股的概約百分比
Dr. ZHU Yu Zuo 朱玉國博士	Boom Instant Limited	Interest of controlled corporation 受控制公司權益	80	80%
	Addinsight Limited	Beneficial owner/ Interest of spouse 實益擁有人／配偶權益	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	80	80%
	Addinsight Limited	Beneficial owner/ Interest of spouse 實益擁有人／配偶權益	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	20 (Note) (附註)	20%
	Be Broad Limited	Beneficial owner 實益擁有人	100	100%

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

Note:

These shares were beneficially owned by Be Broad Limited. By virtue of his 100% direct interest in Be Broad Limited, Mr. Zhu Mo Qun was deemed to be interested in the same parcel of shares in Boom Instant Limited held by Be Broad Limited.

Save as disclosed above, as at 31 December 2008, 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的權益 (續)

附註：

該等股份由Be Broad Limited實益擁有。鑑於朱先生擁有Be Broad Limited的100%直接權益，彼被視為擁有Be Broad Limited持有的同一批Boom Instant Limited股份的權益。

除上文所披露者外，於二零零八年十二月三十一日，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部的涵義)的股份、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的登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

董事購買股份或債權證的權利

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的股份或債權證而獲益，而董事或彼等的配偶或未滿十八歲的子女於年內概無擁有可認購本公司證券的任何權利，亦無行使任何該等權利。

**SUBSTANTIAL SHAREHOLDERS'
INTERESTS IN SHARES OF THE COMPANY**

As at 31 December 2008, so far as is known to the Directors, the interests of substantial shareholders/ 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 were set out below:

Name of substantial shareholder 主要股東名稱	Capacity/Nature of interest 身份／權益性質	Number of ordinary shares held 持有的普通股數目	Approximate percentage of the issued ordinary shares 佔已發行普通股的概約百分比
Boom Instant Limited	Beneficial owner 實益擁有人	700,000,000 (Note) (附註)	67.78%
Addinsight Limited	Interest of controlled corporation 受控制公司權益	700,000,000 (Note) (附註)	67.78%

Note: 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.

Save as disclosed above, as at 31 December 2008, 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.

主要股東於本公司股份的權益

於二零零八年十二月三十一日，就董事所知，根據證券及期貨條例第336條備存的本公司登記冊所記錄的主要股東／其他人士（董事除外）於本公司股份的權益載列如下：

附註：該等股份由 Boom Instant Limited 實益擁有。鑑於 Addinsight Limited 擁有 Boom Instant Limited 的 80% 直接權益，根據證券及期貨條例，彼被視為擁有 Boom Instant Limited 持有的同一批股份的權益。朱玉國博士、朱墨群先生及孫瑞芳女士均為 Boom Instant Limited 及 Addinsight Limited 兩間公司的董事。

除上文所披露者外，於二零零八年十二月三十一日，根據證券及期貨條例第336條本公司須予備存的登記冊所記錄，概無其他人士（董事除外）擁有本公司股份或相關股份的權益或淡倉。

SHARE OPTION SCHEME

The Company has 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.

CONNECTED TRANSACTIONS

Material related party transactions entered into by the Group during the year ended 31 December 2008, most of which also constituted connected/continuing connected transactions as defined under the Listing Rules, are disclosed in note 27 to the financial statements.

During the year, the Group has entered into the following connected transaction and continuing connected transactions (the "Continuing Connected Transactions") as defined under the Listing Rules:

(1) Connected Transaction

Land Use Right Transfer Agreement with Zouping Guang Hua Veneer Company Limited ("Guang Hua")

As disclosed in an announcement of the Company dated 2 May 2008, on even date, Shandong QX as a purchaser has entered into a land use right transfer agreement (the "Transfer Agreement") with Guang Hua as a vendor pursuant to which Shandong QX agreed to purchase and Guang Hua agreed to sell a land use right in respect of a land parcel (the "Land Parcel") situated at San Li He, Chang Shan Town, Zouping County, Binzhou City, Shandong Province, the PRC with a total site area of approximately 21,263 sq.m. at a consideration of RMB4,082,496 (the "Transfer"). The Transfer was completed on 14 May 2008.

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，按董事會的酌情決定，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。該計劃的主要條款概述於財務報表附註28。

關連交易

本集團於截至二零零八年十二月三十一日止年度進行的重大關連方交易(其中大部分均構成根據上市規則所界定的關連／持續關連交易)於財務報表附註27內披露。

年內，本集團曾進行以下根據上市規則所界定的關連交易及持續關連交易(「持續關連交易」)：

(1) 關連交易

與鄒平光華板材有限公司(「光華」)訂立土地使用權轉讓協議

誠如本公司日期為二零零八年五月二日的公佈所披露，山東群星作為買方與光華作為賣方於同日訂立土地使用權轉讓協議(「轉讓協議」)，據此，山東群星同意購買而光華同意出售一幅位於中國山東省濱州市鄒平縣長山鎮三里河總地盤面積約為21,263平方米的土地(「該幅土地」)的土地使用權，代價為人民幣4,082,496元(「轉讓事項」)。轉讓事項已於二零零八年五月十四日完成。

CONNECTED TRANSACTIONS (Continued)

(1) Connected Transaction (Continued)

As the then entire equity interest of Guang Hua (Note) was owned by Dr. Zhu Yu Zuo, Mr. Zhu Mo Qun and Ms. Sun Rui Fang as to approximately 50%, 33% and 17% respectively, Guang Hua is a connected person of the Company and the Transfer constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. In addition, as the applicable percentage ratios for the total consideration paid by Shandong QX under the Transfer Agreement are more than 0.1% but less than 2.5% in accordance with Rule 14A.32(1) of the Listing Rules, the Transfer is only subject to reporting and announcement requirements and is exempt from the independent shareholders' approval requirement of the Listing Rules.

Note:

The Company has been informed by Guang Hua in relation to the change of its shareholding structure in June 2008. Dr. Zhu Yu Zuo, Mr. Zhu Mo Qun and Ms. Sun Rui Fang transferred their respective equity interests in the capital of Guang Hua to Jumbo Bonus Investments Limited ("Jumbo Bonus") which is in turn owned by Dr. Zhu Yu Zuo, Mr. Zhu Mo Qun and Ms. Sun Rui Fang as to 70%, 20% and 10% respectively. After the aforesaid transfer, Guang Hua is entirely owned by Jumbo Bonus and remains to be an associate of the said Directors, thus continuing to be a connected person of the Company under the Listing Rules.

關連交易(續)

(1) 關連交易(續)

由於光華當時的全部股本權益由朱玉國博士、朱墨群先生及孫瑞芳女士分別擁有約50%、33%及17%，故光華為本公司的關連人士，而根據上市規則第14A章，轉讓事項構成本公司的關連交易。此外，由於根據上市規則第14A.32(1)條，山東群星根據轉讓協議所支付的總代價的適用百分比率高於0.1%但低於2.5%，故轉讓事項僅須遵守上市規則的申報及公佈規定，並獲豁免遵守獨立股東批准的規定。

附註：

本公司獲光華通知有關其股權架構於二零零八年六月的變動。朱玉國博士、朱墨群先生及孫瑞芳女士已將彼等各自於光華的股本權益轉讓予諾天投資有限公司(「諾天投資」)，該公司由朱玉國博士、朱墨群先生及孫瑞芳女士分別擁有70%、20%及10%。於上述轉讓後，光華由諾天投資全資擁有，並仍然為上述董事的聯繫人，故光華根據上市規則繼續為本公司的關連人士。

CONNECTED TRANSACTIONS (Continued)

(2) Continuing Connected Transactions

(A) Exempt Continuing Connected Transactions

The following transactions constitute exempt continuing connected transactions of the Company under Rule 14A.33(3) of the Listing Rules and are exempt from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

(a) Tenancy Agreements with Guang Hua

The following tenancy agreements were entered into between Shandong QX as lessee and Guang Hua as lessor:

- (i) a tenancy agreement (the "1st Tenancy Agreement") dated 1 April 2007 was entered into between both parties for tenancy of a site area of approximately 10,071 sq.m. of the Land Parcel (as described in item (1) above) for a term of 20 years from 1 April 2007 to 31 March 2027 at an annual rental of RMB160,000 for construction of Production line no. 7. During the year, approximately RMB54,000 had been paid by Shandong QX to Guang Hua pursuant to the 1st Tenancy Agreement.

關連交易(續)

(2) 持續關連交易

(A) 獲豁免持續關連交易

根據上市規則第14A.33(3)條，以下交易構成本公司的獲豁免持續關連交易，獲豁免遵守上市規則項下有關申報、公佈及獨立股東批准的規定：

(a) 與光華訂立的租賃協議

以下為山東群星(作為承租人)與光華(作為出租人)訂立的租賃協議：

- (i) 訂約雙方訂立日期為二零零七年四月一日的租賃協議(「第一份租賃協議」)，內容乃有關租賃地盤面積約10,071平方米的該幅土地(如上文第(i)項所述)以建設第7號生產線，由二零零七年四月一日起至二零二七年三月三十一日止為期20年，年度租金為人民幣160,000元。年內，山東群星已根據第一份租賃協議向光華支付約人民幣54,000元。

CONNECTED TRANSACTIONS (Continued)

(2) Continuing Connected Transactions
(Continued)

(A) Exempt Continuing Connected Transactions (Continued)

(a) *Tenancy Agreements with Guang Hua* (Continued)

- (ii) a tenancy agreement (the "2nd Tenancy Agreement") dated 1 March 2008 was entered into between both parties for tenancy of a site area of approximately 11,193 sq.m. of the Land Parcel for a term of 20 years from 1 March 2008 to 29 February 2028 at an annual rental of RMB230,000 for construction of Production lines nos. 8 and 9. During the year, approximately RMB38,000 had been paid by Shandong QX to Guang Hua pursuant to the 2nd Tenancy Agreement.

Details of the said transactions have been disclosed in the Prospectus, the annual report of the Company for the year ended 31 December 2007 and an announcement of the Company dated 2 May 2008.

The aforesaid two tenancy agreements were terminated upon completion of the Transfer as described in item (1) above of this section.

關連交易 (續)

(2) 持續關連交易 (續)

(A) 獲豁免持續關連交易 (續)

(a) *與光華訂立的租賃協議* (續)

- (ii) 訂約雙方訂立日期為二零零八年三月一日的租賃協議(「第二份租賃協議」)，內容乃有關租賃地盤面積約11,193平方米的該幅土地以建設第8至第9號生產線，由二零零八年三月一日起至二零二八年二月二十九日止為期20年，年度租金為人民幣230,000元。年內，山東群星已根據第二份租賃協議向光華支付約人民幣38,000元。

上述交易的詳情於招股章程、本公司截至二零零七年十二月三十一日止年度的年報，以及本公司於二零零八年五月二日刊發的公佈內披露。

上述兩份租賃協議已根據本節上文第(1)項所述的轉讓事項完成後終止。

CONNECTED TRANSACTIONS (Continued)

(2) Continuing Connected Transactions
(Continued)

(A) Exempt Continuing Connected Transactions (Continued)

(b) *Tenancy Agreements with Shandong Changxing Group Limited (“SD Changxing”)*

As disclosed in the Prospectus and the annual report of the Company for the year ended 31 December 2007, a tenancy agreement dated 10 May 2007 and a supplemental tenancy agreement dated 11 May 2007 (collectively the “Old Agreements”) were entered into between Shandong QX as lessee and SD Changxing as lessor for tenancy of a building (the “Building”) with a gross floor area of approximately 12,158 sq.m. situated at the southern side of Changxing Road, Chang Shan Town, Zouping County, Binzhou City, Shandong Province, the PRC for warehouse purpose for a term of 1 year from 10 May 2007 to 10 May 2008 at an annual rental of RMB400,000. During the year, approximately RMB130,000 had been paid by Shandong QX to SD Changxing pursuant to the Old Agreements.

關連交易(續)

(2) 持續關連交易(續)

(A) 獲豁免持續關連交易(續)

(b) *與山東長星集團有限公司(「山東長星」)訂立的租賃協議*

誠如於招股章程及本公司截至二零零七年十二月三十一日止年度的年報所披露，山東群星(作為承租人)與山東長星(作為出租人)已於二零零七年五月十日訂立租賃協議及於二零零七年五月十一日訂立補充租賃協議(統稱「該等舊協議」)，內容乃有關租賃一幢位於中國山東省濱州市鄒平縣長山鎮長星路南面，總建築面積約12,158平方米的樓宇(「該樓宇」)作貨倉用途，由二零零七年五月十日起至二零零八年五月十日止為期1年，年度租金為人民幣400,000元。年內，山東群星已根據該等舊協議向山東長星支付約人民幣130,000元。

CONNECTED TRANSACTIONS (Continued)

(2) Continuing Connected Transactions
(Continued)

(A) Exempt Continuing Connected Transactions (Continued)

(b) *Tenancy Agreements with SD Changxing* (Continued)

A renewal tenancy agreement (the “Renewal Tenancy Agreement”) dated 19 May 2008 was entered into between Shandong QX and SD Changxing to renew the tenancy in respect of the Building for a further term of 1 year commencing with retrospective effect from 10 May 2008 to 10 May 2009 at an annual rental of RMB400,000. During the year, approximately RMB270,000 had been paid by Shandong QX to SD Changxing pursuant to the Renewal Tenancy Agreement.

As SD Changxing is owned by Dr. Zhu Yu Zuo, Mr. Zhu Mo Qun and Ms. Sun Rui Fang as to 55%, 30% and 15% respectively, SD Changxing is an associate of the said Directors and is therefore a connected person of the Company under the Listing Rules.

關連交易 (續)

(2) 持續關連交易 (續)

(A) 獲豁免持續關連交易 (續)

(b) *與山東長星訂立的租賃協議* (續)

於二零零八年五月十九日，山東群星與山東長星訂立續租協議（「續租協議」），以續租該樓宇1年，追溯自二零零八年五月十日起生效，至二零零九年五月十日止，年度租金為人民幣400,000元。年內，山東群星已根據續租協議向山東長星支付約人民幣270,000元。

由於山東長星由朱玉國博士、朱墨群先生及孫瑞芳女士分別擁有55%、30%及15%，故為上述董事的聯繫人，因此根據上市規則為本公司的關連人士。

CONNECTED TRANSACTIONS (Continued)

(2) Continuing Connected Transactions
(Continued)

(B) Non-exempt Continuing Connected Transaction

Master Supply Agreement with Guang Hua

As disclosed in the Prospectus and the annual report of the Company for the year ended 31 December 2007, a master supply agreement (the “Master Supply Agreement”) dated 3 September 2007 was entered into between Shandong QX as supplier and Guang Hua as customer pursuant to which, Shandong QX agreed to supply decorative base paper products to Guang Hua at prices to be determined from time to time by Shandong QX and Guang Hua at the prevailing market prices of decorative base paper products and on such other standard terms of sale and purchase applicable from time to time, provided that such terms are on normal and usual commercial terms and are no more favourable than those applicable to the sale of the same type and quality of decorative base paper products for comparable quantity by the Group to independent third parties. The Master Supply Agreement commenced on 3 September 2007 and will expire on 31 December 2009, unless terminated by either party serving not less than three months’ prior written notice.

關連交易(續)

(2) 持續關連交易(續)

(B) 非豁免持續關連交易

與光華訂立的主供應協議

誠如於招股章程及本公司截至二零零七年十二月三十一日止年度的年報所披露，山東群星(作為供應商)與光華(作為客戶)於二零零七年九月三日訂立主供應協議(「主供應協議」)，據此，山東群星同意按山東群星與光華不時釐定的價格向光華供應裝飾原紙產品，此價格乃經參考裝飾原紙產品的當前市場價格釐定，而供應條款為不時適用的其他銷售及採購的有關其他標準條款，惟該等條款乃屬一般及日常商業條款，並且不會較本集團向獨立第三方銷售數量相若及類型與品質相同的裝飾原紙產品時適用的條款更優厚。主供應協議由二零零七年九月三日開始生效，並將於二零零九年十二月三十一日屆滿，除非訂約方任何一方發出不少於三個月的預先書面通知以作終止。

CONNECTED TRANSACTIONS (Continued)

(2) Continuing Connected Transactions
(Continued)

(B) Non-exempt Continuing Connected Transaction

Master Supply Agreement with Guang Hua (Continued)

The annual caps of the Master Supply Agreement for each of the three years ending 31 December 2009 are RMB7.3 million, RMB7.5 million and RMB7.8 million respectively. During the year, approximately RMB4.9 million had been received by Shandong QX from Guang Hua.

The aforesaid transaction constitutes non-exempt continuing connected transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules. The Stock Exchange has granted a waiver to the Company to exempt the transaction from strict compliance with the announcement requirements under the Listing Rules until 31 December 2009.

關連交易(續)

(2) 持續關連交易(續)

(B) 非豁免持續關連交易

與光華訂立的主供應協議(續)

截至二零零九年十二月三十一日止三個年度各年，主供應協議的年度上限分別為人民幣7,300,000元、人民幣7,500,000元及人民幣7,800,000元。年內，山東群星已從光華收取約人民幣4,900,000元。

根據上市規則，上述交易構成本公司的非豁免持續關連交易，須遵守上市規則有關申報及公佈的規定，惟獲豁免遵守上市規則項下有關獨立股東批准的規定。聯交所已向本公司授出豁免，以豁免本交易嚴格遵守上市規則有關公佈的規定，直至二零零九年十二月三十一日為止。

CONNECTED TRANSACTIONS (Continued)

(2) Continuing Connected Transactions (Continued)

(C) **Opinion from the independent non-executive Directors on the Continuing Connected Transactions**

All the independent non-executive Directors have reviewed the Continuing Connected Transactions and confirmed that these transactions were entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Directors have requested KPMG, the auditors of the Company, to perform certain agreed upon procedures on the Continuing Connected Transactions and have received a confirmation letter from KPMG as required under Rule 14A.38 of the Listing Rules.

BANK LOANS

Particulars of bank loans of the Group as at 31 December 2008 are set out in note 20 to the financial statements.

