



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)

Interim Report
中期報告 2009





Contents 目錄

	Page 頁
Corporate Information 公司資料	2
Definitions 釋義	6
Glossary of Technical Terms 技術詞彙	9
Financial Highlights 財務摘要	10
Condensed Consolidated: 簡明綜合	
Income Statement 損益表	11
Statement of Comprehensive Income 全面損益表	12
Statement of Financial Position 財務狀況表	13
Statement of Changes in Equity 權益變動表	15
Cash Flow Statement 現金流量表	16
Notes to Condensed Consolidated Interim Financial Statements 簡明綜合中期財務報表附註	17
Management Discussion & Analysis 管理層討論及分析	38
Disclosure of Interests 權益披露	53
Corporate Governance 企業管治	57
Other Information 其他資料	60

CORPORATE INFORMATION

公司資料

Board of Directors

Executive Directors

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

Non-executive Director

Ms. SUN Rui Fang

Independent Non-executive Directors

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

Board Committees

Audit Committee

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

Executive Committee

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

Nomination Committee

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

Company Secretary

Ms. Sophie W.Y. LAM

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

公司秘書

林慧怡女士

Legal Advisers

As to Hong Kong law

K&L Gates

As to Cayman Islands law

Conyers Dill & Pearman

Principal Bankers in Hong Kong

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

Principal Bankers in the PRC

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

Auditors

KPMG
Certified Public Accountants

Registered Office

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

Principal Place of Business in Hong Kong

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

法律顧問

香港法律

高蓋茨律師事務所

開曼群島法律

康德明律師事務所

香港主要往來銀行

恒生銀行有限公司
中國工商銀行(亞洲)有限公司

中國主要往來銀行

中國農業銀行，長山支行
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

核數師

畢馬威會計師事務所
執業會計師

註冊辦事處

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

香港主要營業地點

香港
九龍灣
常悅道3號
企業廣場2期3103-5室

CORPORATE INFORMATION

公司資料

Head Office and Principal Place of Business in the PRC

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

中國總辦事處及 主要營業地點

中國
山東省
鄒平縣
長山鎮
三里河

Principal Share Registrar and Transfer Office

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

主要股份過戶登記處

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

Hong Kong Branch Share Registrar and Transfer Office

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東28號
金鐘匯中心26樓

Stock Code

The Stock Exchange of Hong Kong Limited: 3868

股份代號

香港聯合交易所有限公司：3868

Websites

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

網址

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

Investor Relations Contact

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

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

Financial Calendar

Announcement of 2009 Interim Results:
18 August 2009

Announcement of 2009 Annual Results:
March 2010 (*tentative date*)

2009 Interim Dividend

Payment of Dividend Per Share : HK3.277 cents per share
(equivalent to approximately RMB2.889 cents)

Period of Book Closure : 8 September 2009 to
10 September 2009

Payment Date : 18 September 2009

財務日誌

二零零九年中期業績公佈：
二零零九年八月十八日

二零零九年全年業績公佈：
二零一零年三月(暫定日期)

二零零九年中中期股息

每股派息 : 每股3.277港仙(約相當
於人民幣2.889分)

截止過戶時間 : 二零零九年九月八日至
二零零九年九月十日

派發日期 : 二零零九年九月十八日

DEFINITIONS

釋義

“Board” 「董事會」	指	the board of Directors 董事會
“BVI” 「英屬處女群島」	指	the British Virgin Islands 英屬處女群島
“CG Code” 「企業管治守則」	指	the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules 上市規則附錄14所載之《企業管治常規守則》
“Code Provision(s)” 「守則條文」	指	the code provision(s) under the CG Code 載於企業管治守則的守則條文
“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責任公司，其已發行股份於聯交所主板上市
“connected person” 「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
“Director(s)” 「董事」	指	director(s) of the Company 本公司董事
“Group”, “QX Group”, “we”, “our” or “us” 「本集團」或「群星集團」	指	the Company and its subsidiaries 本公司及其附屬公司
“HK\$” 「港元」	指	Hong Kong dollars, the lawful currency of Hong Kong 港元，香港法定貨幣
“Hong Kong” 「香港」	指	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“Listing Rules” 「上市規則」	指	the Rules Governing the Listing of Securities on the Stock Exchange 《聯交所證券上市規則》

“Model Code” 「標準守則」	指	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules 上市規則附錄10所載之《上市公司董事進行證券交易的標準守則》
“PRC” 「中國」	指	the People’s Republic of China, which for the purpose of this interim report, shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan 中華人民共和國，就本中期報告而言，不包括香港、中國澳門特別行政區及台灣
“Prospectus” 「招股章程」	指	the prospectus of the Company dated 17 September 2007 本公司日期為二零零七年九月十七日之招股章程
“QX Securities Dealing Code” 「群星證券買賣守則」	指	a securities dealing code adopted by the Company on 8 September 2007 (as amended from time to time) on terms no less exacting than the required standard in 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
“RMB” 「人民幣」	指	Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣
“SFO” 「證券及期貨條例」	指	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) 《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責任公司，並為本公司之全資附屬公司
“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