關連交易(續)

(2) 持續關連交易(續)

(C) **獨立非執行董事就持續關連交易提供的意見**

全體獨立非執行董事已審閱持續關連交易，並確認該等交易為：

- (i) 於本集團一般及日常業務過程中進行；
- (ii) 按一般商業條款進行；及
- (iii) 根據規管該等交易的相關協議進行，其條款屬公平合理，並符合本公司股東的整體利益。

董事要求本公司之核數師畢馬威會計師事務所就持續關連交易進行若干協定程序，並已接獲畢馬威會計師事務所根據上市規則第14A.38條之規定發出之確認函件。

銀行貸款

本集團於二零零八年十二月三十一日的銀行貸款詳情載於財務報表附註20。

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

Through the issue of 1,045,000,000 new shares at HK\$5.35 each on the Main Board of the Stock Exchange in October 2007, the Group had raised approximately HK\$1,492.8 million (equivalent to approximately RMB1,445.5 million), after deduction of related expenses. The use of such proceeds by the Group during the year is set out in the Management Discussion and Analysis on pages 41 to 42 of this annual report.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on pages 195 to 196 of this annual report.

RETIREMENT SCHEMES

Particulars of the retirement schemes adopted by the Group during the year are set out in note 5(b) to the financial statements.

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:

The largest customer	最大客戶
Five largest customers in aggregate	五大客戶合計
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商合計

首次公開發售所得款項用途

通過於二零零七年十月在聯交所主板以每股5.35港元發行1,045,000,000股新股份，本集團於扣除有關開支後籌得約1,492,800,000港元(約相當於人民幣1,445,500,000元)。本集團於年內對該筆所得款項的用途載於本年報第41至42頁管理層討論及分析。

五年財務摘要

本集團於過去五個財政年度的業績與資產及負債摘要載於本年報第195至196頁。

退休計劃

本集團於年內採納的退休計劃詳情載於財務報表附註5(b)。

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的資料如下：

Percentage of the Group's total	
佔本集團百分比	
Sales	Purchases
總銷售額	總採購額

The largest customer	最大客戶	18.1%	—
Five largest customers in aggregate	五大客戶合計	30.0%	—
The largest supplier	最大供應商	—	26.5%
Five largest suppliers in aggregate	五大供應商合計	—	75.3%

MAJOR CUSTOMERS AND SUPPLIERS

(Continued)

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

SUFFICIENCY OF PUBLIC FLOAT

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

CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2008, the Company had complied with the applicable Code Provisions save for the deviation from the Code Provision A.2.1. The full details of corporate governance practices adopted by the Company during the year ended 31 December 2008, or where applicable, up to the date of this annual report, are set out in the Corporate Governance Report on pages 73 to 87 of this annual report.

AUDITORS

KPMG will retire and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

ZHU Yu Guo 朱玉國

Chairman 主席

Shandong, the PRC, 18 March 2009

中國山東，二零零九年三月十八日

主要客戶及供應商(續)

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

足夠公眾持股量

根據本公司從公開途徑所得的資料及據董事所知，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的公眾持股量。

企業管治常規

截至二零零八年十二月三十一日止年度，本公司一直遵守適用守則條文(偏離守則條文第A.2.1條除外)。本公司在截至二零零八年十二月三十一日止年度或截至本年報日期(如適用)所採納的企業管治常規的所有詳情載於本年報第73至87頁的企業管治報告內。

核數師

畢馬威會計師事務所將退任，本公司將於本公司即將召開的股東週年大會上提呈決議案續聘彼等為本公司核數師。

QX Paper is committed to maintaining high standards of corporate governance practices and business ethics. 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 2008, the Company has complied with the applicable Code Provisions and principles under the CG Code as set out in Appendix 14 to the Listing Rules except for the following deviation:

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

群星紙業矢志維持高水平的企業管治常規及商業操守。董事會相信此理念可提升本集團的表現，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的企業管治水平，尤其著重獨立性、有效的內部監控、透明度及對股東問責。

截至二零零八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所載的企業管治守則的適用守則條文及原則，惟下述偏離除外：

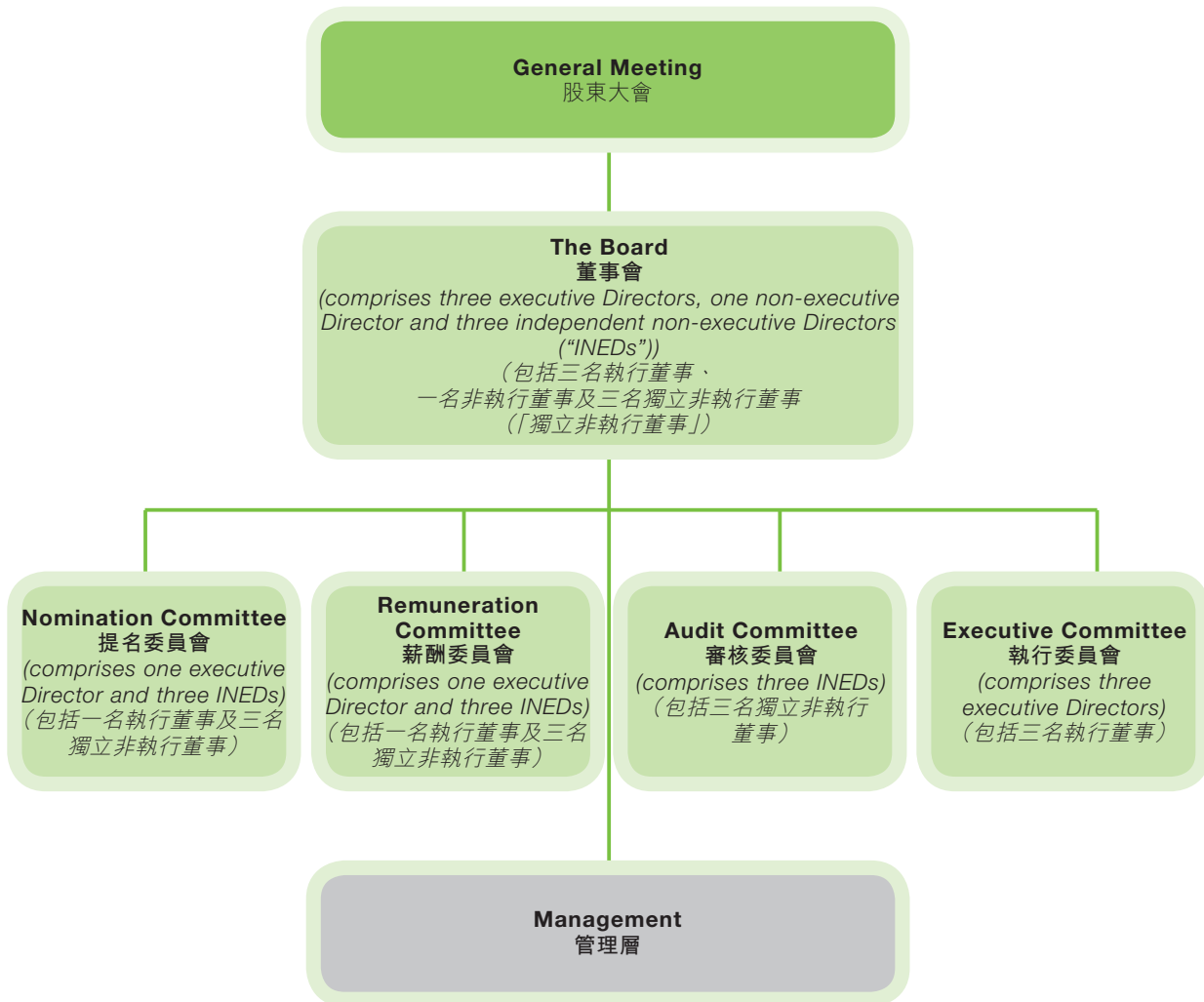
根據守則條文第A.2.1條，主席及行政總裁的職務須分開，不應由同一人擔任。目前，本公司並無任何人士擔任行政總裁一職。朱玉國博士除身為本公司主要股東、執行董事兼董事會主席外，亦擔任與行政總裁相若的職務。朱博士亦負責監察及策劃本集團的業務策略，並率領及管理董事會。本公司主席與總經理的職責分開。本公司的執行董事、總經理兼董事會副主席朱墨群先生(朱博士的兒子)，負責本集團的整體管理及業務運作，以及執行董事會所制訂的業務策略。董事會認為此管理架構令本集團的領導具一致性，並讓本集團能迅速及有效地執行及落實董事會的決定。董事會將定期檢討此管理架構的成效，以確保該架構切合本集團當時的情況。

CORPORATE GOVERNANCE STRUCTURE

企業管治架構

The Company's corporate governance structure currently in place is as follows:

本公司現時的企業管治架構如下：



Outlined below are the corporate governance practices adopted by the Company in compliance with the principles and spirit of the CG Code during the year ended 31 December 2008, or where applicable, up to the date of this annual report.

下文概述本公司於截至二零零八年十二月三十一日止年度(或如適用，直至本年報日期)止遵照企業管治守則的原則及精神所採納的企業管治常規。

BOARD OF DIRECTORS

Composition

The Board currently comprises three executive Directors, one non-executive Director and three INEDs as follows:

Executive Directors

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

Non-executive Director

Ms. SUN Rui Fang

INEDS

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

The Directors are well-versed in respective areas such as paper industry's knowledge and technical know-how, accounting and finance and business management and 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 46 to 51 of this annual report and our corporate website at www.qxpaper.com.

董事會

組成

董事會目前包括三名執行董事、一名非執行董事及三名獨立非執行董事，詳情如下：

執行董事

朱玉國博士(主席)
朱墨群先生(副主席)
孫振水先生

非執行董事

孫瑞芳女士

獨立非執行董事

趙偉先生
王魯先生
鄭焜堂先生

董事於各有關方面富有豐富經驗，例如造紙業的知識及技術知識、會計及金融以及商業管理，而董事會整體在技能及經驗上已達到適當的平衡。董事的履歷及彼等的關係(如有)載於本年報第46至51頁「董事及高級管理層履歷」一節及本集團的公司網頁(www.qxpaper.com)。

Delegation by the Board

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

董事會的委任

董事會負責製訂本集團的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的利益衝突事項、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，並於本公司的日常管理業務中必需進行的事宜，則授權執行委員會(「執行委員會」)及高級管理層處理。

董事的委任、重選及罷免

組織章程細則第108條規定所有董事(包括董事會主席)均須最少每三年一次於股東週年大會上退任，並合資格膺選連任。根據組織章程細則第105條，董事職位可於若干情況下出現空缺，而本公司亦可按組織章程細則第114條的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 three 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 management 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 the management bonus payable to him.

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 paper 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 the Company's various board committees' meetings. 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，年期為三年，並須根據組織章程細則的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費及酌情管理層花紅，花紅金額由董事會釐定。該等酬金乃參考各董事的經驗及其對本集團的貢獻、本集團的表現及盈利，以及當時的市況而釐定。每名執行董事不可就任何有關應付彼的管理層花紅金額的董事會決議案投票。

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應有與執行董事相同的謹慎態度和技能以及誠信責任。在所有披露董事姓名的公司通訊內，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的專業人士，分別在造紙業及有關技術知識、工程、會計及金融等各方面擁有專門知識。獨立非執行董事憑藉彼等的專業知識及經驗，就本公司的營運及管理向本公司提供意見；就本公司的關連交易提供獨立意見；並參與本公司的不同董事委員會的會議。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的整體利益，並促進本集團的發展。

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

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

Supply of and access to information

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

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

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 2008, the Board held a total of five meetings (the "Board Meeting(s)") at approximately quarterly intervals with an attendance rate of 100% to review and approve, among other things, the 2007 annual results and 2008 interim results, connected transaction, share repurchase and strategic business direction of the Group.

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，並須根據組織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條的規定收到各獨立非執行董事呈交的年度獨立確認書，並認為所有獨立非執行董事於本年報日期均為獨立人士。

提供及查閱資料

新委任的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的職務及責任。

所有董事均不時獲簡介及更新法律及法規的最新發展，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的責任。

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的意見，並由本公司負責有關開支。

董事會會議

截至二零零八年十二月三十一日止年度，董事會合共舉行五次會議（「董事會會議」），約每季一次，出席率為100%，以審閱及批准（其中包括）二零零七年全年業績及二零零八年中中期業績、關連交易、股份購回及本集團的策略性業務方向等。

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

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

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

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

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.

組織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的事宜作出知情的決定。

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

本公司的公司秘書（「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的事項。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。

董事及重要職員的責任保險

本公司已購買合適的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的潛在責任作出彌償。本公司每年均會檢討董事及本集團高級職員的保險承保範圍。

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 2008.

Board Committees

The Board has established a total of four board committees including 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 our corporate website (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

董事進行證券交易的標準守則

本公司已就董事以及擁有或可能擁有未經公開的股價敏感資料的相關僱員(「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二零零八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的規定標準。

董事委員會

董事會合共成立四個董事委員會，包括執行委員會、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」)，以監察本集團的特定事務。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。各委員會的職權範圍已刊登於本集團的公司網頁(www.qxpaper.com)。公司秘書亦身兼各委員會的秘書。各委員會盡可能採

relation to the conduct of meetings, notice of meetings and recording of minutes. Further particulars of each of the Committees are set out below:

(1) Executive Committee

The Executive Committee was set up in March 2008 and currently comprises all the executive Directors and is chaired by Dr. Zhu Yu Guo, the 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, investments, merger and acquisition, corporate governance and corporate communication of the Group. Since its establishment in March 2008 and up to 31 December 2008, the Executive Committee held nine meetings with an attendance rate of 100% at an interval of about one month.

All the matters considered and decided by the Executive Committee at the meetings will be recorded in details by minutes. A summary report of the businesses transacted at the Executive Committee meetings will be submitted to the Board for review regularly. All the Directors can inspect the minutes of the Executive Committee's meetings at any time.

納董事會會議就會議的進行、會議通告及會議記錄所作的程序及安排。各委員會的進一步資料載列如下：

(1) 執行委員會

執行委員會於二零零八年三月成立，現時由全體執行董事組成，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、合併及收購、企業管治及公司通訊等事宜。自其於二零零八年三月成立後至二零零八年十二月三十一日，執行委員會合共舉行九次會議，約每月一次，出席率為100%。

所有由執行委員會於會議上所考慮及決定的事項均會詳細記錄於會議記錄中。執行委員會在會議中所處理之事務的概要報告將定期呈交予董事會審閱。所有董事可於任何時間查閱執行委員會的會議記錄。

(2) Audit Committee

The Audit Committee currently comprises all three INEDs and is chaired by Mr. Kwong Kwan Tong, a professional accountant with about 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 Group's external auditors as well as approving their terms of engagement, including their remuneration. All members of the Audit committee have unrestricted access to the Group's external auditors and management.

During the year ended 31 December 2008, the Audit Committee has held two meetings with an attendance rate of 100% to review, inter alia, (a) the financial reporting matters including the review of 2007 annual results and 2008 interim results of the Group; (b) the re-appointment of the Group's external auditors; and (c) the staffing and resources of the Group's Internal Audit Department (the "Internal Audit Department").

(2) 審核委員會

審核委員會現時由全體三名獨立非執行董事組成，並由鄺焜堂先生出任主席，彼為專業會計師，於管理會計及財務監控方面擁有約20年經驗。審核委員會的主要職責為檢討及監督本集團的財務報告過程及內部監控。此外，審核委員會亦負責就委任、重新委任及罷免本集團的外聘核數師向董事會作出建議，以及批准其聘任條款，包括其薪酬。審核委員會全體成員與本集團外聘核數師及管理層的接觸並無受到限制。

截至二零零八年十二月三十一日止年度，審核委員會已舉行兩次會議，出席率為100%，以審議(其中包括)(a)財務報告事宜，包括審閱本集團二零零七年全年業績及二零零八年中期業績；(b)續聘本集團的外聘核數師；及(c)本集團內部審核部門(「內部審核部」)的職員配備及資源。

(3) Remuneration Committee

The Remuneration Committee currently comprises four members including one executive Director, namely, Dr. Zhu Yu Guo (the chairman of the Board) and all three INEDs. The Remuneration Committee is chaired by Dr. Zhu. 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.

During the year, the Remuneration Committee has held one meeting with an attendance rate of 100%. At the meeting, members of the Remuneration Committee reviewed and approved the remuneration packages of the Directors and senior management of the Group by taking into account factors such as their skills, knowledge and respective contribution to the Group, the performance of the Group and the prevailing market conditions.

(4) Nomination Committee

The Nomination Committee currently comprises four members including one executive Director, namely, Mr. Zhu Mo Qun, the vice-chairman of the Board and all three INEDs. The Nomination Committee is chaired by Mr. Zhu. The primary duty of the Nomination Committee is to make recommendations to the Board regarding candidates to fill vacancies of the Board.

(3) 薪酬委員會

薪酬委員會現時由四名成員組成，包括一名執行董事－董事會主席朱玉國博士及全體三名獨立非執行董事。薪酬委員會由朱博士出任主席。薪酬委員會的主要職責為代表董事會檢討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的薪酬。薪酬委員會每年最少舉行一次會議。

薪酬委員會於年內舉行一次會議，出席率為100%。於會上，薪酬委員會成員經考慮本集團各董事及高級管理層之技能、知識及彼等各自對本集團的貢獻，以及本集團的表現和當時的市況等各種因素，以檢討及批准彼等的薪酬福利。

(4) 提名委員會

提名委員會現時由四名成員組成，包括一名執行董事－董事會副主席朱墨群先生及全體三名獨立非執行董事。提名委員會由朱先生出任主席。提名委員會的主要職責為就填補董事會空缺的候選人向董事會作出建議。

During the year, the Nomination Committee has held one meeting with an attendance rate of 100%. At the meeting, members of the Nomination Committee have reviewed the structure and composition of the Board, assessed the independence of INEDs in accordance with the relevant requirements of the Listing Rules, and the suitability of the re-election of the Directors who are subject to the retirement by rotation at the 2009 annual general meeting of the Company in accordance with the Articles of Association.