* for identification purpose only
僅供識別

DEFINITIONS

釋義

“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

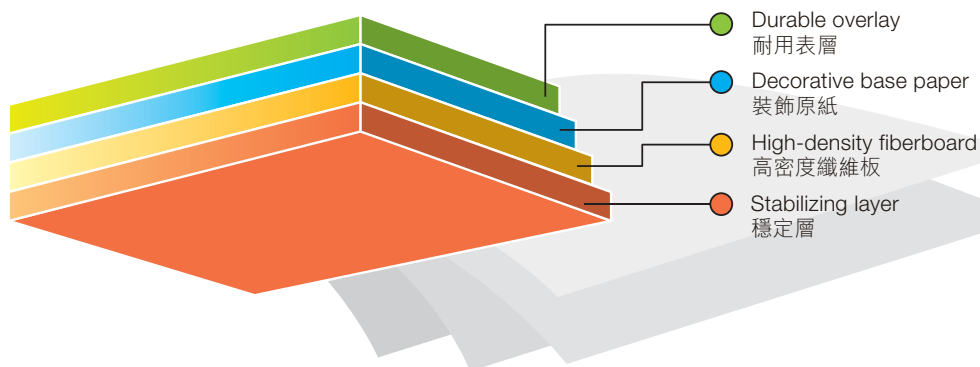
GLOSSARY OF TECHNICAL TERMS

技術詞彙

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

Structure diagram of laminated board

人造板之結構圖



FINANCIAL HIGHLIGHTS

財務摘要

		For the six months ended 30 June			
		截至六月三十日止六個月			
		2009	2008		
		二零零九年	二零零八年		
		RMB'000	RMB'000		
		人民幣千元	人民幣千元		
		(Unaudited)	(Unaudited)		Change
		(未經審核)	(未經審核)		變動
Operating Results		經營業績			
Turnover	營業額	702,205	683,415	+2.8%	
Profit from operations	經營溢利	175,467	200,062	-12.3%	
Profit before taxation	除稅前溢利	171,299	192,374	-11.0%	
Profit attributable to equity shareholders	權益股東應佔盈利	149,208	190,089	-21.5%	
Gross profit margin	毛利率	28.0%	25.3%	+2.7% pts	百分點
Net profit margin	淨溢利率	21.2%	27.8%	-6.6% pts	百分點
Per Share Data		每股數據			
Basic earnings per share (RMB cents)	每股基本盈利 (人民幣分)	14	18	-22.2%	
Dividend per share (HK cents) (equivalent to approximately RMB cents)	每股股息 (港仙) (約相當於人民幣分)	3.277	4.16	-21.2%	
		2.889	3.66		
		As at	As at		
		30 June	31 December		
		2009	2008		
		於二零零九年	於二零零八年		
		六月	十二月		
		三十日	三十一日		
		RMB'000	RMB'000		
		人民幣千元	人民幣千元		
		(Unaudited)	(Audited)		
		(未經審核)	(經審核)		
Financial Position		財務狀況			
Total assets	資產總值	2,467,402	2,689,828	-8.3%	
Cash and cash equivalents	現金及現金等價物	1,227,286	1,539,373	-20.3%	
Total liabilities	負債總值	160,010	454,621	-64.8%	
Total equity	權益總值	2,307,392	2,235,207	+3.2%	
Current ratio	流動比率	8.4	3.7	+4.7 times	倍
Quick ratio	速動比率	8.2	3.6	+4.6 times	倍
Gearing ratio	資產負債比率	0.0%	4.6%	-4.6% pts	百分點

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合損益表

For the six months ended 30 June 2009
截至二零零九年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月		
		2009 二零零九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2008 二零零八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
	Note 附註			
Turnover	營業額	4	702,205	683,415
Cost of sales	銷售成本		(505,435)	(510,680)
Gross profit	毛利		196,770	172,735
Other revenue	其他收益	5	2,643	21,075
Other net (loss)/gain	其他(虧損)/收益淨額	5	(755)	28,591
Selling expenses	銷售開支		(8,414)	(7,234)
Administrative expenses	行政開支		(14,777)	(15,105)
Profit from operations	經營溢利		175,467	200,062
Finance costs	融資成本	6(a)	(4,168)	(7,688)
Profit before taxation	除稅前溢利	6	171,299	192,374
Income tax	所得稅	7	(22,091)	(2,285)
Profit for the period	期內溢利		149,208	190,089
Dividends	股息	8		
— Final dividend paid	— 已付末期股息		76,990	105,172
— Interim dividend proposed	— 建議中期股息		29,842	38,018
Earnings per share (RMB cents)	每股盈利(人民幣分)	9		
Basic	基本		14	18

The notes on pages 17 to 37 form part of these financial statements.

於第17至37頁的附註構成此等財務報表的一部份。

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面損益表

For the six months ended 30 June 2009
截至二零零九年六月三十日止六個月

For the six months
ended 30 June
截至六月三十日止六個月

		2009 二零零九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2008 二零零八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Profit for the period	期內溢利	149,208	190,089
Other comprehensive income for the period	期內其他全面收益		
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	(33)	(23,370)
Total comprehensive income for the period	期內全面利潤總額	149,175	166,719
Attributable to:	應佔：		
Equity shareholders of the Company	本公司權益持有人	149,175	166,719

The notes on pages 17 to 37 form part of these financial statements.