Investor Relations

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

提名委員會於年內舉行一次會議，出席率為100%。於會上，提名委員會成員檢討董事會的架構及組成，根據上市規則有關規定評估獨立非執行董事的獨立性，以及根據組織章程細則將於本公司二零零九年股東週年大會上輪值退任的董事是否適合膺選連任。

投資者關係

本集團致力提高其企業透明度及加強與股東及投資界的溝通。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的業務發展，本集團的公司網頁(www.qxpaper.com)為提供本集團業務營運及發展方面的全面及最新資料之有效渠道。本集團公司網頁內的資料包括公司資料、公告、通函、新聞稿、業績簡報，以及中期報告及年報等。

During the year ended 31 December 2008, the Directors and senior management of the Company participated in several meetings and teleconferences with fund managers and analysts, providing excellent opportunities for the investment community to express their views on the Group and to exchange thoughts with the Directors and senior management of the Company. The Company has designated key officers to communicate with institutional shareholders and analysts to ensure consistency of the Group's information.

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

Financial Reporting

The Directors acknowledge their responsibilities for preparing financial statements of the Group in accordance with relevant statutory requirements and generally accepted accounting principles in Hong Kong 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.

截至二零零八年十二月三十一日止年度，董事及本公司高級管理層與基金經理及分析員進行多個會議及電訊會議，為投資界提供良機以表達其對本集團的意見，並與本公司董事及高級管理層交流意見。本公司已指派要員與機構股東及分析員溝通，確保本集團資料貫徹一致。

本集團董事及管理層不時檢討本集團的資料披露，以及與投資者及股東溝通的效能。

財務報告

董事已知悉其須根據相關法定要求及香港公認會計原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，就本集團的發展及前景提供全面及均衡的評估，包括但不限於年度及中期報告、任何屬股價敏感的公告及根據上市規則須予披露的財務資料、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的資料。

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 for the foreseeable future and are not aware of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

A statement by the external auditors regarding their responsibilities with respect to financial reporting on the Group's financial statements is set out in the Independent Auditor's Report on pages 88 to 90 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.

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的財務／營運數據及資料，從而確保彼等一直完全瞭解本集團的財務及營運狀況。

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的持續營經能力存疑。

外聘核數師就其有關對本集團財務報表作出財務報告的責任聲明載於本年報第88至90頁的獨立核數師報告內。

內部監控及風險管理

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

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

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 2008, 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.

Independent External Auditors

The Company's independent external auditors are KPMG, Certified Public Accountants. During the year, the annual audit fees paid by the Company to KPMG were approximately HK\$1,100,000. A resolution to re-appoint KPMG as independent auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

AU-YEUNG Kwong Wah 歐陽廣華

Company Secretary 公司秘書

Shandong, the PRC, 18 March 2009

中國山東，二零零九年三月十八日

於本年度，內部審核部進行風險基礎審計，以檢討本集團內部監控的成效，從而確定(a)本集團的主要業務及營運風險已獲識別及處理；及(b)本集團的內部監控乃適當地進行。

上述由內部審核部作出的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。董事會根據該檢討結果以及審核委員會所作的評估及建議，同意本集團在截至二零零八年十二月三十一日止年度已實行足夠的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的重要範疇需要關注。

獨立外聘核數師

本公司的獨立外聘核數師為香港執業會計師畢馬威會計師事務所。年內，本公司向畢馬威會計師事務所支付的年度核數費用約為1,100,000港元。本公司於即將舉行的股東週年大會上，將提呈一項決議案以續聘畢馬威會計師事務所為本公司的獨立核數師。



**Independent auditor's report to the shareholders
of Qunxing Paper Holdings Company Limited**
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Qunxing Paper Holdings Company Limited ("the Company") set out on pages 91 to 194, which comprise the consolidated and company balance sheets as at 31 December 2008, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

**DIRECTORS' RESPONSIBILITY FOR THE
FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

獨立核數師報告

致群星紙業控股有限公司各股東
(於開曼群島註冊成立的有限公司)

我們已審核列載於第91至194頁群星紙業控股有限公司(以下簡稱「貴公司」)的綜合財務報表，此綜合財務報表包括於二零零八年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合損益表、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。

董事就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平地列報該等財務報表。這責任包括設計、實施及維護與編製，以及真實而公平地列報綜合財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況作出合理的會計估計。

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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, as well as evaluating the overall presentation of the 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該等財務報表作出意見。本報告僅為股東(作為一個團體)編製，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，以合理保證財務報表是否不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證乃充足及適當地為我們的審核意見提供基礎。

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 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.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

18 March 2009

意見

我們認為，該等綜合財務報表已根據國際財務報告準則真實而公平地反映 貴公司及 貴集團於二零零八年十二月三十一日的財務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例的披露規定妥為編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

二零零九年三月十八日

CONSOLIDATED INCOME STATEMENT

綜合損益表

For the year ended 31 December 2008 (Expressed in Renminbi)
截至二零零八年十二月三十一日止年度(以人民幣列示)

		Note 附註	2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
Turnover	營業額	3	1,496,360	1,125,524
Cost of sales	銷售成本		(1,090,844)	(842,055)
Gross profit	毛利		405,516	283,469
Other revenue	其他收益	4	41,503	121,952
Other net loss	其他虧損淨額	4	(2,441)	(627)
Selling expenses	銷售開支		(15,896)	(9,459)
Administrative expenses	行政開支		(32,001)	(23,698)
Profit from operations	經營溢利		396,681	371,637
Finance costs	融資成本	5(a)	(13,320)	(21,065)
Profit before taxation	除稅前溢利	5	383,361	350,572
Income tax	所得稅	6(a)	—	—
Profit for the year	年度溢利		383,361	350,572
Dividends payable to equity shareholders of the Company attributable to the year:	應付本公司權益持有人年度應佔股息：	10		
Interim dividend declared and paid during the year	年內已宣派及派付之中期股息		38,018	—
Final dividend proposed after the balance sheet date	於結算日後建議派付之末期股息		76,990	105,172
			115,008	105,172
Earnings per share (RMB)	每股盈利(人民幣元)	11		
Basic	基本		0.37	0.42

The notes on pages 100 to 194 form part of these financial statements.

於第100至194頁的附註構成此等財務報表的一部份。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

At 31 December 2008 (Expressed in Renminbi)
於二零零八年十二月三十一日(以人民幣列示)

			2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
		Note 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12(a)	561,146	461,021
Construction in progress	在建工程	14	316,060	167,098
Lease prepayments	租賃預付款項	15	15,150	11,255
Prepayment for the acquisition of plant and equipment	購買廠房及設備預付款項	12(a)	110,880	—
			1,003,236	639,374
Current assets	流動資產			
Trading securities	買賣證券	16	64,753	—
Inventories	存貨	17	43,622	35,487
Trade and other receivables	應收貿易賬款及其他應收款項	18	38,844	50,903
Cash and cash equivalents	現金及現金等價物	19	1,539,373	1,792,158
			1,686,592	1,878,548
Current liabilities	流動負債			
Bank loans	銀行貸款	20	124,000	30,000
Trade and other payables	應付貿易賬款及其他應付款項	21	320,753	229,404
Current taxation	即期稅項	23(a)	9,868	9,868
			454,621	269,272
Net current assets	流動資產淨值		1,231,971	1,609,276

CONSOLIDATED BALANCE SHEET

綜合資產負債表

At 31 December 2008 (Expressed in Renminbi)
於二零零八年十二月三十一日(以人民幣列示)

		Note	2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
		附註		
Total assets less current liabilities	資產總值減流動負債		2,235,207	2,248,650
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	20	—	207,000
NET ASSETS	資產淨值		2,235,207	2,041,650
Capital and reserves	資本及儲備	24(a)		
Share capital	股本		100,258	101,359
Reserves	儲備		2,134,949	1,940,291
TOTAL EQUITY	權益總值		2,235,207	2,041,650

Approved and authorised for issue by the board of directors on 18 March 2009.

董事會於二零零九年三月十八日批准及授權刊發。

ZHU Yu Guo 朱玉國
Executive Director 執行董事

ZHU Mo Qun 朱墨群
Executive Director 執行董事

The notes on pages 100 to 194 form part of these financial statements.

於第100至194頁的附註構成此等財務報表的一部份。

BALANCE SHEET 資產負債表

At 31 December 2008 (Expressed in Renminbi)
於二零零八年十二月三十一日(以人民幣列示)

			2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
		Note 附註		
Non-current assets	非流動資產			
Plant and equipment	廠房及設備	12(b)	596	—
Interests in subsidiaries	於附屬公司的權益	13	1,230,391	1,265,474
Construction in progress	在建工程	14	—	200
			1,230,987	1,265,674
Current assets	流動資產			
Trading securities	買賣證券	16	28,058	—
Prepayments	預付款項	18	481	313
Cash and cash equivalents	現金及現金等價物	19	161,371	438,945
			189,910	439,258
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及預提費用	21	1,316	2,186
Amounts due to subsidiaries	應付附屬公司款項	22	62	10,803
			1,378	12,989
Net current assets	流動資產淨值		188,532	426,269
NET ASSETS	資產淨值		1,419,519	1,691,943

BALANCE SHEET 資產負債表

At 31 December 2008 (Expressed in Renminbi)
於二零零八年十二月三十一日(以人民幣列示)

		Note	2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
Capital and reserves	資本及儲備	24(b)		
Share capital	股本		100,258	101,359
Reserves	儲備		1,319,261	1,590,584
TOTAL EQUITY	權益總值		1,419,519	1,691,943

Approved and authorised for issue by the board of directors on 18 March 2009.

董事會於二零零九年三月十八日批准及授權刊發。

ZHU Yu Guo 朱玉國
Executive Director 執行董事

ZHU Mo Qun 朱墨群
Executive Director 執行董事

The notes on pages 100 to 194 form part of these financial statements.

於第100至194頁的附註構成此等財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2008 (Expressed in Renminbi)
截至二零零八年十二月三十一日止年度(以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益持有人應佔							
	Note	Share capital	Share premium	Capital reserve	Other reserve	Statutory surplus reserve	Exchange reserve	Retained profits	Total equity
	附註	'000	'000	'000	'000	'000	'000	'000	'000
		千元	千元	千元	千元	千元	千元	千元	千元
		(Note 24)	(Note 24)	(Note 24)		(Note 24)	(Note 24)	(Note 24)	
		(附註24)	(附註24)	(附註24)		(附註24)	(附註24)	(附註24)	
At 1 January 2007	於二零零七年一月一日	102	—	129,900	(169,327)	51,884	4,884	71,395	88,838
Exchange differences on translation of financial statements of operations outside the PRC	於二零零七年一月一日 換算中國境外業務的 財務報表產生的 匯兌差額	—	—	—	—	—	(34,424)	—	(34,424)
Arising on Reorganisation	重組時產生	24(c)	897	—	(996)	—	—	—	(99)
Capitalisation issue	資本化發行	24(c)	71,795	119,463	—	—	—	—	191,258
Capitalisation of reserves	儲備資本化	24(d)(iii)	—	—	(129,900)	160,000	(30,100)	—	—
Shares issued under placing and public offering	透過配售及公開發售 發行的股份	24(c)	28,565	1,499,654	—	—	—	—	1,528,219
Share issuing expenses	發行股份開支		—	(82,714)	—	—	—	—	(82,714)
Net profit for the year	年度溢利淨額		—	—	—	—	—	350,572	350,572
Appropriation to statutory surplus reserve	分配至法定盈餘儲備		—	—	—	23,367	—	(23,367)	—
At 31 December 2007	於二零零七年 十二月三十一日	101,359	1,536,403	—	(10,323)	45,151	(29,540)	398,600	2,041,650
At 1 January 2008	於二零零八年一月一日	101,359	1,536,403	—	(10,323)	45,151	(29,540)	398,600	2,041,650
Dividends approved in respect of the previous year	於二零零八年一月一日 過往年度批准的股息	10	—	—	—	—	—	(105,172)	(105,172)
Shares repurchased:	股份回購:	24(c)	—	—	—	—	—	—	—
— par value paid	— 已付面值		(1,101)	—	—	—	—	—	(1,101)
— premium paid	— 已付溢價		—	(23,573)	—	—	—	—	(23,573)
Exchange differences on translation of financial statements of operations outside the PRC	換算中國境外業務的 財務報表產生的 匯兌差額		—	—	—	—	(21,940)	—	(21,940)
Net profit for the year	年度溢利淨額		—	—	—	—	—	383,361	383,361
Appropriation to statutory surplus reserve	分配至法定盈餘儲備		—	—	—	39,425	—	(39,425)	—
Dividends declared in respect of current year	本年度宣派的股息	10	—	(38,018)	—	—	—	—	(38,018)
At 31 December 2008	於二零零八年 十二月三十一日	100,258	1,474,812	—	(10,323)	84,576	(51,480)	637,364	2,235,207

The notes on pages 100 to 194 form part of these financial statements.

於第100至194頁的附註構成此等財務報表的一部分。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 December 2008 (Expressed in Renminbi)
截至二零零八年十二月三十一日止年度(以人民幣列示)

		Note	2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
		附註		
Operating activities	經營活動			
Profit before taxation	除稅前溢利		383,361	350,572
Adjustments for:	就以下各項調整：			
— Amortisation of lease prepayments	— 租賃預付款項攤銷	5(c)	310	186
— Depreciation	— 折舊	5(c)	70,519	57,075
— Finance costs	— 融資成本	5(a)	13,320	21,065
— Interest income	— 利息收入	4	(40,146)	(121,952)
— Dividend income	— 股息收入	4	(1,357)	—
— (Gain)/loss on disposal of property, plant and equipment	— 出售物業、廠房及設備(收益)/虧損		(8)	103
— Net realised and unrealised losses on financial assets at fair value through profit or loss	— 按公平值計入損益的財務資產已變現及未變現虧損淨額	4	1,997	—
— Foreign exchange gain/(loss)	— 外匯收益/(虧損)		3,771	(35,233)
Operating profit before changes in working capital	營運資金變動前經營溢利		431,767	271,816
(Increase)/decrease in inventories	存貨(增加)/減少		(8,135)	15,502
Decrease in trade and other receivables	應收貿易賬款及其他應收款項減少		12,059	30,882
Decrease in amounts due from related parties	應收關連方款項減少		—	84
Increase in trade and other payables	應付貿易賬款及其他應付款項增加		24,919	289
Cash generated from operations	經營業務產生的現金		460,610	318,573
PRC income tax paid	已付中國所得稅	23	—	(11,803)
Net cash generated from operating activities	經營活動所得現金淨額		460,610	306,770

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 December 2008 (Expressed in Renminbi)
截至二零零八年十二月三十一日止年度(以人民幣列示)

	Note	2008	2007
	附註	二零零八年	二零零七年
		'000	'000
		千元	千元
Investing activities	投資活動		
Payment for the purchase of property, plant and equipment	購置物業、廠房及設備所付的款項	(3,642)	(1,853)
Payment for construction in progress	支付在建工程款項	(249,634)	(17,678)
Payment for prepayment for the acquisition of plant and equipment	預付購買廠房及設備的款項	(110,880)	—
Payment for lease prepayments	租賃預付款項	(4,205)	(11,441)
Net payment for the purchase of trading securities	購買交易證券的款項淨額	(72,136)	—
Net cash received from financial assets at fair value through profit or loss	按公平值計入損益之財務資產的所得款項淨額	5,386	—
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	91	109
Interest received	已收利息	40,146	121,952
Dividends received from investment in securities	投資證券所得股息	1,357	—
Net cash (used in)/generated from investing activities	投資活動(所用)/所得現金淨額	(393,517)	91,089
Financing activities	融資活動		
Proceeds from loans from holding company	控股公司貸款所得款項	—	192,070
Proceeds from bank loans	銀行貸款所得款項	—	307,000
Repayment of bank loans	償還銀行貸款	(113,000)	(402,000)
Interest paid	已付利息	(13,320)	(21,065)
Payment for repurchase of shares	回購股份的款項	(24,674)	—
Dividends paid to equity shareholders of the Company	應付本公司權益持有人的股息	(143,190)	—
Decrease in amounts due from directors	應收董事款項減少	—	15
Decrease in amounts due to directors	應付董事款項減少	—	(194,491)
Proceeds from issuance of new issue under placing and public offering	透過配售及公開發售發行新股份所得款項	—	1,528,219
Payment of share issuing expenses	支付發行股份開支	—	(82,714)
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額	(294,184)	1,327,034

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 December 2008 (Expressed in Renminbi)
截至二零零八年十二月三十一日止年度(以人民幣列示)

		2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物 淨額(減少)/增加	(227,091)	1,724,893
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	1,792,158	67,265
Effect of foreign exchange rate changes	匯率變動的影響	(25,694)	—
Cash and cash equivalents at end of the year	年末現金及現金等價物	1,539,373	1,792,158

Note
附註

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Major non-cash transactions

- (i) On 16 April 2007, the Board of Directors (“the Board”) passed a resolution to capitalise an amount due to Boom Instant Limited (“Boom Instant”) of RMB191,258,000 by the allotment of 90,000,000 shares of HK\$0.1 each, credited as fully paid. Upon the issue of the said shares, the amount due to Boom Instant of RMB191,258,000 was extinguished and cancelled.
- (ii) Pursuant to the resolutions in writing of the then sole shareholder of the Company passed on 8 September 2007, the Company issued 650,000,000 shares of HK\$0.1 each. This issue was by way of the capitalisation of a sum of RMB62,900,000 standing to the credit of the share premium account of the Company.

主要非現金交易

- (i) 於二零零七年四月十六日，董事會（「董事會」）通過決議案透過配發90,000,000股每股面值0.1港元的入賬列作繳足股份，將應付Boom Instant Limited（「Boom Instant」）款項人民幣191,258,000元資本化。發行有關股份後，應付Boom Instant款項人民幣191,258,000元已償清及註銷。
- (ii) 根據本公司當時唯一股東於二零零七年九月八日通過的書面決議案，本公司發行650,000,000股每股面值0.1港元的股份。是次發行以將本公司股份溢價賬人民幣62,900,000元的進賬總額撥充資本的方式進行。

The notes on pages 100 to 194 form part of these financial statements.

於第100至194頁的附註構成此等財務報表的一部份。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

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.

Pursuant to a reorganisation (“the Reorganisation”) of the Group, the Company acquired the respective equity interests of entities previously under common control and became the holding company of the subsidiaries now comprising the Group in preparing for the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (“the Stock Exchange”). Details of the Reorganisation were set out in the prospectus of the Company dated 17 September 2007 (“the Prospectus”).

The shares of the Company were listed on the Stock Exchange on 2 October 2007.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with 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”).

1. 一般資料及呈列基準

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。

根據本集團之重組(「重組」)，本公司收購過往受共同控制實體之有關股本權益，成為現時組成本集團之附屬公司之控股公司，以籌備本公司之股份在香港聯合交易所有限公司(「聯交所」)主板上市。重組之詳情已載於本公司日期為二零零七年九月十七日之招股章程(「招股章程」)。

本公司之股份於二零零七年十月二日在聯交所上市。

2. 主要會計政策

(a) 合規聲明

此等財務報表乃按照國際財務報告準則(「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」)頒佈的所有適用的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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Statement of compliance (Continued)

These 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 Interpretations and an amendment to IFRSs that are first effective for the current accounting period of the Group and the Company. However, none of these developments are relevant to the Group's or the Company's operations. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 31).

(b) Basis of preparation

The consolidated financial statements for the year ended 31 December 2008 comprise the Company and its subsidiaries.

The financial statements are presented in Renminbi ("RMB"), rounded to the nearest thousand. The measurement basis used in the preparation of the financial statements is the historical cost basis except for financial instruments at fair value through profit or loss (see note 2(d)) which are stated at their fair values.

2. 主要會計政策(續)

(a) 合規聲明(續)

此等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。本集團所採納的主要會計政策概要載於下文。

國際會計準則委員會頒佈了若干於本集團及本公司現行會計期間首次生效的新詮釋及國際財務報告準則的修訂。然而，該等發展概不適用於本集團或本公司的業務。本集團並無應用任何於現行會計期間仍未生效的新準則或詮釋(見附註31)。

(b) 編製基準

截至二零零八年十二月三十一日止年度的綜合財務報表涉及本公司及其附屬公司。

財務報表以人民幣(「人民幣」)呈列，湊整至最接近千元計算。編製財務報表時使用的計量基準為歷史成本基準，惟按公平值計入損益的金融工具(見附註2(d))，則以其公平值呈列。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation (Continued)

The preparation of 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 financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 30.

2. 主要會計政策(續)

(b) 編製基準(續)

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

管理層會持續審閱各項估計和相關假設。倘若會計估計的修訂僅對作出修訂的期間產生影響，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產生影響，則在作出修訂的期間和未來期間確認。

有關管理層在採用國際財務報告準則時所作出對財務報表有重大影響的判斷，以及對極可能在下年度構成重大調整風險的估計的討論內容，載列於附註30。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

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 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 balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 2(i)).

(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的實體。倘本集團有權支配一間實體的財務和經營政策，並藉此從其業務中取得利益，本集團便被視為擁有該實體的控制權。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。

在本公司的資產負債表內，於附屬公司的投資按成本減除減值虧損列賬(見附註2(i))。

(ii) 綜合賬目時抵銷的交易

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

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Investments at fair value through profit or loss

A financial instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Net income from financial instruments designated at fair value through profit or loss comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, together with interest income and expense and dividend income attributable to those financial instruments.

Investments are recognised/derecognised on the date the Group/the Company commits to purchase/sell the investments or they expire.

2. 主要會計政策(續)

(d) 按公平值計入損益的投資

倘金融工具為持作買賣或擬於初始確認後作此用途，則分類為按公平值計入損益。倘本集團按金融工具的公平值進行該等投資或作出買賣決定，則金融工具指定按公平值計入損益。初始確認後，應佔交易成本於產生時於損益確認。按公平值計入損益的投資按公平值計量，其變動於損益確認。

指定按公平值計入損益金融工具的收入淨額包括該等金融資產及金融負債公平值變動的所有收益及虧損(扣除累計息票)、利息收入及開支，以及該等金融工具應佔的股息收入。

投資乃於本集團／本公司承諾購買／出售投資或其到期日確認／終止確認。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) 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(i)). Amortisation is charged to profit or loss on a straight-line basis over the respective periods of the leases.

(f) Property, plant and equipment

Property, plant and equipment is stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 2(i)).

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

2. 主要會計政策(續)

(e) 租賃預付款項

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

(f) 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(i))於資產負債表列賬。

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

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Property, plant and equipment

(Continued)

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

— Buildings	40 years
— Plant and machinery	10 — 20 years
— Motor vehicles	10 years
— Furniture and fixtures	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.

(g) Construction in progress

Construction in progress represents property, plant and equipment under construction and equipment pending installation, and is initially recognised in the balance sheet at cost less impairment losses (see note 2(i)). 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.

2. 主要會計政策(續)

(f) 物業、廠房及設備(續)

物業、廠房及設備項目的折舊是以直線法在以下其預計可使用年期內沖銷成本(已扣除其估計剩餘價值(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	2 — 10年
— 租賃裝修	整個租賃期間

本集團會每年審閱資產的可使用年限及其剩餘價值(如有)。

(g) 在建工程

在建工程是在建中的物業、廠房及設備，以及有待安裝的設備，並在資產負債表按成本減去減值虧損(見附註2(i))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。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Construction in progress (Continued)

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

(h) 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 instalments 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.

(i) Impairment of assets

(i) Impairment of trade and other receivables

Receivables that are stated at cost or amortised cost are reviewed at each balance sheet date 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:

2. 主要會計政策(續)

(g) 在建工程(續)

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。

(h) 經營租賃費用

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

(i) 資產減值

(i) 應收貿易賬款及其他應收款項的減值

本集團於每個結算日評估以成本或攤銷成本列賬的應收款項，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：

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

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

- 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.

2. 主要會計政策(續)

(i) 資產減值(續)

(i) 應收貿易賬款及其他應收款項的減值(續)

- 債務人有重大財務困難；
- 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。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

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

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

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

2. 主要會計政策(續)

(i) 資產減值(續)

(i) 應收貿易賬款及其他應收款項的減值(續)

倘有任何該等證據存在，任何減值虧損按資產賬面值與估計未來現金流量現值的差額釐定及確認，如貼現影響屬重大，則按金融資產原來實際利率(即初始確認資產時計算的實際利率)貼現。如按攤銷成本列賬的金融資產具備類似的風險特徵，例如類似的逾期情況及並未單獨被評估為減值，則有關的評估會同時進行。同時進行評估的金融資產的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的過往虧損情況一同減值。

倘減值虧損金額其後減少，且該等減少可客觀地與減值虧損確認後發生的事件聯繫，則減值虧損將在損益表撥回。減值虧損的撥回額不得導致資產的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的賬面值。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

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

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables included within trade and other receivables, the recovery of which 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)

(i) 資產減值(續)

(i) **應收貿易賬款及其他應收款項的減值(續)**

因包含在應收貿易賬款及其他應收款項中的應收貿易賬款的可收回性被視為難以預料而並非微乎其微，就其確認的減值虧損不會從相應的資產中直接撇銷。相反，就其他資產確認的減值虧損應從相應的資產中直接撇銷。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撇銷，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撇銷的金額的變動均計入損益表。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

(ii) Impairment of other assets

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

- investments in subsidiaries;
- lease prepayments;
- property, plant and equipment; and
- construction in progress.

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

2. 主要會計政策(續)

(i) 資產減值(續)

(ii) 其他資產減值

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

- 於附屬公司的投資；
- 租賃預付款項；
- 物業、廠房及設備；及
- 在建工程。

如果出現任何該等跡象，便會對資產的可收回金額作出估計。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) 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 net selling price 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 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).

2. 主要會計政策(續)

(i) 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售價淨額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。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

- Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever 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)

(i) 資產減值(續)

(ii) 其他資產減值(續)

- 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)

(i) 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 losses 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(i)(i) and (ii)).

2. 主要會計政策(續)

(i) 資產減值(續)

(ii) 其他資產減值(續)

- 減值虧損的撥回

倘若用作釐定資產可收回金額的估算出現正面的變動，則有關的減值虧損會被撥回。

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

(iii) 中期財務報告及減值

根據聯交所證券上市規則，本集團須按國際會計準則第34號就財政年度首六個月編製中期財務報告。於中期期間完結時，本集團採用與財政年度完結時相同的減值測試、確認及撥回原則(見附註2(i)(i)及(ii))。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) 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)

(j) 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，並包括所有採購成本、轉換成本及將存貨運至其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的估計成本及銷售所需的估計成本。

存貨出售時，該等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。因撇減任何存貨的任何撥回金額在撥回期間確認為列作支出的存貨量減少。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) 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(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(l) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(m) 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.

2. 主要會計政策(續)

(k) 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(i))入賬；惟倘應收款項乃給予關連方的無固定還款期免息貸款或其貼現影響並不重大者，則應收款項會按成本減去呆壞賬減值撥備入賬。

(l) 計息借款

計息借款初步按其公平值減應佔交易成本確認。於初始確認後，計息借款按攤銷成本列賬，而初始確認金額與贖回價值之間的差額及任何應付利息及費用，則於借款期間按實際利息法在損益表內確認。

(m) 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。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) 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.

(o) 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)

(n) 現金及現金等價物

現金及現金等價物包括銀行及其他財務機構存款及手頭現金、存放於銀行的活期存款，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。

(o) 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。若有相關的付款延遲及其影響重大，則該數額以其現值列賬。
- (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)

(o) Employee benefits (Continued)

- (iii) The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in capital reserve within equity. The fair value is measured at the 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.

2. 主要會計政策(續)

(o) 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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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(除另有所指外，以人民幣列示)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Employee benefits (Continued)

(iii) (Continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any 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 the 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)

(o) 僱員福利(續)

(iii) (續)

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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(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) 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 directly in equity, in which case they are recognised in equity.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, 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)

(p) 所得稅

- (i) 本年度所得稅包括即期稅項和遞延稅項資產與負債的變動。即期稅項和遞延稅項資產與負債的變動均在損益表內確認，但直接在權益中確認的相關項目，則確認為權益。
- (ii) 即期稅項是按本年度應課稅收入根據在結算日已生效或實質上已生效的稅率計算的預期應付所得稅，以及對過往年度應付所得稅的任何調整。
- (iii) 遞延稅項資產與負債分別由可扣稅和應課稅暫時差額產生。暫時差額是指資產與負債在財務報表上的賬面值與這些資產與負債的計稅基礎的差額。遞延稅項資產亦可由未使用稅項虧損和未使用稅款抵免產生。

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(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Income tax (Continued)

(iii) (Continued)

Apart from differences which arose on initial recognition of assets and liabilities, 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)

(p) 所得稅(續)

(iii) (續)

除於首次確認資產及負債所產生的差額外，所有遞延稅項負債及所有遞延稅項資產以只限於有可能產生未來應課稅溢利用作抵扣有關資產為限而會確認。支持確認由可抵扣暫時差額所產生遞延稅項資產的未來應課稅溢利，包括因轉回現有應課稅暫時差額而產生的金額，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的同一期間轉回，或在遞延稅項資產所產生的稅項虧損可承前或結轉的期間內轉回。在判斷現有應課稅暫時差額是否足以支持確認因未動用稅項虧損及抵免所產生的遞延稅項資產時，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的同一期間內轉回情況下始會計入有關差額。

NOTES TO THE FINANCIAL STATEMENTS

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) 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 balance sheet date. Deferred tax assets and liabilities are not discounted.

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

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

2. 主要會計政策(續)

(p) 所得稅(續)

(iii) (續)

所確認的遞延稅項金額按照各資產及負債的賬面值的預期變現或償還方式並根據在結算日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每一個結算日予以評估。倘預計不再可能獲得足夠的應課稅溢利用以抵銷相關稅務利益，則遞延稅項資產會相應地被減少至其預期可實現的金額。如可能有足夠應課稅溢利，該減少金額將被撥回。

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

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Income tax (Continued)

(iv) (Continued)

- 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)

(p) 所得稅(續)

(iv) (續)

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

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Provisions 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.

(r) Revenue recognition

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)

(q) 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。

(r) 收益確認

如果經濟利益可能流入本集團，而收益及成本(如適用)又能夠可靠地計算時，收益便會根據下列基準在損益表內確認：

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Revenue recognition (Continued)

(i) Sale 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.

(iii) Dividend income

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(s) Translation of foreign currencies

(i) Functional and presentation currency

Items included in the 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)

(r) 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。

(iii) 股息收入

上市投資的股息收入在此等股價轉為除息股價時確認。

(s) 外幣換算

(i) 功能及呈列貨幣

計入本集團各實體的財務報表的項目乃以最能反映相關事件及情況的經濟因素的貨幣(「功能貨幣」)計量。本公司及其中國以外附屬公司的功能貨幣為港元，而於中國的附屬公司的功能貨幣為人民幣。由於本集團主要於中國營運，故使用人民幣為本集團的呈列貨幣(「呈列貨幣」)。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Translation 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 balance sheet date. 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. Balance sheet items are translated into Renminbi at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity.

2. 主要會計政策(續)

(s) 外幣換算(續)

(ii) 交易及結餘

年內的外幣交易以交易日的匯率換算。以外幣計值的貨幣資產及負債均以結算日的匯率換算。匯兌盈虧於損益表內確認。

按歷史成本以外幣計值的非貨幣資產及負債，按交易日的匯率換算。

中國境外業務的業績按與交易日的相若匯率換算為人民幣。資產負債表項目則按結算日公佈的匯率換算為人民幣。所產生的匯兌差額於權益的獨立項目內直接確認。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Translation of foreign currencies

(Continued)

(ii) Transactions and balances

(Continued)

On disposal of an operation outside the PRC, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(t) Borrowing costs

Borrowing costs are expensed in profit or loss in the period in which they are incurred.

(u) 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) 外幣換算(續)

(ii) 交易及結餘(續)

出售中國境外業務時，在權益內確認並與該海外業務相關的匯兌差額累計金額在計算出售損益時包括在內。

(t) 借貸成本

借貸成本於產生期間在損益表列為開支。

(u) 研究及開發

研究活動開支於產生期間確認為開支。開發活動開支於產品或程序在技術及商業上變為可行，且本集團擁有足夠資源及有意完成開發時撥充資本。其他開發開支於產生期間確認為開支。過往確認為開支的開發成本不會於往後期間確認為資產。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Repair and maintenance expenditure

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

(w) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

2. 主要會計政策(續)

(v) 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。

(w) 關連方

就此等財務報表而言，如果符合任何下列一項，則被視為本集團的關連方：

- (i) 該方能夠透過一間或多間中介機構直接或間接控制本集團，或能對本集團的財務和經營決策行使重大影響力，或共同控制本集團；
- (ii) 本集團及該方受共同控制；
- (iii) 該方為本集團的聯營公司或以本集團為合營夥伴的合營企業；
- (iv) 該方為本集團或本集團母公司的主要管理人員或該主要管理人員的近親，或受該人士控制、共同控制或受其重大影響的實體；

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Related parties (Continued)

- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

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

(x) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group operates in a single business segment, the manufacturing and trading of decorative base paper products and printing paper product in the PRC. Accordingly, no segmental analysis is presented.

2. 主要會計政策(續)

(w) 關連方(續)

- (v) 該方為(i)所述人士的近親，或受該人士控制、共同控制或受其重大影響的實體；或
- (vi) 該方為本集團或本集團關連方的任何實體的僱員提供福利而設的離職後福利計劃。

個別人士的近親是指與該實體交易時預期可影響該個別人士或受該個別人士影響的家庭成員。

(x) 分部報告

分部是指本集團內可明顯劃分的組成部份，並且負責提供產品(業務分部)，或在特定的經濟環境中提供產品或服務(地區分部)。每個分部所涉及的風險和回報均與其他分部有別。

本集團經營單一業務分部，於中國製造及銷售裝飾原紙產品及印刷用紙產品。因此，本集團並無呈列分部分析。

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

Decorative base paper products	裝飾原紙產品
Printing paper product	印刷用紙產品

3. 營業額

本集團之主要業務為於中國從事製造及銷售裝飾原紙產品及印刷用紙產品。

營業額指已售貨品銷售額扣除退貨、折扣、增值稅及其他銷售稅，其可分析如下：

2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
1,225,220	868,267
271,140	257,257
1,496,360	1,125,524

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(除另有所指外，以人民幣列示)

4. OTHER REVENUE AND NET LOSS

4. 其他收益及虧損淨額

		2008	2007
		二零零八年	二零零七年
		'000	'000
		千元	千元
Other revenue	其他收益		
Interest income from banks	銀行利息收入	12,970	15,006
Interest income from subscription monies upon public offering	來自公開發售認購款項之利息收入	—	106,946
Other interest income	其他利息收入	27,176	—
Total interest income on financial assets not at fair value through profit or loss	非按公平值計入損益之財務資產利息總收入	40,146	121,952
Dividend income from listed securities	上市證券之股息收入	1,357	—
		41,503	121,952
Other net loss	其他虧損淨額		
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)/虧損	(8)	103
Net foreign exchange loss	外匯虧損淨額	452	524
Net realised and unrealised losses on financial assets at fair value through profit or loss	按公平值計入損益之財務資產已變現及未變現虧損淨額	1,997	—
		2,441	627

NOTES TO THE FINANCIAL STATEMENTS

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(除另有所指外，以人民幣列示)

5. PROFIT BEFORE TAXATION

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

5. 除稅前溢利

除稅前溢利已扣除/(計入)：

		2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
(a) Finance costs:	(a) 融資成本：		
Interest on financial liabilities not at fair value through profit or loss	非按公平值計入損益之財務負債利息		
— Interest on bank borrowings wholly repayable within five years	— 於五年內悉數償還之銀行借貸利息		
		13,320	21,065
(b) Staff costs: (including directors' remuneration (note 7))	(b) 員工成本：(包括董事薪酬(附註7))		
Contributions to defined contribution retirement plans	定額供款退休計劃供款	2,050	1,798
Salaries, wages and other benefits	薪金、工資及其他福利	29,898	25,645
		31,948	27,443

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(除另有所指外，以人民幣列示)

5. PROFIT BEFORE TAXATION (Continued)

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

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

5. 除稅前溢利(續)

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

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

除上文所述兩個計劃下的供款外，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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(除另有所指外，以人民幣列示)

5. PROFIT BEFORE TAXATION (Continued)

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

5. 除稅前溢利(續)

除稅前溢利已扣除/(計入): (續)

		2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
(c) Other items:	(c) 其他項目：		
Amortisation of lease prepayments	租賃預付款項攤銷	310	186
Auditors' remuneration	核數師酬金	1,128	1,212
Depreciation	折舊	70,519	57,075
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)/虧損	(8)	103
Operating lease charges in respect of:	有關之經營租賃費用：		
— leasehold land and properties	— 租賃土地及物業	1,918	960
— others	— 其他	150	121
Sewage disposal expenses	排污費	132	107
Research and development costs	研發成本	169	797

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(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

- (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) On 27 February 2008, the Financial Secretary of the Hong Kong SAR Government announced his budget which proposed a cut in profits tax rate from 17.5% to 16.5% with effect from the fiscal year 2008-09. No provision has been made for Hong Kong Profits Tax as the Group did not earn profits assessable to Hong Kong Profits Tax during the year.
- (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.