於第17至37頁的附註構成此等財務報表的一部份。

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2009
於二零零九年六月三十日

		Note	As at 30 June 2009 於二零零九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2008 於二零零八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	788,664	561,146
Construction in progress	在建工程	10	303,600	316,060
Lease prepayments	租賃預付款項	10	14,980	15,150
Prepayments for the acquisition of plant and equipment	購買廠房及設備 預付款項	10	16,626	110,880
			1,123,870	1,003,236
Current assets	流動資產			
Trading securities	買賣證券		19,565	64,753
Inventories	存貨	11	38,915	43,622
Trade and other receivables	應收貿易賬款及 其他應收款項	12	57,766	38,844
Cash and cash equivalents	現金及現金等價物		1,227,286	1,539,373
			1,343,532	1,686,592
Current liabilities	流動負債			
Bank loans	銀行貸款	13	—	124,000
Trade and other payables	應付貿易賬款及 其他應付款項	14	138,149	320,753
Current taxation	即期稅項		21,861	9,868
			160,010	454,621
Net current assets	流動資產淨值		1,183,522	1,231,971
NET ASSETS	資產淨值		2,307,392	2,235,207

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2009
於二零零九年六月三十日

		Note	As at 30 June 2009 於二零零九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2008 於二零零八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
		附註		
Capital and reserves	資本及儲備			
Share capital	股本	15	100,258	100,258
Reserves	儲備		2,207,134	2,134,949
TOTAL EQUITY	權益總值		2,307,392	2,235,207

The notes on pages 17 to 37 form part of these financial statements.

於第17至37頁的附註構成此等財務報表的一部份。

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2009
截至二零零九年六月三十日止六個月

Attributable to equity shareholders of the Company
本公司權益持有人應佔

		Share capital	Share premium	Capital reserve	Other reserve	Statutory surplus reserve	Exchange reserve	Retained profits	Total equity
		股本	股份溢價	資本儲備	其他儲備	法定盈餘儲備	匯兌儲備	保留溢利	權益總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
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
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	—	—	—	—	—	(23,370)	—	(23,370)
Dividend paid in respect of prior year	關於前年度股息	—	—	—	—	—	—	(105,172)	(105,172)
Share repurchase	股份回購	(588)	(17,419)	—	—	—	—	—	(18,007)
Net profit for the period	期內溢利淨額	—	—	—	—	—	—	190,089	190,089
At 30 June 2008	於二零零八年六月三十日	100,771	1,518,984	—	(10,323)	45,151	(52,910)	483,517	2,085,190
At 1 January 2009	於二零零九年一月一日	100,258	1,474,812	—	(10,323)	84,576	(51,480)	637,364	2,235,207
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	—	—	—	—	—	(33)	—	(33)
Dividend paid in respect of prior year	關於前年度股息	—	(76,990)	—	—	—	—	—	(76,990)
Net profit for the period	期內溢利淨額	—	—	—	—	—	—	149,208	149,208
At 30 June 2009	於二零零九年六月三十日	100,258	1,397,822	—	(10,323)	84,576	(51,513)	786,572	2,307,392

The notes on pages 17 to 37 form part of these financial statements.

於第17至37頁的附註構成此等財務報表的一部分。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

For the six months ended 30 June 2009
截至二零零九年六月三十日止六個月

For the six months
ended 30 June
截至六月三十日止六個月

		2009 二零零九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2008 二零零八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Net cash generated from operating activities	經營活動所得現金淨額	199,756	157,458
Net cash used in investing activities	投資活動所用現金淨額	(306,616)	(196,301)
Net cash used in financing activities	融資活動所用現金淨額	(205,158)	(244,331)
Net decrease in cash and cash equivalents	現金及現金等價物淨額減少	(312,018)	(283,174)
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	1,539,373	1,792,158
Effect of foreign exchange rate changes	外匯匯率變動影響	(69)	(18,222)
Cash and cash equivalents at end of the period	期末現金及現金等價物	1,227,286	1,490,762

The notes on pages 17 to 37 form part of these financial statements.

於第17至37頁的附註構成此等財務報表的一部份。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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 are principally engaged in manufacturing and trading of decorative base paper products and printing paper product.

Pursuant to a reorganisation of the Group (“the Reorganisation”), the Company acquired the equity interests of entities 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. Details of the Reorganisation were set out in the Prospectus.

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

2. Basis of preparation

The unaudited condensed consolidated financial statements for the six months ended 30 June 2008 and 2009 have been prepared in accordance with the applicable disclosure requirements set out in Appendix 16 to the Listing Rules on the Stock Exchange and with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” 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。

根據本集團的重組(「重組」)，本公司收購受共同控制實體的股本權益，成為現時組成本集團的附屬公司的控股公司，以籌備本公司的股份在聯交所主板上市。重組的詳情載於招股章程。

本公司的股份於二零零七年十月二日在聯交所上市。

2. 編制基準

截至二零零八年及二零零九年六月三十日止六個月之未經審核簡明綜合財務報表乃根據上市規則附錄16所載之適用披露規定及國際會計準則委員會(「國際會計準則委員會」)頒佈之國際會計準則(「國際會計準則」)第34號「中期財務報告」而編製。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

3. Significant accounting policies

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

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual report for the year ended 31 December 2008 ("2008 Annual Report").

Except as described below, the accounting policies used in the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2009 are consistent with those in the preparation of the Group's 2008 Annual Report.

The IASB has issued certain new and revised International Financial Reporting Standards ("IFRSs"), which collective terms include all applicable individual IFRSs, IASs and Interpretations, that are first effective for the current interim period of the Group. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies applied in the condensed consolidated financial statements for the current and prior accounting periods presented, except for the followings:

IAS 1 (revised), "Presentation of financial statements"

As a result of the adoption of IAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

3. 主要會計政策

編制此未經審核簡明財務報表時使用的計量基準為歷史成本基準。

此未經審核簡明綜合財務報表不包括年度財務報表規定之一切資料及披露，並應與本集團截至二零零八年十二月三十一日止年度之年報（「二零零八年年報」）年報一併閱讀。

除下文所述外，截至二零零九年六月三十日止六個月未經審核之簡明綜合中期財務報表所用之會計政策與編製本集團之二零零八年年報所用者貫徹一致。

國際會計準則委員會頒佈了若干於本集團現行會計期間首次生效的新增及經修訂的國際財務報告準則。除下列所述，採納此等新增及經修訂的國際財務報告準則並無對本集團應用於呈報年度的此等財務報表的會計政策造成重大變動。

國際會計準則第1號(經修訂)「呈列財務報表」

採納國際會計準則第1號(經修訂2007)後，在經修訂綜合權益變動表中，期內與權益持有人交易產生的權益變動詳情已經與所有其他收入及支出分開列示。所有其他收入及支出項目若確認為本期損益時，需在綜合損益表內呈列；否則需在綜合全面收益表(一份新的主要報表)內呈列。此項呈列變動並無對任何呈列期間的已呈報損益、總收入及支出或資產淨值構成影響。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

3. Significant accounting policies

(Continued)

Amendment to IFRS7, “Financial instruments: disclosures”

As a result of the adoption of the amendments to IFRS 7, the financial statements include expanded disclosures about the fair value measurement of the group’s financial instruments, categorising these fair value measurements into a three-level fair value hierarchy according to the extent to which they are based on observable market data. The group will provide the newly required disclosures about the fair value measurements of financial instruments in the consolidated financial statements for the year ending 31 December 2009.

The Group has not early adopted the following new and revised standards, amendment, or interpretations that are relevant to the Group and have been issued but are not yet effective.

3. 主要會計政策(續)

國際財務報告準則第7號(修訂本) 「金融工具：披露」

採納國際財務報告準則第7號(修訂本)後，財務報表增加收納有關集團金融工具公平值計量的披露資料，而公平值計量會按市場可觀察資訊將公平價值分為三個等級。本集團將於截至二零零九年十二月三十一日止年度的綜合財務報表中，提供新規定有關金融工具公平值計量的披露資料。

本集團並無應用以下已頒佈但尚未生效的新增或經修訂準則、修訂或詮釋。

Effective for accounting periods beginning on or after 自下列日期起或之後 開始的會計期間生效

Revised IFRS 3 國際財務報告準則第3號(經修訂)	Business combinations 業務合併	1 July 2009 二零零九年七月一日
Amendments to IAS 27 國際會計準則第27號(修訂本)	Consolidated and separate financial statements 綜合及獨立財務報表	1 July 2009 二零零九年七月一日

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

4. Turnover

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

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

4. 營業額

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

For the six months
ended 30 June
截至六月三十日止六個月

2009 二零零九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2008 二零零八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
593,634	551,780
108,571	131,635
702,205	683,415

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

5. Other revenue and net (loss)/gain

5. 其他收益及(虧損)/收益淨額

		For the six months ended 30 June 截至六月三十日止六個月	
		2009 二零零九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2008 二零零八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Other revenue	其他收益		
Interest income on financial assets not at fair value through profit or loss	非按公平值計入損益的財務資產利息收入		
— interest income from bank deposits	— 銀行存款利息收入	2,249	21,075
Dividend income from listed securities	上市證券之股息收入	394	—
		2,643	21,075
Other net (loss)/gain	其他(虧損)/收益淨額		
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	—	(9)
Net foreign exchange loss	外匯虧損淨額	—	(464)
Net realised and unrealised (loss)/gain 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)/收益淨額	(755)	29,064
		(755)	28,591

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

6. Profit before taxation

Profit before taxation is arrived at after charging:

6. 除稅前溢利

除稅前溢利已扣除：

		For the six months ended 30 June 截至六月三十日止六個月	
		2009 二零零九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2008 二零零八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
(a) Finance costs: Interest on financial liabilities not at fair value through profit or loss — Interest on bank borrowings wholly repayable within five years	(a) 融資成本： 非按公平值計入損益的 財務負債利息 — 於五年內全數償還的 銀行貸款利息	4,168	7,688
(b) Staff costs Contributions to defined contribution retirement plans Salaries, wages and other benefits	(b) 員工成本 定額供款退休金計劃供款 薪金、工資及其他福利	1,326 17,216	997 15,191
		18,542	16,188
(c) Other items: Amortisation of lease prepayments Depreciation Loss on disposal of property, plant and equipment Operating lease charges in respect of leasehold land and properties Sewage disposal expenses Research and development costs	(c) 其他項目： 租賃預付款項攤銷 折舊 出售物業、廠房及設備 虧損 與租賃土地及物業有關的 經營租賃費用 排污費 研發成本	170 42,214 — 1,512 66 96	139 33,988 9 787 66 109

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

7. Income tax expense

Current tax

- PRC income tax
- Hong Kong Profits Tax

即期稅項

- 中國所得稅
- 香港利得稅

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

The provision for Hong Kong Profits Tax for 2009 is calculated at 16.5% (2008: 16.5%) of the estimated assessable profits for the period.

Shandong QX became a foreign investment enterprise since 16 August 2006, it has been granted certain tax relief whereby it is fully exempted from PRC income tax for the two years started from 1 January 2007 to 31 December 2008, followed by a 50% reduction in PRC income tax rate for the following three years from 1 January 2009 to 31 December 2011.

7. 所得稅開支

For the six months
ended 30 June
截至六月三十日止六個月

2009 二零零九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2008 二零零八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
22,091	—
—	2,285
22,091	2,285

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

二零零九年之香港利得稅撥備乃就期間估計應課稅溢利按16.5% (二零零八年：16.5%) 計算。

山東群星自二零零六年八月十六日起成為外資企業，其已獲授若干稅務優惠，並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全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其後三年間獲減免50%中國所得稅稅率。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

7. Income tax expense (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 profit, where the tax rate is reduced to 20%.