6. 綜合損益表內的所得稅

(a) 綜合損益表內的稅項為：

- (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) 於二零零八年二月二十七日，香港特別行政區政府財政司司長公佈其預算案，建議由二零零八至零九年財政年度把利得稅由17.5%調低至16.5%。於本年度，由於本集團並無賺取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。
- (iii) 山東群星紙業有限公司(「山東群星」)為外資企業，且獲批若干稅務寬減，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悉數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減免50%的中國所得稅稅率。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

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

(iii) (continued)

On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the PRC ("New Tax Law") which took effect on 1 January 2008. The PRC income tax rate is unified to 25% for all enterprises, except for small-scale enterprises earning small profits, where the tax rate is reduced to 20%.

Under the grandfathering treatments of the New Tax Law ("Grandfathering Treatments"), Shandong Qunxing, which has not fully utilised its five-year tax holiday upon implementation of the New Tax Law, is allowed to continue to receive a tax holiday during the five-year grandfathering period. Accordingly, Shandong Qunxing is exempted from PRC income tax for the two years starting 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.

6. 綜合損益表內的所得稅(續)

(a) 綜合損益表內的稅項為：(續)

(iii) (續)

於二零零七年三月十六日，第十屆全國人民代表大會五中全會通過中國企業所得稅法(「新稅法」)，新稅法於二零零八年一月一日生效。除了賺取小額溢利的小規模企業的所得稅稅率調低至20%外，所有企業的中國所得稅稅率一律統一為25%。

根據新稅法的稅務優惠過渡辦法(「稅務優惠過渡辦法」)，山東群星於實施新稅法時未完成享有其五年稅務優惠期，可於五年稅務優惠過渡期內繼續享有該稅務優惠期。因此，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%的減免稅率繳納中國所得稅。

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(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

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

(iii) (continued)

Under the New Tax Law, dividends received by foreign investors from their investments in foreign-invested enterprises are subject to withholding tax at a rate of 10% unless reduced by treaty. Under the tax treaty between Hong Kong and the PRC, the withholding tax rate for dividends received by a Hong Kong resident from investments in PRC enterprises is reduced from 10% to 5%, providing that the Hong Kong business holds at least 25% of the capital of the PRC enterprise. Pursuant to the Grandfathering Treatments, dividends receivable by the Group from Shandong Qunxing in respect of its undistributed profits prior to 31 December 2007 are exempted from the withholding tax. Dividends receivable by the Group from Shandong Qunxing in respect of its profits earned since 1 January 2008 will be subject to the withholding tax.

6. 綜合損益表內的所得稅(續)

(a) 綜合損益表內的稅項為：(續)

(iii) (續)

根據新稅法，除非獲條約減免，否則外國投資者投資於外資企業所獲派付的股息須按10%的稅率繳納預扣稅。根據香港與中國的稅務條款，香港居民於中國企業投資所得股息的預扣稅率由10%降至5%，惟該香港業務需持有中國企業不少於25%的資本。根據稅務優惠過渡辦法，本集團從山東群星就其二零零七年十二月三十一日前未分配溢利應收的股息可獲豁免繳納預扣稅。本集團從山東群星就其自二零零八年一月一日起所賺取的溢利應收的股息將須繳納預扣稅。

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(除另有所指外，以人民幣列示)

6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

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

6. 綜合損益表內的所得稅(續)

(b) 按適用稅率計算的稅項開支與會計溢利的對賬：

		2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
Profit before taxation	除稅前溢利	383,361	350,572
Income tax on profit before taxation, calculated at the tax rates applicable in the respective tax jurisdictions concerned	按相關稅務司法權區所適用稅率計算的除稅前溢利所得稅	96,882	97,267
Tax effect of tax concession period	稅務優惠期間的稅務影響	(100,001)	(78,021)
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	3,739	1,866
Tax effect of non-taxable income	毋須課稅收入的稅務影響	(620)	(21,112)
Actual tax expense	實際稅項開支	—	—

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(除另有所指外，以人民幣列示)

7. DIRECTORS' REMUNERATION

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

Year ended 31 December 2008

7. 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：

截至二零零八年十二月三十一日止年度

	Directors' fees 董事袍金 '000 千元	Basic salaries, allowances and other benefits in kind 基本薪金、津貼及其他福利 '000 千元	Contributions to retirement benefit scheme 退休福利計劃供款 '000 千元	Bonuses 花紅 '000 千元	Total 合計 '000 千元
Executive Directors 執行董事					
Dr. Zhu Yu Guo 朱玉國博士	641	—	—	—	641
Mr. Zhu Mo Qun 朱墨群先生	641	—	—	—	641
Mr. Sun Zhen Shui 孫振水先生	320	—	—	—	320
Non-executive Director 非執行董事					
Ms. Sun Rui Fang 孫瑞芳女士	64	—	—	—	64
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 鄺焜堂先生	160	—	—	—	160
Total 合計	2,040	—	—	—	2,040

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7. DIRECTORS' REMUNERATION

(Continued)

Year ended 31 December 2007

7. 董事酬金(續)

截至二零零七年十二月三十一日止年度

		Directors' fees 董事袍金	Basic salaries, allowances and other benefits in kind 基本薪金、津貼及其他福利	Contributions to retirement benefit scheme 退休福利計劃供款	Bonuses 花紅	Total 合計
		'000 千元	'000 千元	'000 千元	'000 千元	'000 千元
Executive Directors	執行董事					
Dr. Zhu Yu Guo	朱玉國博士	175	99	2	—	276
Mr. Zhu Mo Qun	朱墨群先生	175	80	2	—	257
Mr. Sun Zhen Shui	孫振水先生	88	—	—	—	88
Non-executive Director	非執行董事					
Ms. Sun Rui Fang	孫瑞芳女士	18	—	—	—	18
Independent non-executive Directors	獨立非執行董事					
Mr. Zhao Wei	趙偉先生	29	—	—	—	29
Mr. Wang Lu	王魯先生	29	—	—	—	29
Mr. Kwong Kwan Tong	鄺焜堂先生	44	—	—	—	44
Total	合計	558	179	4	—	741

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 8 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8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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8. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2007: three) were also Directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other three (2007: two) individuals are as follows:

Salaries and other emoluments	薪金及其他酬金
Discretionary bonuses	酌情花紅
Contribution to defined contribution retirement plan	定額供款退休金計劃供款

2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
1,709	1,037
—	—
32	23
1,741	1,060

The emoluments of the three individuals (2007: two) with the highest emoluments are within the following band:

HK\$0 to HK\$1,000,000	0港元至1,000,000港元
------------------------	-----------------

8. 最高薪酬人士

5名最高薪酬人士中有2名(二零零七年: 3名)亦為董事，彼等的酬金於附註7中披露。其他3名(二零零七年: 2名)最高薪酬人士的酬金總額如下：

3名(二零零七年: 2名)最高薪酬人士的酬金介乎以下範圍：

Number of individuals 人數	
2008 二零零八年	2007 二零零七年
3	2

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9. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a loss of RMB8,725,000 (2007: profit of RMB116,254,000) which has been dealt with in the financial statements of the Company.

10. DIVIDENDS

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

Interim dividend declared and paid of HK4.16 cents (equivalent to approximately RMB3.66 cents) per ordinary share (2007: Nil)	已宣派及派付之中期股息每股普通股4.16港仙(約相當於人民幣3.66分)(二零零七年：無)
Final dividend proposed after the balance sheet date of HK8.45 cents (equivalent to approximately RMB7.45 cents) per ordinary share (2007: HK11.28 cents per ordinary share) (equivalent to approximately RMB10.126 cents)	於結算日後建議派付之末期股息每股普通股8.45港仙(約相當於人民幣7.45分)(二零零七年：每股普通股11.28港仙(約相當於人民幣10.126分))

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

9. 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虧損人民幣8,725,000元(二零零七年：溢利人民幣116,254,000元)，並已於本公司財務報表內處理。

10. 股息

(a) 應付本公司權益持有人年內應佔股息

2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
38,018	—
76,990	105,172
115,008	105,172

於結算日後建議派付之末期股息並未確認為結算日之負債。

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(除另有所指外，以人民幣列示)

10. DIVIDENDS (Continued)

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

Final dividend in respect of the previous financial year, approved and paid during the year, of HK11.28 cents per ordinary share (equivalent to approximately RMB10.126 cents) (2007: Nil)

於年內批准及派付之上
一財政年度末期股息
每股普通股 11.28 港
仙(約相當於人民幣
10.126 分)(二零零七
年：無)

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**

2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
105,172	—

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11. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB383,361,000 (2007: RMB350,572,000) and the weighted average number of 1,038,273,000 (2007: 826,562,000) ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares

Issued ordinary shares at 1 January	於一月一日已發行普通股
Effect of shares issued on Reorganisation	重組時已發行股份的影響
Effect of shares issued under placing and public offering	透過配售及公開發售已發行股份的影響
Effect of shares repurchased	購回股份的影響
Weighted average number of ordinary shares at 31 December	於十二月三十一日普通股的加權平均數

There were no dilutive potential ordinary shares during the years presented and, therefore, diluted earnings per share is not presented.

11. 每股盈利

每股基本盈利

每股基本盈利乃根據本公司普通權益股東應佔溢利人民幣383,361,000元(二零零七年: 350,572,000元)，以及於本年度已發行普通股的加權平均數1,038,273,000股(二零零七年: 826,562,000股)計算，計算方式如下：

普通股的加權平均數

2008 二零零八年 '000 千股	2007 二零零七年 '000 千股
1,045,000	1,000
—	749,000
—	76,562
(6,727)	—
1,038,273	826,562

於呈報年度內，本公司並無潛在具有攤薄影響的普通股，故並無呈列每股攤薄盈利。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

12. PROPERTY, PLANT AND EQUIPMENT

(a) The Group

		Buildings	Leasehold improvements	Plant and machinery	Motor vehicles	Furniture and fixtures	Total
		樓宇	租賃裝修	廠房及機器	汽車	傢俬及裝置	合計
		'000	'000	'000	'000	'000	'000
		千元	千元	千元	千元	千元	千元
Cost:	成本:						
At 1 January 2007	於二零零七年一月一日	48,861	—	567,224	1,434	3,045	620,564
Additions	添置	180	—	284	824	565	1,853
Transfer from construction in progress (note 14)	轉撥自在建工程 (附註 14)	—	—	16,000	—	682	16,682
Disposals	出售	(108)	—	—	(30)	(142)	(280)
Exchange adjustments	匯兌調整	—	—	—	—	(4)	(4)
At 31 December 2007	於二零零七年十二月三十一日	48,933	—	583,508	2,228	4,146	638,815
At 1 January 2008	於二零零八年一月一日	48,933	—	583,508	2,228	4,146	638,815
Additions	添置	—	306	2,170	308	858	3,642
Transfer from construction in progress (note 14)	轉撥自在建工程 (附註 14)	13,180	189	153,604	—	120	167,093
Disposals	出售	—	—	—	(130)	(86)	(216)
Exchange adjustments	匯兌調整	—	(4)	—	—	(8)	(12)
At 31 December 2008	於二零零八年十二月三十一日	62,113	491	739,282	2,406	5,030	809,322
Accumulated depreciation:	累計折舊:						
At 1 January 2007	於二零零七年一月一日	3,935	—	114,653	517	1,683	120,788
Charge for the year	本年度折舊	1,161	—	55,445	185	284	57,075
Written back on disposals	出售時撥回	(20)	—	—	(12)	(36)	(68)
Exchange adjustments	匯兌調整	—	—	—	—	(1)	(1)
At 31 December 2007	於二零零七年十二月三十一日	5,076	—	170,098	690	1,930	177,794
At 1 January 2008	於二零零八年一月一日	5,076	—	170,098	690	1,930	177,794
Charge for the year	本年度折舊	1,450	258	68,188	216	407	70,519
Written back on disposals	出售時撥回	—	—	—	(107)	(26)	(133)
Exchange adjustments	匯兌調整	—	(2)	—	—	(2)	(4)
At 31 December 2008	於二零零八年十二月三十一日	6,526	256	238,286	799	2,309	248,176
Net book value:	賬面淨值:						
At 31 December 2007	於二零零七年十二月三十一日	43,857	—	413,410	1,538	2,216	461,021
At 31 December 2008	於二零零八年十二月三十一日	55,587	235	500,996	1,607	2,721	561,146

All of the Group's buildings are situated in the PRC.

本集團全部樓宇均位於中國。

NOTES TO THE FINANCIAL STATEMENTS

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(除另有所指外，以人民幣列示)

12. PROPERTY, PLANT AND EQUIPMENT

(Continued)

(a) The Group (continued)

During the year, the Group made a prepayment of RMB110,880,000 (2007: RMB Nil) to acquire plant and machinery. The remaining amount of the contract consideration is included in capital commitments (note 26(b)).

The following items of property, plant and equipment are pledged to secure certain bank loans (note 20) granted to the Group.

12. 物業、廠房及設備(續)

(a) 本集團(續)

年內，本集團就購置廠房及機器的預付款項為人民幣110,880,000元(二零零七年：人民幣零元)。餘下合約代價金額計入資本承擔(附註26(b))。

以下物業、廠房及設備的項目已被抵押，以為授予本集團的若干銀行貸款(附註20)提供擔保。

Net book value of pledged assets:

Plant and machinery

已抵押資產賬面淨值：

廠房及機器

The Group 本集團

2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
225,194	383,177

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

12. PROPERTY, PLANT AND EQUIPMENT

(Continued)

(b) The Company

		Leasehold improvements	Furniture and fixtures	Total
		租賃裝修	傢俬及裝置	合計
		'000	'000	'000
		千元	千元	千元
Cost:	成本:			
At 1 January 2007, 31 December 2007 and 1 January 2008	於二零零七年一月一日、 二零零七年十二月三十一日 及二零零八年一月一日	—	—	—
Additions	添置	306	480	786
Transfer from construction in progress (note 14)	轉撥自在建工程 (附註14)	189	—	189
Exchange adjustments	匯兌調整	(4)	(4)	(8)
At 31 December 2008	於二零零八年十二月三十一日	491	476	967
Accumulated depreciation:	累計折舊:			
At 1 January 2007, 31 December 2007 and 1 January 2008	於二零零七年一月一日、 二零零七年十二月三十一日 及二零零八年一月一日	—	—	—
Charge for the year	本年度折舊	258	116	374
Exchange adjustments	匯兌調整	(2)	(1)	(3)
At 31 December 2008	於二零零八年十二月三十一日	256	115	371
Net book value	賬面淨值:			
At 31 December 2007	於二零零七年十二月三十一日	—	—	—
At 31 December 2008	於二零零八年十二月三十一日	235	361	596

12. 物業、廠房及設備(續)

(b) 本公司

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

13. INTERESTS IN SUBSIDIARIES

13. 於附屬公司的權益

		The Company 本公司	
		2008 二零零八年 '000 千元	2007 二零零七年 '000 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	1,229,395	1,264,478
		1,230,391	1,265,474

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 balance sheet date and are, therefore, shown in the balance sheet 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將不會於結算日起計十二個月內償還，故於資產負債表內列為非流動。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

13. INTERESTS IN SUBSIDIARIES

(Continued)

Details of the subsidiaries at 31 December 2008 are set out below:

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 已發行及繳足資本詳情	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 shares of US\$1 each 100股每股面值1美元的股份	100%	—	Investment holding 投資控股
Best Known Group Limited 慧富集團有限公司(「慧富」)	Hong Kong 香港	100 ordinary shares of HK\$1 each 100股每股面值1港元的股份	—	100%	Investment holding 投資控股
Shandong Qunxing Paper Limited * 山東群星紙業有限公司*	PRC 中國	RMB1,294,000,000 人民幣1,294,000,000元	—	100%	Manufacture and sale of decorative base paper products and printing paper product 製造及銷售裝飾原紙產品及 印刷用紙產品

* This entity is a wholly foreign owned enterprise established in the PRC.

13. 於附屬公司的權益(續)

於二零零八年十二月三十一日附屬公司的詳情載列如下：

* 該實體為於中國成立的外商獨資企業。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

14. CONSTRUCTION IN PROGRESS

14. 在建工程

		The Group 本集團		The Company 本公司	
		2008 二零零八年 '000 千元	2007 二零零七年 '000 千元	2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
At 1 January	於一月一日	167,098	16,000	200	—
Additions	添置	316,066	167,780	—	200
Transfer to property, plant and equipment (note 12)	轉撥至物業、 廠房及設備 (附註 12)	(167,093)	(16,682)	(189)	—
Exchange adjustment	匯兌調整	(11)	—	(11)	—
At 31 December	於十二月三十一日	316,060	167,098	—	200

As at 31 December 2008, construction in progress comprises costs incurred on buildings and plant and machinery not yet completed at the balance sheet date.

於二零零八年十二月三十一日，在建工程包括於結算日尚未完成的樓宇與廠房及機器產生的成本。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

15. LEASE PREPAYMENTS

The Group

As at 31 December 2008

Cost:

At 1 January 2007

Additions

At 31 December 2007

At 1 January 2008

Additions

At 31 December 2008

Accumulated amortisation:

At 1 January 2007

Charge for the year

At 31 December 2007

At 1 January 2008

Charge for the year

At 31 December 2008

Net book value:

At 31 December 2007

At 31 December 2008

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

15. 租賃預付款項

本集團

As at 31 December 2008

成本：

於二零零七年一月一日

添置

於二零零七年十二月三十一日

於二零零八年一月一日

添置

於二零零八年十二月三十一日

累計攤銷：

於二零零七年一月一日

本年度攤銷

於二零零七年十二月三十一日

於二零零八年一月一日

本年度攤銷

於二零零八年十二月三十一日

賬面淨值：

於二零零七年十二月三十一日

於二零零八年十二月三十一日

租賃預付款項指於二零五三年屆滿的中國土地使用權的成本。

'000
千元

—

11,441

11,441

11,441

4,205

15,646

—

186

186

186

310

496

11,255

15,150

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

16. TRADING SECURITIES

16. 交易證券

		The Group 本集團		The Company 本公司	
		2008 二零零八年 '000 千元	2007 二零零七年 '000 千元	2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
Equity securities listed in Hong Kong, at market value	於香港上市的權益證券，按市值	64,753	—	28,058	—

17. INVENTORIES

17. 存貨

(a) Inventories in the consolidated balance sheet comprise:

(a) 綜合資產負債表內的存貨包括：

		The Group 本集團	
		2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
Raw materials and consumables	原材料及消耗品	26,932	19,316
Finished goods	製成品	16,690	16,171
		43,622	35,487

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

17. INVENTORIES (Continued)

- (b) An analysis of the amount of inventories recognised as an expense is as follows:

Carrying amount of inventories sold 已售存貨賬面值

17. 存貨(續)

- (b) 確認為開支的存貨金額分析如下：

The Group 本集團	
2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
1,090,844	842,055

18. TRADE AND OTHER RECEIVABLES

Trade receivables 應收貿易賬款
Prepayments, 預付款項、按金及
deposits and other 其他應收款項
receivables
Less: allowance for 減：呆壞賬撥備
doubtful debts

18. 應收貿易賬款及其他應收款項

The Group 本集團		The Company 本公司	
2008 二零零八年 '000 千元	2007 二零零七年 '000 千元	2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
37,795	50,297	—	—
1,049	606	481	313
—	—	—	—
38,844	50,903	481	313

All of the trade receivables are expected to be recovered within one year.

所有應收貿易賬款預期於一年內收回。

NOTES TO THE FINANCIAL STATEMENTS

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(除另有所指外，以人民幣列示)

18. 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 balance sheet date:

Current	即期
Less than one month past due	逾期少於一個月

(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(i)).

Based on past experience, the Group believes that no impairment allowance is necessary as there has not been a significant change in the credit quality of customers and the balances were considered fully recoverable. The Group has not held any collateral over these balances.

18. 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賬款於結算日的賬齡分析如下：

The Group	
本集團	
2008	2007
二零零八年	二零零七年
'000	'000
千元	千元
36,543	50,297
1,252	—
37,795	50,297

(b) 應收貿易賬款減值

就應收貿易賬款減值虧損而言，除非本集團相信日後收回該等款項的可能性很低，否則該減值虧損會於減值撥備中獲確認，倘可收回的可能性極低，有關的減值虧損將直接於應收貿易賬款中撇銷(見附註2(i))。

根據過往經驗，由於客戶的信貸質量並未出現重大變動，且認為餘額可悉數收回，故本集團相信無須作出減值撥備。本集團並未持有任何該等結餘的抵押品。

NOTES TO THE FINANCIAL STATEMENTS

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(除另有所指外，以人民幣列示)

19. CASH AND CASH EQUIVALENTS

19. 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2008 二零零八年 '000 千元	2007 二零零七年 '000 千元	2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
Deposits with banks	銀行存款	82,748	423,721	82,748	423,721
Cash at bank and other financial institutions and cash in hand	銀行及其他財務機構存款及手頭現金	1,456,625	1,368,437	78,623	15,224
Cash and cash equivalent in the balance sheet	於資產負債表的現金及現金等價物	1,539,373	1,792,158	161,371	438,945
Cash and cash equivalent in the consolidated cash flow statement	於綜合現金流量表的現金及現金等價物	1,539,373	1,792,158		

As at 31 December 2008, cash in hand and cash at banks in the PRC included in the cash and cash equivalents above amounted to RMB1,370,931,000 (2007: RMB1,350,771,000). Remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government.

於二零零八年十二月三十一日，手頭現金及存放於中國的銀行存款計入上述的現金及現金等價物為人民幣1,370,931,000元(二零零七年：人民幣1,350,771,000元)。將款項匯出中國受中國政府施行的外匯管制所限。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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(除另有所指外，以人民幣列示)

20. BANK LOANS

At 31 December 2008, the bank loans were repayable as follows:

Within one year	一年內
Over one year but within two years	超過一年但在兩年內

At 31 December 2008, the bank loans were secured as follows:

Secured bank loans:	有抵押銀行貸款：
— secured by property, plant and equipment (note 12)	— 以物業、廠房及設備抵押(附註12)

The bank loans as at 31 December 2008 were interest bearing at rates ranging from 8.54% to 8.95% per annum (2007: 7.23% to 8.95% per annum).

20. 銀行貸款

於二零零八年十二月三十一日，應予償還的銀行貸款情況如下：

The Group	
本集團	
2008	2007
二零零八年	二零零七年
'000	'000
千元	千元
124,000	30,000
—	207,000
124,000	237,000

於二零零八年十二月三十一日，銀行貸款的抵押情況如下：

The Group	
本集團	
2008	2007
二零零八年	二零零七年
'000	'000
千元	千元
124,000	237,000

於二零零八年十二月三十一日，銀行貸款的年利率介乎8.54%至8.95%（二零零七年：年利率介乎7.23%至8.95%）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

21. TRADE AND OTHER PAYABLES

		The Group 本集團		The Company 本公司	
		2008 二零零八年 '000 千元	2007 二零零七年 '000 千元	2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
Trade payables	應付貿易賬款	89,255	61,120	—	—
Other payables and accruals	其他應付款項及預 提費用	231,498	168,284	1,316	2,186
		320,753	229,404	1,316	2,186

Included in trade and other payables are trade payables with the following ageing analysis as of the balance sheet date. The credit period granted by suppliers generally is not more than 30 days.

Due within 30 days	30日內到期
--------------------	--------

All of the trade and other payables are expected to be settled within one year, except for retention monies payable in respect of the construction of the production lines of RMB8,339,000 as at 31 December 2007 which was expected to be settled after one year.

21. 應付貿易賬款及其他應付款項

		The Group 本集團		The Company 本公司	
		2008 二零零八年 '000 千元	2007 二零零七年 '000 千元	2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
Trade payables	應付貿易賬款	89,255	61,120	—	—
Other payables and accruals	其他應付款項及預 提費用	231,498	168,284	1,316	2,186
		320,753	229,404	1,316	2,186

包含在應付貿易賬款及其他應付賬款項中的應付貿易賬款於結算日賬齡分析如下。各供應商授予的信貸期一般不多於30日。

		The Group 本集團	
		2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
Due within 30 days	30日內到期	89,255	61,120

除就建造生產線於二零零七年十二月三十一日的應付保留款項人民幣8,339,000元預期於一年後償付外，所有應付貿易賬款及其他應付款項預期於一年內償付。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

22. AMOUNTS DUE TO SUBSIDIARIES

The amounts due to subsidiaries are unsecured, interest free and have no fixed terms of repayment.

22. 應付附屬公司款項

應付附屬公司款項為無抵押、免息及無固定還款期。

23. INCOME TAX IN THE CONSOLIDATED BALANCE SHEET

(a) Current taxation in the consolidated balance sheet represents:

23. 綜合資產負債表內的所得稅

(a) 綜合資產負債表內的即期稅項代表：

Balance of PRC income tax relating to prior years	過往年度中國所得稅結餘
PRC income tax paid	已繳付的中國所得稅
Income tax payable	應付所得稅

The Group 本集團	
2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
9,868	21,671
—	(11,803)
9,868	9,868

(b) Deferred tax liabilities not recognised

At 31 December 2008, temporary differences relating to the undistributed profits of the PRC subsidiary amounted to RMB354,826,000 (2007: Nil). Deferred tax liabilities of RMB17,741,000 (2007: Nil) 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.

(b) 未確認遞延稅項負債

於二零零八年十二月三十一日，有關中國附屬公司未分配溢利的暫時差異為人民幣354,826,000元(二零零七年：無)。由於本公司監控此附屬公司的股息政策及其已釐定有可能於可預見未來內將不會分配留存收益，故此並無就分配該等留存收益須支付的稅項確認遞延稅項負債人民幣17,741,000元(二零零七年：無)。

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(除另有所指外，以人民幣列示)

24. CAPITAL AND RESERVES

(a) The Group

		Share capital	Share premium	Capital reserve	Other reserve	Statutory reserve	Exchange reserve	Retained earnings	Total
		'000	'000	'000	'000	'000	'000	'000	'000
		千元	千元	千元	千元	千元	千元	千元	千元
At 1 January 2007	於二零零七年一月一日	102	—	129,900	(169,327)	51,884	4,884	71,395	88,838
Exchange differences on translation of financial statements of operations outside the PRC	換算中國境外業務的財務報表產生的匯兌差額	—	—	—	—	—	(34,424)	—	(34,424)
Arising on Reorganisation	重組時產生	897	—	—	(996)	—	—	—	(99)
Capitalisation issue	資本化發行	71,795	119,463	—	—	—	—	—	191,258
Capitalisation of reserves	儲備資本化	—	—	(129,900)	160,000	(30,100)	—	—	—
Shares issued under placing and public offering	透過配售及公開發售發行的股份	28,565	1,499,654	—	—	—	—	—	1,528,219
Share issuing expenses	發行股份開支	—	(82,714)	—	—	—	—	—	(82,714)
Net profit for the year	年度溢利淨額	—	—	—	—	—	—	350,572	350,572
Appropriation to statutory surplus reserve	分配至法定盈餘儲備	—	—	—	—	23,367	—	(23,367)	—
At 31 December 2007	於二零零七年十二月三十一日	101,359	1,536,403	—	(10,323)	45,151	(29,540)	398,600	2,041,650
At 1 January 2008	於二零零八年一月一日	101,359	1,536,403	—	(10,323)	45,151	(29,540)	398,600	2,041,650
Dividends approved in respect of the previous year	就過往年度批准的股息	—	—	—	—	—	—	(105,172)	(105,172)
Shares repurchased:	股份回購：								
— par value paid	- 已付面值	(1,101)	—	—	—	—	—	—	(1,101)
— premium paid	- 已付溢價	—	(23,573)	—	—	—	—	—	(23,573)
Exchange differences on translation of financial statements of operations outside the PRC	換算中國境外業務的財務報表產生的匯兌差額	—	—	—	—	—	(21,940)	—	(21,940)
Net profit for the year	年度溢利淨額	—	—	—	—	—	—	383,361	383,361
Appropriation to statutory surplus reserve	分配至法定盈餘儲備	—	—	—	—	39,425	—	(39,425)	—
Dividends declared in respect of the current year	就本年度宣派的股息	—	(38,018)	—	—	—	—	—	(38,018)
At 31 December 2008	於二零零八年十二月三十一日	100,258	1,474,812	—	(10,323)	84,576	(51,480)	637,364	2,235,207

24. 資本及儲備

(a) 本集團

		Share capital	Share premium	Capital reserve	Other reserve	Statutory reserve	Exchange reserve	Retained earnings	Total
		'000	'000	'000	'000	'000	'000	'000	'000
		千元	千元	千元	千元	千元	千元	千元	千元
At 1 January 2007	於二零零七年一月一日	102	—	129,900	(169,327)	51,884	4,884	71,395	88,838
Exchange differences on translation of financial statements of operations outside the PRC	換算中國境外業務的財務報表產生的匯兌差額	—	—	—	—	—	(34,424)	—	(34,424)
Arising on Reorganisation	重組時產生	897	—	—	(996)	—	—	—	(99)
Capitalisation issue	資本化發行	71,795	119,463	—	—	—	—	—	191,258
Capitalisation of reserves	儲備資本化	—	—	(129,900)	160,000	(30,100)	—	—	—
Shares issued under placing and public offering	透過配售及公開發售發行的股份	28,565	1,499,654	—	—	—	—	—	1,528,219
Share issuing expenses	發行股份開支	—	(82,714)	—	—	—	—	—	(82,714)
Net profit for the year	年度溢利淨額	—	—	—	—	—	—	350,572	350,572
Appropriation to statutory surplus reserve	分配至法定盈餘儲備	—	—	—	—	23,367	—	(23,367)	—
At 31 December 2007	於二零零七年十二月三十一日	101,359	1,536,403	—	(10,323)	45,151	(29,540)	398,600	2,041,650
At 1 January 2008	於二零零八年一月一日	101,359	1,536,403	—	(10,323)	45,151	(29,540)	398,600	2,041,650
Dividends approved in respect of the previous year	就過往年度批准的股息	—	—	—	—	—	—	(105,172)	(105,172)
Shares repurchased:	股份回購：								
— par value paid	- 已付面值	(1,101)	—	—	—	—	—	—	(1,101)
— premium paid	- 已付溢價	—	(23,573)	—	—	—	—	—	(23,573)
Exchange differences on translation of financial statements of operations outside the PRC	換算中國境外業務的財務報表產生的匯兌差額	—	—	—	—	—	(21,940)	—	(21,940)
Net profit for the year	年度溢利淨額	—	—	—	—	—	—	383,361	383,361
Appropriation to statutory surplus reserve	分配至法定盈餘儲備	—	—	—	—	39,425	—	(39,425)	—
Dividends declared in respect of the current year	就本年度宣派的股息	—	(38,018)	—	—	—	—	—	(38,018)
At 31 December 2008	於二零零八年十二月三十一日	100,258	1,474,812	—	(10,323)	84,576	(51,480)	637,364	2,235,207

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24. CAPITAL AND RESERVES (Continued)

(b) The Company

		Share capital	Share premium	Exchange reserve	(Accumulated losses)/ retained earnings (累計虧損)/留存收益	Total
		股本	股份溢價	匯兌儲備	留存收益	總計
		'000	'000	'000	'000	'000
		千元	千元	千元	千元	千元
At 1 January 2007	於二零零七年一月一日	102	—	(2)	(84)	16
Shares issued on Reorganisation	根據重組發行股份	897	—	—	—	897
Capitalisation issue	資本化發行	71,795	119,463	—	—	191,258
Shares issued under placing and public offering	根據配售及公開發售發行股份	28,565	1,499,654	—	—	1,528,219
Shares issuing expenses	發行股份開支	—	(82,714)	—	—	(82,714)
Exchange differences on translation of financial statements	換算財務報表產生的匯兌差額	—	—	(61,987)	—	(61,987)
Net profit for the year	年度溢利淨額	—	—	—	116,254	116,254
At 31 December 2007	於二零零七年十二月三十一日	101,359	1,536,403	(61,989)	116,170	1,691,943
At 1 January 2008	於二零零八年一月一日	101,359	1,536,403	(61,989)	116,170	1,691,943
Dividends approved in respect of the previous year	就過往年度批准的股息	—	—	—	(105,172)	(105,172)
Shares repurchased:	股份回購：					
— par value paid	— 已付面值	(1,101)	—	—	—	(1,101)
— premium paid	— 已付溢價	—	(23,573)	—	—	(23,573)
Exchange differences on translation of financial statements	換算財務報表產生的匯兌差額	—	—	(95,835)	—	(95,835)
Net loss for the year	年度虧損淨額	—	—	—	(8,725)	(8,725)
Dividends declared in respect of the current year	就本年度宣派的股息	—	(38,018)	—	—	(38,018)
At 31 December 2008	於二零零八年十二月三十一日	100,258	1,474,812	(157,824)	2,273	1,419,519

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24. CAPITAL AND RESERVES (Continued)

(c) Authorised and issued share capital

Authorised:	法定：
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股

24. 資本及儲備(續)

(c) 法定及已發行股本

2008 二零零八年		2007 二零零七年	
Number of shares 股份數目 (<i>'000</i>) (千股)	<i>'000</i> 千元	Number of shares 股份數目 (<i>'000</i>) (千股)	<i>'000</i> 千元
10,000,000	1,000,000	10,000,000	1,000,000

	Notes 附註	Number of shares 股份數目 (<i>'000</i>) (千股)	<i>'000</i> 千元
Ordinary shares issued and fully paid:	已發行及繳足普通股：		
At 1 January 2007	於二零零七年一月一日	1,000	102
Shares issued on Reorganisation	根據重組發行股份 (i)(a)	9,000	897
Capitalisation issue in April 2007	於二零零七年四月資本化發行 (i)(b)	90,000	8,895
Capitalisation issue upon listing	上市時的資本化發行 (ii)	650,000	62,900
Shares issued under placing and public offering	根據配售及公開發售發行股份 (iii)	295,000	28,565
At 31 December 2007	於二零零七年十二月三十一日	1,045,000	101,359
At 1 January 2008 Shares repurchased	於二零零八年一月一日 股份回購 (iv)	1,045,000 (12,200)	101,359 (1,101)
At 31 December 2008	於二零零八年十二月三十一日	1,032,800	100,258

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(除另有所指外，以人民幣列示)

24. CAPITAL AND RESERVES (Continued)

(c) Authorised and issued share capital (Continued)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(i) Shares issue on Reorganisation

- (a) On 29 January 2007, the Company acquired the entire share capital of Double Nation from the holding company, Boom Instant, for a consideration of RMB996,000. The acquisition was satisfied by a waiver of an amount due from Boom Instant of RMB99,000 and the allotment of 9,000,000 shares of HK\$0.1 each. The difference between the nominal value of the shares acquired and the acquisition consideration was treated as an equity movement and recorded in "Other reserve".

24. 資本及儲備(續)

(c) 法定及已發行股本(續)

普通股持有人有權收取不時宣派的股息，並有權於本公司會議上按每股一票的比例投票。就本公司餘下資產而言，所有普通股均享有同等地位。

(i) 根據重組發行股份

- (a) 二零零七年一月二十九日，本公司向控股公司Boom Instant收購Double Nation的全部股本，代價為人民幣996,000元。該收購是以豁免應收Boom Instant人民幣99,000元及配發9,000,000股每股面值0.1港元的股份來支付。而被收購股份的面值與收購代價的差額被視為權益變動，並記錄在「其他儲備」內。

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24. CAPITAL AND RESERVES (Continued)

(c) Authorised and issued share capital

(Continued)

(i) Shares issue on Reorganisation

(Continued)

(b) Pursuant to the written resolutions of the Board passed on 16 April 2007, an amount due to Boom Instant of RMB191,258,000 was capitalised by the allotment of 90,000,000 shares of HK\$0.1 each, credited as fully paid.