Under the grandfathering treatments of the New Tax Law, Shandong QX, which has not fully utilised its five-year tax holiday upon implementation of the new Tax Law, will be allowed to continue to receive such a tax holiday during the five-year grandfathering period. Accordingly, Shandong QX was exempted from 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 following three years from 1 January 2009 to 31 December 2011.

The enactment of the New Tax Law does not have any financial effect on the amounts accrued in the balance sheet in respect of current tax payable.

7. 所得稅開支(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華人民共和國企業所得稅法(「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，中國所有企業的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，山東群星於實施新稅法時未完成享有五年稅務優惠期，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其後三年間按12.5%的減免稅率繳納中國所得稅。

新稅法的頒佈沒有對資產負債表中即期應付稅項的應計金額產生任何財務影響。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

8. Dividends

(a) Dividends payable to equity shareholders of the Company attributable to the interim period:

Interim dividend proposed for the six months ended 30 June 2009 of HK3.277 cents (equivalent to approximately RMB2.889 cents) per ordinary share (for the six months ended 30 June 2008: HK4.16 cents, equivalent to approximately RMB3.66 cents, per ordinary share)

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

8. 股息

(a) 應付本公司權益股東應佔中期股息：

For the six months ended 30 June
截至六月三十日止六個月

2009 二零零九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2008 二零零八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
29,842	38,018

截至二零零九年六月三十日止六個月建議派付之中期股息每股普通股3.277港仙(約相當於人民幣2.889分)(截至二零零八年六月三十日止六個月：每股普通股4.16港仙，約相當於人民幣3.66分)

於結算日後建議派付之中期股息並未確認為結算日之負債。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

8. Dividends (Continued)

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

Final dividend paid for the year ended 31 December 2008 of HK8.45 cents (equivalent to approximately RMB7.45 cents) per ordinary share (for the year ended 31 December 2007: HK11.28 cents, equivalent to approximately RMB10.126 cents, per ordinary share)

截至二零零八年十二月三十一日止年度已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)(截至二零零七年十二月三十一日止年度：每股普通股11.28港仙，約相當於人民幣10.126分)

8. 股息(續)

(b) 應付本公司權益股東應佔過往財政年度股息(已於中期內獲批准及派付)：

For the six months ended 30 June
截至六月三十日止六個月

2009 二零零九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2008 二零零八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
76,990	105,172

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

9. Earnings per share

- (a) The calculation of basic earnings per share for the six months ended 30 June 2009 is based on the unaudited profit attributable to equity shareholders of the Company of RMB149,208,000 (2008:RMB190,089,000) and the weighted average number of 1,032,800,000 (2008:1,039,714,000) ordinary shares in issue during the period.
- (b) There were no dilutive potential ordinary shares during the periods presented and, therefore, diluted earnings per share is not presented.

10. Capital expenditure

Capital expenditure comprises additions to property, plant and equipment and construction in progress, acquisition of land use rights and prepayments for the acquisition of plant and equipment. During the six months ended 30 June 2009, the Group has aggregate capital expenditure of RMB202,604,000 (six months ended 30 June 2008: RMB104,677,000).

11. Inventories

Raw materials and consumables 原材料及消耗品
Finished goods 製成品

9. 每股盈利

- (a) 截至二零零九年六月三十日止六個月的每股基本盈利乃根據本公司未審核權益股東應佔溢利人民幣149,208,000元(二零零八：人民幣190,089,000元)以及於本期間已發行普通股的加權平均數1,032,800,000股(二零零八：1,039,714,000股)計算。
- (b) 於呈報期間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。

10. 資本開支

資本開支包括物業、廠房及設備和在建工程增加、購買土地使用權及購買廠房及設備的預付款項。截至二零零九年六月三十日止六個月，本集團之總本開支為人民幣202,604,000元(截至二零零八年六月三十日止六個月：人民幣104,677,000元)。

11. 存貨

As at 30 June 2009	As at 31 December 2008
於二零零九年 六月三十日	於二零零八年 十二月三十一日
RMB'000	RMB'000
人民幣千元	人民幣千元
(Unaudited)	(Audited)
(未經審核)	(經審核)
24,954	26,932
13,961	16,690
38,915	43,622

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

12. Trade and other receivables

Trade receivables	應收貿易賬款
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項
Value-added-tax recoverable	可收回增值稅
Less: allowance for doubtful debts	減：呆壞賬撥備

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

Included in trade and other receivables are trade debtors with the following ageing analysis as of the balance sheet dates:

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

12. 應收貿易賬款及其他應收款項

As at 30 June 2009 於二零零九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2008 於二零零八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
49,173	37,795
650	1,049
7,943	—
—	—
57,766	38,844

所有應收貿易賬款預期於一年內收回。

包括在應收貿易賬款及其他應收款項的應收貿易款項於結算日的賬齡分析如下：

As at 30 June 2009 於二零零九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2008 於二零零八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
49,173	36,543
—	1,252
49,173	37,795

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

14. Trade and other payables

14. 應付貿易賬款及其他應付款項

		As at 30 June 2009 於二零零九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2008 於二零零八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade payables	應付貿易賬款	90,099	89,255
Other payables and accruals	其他應付款項及預提費用	48,050	231,498
		138,149	320,753

All of the trade and other payables are expected to be settled within one year.

所有應付貿易賬款及其他應付款項預期於一年內償付。

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

包含在應付貿易賬款及其他應付賬款項中的應付貿易賬款於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。

		As at 30 June 2009 於二零零九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2008 於二零零八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Due within 30 days	30日內到期	90,099	89,255

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

15. Share capital

15. 股本

	Note 附註	2009 二零零九年		2008 二零零八年	
		Number of shares 股份數目 (<i>'000</i>) (千股)	<i>RMB'000</i> 人民幣千元 (Unaudited) (未經審核)	Number of shares 股份數目 (<i>'000</i>) (千股)	<i>RMB'000</i> 人民幣千元 (Unaudited) (未經審核)
At 1 January 於一月一日		1,032,800	100,258	1,045,000	101,359
Share repurchase 股份回購	(a)	—	—	(6,381)	(588)
At 30 June 於六月三十日		1,032,800	100,258	1,038,619	100,771

(a) During 1 January to 28 February 2008, the Company repurchased its own shares on the Stock Exchange. 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 on the repurchase of the shares of HK\$18,820,000 (equivalent to RMB17,419,000) was charged to the share premium account.

(a) 由二零零八年一月一日至二月二十八日止，本公司在聯交所購回本身股份。所購回股份已註銷，本公司已發行股本並因此按該等股份的面值減少。就購回股份支付的溢價18,820,000港元(相當於人民幣17,419,000元)已在股份溢價賬中支銷。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

16. Commitments and contingent liabilities

(a) Operating leases

At 30 June 2009, 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	五年後

The Group is the lessee in respect of leasehold land and properties held under operating leases. The leases typically run for an initial period of one to fifty years, with an option to renew the leases upon expiry when all terms are renegotiated. None of the leases includes contingent rentals.

16. 承擔及或然負債

(a) 經營租賃

於二零零九年六月三十日，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：

As at 30 June 2009 於二零零九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2008 於二零零八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
2,740	2,850
7,913	8,313
87,206	88,378
97,859	99,541

本集團是為以經營租賃形式租賃土地及物業的承租人。該等租賃一般初步為期一至五十年，並可於租賃期滿時選擇續租並重新磋商所有條款。所有租賃不包括或然租金。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

16. Commitments and contingent liabilities *(Continued)*

(b) Capital commitments

Capital commitments outstanding at 30 June 2009 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

16. 承擔及或然負債 (續)

(b) 資本承擔

於二零零九年六月三十日尚未償付且未在財務資料作出撥備的資本承擔如下：

As at 30 June 2009	As at 31 December 2008
於二零零九年 六月三十日	於二零零八年 十二月三十一日
RMB'000	RMB'000
人民幣千元	人民幣千元
(Unaudited)	(Audited)
(未經審核)	(經審核)
101,200	274,560
400,000	400,000
501,200	674,560

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

16. 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 cleanup 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.

16. 承擔及或然負債 (續)

(c) 環保或然項目

迄今，本集團並未因環境修復問題發生任何重大支出，現時並無涉及任何環境修復事件。因此，本集團未就任何與業務相關的環境修復計提任何金額。在現行法例下，管理層相信不會發生任何可能對本集團財務狀況或經營業績有重大負面影響的負債。然而，中國政府已經並有可能進一步實施更為嚴格的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。這些不定因素包括(i)相關地點所發生污染的實際性質和程度；(ii)所需清除工作的程度；(iii)各種補救措施的成本；(iv)環境修復要求的變化；及(v)新確認需要實施環保修復的地點。由於可能發生污染的程度和所需採取的補救措施的確切時間和程度等因素尚未確定，因此無法確定未來可能發生此類費用的金額，故無法在目前合理預測建議中的或將來的環境保護法律規定可能導致在環保方面的負債，而有關負債可能十分重大。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

17. Material related party transactions

During the six months ended 30 June 2008 and 2009, the directors are of the view that the following companies are related parties of the Group:

Name of related party 關連方名稱	Relationship 關係
---------------------------------------	---------------------------

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

山東長星集團有限公司(「山東長星」)	本公司董事朱玉國博士、朱墨群先生及孫瑞芳女士分別實益擁有55%、30%及15%權益
--------------------	---

Zouping Guang Hua Veneer Company Limited ("Guang Hua")*	Entirely owned by Jumbo Bonus Investments Limited which is turn effectively owned by Dr. Zhu Yu Guo, Mr. Zhu Mo Qun and Ms. Sun Rui Fang as to 70%, 20% and 10% respectively.
--	---

鄒平光華板材有限公司(「光華」)	由諾天投資有限公司全資擁有，該公司由朱玉國博士，朱墨群先生及孫瑞芳女士分別實益擁有70%、20%及10%。
------------------	---

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

17. 重大關連方交易

截至二零零八年及二零零九年六月三十日止期間，董事認為下列公司為本集團之關連方：

* 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。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

17. Material related party transactions

(Continued)

17. 重大關連方交易 (續)

		For the six months ended 30 June 截至六月三十日止六個月	
		2009 二零零九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2008 二零零八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
(a)	Recurring transactions	(a)	經常性交易
	Sale of decorative base paper products		銷售裝飾原紙產品
	— Guang Hua	—	4,474
	Lease of leasehold land and properties		租賃租賃土地及物業
	— SD Changxing	—	200
		200	200
		200	4,674
(b)	Non-recurring transactions	(b)	非經常性交易
	Acquisition of leasehold land		購買租賃土地
	— Guang Hua	—	4,082
	Lease of leasehold land and properties		租賃租賃土地及物業
	— Guang Hua	—	92
		—	4,174
(c)	Key management personnel remuneration	(c)	主要管理人員酬金
	Short-term employee benefits		短期僱員福利
	Contribution to defined contribution retirement plans		定額供款退休計劃供款
		1,768	1,615
		15	7
		1,783	1,622

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

17. Material related party transactions

(Continued)

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.