(ii) Capitalisation issue upon listing

Pursuant to the resolutions in writing of the then sole shareholder of the Company passed on 8 September 2007, the Company issued 650,000,000 shares of HK\$0.1 each. This issue was by way of the capitalisation of a sum of RMB62,900,000 standing to the credit of the share premium account of the Company.

24. 資本及儲備(續)

(c) 法定及已發行股本(續)

(i) 根據重組發行股份(續)

(b) 根據董事會於二零零七年四月十六日通過的一項書面決議案，應付予 Boom Instant 人民幣 191,258,000 元的款項透過配發 90,000,000 股每股面值 0.1 港元的入賬列作繳足股份而資本化。

(ii) 上市時的資本化發行

根據本公司當時唯一股東於二零零七年九月八日通過的書面決議案，本公司發行 650,000,000 股每股面值 0.1 港元的普通股。是次發行透過將本公司股份溢價賬的進賬人民幣 62,900,000 元資本化而進行。

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(除另有所指外，以人民幣列示)

24. CAPITAL AND RESERVES (Continued)

(c) Authorised and issued share capital (Continued)

(iii) Shares issued under placing and public offering

On 27 September 2007 and 28 September 2007, an additional 100,000,000 ordinary shares and 150,000,000 ordinary shares of HK\$0.1 each were issued and offered for subscription at a price of HK\$5.35 each upon the listing of the shares of the Company on the Stock Exchange. On 2 October 2007, an additional 45,000,000 ordinary shares of HK\$0.1 each were issued and offered at a price of HK\$5.35 each for subscription under the over-allotment option. The proceeds of RMB28,565,000, representing the par value, were credited to the Company's share capital. The remaining proceeds of approximately RMB1,499,654,000, after deducting share issuing expenses of RMB82,714,000, were credited to share premium account.

24. 資本及儲備(續)

(c) 法定及已發行股本(續)

(iii) 根據配售及公開發售發行 股份

於二零零七年九月二十七日及二零零七年九月二十八日，於本公司在聯交所上市時額外按每股5.35港元價格發行及發售每股面值0.1港元的100,000,000股普通股及150,000,000股普通股以供認購。於二零零七年十月二日，根據超額配股權按每股5.35港元的價格額外發售45,000,000股每股面值0.1港元的普通股以供認購。所得款項人民幣28,565,000元(相等於面值)已計入本公司股本內。餘下所得款項約人民幣1,499,654,000元，經扣除股份發行開支人民幣82,714,000元後，已計入股份溢價賬。

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(除另有所指外，以人民幣列示)

24. CAPITAL AND RESERVES (Continued)

(c) Authorised and issued share capital

(Continued)

(iv) Shares repurchased

During the year, the Company repurchased its own shares on the Stock Exchange as follows:

Month/year	月/年	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate consideration paid
		購回股份數目	每股已付最高金額	每股已付最低金額	代價總額
			HK\$	HK\$	HK\$'000
			港元	港元	千港元
January 2008	二零零八年一月	3,990,000	3.02	2.80	11,898
February 2008	二零零八年二月	2,391,000	3.41	2.99	7,561
September 2008	二零零八年九月	269,000	2.98	2.85	792
October 2008	二零零八年十月	2,492,000	1.37	1.00	2,850
November 2008	二零零八年十一月	2,867,000	1.40	1.05	3,640
December 2008	二零零八年十二月	191,000	1.25	1.18	229
		12,200,000			26,970

The repurchased shares were cancelled and, accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. The premium paid, before expenses, on the repurchase of the shares of HK\$25,750,000 (equivalent to RMB23,456,000) was charged to the share premium account.

24. 資本及儲備(續)

(c) 法定及已發行股本(續)

(iv) 股份回購

年內，本公司於聯交所購回其股份的情況如下：

購回股份已註銷，因此，本公司的已發行股本減少的數額等同於該等股份的面值。購回股份已付溢價(扣除開支前)25,750,000港元(相當於人民幣23,456,000元)，乃計入股份溢價賬。

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(除另有所指外，以人民幣列示)

24. CAPITAL AND RESERVES (Continued)

(d) 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 2008, an interim dividend of RMB38,018,000 (2007: Nil) was paid out from the share premium account.

(ii) Capital reserve

Upon completion of capital verification on 13 February 2007, the registered capital of Shandong Qunxing was increased from RMB30,000,000 to RMB190,000,000 by capitalisation of the capital and statutory surplus reserve of RMB129,900,000 and RMB30,100,000 respectively pursuant to a board resolution dated 12 February 2007. The increase in registered capital of Shandong Qunxing is treated as an equity movement and recorded in "Other reserve".

24. 資本及儲備(續)

(d) 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其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方式分派。於截至二零零八年十二月三十一日止年度，自股份溢價賬支付的中期股息為人民幣38,018,000元(二零零七年：無)。

(ii) 股本儲備

於二零零七年二月十三日核資完成後，根據於二零零七年二月十二日的董事會決議案，山東群星藉將分別為人民幣129,900,000元的資本儲備及人民幣30,100,000元的法定盈餘儲備資本化，把註冊資本由人民幣30,000,000元增至人民幣190,000,000元，山東群星註冊資本的增加被視為權益變動，並記錄在「其他儲備」內。

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24. CAPITAL AND RESERVES (Continued)

(d) Nature and purpose of reserves

(Continued)

(iii) Statutory surplus reserves

Transfers from retained profits to the statutory surplus reserves were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiary incorporated in the PRC and were approved by its board of directors.

The PRC subsidiary is required to appropriate 10% of its net profit, as determined in accordance with the PRC accounting rules and regulations, to the statutory 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.

(iv) 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(s).

24. 資本及儲備(續)

(d) 儲備性質及目的(續)

(iii) 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，並已獲得其董事會批准。

中國附屬公司須根據中國會計規則及法規將其溢利淨額的10%轉撥至法定盈餘儲備，直至該儲備的結餘達至註冊資本的50%為止。本集團須在向股東分派股息前轉撥至此儲備。

(iv) 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(s)所載的會計政策處理。

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(除另有所指外，以人民幣列示)

24. CAPITAL AND RESERVES (Continued)

(d) Nature and purpose of reserves

(Continued)

(v) Distributability of reserves

At 31 December 2008, the aggregate amount of reserves available for distribution to equity shareholders of the Company, including the distributable amounts disclosed in note 24(d)(i) was RMB1,477,085,000 (2007: RMB1,652,573,000).

(e) 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.

24. 資本及儲備(續)

(d) 儲備性質及目的

(續)

(v) 可供分派儲備

於二零零八年十二月三十一日，可供分派予本公司權益持有人的儲備總額，包括在附註24(d)(i)所披露的可分派金額為人民幣1,477,085,000元(二零零七年：人民幣1,652,573,000元)。

(e) 資本管理

本集團管理資本的主要目標是保障本集團繼續以持續經營方式營運的能力，以使其能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的基準，監察其資本結構。此比率根據本集團銀行借貸總額除以資產總值計算。

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24. CAPITAL AND RESERVES (Continued)

(e) Capital management (Continued)

The gearing ratios as at 31 December 2007 and 2008 are as follows:

Total borrowings	借貸總額
— short-term bank loans	— 短期銀行貸款
— long-term bank loans	— 長期銀行貸款
Total bank borrowings	銀行借貸總額
Total assets	資產總額
Gearing ratio	資產負債比率

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

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate, commodity price and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from equity investments in other entities classified as trading securities.

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.

24. 資本及儲備(續)

(e) 資本管理(續)

於二零零七年及二零零八年十二月三十一日，資產負債比率概述如下：

2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
124,000	30,000
—	207,000
124,000	237,000
2,689,828	2,517,922
4.6%	9.4%

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。

25. 金融風險管理及公平值

本集團日常業務過程中須承擔信貸風險、流動資金風險、利率風險、商品價格風險及外匯風險。本集團亦面對於其他實體分類為買賣證券的投資而產生的股權價格風險。

本集團面對的該等風險，以及本集團所採納以應對該等風險的金融風險管理政策及慣例概述如下。

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25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk

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

During the year, the Group entered into contractual lending arrangement with third parties which exposed the Group to credit risk if the counterparties fail to meet their repayment obligations. As at 31 December 2008, the Group was not exposed to this kind of credit risk.

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 3 to 20 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.

25. 金融風險管理及公平值(續)

(a) 信貸風險

本集團的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。

年內，本集團與第三方訂立合約貸款安排，倘對手方未能完成其還款責任，則本集團將面對信貸風險。於二零零八年十二月三十一日，本集團並無面對此類信貸風險。

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3至20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。

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

(a) Credit risk (Continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the balance sheet date, 40% (2007: 35%) and 53% (2007: 49%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

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

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

25. 金融風險管理及公平值(續)

(a) 信貸風險(續)

本集團的信貸風險受各個客戶的不同情況所影響，而非客戶經營的行業或國家，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。於結算日，本集團最大及五大客戶的應收貿易賬款分別佔本集團應收貿易賬款總額的40% (二零零七年：35%)及53% (二零零七年：49%)。

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

最高信貸風險指綜合資產負債表內各金融資產的賬面值。本集團並無提供任何令本集團面臨信貸風險的金融擔保。

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25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk

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

25. 金融風險管理及公平值(續)

(b) 流動資金風險

集團內獨立經營實體負責其本身的現金管理，包括現金盈餘的短期投資，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。本集團的政策是盡量確保隨時具備足夠流動資金應付到期的負債，令本集團無須承擔不能接受的虧損或損害聲譽。

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25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk (Continued)

The following table details the remaining contractual maturities at the balance sheet date of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates) and the earliest date the Group and the Company can be required to pay:

The Group

		2008 二零零八年			
		Contractual undiscounted cash outflow 已訂約而未貼現現金流出			
		More than		Balance sheet carrying amount 資產負債表賬面值	
		1 year	2 years		
		Within 1 year or on demand	1 year but within 2 years	Total	
		一年內或按 要求還款	一年後 但不足兩年	總額	
		'000 千元	'000 千元	'000 千元	'000 千元
Trade and other payables	應付貿易賬款及 其他應付款項	(320,753)	—	(320,753)	320,753
Bank loans	銀行貸款	(127,843)	—	(127,843)	124,000

25. 金融風險管理及公平值(續)

(b) 流動資金風險(續)

下表詳列於本集團於結算日餘下受契約規管的到期款項及本公司的金融負債，乃基於合約未貼現現金流量(包括按合約利率計算的應付利息)及本集團及本公司須付款的最早日期：

本集團

		2007 二零零七年			
		Contractual undiscounted cash outflow 已訂約而未貼現現金流出			
		More than		Balance sheet carrying amount 資產負債表賬面值	
		1 year	2 years		
		Within 1 year or on demand	1 year but within 2 years	Total	
		一年內或按 要求還款	一年後 但不足兩年	總額	
		'000 千元	'000 千元	'000 千元	'000 千元
		(229,404)	—	(229,404)	229,404
		(47,191)	(213,181)	(260,372)	237,000

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25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk (Continued)

The Company

2008 二零零八年		
Contractual undiscounted cash outflow 已訂約而未貼現現金流出		
Within 1 year or on demand 一年內或 按要求還款	Balance sheet carrying amount 資產負債表 總額	Total amount 賬面值
'000 千元	'000 千元	'000 千元
Other payables and accruals 其他應付款項及預提費用	(1,316)	1,316

25. 金融風險管理及公平值(續)

(b) 流動資金風險(續)

本公司

2008 二零零八年			2007 二零零七年		
Contractual undiscounted cash outflow 已訂約而未貼現現金流出			Contractual undiscounted cash outflow 已訂約而未貼現現金流出		
Within 1 year or on demand 一年內或 按要求還款	Balance sheet carrying amount 資產負債表 總額	Total amount 賬面值	Within 1 year or on demand 一年內或 按要求還款	Total amount 賬面值	Total amount 賬面值
'000 千元	'000 千元	'000 千元	'000 千元	'000 千元	'000 千元
Other payables and accruals 其他應付款項及預提費用	(1,316)	1,316	(2,186)	(2,186)	2,186

(c) Interest rate risk

The interest rates and maturity information of the Group's bank loans are disclosed in note 20. 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. The Group does not account for any fixed rate financial liabilities at fair value through profit or loss and the Group does not use derivative financial instruments to hedge its debts obligations. All of the bank loans of the Group are fixed rate instruments and are insensitive to any change in market interest rates. A change in interest rates at the balance sheet date would not affect profit or loss.

(c) 利率風險

有關本集團銀行貸款的利率及到期日資料於附註20披露。本集團管理其利率風險的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。本集團並無就按公平值計入損益的任何定息財務負債列賬且本集團亦無使用衍生金融工具對沖其債務責任。本集團所有銀行貸款均為固定利率工具，而且對市場利率之任何變動並不敏感。於結算日的息率變動不會影響損益。

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25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(c) Interest rate risk (Continued)

Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the balance sheet date.

Fixed rate borrowings: 定息借貸:

Bank loans 銀行貸款

25. 金融風險管理及公平值(續)

(c) 利率風險(續)

利率概況

下表顯示本集團借貸於結算日的利率概況：

The Group 本集團

2008 二零零八年		2007 二零零七年	
Effective interest rate	Amount	Effective interest rate	Amount
實際利率	金額	實際利率	金額
%	'000 千元	%	'000 千元
8.77	124,000	8.18	237,000

(d) Business risk

The Group's sales of printing paper product are principally to one customer. Although the Group has entered into a co-operative agreement with this customer, there can be no assurance that this customer will continue to purchase from the Group as and when needed. In the event that this customer ceased purchasing printing paper product from the Group and the Group could not secure orders from other customers, the Group's turnover and profitability would be adversely affected.

(d) 業務風險

本集團主要向一名客戶銷售印刷用紙產品。儘管本集團已與該名客戶訂立合作協議，惟未能確保於需要時該客戶將繼續向本集團採購。倘此客戶不再向本集團採購印刷用紙產品，而本集團未能向其他客戶取得訂單，則將對本集團的營業額及盈利能力造成不利影響。

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25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Business risk (Continued)

The Group's purchases of raw materials are primarily from several major suppliers. The Group has a certain concentration of business risk as 75% (2007: 76%) 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 included 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.

25. 金融風險管理及公平值(續)

(d) 業務風險(續)

本集團集中向若干主要供應商採購原材料。由於本集團向五大供應商採購的採購額佔總採購額的75%(二零零七年:76%)故本集團有一定程度的業務風險集中。倘本集團未能向供應商採購足夠數量的材料，且未能物色其他來源，則會對本集團的營業額及盈利能力造成不利影響。

(e) 商品價格風險

於生產本集團的產品時所採用的主要原材料包括木漿及鈦白粉。本集團因受木漿及鈦白粉的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的供求情況而定。木漿及鈦白粉的價格波動可對本集團的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的潛在變動。

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25. 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.

During the year, the Group's investments in financial assets at fair value through profit or loss exposed the Group to the fluctuation of the exchange rates of the underlying foreign currency. As at 31 December 2008, the Group was not exposed to this kind of foreign currency risk.

(g) Equity price risk

The Group is exposed to equity price changes primarily arising from its investments.

During the year, the Group's investments in financial assets at fair value through profit or loss exposed the Group to the fluctuation of equity price of the underlying securities. As at 31 December 2008, the Group was exposed to equity price changes primarily arising from equity investments classified as trading securities (see note 16). All of these trading securities are listed.

25. 金融風險管理及公平值(續)

(f) 外匯風險

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

年內，本集團於按公平值計入損益的金融資產的投資令本集團面對相關外幣的匯率波動。於二零零八年十二月三十一日，本集團並無面臨此類外匯風險。

(g) 權益價格風險

本集團面對的權益價格變動主要因其投資產生。

年內，本集團於按公平值計入損益的金融資產的投資令本集團面對相關證券權益價格波動。於二零零八年十二月三十一日，本集團主要面對因分類為交易證券的權益投資所產生的權益價格變動(見附註16)。所有此等交易證券均已上市。

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25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(g) Equity price risk (Continued)

The Group's listed investments are listed on the Stock Exchange and some of them are included in the Hang Seng Index. The decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Hang Seng Index and other indicators, as well as the Group's liquidity needs.

The following table indicates the approximate change in the Group's profit after tax and retained profits in response to a reasonably possible change in the Hang Seng Index. Other components of equity would not be affected by changes in the stock market index.

The Group

Stock market index in respect of listed investments: 上市投資的股市指數:

— Hang Seng Index — 恆生指數

25. 金融風險管理及公平值(續)

(g) 權益價格風險(續)

本集團的上市投資乃於聯交所上市，當中部份納入恆生指數。買賣交易證券的決定乃按個別證券表現的日常監察對比恆生指數及其他指數，以及本集團的流動資金需求後達致。

下表列示就恆生指數的合理可能變動，本集團除稅後溢利及留存溢利的概約變動。權益的其他組成部份將不會受股市指數變動所影響。

本集團

2008 二零零八年	
Increase/ (decrease) in the relevant risk variable 相關風險 變數增加/ (減少)	Effect on profit after tax and retained profits 對除稅後 溢利及留存 溢利的影響
	'000 千元
10%	5,602
(10)%	(5,602)

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25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(g) Equity price risk (Continued)

The sensitivity analysis has been determined assuming that the reasonably possible change in the stock market index had occurred at the balance sheet date and had been applied to the exposure to equity price risk in existence at that date. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index over the period until the next annual balance sheet date.

(h) Fair values

As stated in notes 13 and 22, the balances with subsidiaries are interest-free and have no fixed repayments terms. Given these terms it is not meaningful to disclose their fair values. All other financial assets and liabilities are carried at amounts not materially different from their fair values as at 31 December 2007 and 2008.