17. 重大關連方交易 (續)

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。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

In the first half of 2009, the impact of the financial tsunami were still lingered on and all countries worldwide continued to be affected in various degree. Although the PRC was not immune to the financial crisis, the PRC government has responded to it in a decisive manner by introducing a series of measures to stimulate the economy and obtained good results. To date, the PRC economy sustains steady and rapid growth and its economic growth momentum in substance has not been adversely affected. According to the National Bureau of Statistics of China, the gross domestic product (GDP) of the PRC increased by 7.1% to RMB13,986,200 million in the first half of 2009 as compared with the corresponding period in 2008.

As urbanization of second- and third-tiered cities and rural areas in the PRC is accelerating, the PRC government proactively encouraged construction of economically affordable housing so as to meet the increasing demand for housing from lower income group. Such development fueled the growth in completed floor space of housing and building, which in turn lead to the increase in the demand for laminated boards. In addition, the PRC government has been encouraging the use of laminated boards made from wood pulp as a substitute for logs for the sake of environmental protection and natural resource conservation. Furthermore, domestic supply of premium decorative base paper products in the PRC has been insufficient to cope with the rising demand for such products, providing the Group with plenty of room to develop its decorative base paper products. The Group will strive for greater market share and consolidate its position as the largest decorative base paper manufacturer in the PRC.

業務回顧

金融海嘯的陰霾在二零零九年上半年仍然未盡全消，對全球各國持續帶來不同程度的影響，中國雖然無法在這場危機中獨善其身，惟中國政府積極應對，果斷推出一系列振興經濟的措施，並且取得良好成效。中國社會的經濟增長潛力未有受到實質性傷害，仍然維持快速及穩健的增長步伐。根據中華人民共和國國家統計局核算，二零零九年上半年，中國國內生產總值達人民幣139,862億元，較去年同期增長7.1%。

中國二、三綫城鄉地區的城市化進程正在加快，為滿足中低收入家庭對住房需求正不斷提升，中國政府大力鼓勵興建經濟適用房，使住宅及建築物的竣工面積不斷增加，帶動人造板的需求亦相應增加。同時，中國政府基於環保及天然資源保育的因素，近年大力推動由木漿製成的人造板以取代原木。此外，中國高檔裝飾原紙產品之本地供應並不足以應付日益殷切之市場需求，為本集團的裝飾原紙產品創造巨大的發展空間。本集團將致力增加市場佔有率，以鞏固其作為中國最大裝飾原紙製造商之地位。

BUSINESS REVIEW (Continued)

During the period under review, our business continued to grow in a time of financial crisis despite the challenging macroeconomic environment. Turnover increased by approximately 2.8% from RMB683.4 million for the six months ended 30 June 2008 to RMB702.2 million for the six months ended 30 June 2009. The overall gross profit margin increased from 25.3% for the first half of 2008 to 28.0% for the corresponding period of 2009, mainly due to the economies of scale and enhanced operating efficiency by the commercial production of Production lines nos. 8 and 9 being commenced in March 2009 as well as the on-going realignment of product mix by increasing the proportion of premium decorative base paper products. Profit for the period amounted to RMB149.2 million, representing a decrease of approximately 21.5% as compared with the corresponding period of last year. Basic earnings per share were RMB14 cents (2008: RMB18 cents).

Expansion of production capacity

As at 30 June 2009, the Group has invested and is operating 9 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. Production lines nos. 10 to 13 are currently under construction, of which construction of Production lines nos. 10 and 11 is expected to be completed by late 2009 whilst that of Production lines nos. 12 and 13 is expected to be completed by mid 2010. The designed annual production capacity of each of the 4 Production lines nos. 10 to 13 is approximately 30,000 tonnes, which will further expand our designed annual production capacity to an aggregate of approximately 380,000 tonnes.

業務回顧 (續)

儘管面對艱巨的宏觀經濟局面，本集團業務的增長勢頭在回顧期內持續，安然渡過金融海嘯。截至二零零九年六月三十日止六個月，營業額由去年同期之人民幣683,400,000元，上升約2.8%至人民幣702,200,000元。整體毛利率由二零零八年首六個月之25.3%升至二零零九年同期之28.0%，主要反映第8及第9號生產綫於二零零九年三月相繼投產，令規模效益及營運效率進一步提升，以及繼續透過增加高利潤之高檔裝飾原紙產品比例以重整產品組合所致。期內溢利為人民幣149,200,000元，較去年同期減少約21.5%。每股基本盈利為人民幣14分（二零零八年：人民幣18分）。

擴充產能

截至二零零九年六月三十日，本集團共投資及營運第1至9號9條高度自動化之生產綫，總設計年產能約為260,000噸，包括約210,000噸裝飾原紙產品及約50,000噸印刷用紙產品。本集團現正興建第10至第13號生產綫，第10及第11號生產綫預期將於二零零九年底前竣工；而第12及第13號生產綫則預期將於二零一零年中旬竣工。第10至第13號4條生產綫之每條設計年產能約為30,000噸，將令本集團的設計年產能進一步增加至約380,000噸。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (Continued)

Comprehensive distribution channels

During the period, the Group maintained 6 designated sales regions in the PRC, namely, Shandong, Sichuan, Guangdong, Beijing, Jiangsu and Zhejiang. The Group has over 110 customers covering 13 provinces, autonomous regions and municipalities in the PRC. The Group will endeavor to consolidate its leading market position and customer base in those areas so as to establish a solid foundation for future expansion.