(i) Estimation of fair value

(i) Securities

The fair value of equity securities is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

25. 金融風險管理及公平值(續)

(g) 權益價格風險(續)

敏感度分析乃按股市指數於結算日的合理可能變動的假設作出，且已應用於該日存在的權益價格風險。其亦假設本集團權益投資的公平值將根據相關股市指數的歷史相關性而出現變動，而所有其他變數維持不變。所載變動乃管理層就相關股市指數於期內至下一年度結算日的合理可能變化的評估。

(h) 公平值

如附註13及22所述，與附屬公司之結餘為免息及無固定還款期。根據有關條款，披露其公平值並無意義。所有其他金融資產及負債的賬面值與其於二零零七年及二零零八年十二月三十一日的公平值無重大差異。

(i) 公平值的估算

(i) 證券

權益證券的公平值乃按結算日未經扣減任何交易成本的市場報價釐定。

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25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(i) Estimation of fair value (Continued)

(ii) Interest-bearing loans and borrowings

The fair value is estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments.

26. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Operating leases

At 31 December 2008, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Within one year	一年內
After one year but within five years	一年後但在五年內
After five years	五年以上

25. 金融風險管理及公平值(續)

(i) 公平值的估算(續)

(ii) 計息貸款及借貸

公平值乃按未來現金流量的現值及類似金融工具的已貼現現時市場利率估計。

26. 承擔及或然負債

(a) 經營租賃

於二零零八年十二月三十一日，根據不可撤銷的經營租賃在日後應付的經營租賃費用總額如下：

The Group 本集團	
2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
2,850	997
8,313	1,253
88,378	2,280
99,541	4,530

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26. COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

(a) Operating leases (Continued)

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 are renegotiated every five years to reflect market rentals. None of the lease includes contingent rentals.

(b) Capital commitments

Capital commitments outstanding at 31 December 2008 not provided for in the financial statements were as follows:

Contracted for	已訂約
Authorised but not contracted for	已獲授權但未訂約

As at 31 December 2008, the Group was committed to certain construction contracts for the acquisition of plant and machinery and buildings.

26. 承擔及或然負債(續)

(a) 經營租賃(續)

本集團是為以經營租賃形式租賃土地及物業的承租人。該等租賃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。租賃土地的租賃款項每五年重新磋商，以反映市場租金。所有租賃不包括或然租金。

(b) 資本承擔

於二零零八年十二月三十一日尚未償付且未在財務報表作出撥備的資本承擔如下：

The Group 本集團		The Company 本公司	
2008 二零零八年 '000 千元	2007 二零零七年 '000 千元	2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
274,560	654	—	374
400,000	1,120,000	—	—
674,560	1,120,654	—	374

於二零零八年十二月三十一日，本集團承擔若干購置廠房、機器及物業的建設合約。

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26. COMMITMENTS AND CONTINGENT LIABILITIES (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.

26. 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，且現時並無涉及任何環境修復事件。因此，本集團未就任何與其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應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。這些不確定因素包括(i)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，而有關負債可能屬重大。

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26. COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

(d) Financial guarantee issued

During the year, the Company had issued a single guarantee to a bank in respect of a banking facility granted to a wholly-owned subsidiary, which expired in March 2009. As at 31 December 2008, the bank facility was not drawn down by the subsidiary.

The Company has not recognised any deferred income in respect of the above guarantee as its fair value cannot be reliably measured.

26. 承擔及或然負債(續)

(d) 已發行金融擔保

年內，本公司已向銀行就授予全資附屬公司之銀行融資發行單一擔保，擔保於二零零九年三月到期。於二零零八年十二月三十一日，附屬公司並無悉數使用銀行融資。

本公司並無就上述擔保確認任何遞延收入，原因乃為其公平值無法可靠地計量。

27. MATERIAL RELATED PARTY TRANSACTIONS

During the years ended 31 December 2007 and 2008, transactions with the following parties are considered to be related party transactions:

Name of related party 關連方名稱

Relationship 關係

Boom Instant Limited (“Boom Instant”)

Effectively 70% owned by Dr. Zhu Yu Guo, 20% by Mr. Zhu Mo Qun, 10% by Ms. Sun Rui Fang, the Directors
董事朱玉國博士、朱墨群先生及孫瑞芳女士分別實際擁有70%、20%及10%權益

Shandong Changxing Group Limited* (“SD Changxing”)
山東長星集團有限公司(「山東長星」)

Effectively 55% owned by Dr. Zhu Yu Guo, 30% by Mr. Zhu Mo Qun and 15% by Ms. Sun Rui Fang, the Directors
董事朱玉國博士、朱墨群先生及孫瑞芳女士分別實際擁有55%、30%及15%權益

Zouping Guanghua Veneer Company Limited* (“Guang Hua”)
鄒平光華板材有限公司(「光華」)

Effectively 50% owned by Dr. Zhu Yu Guo, 33% by Mr. Zhu Mo Qun and 17% by Ms. Sun Rui Fang, the Directors
董事朱玉國博士、朱墨群先生及孫瑞芳女士分別實際擁有50%、33%及17%權益

27. 重大關連方交易

截至二零零七年及二零零八年十二月三十一日止年度，與下列各方的交易被視為關連方交易：

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27. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

* The English translation of the company names is for reference only. The official names of these companies are in Chinese.

(a) Recurring transactions

Sale of decorative base paper products to:	出售裝飾原紙產品予：
— Guang Hua	— 光華
Lease of leasehold land and properties from:	自下列關連方租賃租賃土地及物業：
— SD Changxing	— 山東長星
— Guang Hua	— 光華

The directors of the Company are of the opinion that the above related party transactions were conducted on normal commercial terms and in the ordinary course of business.

27. 重大關連方交易(續)

* 公司名稱的英文翻譯僅供參考。該等公司的正式名稱為中文名稱。

(a) 經常性交易

2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
4,857	6,219
400	400
—	123
400	523

本公司董事認為上述關連方交易乃按一般商業條款並於一般業務過程中進行。

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27. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Non-recurring transactions

- (i) Particulars of significant transactions between the Group and the above related party during the years were as follows:

Lease of leasehold land from:	自下列關連方租賃 租賃土地：
— Guang Hua	— 光華

- (ii) On 2 May 2008, the Group entered into an agreement with Guang Hua to acquire a piece of leasehold land located in the PRC at the prevailing market value of RMB4,082,000.
- (iii) On 2 April 2007 and 8 May 2007, the Group entered into agreements with Guang Hua to acquire leasehold land located in the PRC at the prevailing market value of RMB10,980,000 and RMB461,000 respectively.

The directors of the Company are of the opinion that the above non-recurring related party transactions were conducted on normal commercial terms and in the ordinary course of business.

27. 重大關連方交易(續)

(b) 非經常性交易

- (i) 本集團於年內與上述關連方之重大交易詳情載列如下：

2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
92	200

- (ii) 於二零零八年五月二日，本集團與光華訂立協議，以當時市值人民幣4,082,000元購置其位於中國的租賃土地。
- (iii) 於二零零七年四月二日及二零零七年五月八日，本集團與光華訂立協議，分別以當時市值人民幣10,980,000元及人民幣461,000元購置其位於中國的租賃土地。

本公司董事認為，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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27. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

Short-term employee benefits	短期僱員福利
Contribution to defined contribution retirement plans	定額供款退休金計劃供款

Total remuneration is included in "staff costs" (see note 5(b)).

27. 重大關連方交易(續)

(c) 主要管理人員酬金

本集團主要管理人員的酬金(包括附註7所披露已付本公司董事的金額及附註8所披露已付若干最高薪酬僱員的金額)如下:

2008 二零零八年 '000 千元	2007 二零零七年 '000 千元
3,151	1,883
26	33
3,177	1,916

酬金總額已包括在「員工成本」內(見附註5(b))。

28. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed by the then 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.

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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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

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之任何實體(「注資實體」)之任何僱員(不論全職或兼職並包括執行董事但不包括任何非執行董事)(「合資格僱員」)；
- (b) 本公司、其任何附屬公司或任何注資實體之任何非執行董事(包括獨立非執行董事)；
- (c) 向本集團任何成員公司或任何注資實體提供貨品或服務之任何供應商；
- (d) 本集團或任何注資實體之任何客戶；
- (e) 向本集團或任何注資實體提供研究、開發或其他技術支援之任何人士或實體；
- (f) 本集團任何成員公司或任何注資實體之任何股東或本集團任何成員公司或任何注資實體已發行之任何證券之持有人；
- (g) 本集團或任何注資實體之任何業務範圍或業務發展之任何顧問(專業或其他類型)或諮詢人；及

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28. SHARE OPTION SCHEME (Continued)

- (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.

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 over-allotment 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 non-executive 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.

28. 購股權計劃(續)

- (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組別或類別參與者。

就計劃而言，購股權可批授予屬於上述任何參與者類別之一位或多位人士全資擁有之任何公司。

參與者可於授出購股權要約日期起計21日內，於繳納每份購股權象徵式代價1港元後接納購股權。根據計劃可能授出的購股權所涉及的本公司股份(「股份」)最高數目，將不得超過於本公司上市當日已發行股本的10%(不包括因行使超額配股權而發行之股份)。該上限可於任何時間予以更新，但新上限合共不得超過股東在股東大會上批准更新上限當日本公司已發行股本的10%。然而，於行使所有根據計劃，以及本公司任何其他計劃授出但尚未行使的購股權而予發行的股份總數，合共不得超過不時已發行股份的30%。於任何十二個月期間向任何人士所授出的購股權所涉及股份最高數目，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。

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28. SHARE OPTION SCHEME (Continued)

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.

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. ULTIMATE CONTROLLING COMPANY

The directors consider the ultimate controlling company of the Company as at 31 December 2008 to be Boom Instant, which is incorporated in the BVI. This entity does not produce financial statements available for public use.

28. 購股權計劃(續)

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。

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，該購股權概無就持有的最短期限作出限制。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。

本公司自其採納計劃當日起並未根據計劃授出購股權。

29. 最終控股公司

董事認為於二零零八年十二月三十一日，本公司的最終控股公司為Boom Instant，該公司於英屬處女群島註冊成立。該實體並未編製供公眾查閱的財務報表。

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30. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing the financial statements. The principal accounting policies are set forth in note 2. The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of the financial statements.

(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.

30. 主要會計估計及判斷

管理層會根據過往經驗及其他因素持續對該等估計及判斷作出評估，並包括在有關情況下作出認為合理的未來事件預測。

在審閱財務報表時，所考慮的因素包括關鍵會計政策的選擇、影響該等政策應用的判斷及其他不確定因素，以及因狀況和假設的改變影響所呈報業績的敏銳程度等。主要會計政策載於附註2。本集團相信，以下關鍵會計政策涉及編製財務報表時所採用的最重要判斷和估計。

(a) 減值

倘情況顯示資產的賬面值可能無法收回時，該資產會被視為「減值」而可能在損益表內確認減值虧損。該等資產的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的記錄賬面值可能無法收回時，該等資產會作減值測試。在發生減值時，賬面值會減至可收回金額。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

30. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(Continued)

(a) Impairment (Continued)

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

(b) Write-down of inventories

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

30. 主要會計估計及判斷(續)

(a) 減值(續)

可收回金額為公平值減銷售成本或使用價值之較高者。在釐定使用價值時，該資產產生的預期現金流量會被貼現至其現值，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的合理概約金額，包括基於銷量、銷售收益及營運成本金額的合理及有依據的假設及預測而作出的估計。

(b) 存貨撇減

本集團會釐定陳舊存貨的撇減。此等估計乃參考存貨賬齡分析、預期貨品未來的銷售能力及管理層的經驗及判斷而作出。根據此審閱，倘存貨的賬面值跌至低於其估計可變現淨值，則本集團會撇減存貨的價值。鑒於市況可能發生變動，實際貨品銷售的情況可能與估計有所不同，而此估計的差異可能影響損益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

30. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(Continued)

(c) Depreciation

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

(d) Income tax

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

30. 主要會計估計及判斷(續)

(c) 折舊

物業、廠房及設備經考慮其估計剩餘價值(如有)後，於相關資產的估計可使用年期按直線法計提折舊。本集團每年審閱資產的估計可使用年期以釐定於列報期間所記錄的折舊費用金額。可使用年期乃根據本集團對類似資產的過往經驗及考慮到預期技術性變動後計算。倘過往估計出現重大變動，未來期間的折舊費用會予以調整。

(d) 利得稅

於釐訂所得稅撥備時須作出判斷。於日常業務過程中會有釐訂最終稅項屬不明朗的交易及計算。在綜合財務報表中作出額外撥備，以涵蓋可能出現的後果，以及可作出合理的估計而釐訂的預期最終稅項後果。然而，最終後果涉及不明朗因素，而所產生的負債可能超逾撥備。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

31. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2008

Up to the date of issue of these consolidated financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2008 and which have not been adopted in these consolidated financial statements.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's or the Company's results of operations and financial position.

31. 截至二零零八年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能產生的影響

截至本綜合財務報表刊發日期，國際會計準則委員會已頒佈一系列在截至二零零八年十二月三十一日止年度尚未生效且本綜合財務報表並未採納的修訂、新準則及詮釋。

本集團正在評估上述修訂、新準則及新詮釋在首次應用期間預期產生的影響。迄今，本集團認為採納上述各項修訂、新準則及新詮釋對本集團或本公司的經營業績及財務狀況造成重大影響的機會不大。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有所指外，以人民幣列示)

31. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2008 (Continued)

In addition, the following developments are expected to result in amended disclosures in the consolidated financial statements, including restatement of comparative amounts in the first period of adoption:

31. 截至二零零八年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能產生的影響(續)

此外，下列發展預期將引致綜合財務報表披露的修訂，修訂包括於採納的首個期間重列比較金額：

		Effective for accounting periods beginning on or after 自下列日期或之後 開始的會計期間生效
IFRS 8 國際財務報告準則第8號	Operating segments 營運分部	1 January 2009 二零零九年一月一日
Revised IAS 1 國際會計準則第1號 (經修訂)	Presentation of financial statements 呈列財務報表	1 January 2009 二零零九年一月一日

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

		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				
		2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
CONSOLIDATED INCOME STATEMENTS		綜合損益表				
Turnover	營業額	467,158	696,425	950,844	1,125,524	1,496,360
Cost of sales	銷售成本	(382,497)	(563,115)	(766,727)	(842,055)	(1,090,844)
Gross profit	毛利	84,661	133,310	184,117	283,469	405,516
Other revenue	其他收益	370	662	726	121,952	41,503
Other net loss	其他虧損淨額	—	—	—	(627)	(2,441)
Selling expenses	銷售開支	(5,084)	(7,008)	(9,597)	(9,459)	(15,896)
Administrative expenses	行政開支	(6,287)	(9,377)	(11,929)	(23,698)	(32,001)
Profit from operations	經營溢利	73,660	117,587	163,317	371,637	396,681
Finance costs	融資成本	(5,281)	(13,793)	(20,625)	(21,065)	(13,320)
Profit before taxation	除稅前溢利	68,379	103,794	142,692	350,572	383,361
Income tax	所得稅	(24,023)	(35,460)	(48,755)	—	—
Profit for the year	年度溢利	44,356	68,334	93,937	350,572	383,361
CONSOLIDATED BALANCE SHEETS		綜合資產負債表				
Non-current assets	非流動資產					
Property, plant and equipment	物業、廠房及設備	297,857	268,228	499,776	461,021	561,146
Construction in progress	在建工程	—	132,411	16,000	167,098	316,060
Lease prepayments	租賃預付款項	—	—	—	11,255	15,150
Prepayment for the acquisition of plant and equipment	購買廠房及設備預付款項	—	—	—	—	110,880
		297,857	400,639	515,776	639,374	1,003,236
Current assets	流動資產					
Trading securities	交易證券	—	—	—	—	64,753
Inventories	存貨	33,124	38,365	50,989	35,487	43,622
Trade and other receivables	應收貿易賬款及其他應收款項	39,490	64,257	81,785	50,903	38,844
Amounts due from directors	應收董事款項	26	47	15	—	—
Amounts due from related parties	應收關連方款項	—	—	183	—	—
Cash and cash equivalents	現金及現金等價物	51,983	65,568	67,265	1,792,158	1,539,373
		124,623	168,237	200,237	1,878,548	1,686,592
Current liabilities	流動負債					
Bank loans	銀行貸款	127,200	250,200	332,000	30,000	124,000
Trade and other payables	應付貿易賬款及其他應付款項	39,700	111,885	79,013	229,404	320,753
Amounts due to directors	應付董事款項	119,986	—	194,491	—	—
Current taxation	即期稅項	14,686	17,549	21,671	9,868	9,868
		301,572	379,634	627,175	269,272	454,621
Net current (liabilities)/assets	流動(負債)/資產淨值	(176,949)	(211,397)	(426,938)	1,609,276	1,231,971
Total assets less current liabilities	資產總值減流動負債	120,908	189,242	88,838	2,248,650	2,235,207
Non-current liabilities	非流動負債					
Bank loans	銀行貸款	—	—	—	207,000	—
NET ASSETS	資產淨值	120,908	189,242	88,838	2,041,650	2,235,207
Capital and reserves	資本及儲備					
Share capital	股本	30,000	30,000	102	101,359	100,258
Reserves	儲備	90,908	159,242	88,736	1,940,291	2,134,949
TOTAL EQUITY	權益總值	120,908	189,242	88,838	2,041,650	2,235,207
Earnings per share – Basic (RMB)	每股盈利 – 基本 (人民幣元)	0.06	0.09	0.13	0.42	0.37

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					2008
		Note 附註	2004 二零零四年	2005 二零零五年	2006 二零零六年	2007 二零零七年	二零零八年
Profitability ratios		盈利能力比率					
Gross profit margin	毛利率	1	18.1%	19.1%	19.4%	25.2%	27.1%
Net profit margin	淨溢利率	2	9.5%	9.8%	9.9%	31.1%	25.6%
Return on assets	資產回報率	3	10.5%	12.0%	13.1%	13.9%	14.3%
Return on equity	權益回報率	4	36.7%	36.1%	105.7%	17.2%	17.2%
Liquidity ratios		流動資金比率					
Current ratio	流動比率	5	0.4	0.4	0.3	7.0	3.7
Quick ratio	速動比率	6	0.3	0.3	0.2	6.8	3.6
Gearing ratio	資產負債比率	7	30.1%	44.0%	46.4%	9.4%	4.6%
Inventory turnover days	存貨週轉天數	8	37	30	30	20	18
Debtors' turnover days	應收賬款週轉天數	9	31	34	31	16	9
Creditors' turnover days	應付賬款週轉天數	10	30	24	31	35	37

Notes:

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

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的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。



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