Diversification of product applications

During the period, the Group has marketed more than 80 types of decorative base paper products which are used in a broad spectrum of areas, from furniture and home flooring to large scale infrastructure facilities such as sports stadiums, community halls and interior decoration of motor vehicles and air-crafts. In addition, QX Group has enlarged the weighting and market share of premium decorative base paper products during the period in order to capture the growing market demand.

Environmental protection

The Group has been putting great emphasis on implementing environmental protection and corporate social responsibility. Apart from decorative base paper products, being our core products, which act as a cost-effective alternative for wooden products, the production of our premium wood pulp, which is used for producing our decorative base paper products, causes almost no pollution and conforms to the Industrial Policy of Environmental Protection in the PRC. Besides, waste water after treatment from our production can be reused for irrigation system at our production base in Shandong. Currently, our waste water treatment system has an annual processing capacity of approximately 1,700,000 cubic metres. To accommodate our long-term growth and future expansion of production capacity, the Group is currently constructing another waste water treatment system with an expected annual processing capacity of approximately 3,650,000 cubic metres.

業務回顧(續)

完善的分銷渠道

期內，本集團維持於中國6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110名客戶，遍布中國13個省份、自治區及直轄市。本集團將竭力鞏固在該些地區所建立的市場領先地位及客戶基礎，從而為本集團業務在該些地區作進一步擴展奠下良好基石。

產品用途多元化

期內，本集團銷售逾80種裝飾原紙產品，其應用範圍廣泛。除一般傢俱及家居地板等傳統應用外，大型基建設施如體育館、社區會堂以及交通工具如汽車、飛機的內部裝飾亦適用。另外，群星集團在期內增加高檔裝飾原紙產品的業務比重及市場份額，以迎合市場對該等產品需求之日益增加。

著重環境保護

本集團一直著重履行環保及企業社會責任。除本集團的核心產品裝飾原紙為木質品的廉價替代品外，本集團生產裝飾原紙所使用的高級木漿，在生產過程中並不會怎樣構成環境污染，符合國家的環境產業政策。此外，本集團在生產過程中所產生的污水，經處理後可用作本集團山東生產基地之灌溉系統的水源。本集團現有污水處理系統每年可處理約1,700,000立方米污水。為應付本集團的長遠發展及未來產能的擴充，本集團現正興建另一污水處理系統，預計該系統每年可額外處理約3,650,000立方米污水。

BUSINESS REVIEW *(Continued)*

Awards and Recognition

Leveraging our outstanding performance in operations and management as well as our efforts in implementing corporate social responsibility, the Group received a number of awards and recognition during the period. QX Paper was conferred “The Credible Enterprise of China Accreditation in 2009” jointly by China Enterprise Reputation & Credibility Association (Overseas) Limited and Reputation Institute China in recognition of its excellent achievements in corporate reputation, product quality, corporate governance and brand image.

During the period, Shandong QX was awarded the “2008 Chinese Enterprise with Excellent Integrity” by the China Enterprise Confederation and the China Entrepreneur Association in recognition of the Group’s excellent business philosophy and practices founded on integrity. In addition, Shandong QX was awarded one of the “Top 30 Papermaking Enterprises in China*” presented by China Paper Association, while Dr. Zhu Yu Guo, Chairman of the Board, was named as one the “Outstanding Entrepreneur of Papermaking Industry in China*” by China Paper Association.

業務回顧 *(續)*

獎項及嘉許

憑藉多年來於業務及管理方面的傑出表現，以及致力履行企業社會責任，本集團於期內贏取多項獎狀及嘉許。群星紙業於期內榮獲中華(海外)企業信譽協會及信譽研究院(中國)聯合主辦的二零零九年度中國「信譽企業」認證，足證群星集團在企業信譽、產品質量、企業管治以致企業形象方面均取得卓越成就。

山東群星於期內獲中國企業聯合會及中國企業家協會授予「二零零八年中國優秀誠信企業」之殊榮，以表彰本集團的誠信經營的理念及實踐。此外，山東群星獲中國造紙協會評為「全國制漿造紙行業企業三十強」之一，而董事會主席朱玉國博士亦同時獲選為「全國制漿造紙行業優秀企業家」之一。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Turnover

For the six months ended 30 June 2009, the average selling prices of the decorative base paper products and printing paper products were decreased by approximately 9.3% from RMB13,304 per tonne in 2008 to RMB12,072 per tonne in 2009 and approximately 13.9% from RMB6,674 per tonne in 2008 to RMB5,744 per tonne in 2009, respectively. Despite of this, the overall sales volumes was increased by approximately 11.2% from 61,197 tonnes to 68,078 tonnes, out of which sales volumes of the decorative base paper products increased by approximately 18.6% from 41,474 tonnes for the six months ended 30 June 2008 to 49,175 tonnes for the six months ended 30 June 2009. Therefore, the turnover for the six months ended 30 June 2009 was increased by approximately 2.8% from RMB683.4 million for the six months ended 30 June 2008 to RMB702.2 million for the six months ended 30 June 2009.

Cost of sales

Cost of sales represents the production costs of goods sold during the periods. These 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.

財務回顧

營業額

截至二零零九年六月三十日止六個月，裝飾原紙產品及印刷用紙產品之平均售價分別由二零零八年每噸人民幣13,304元下跌約9.3%至二零零九年每噸人民幣12,072元，及由二零零八年每噸人民幣6,674元下跌約13.9%至二零零九年每噸人民幣5,744元，儘管如此，整體銷售量則由61,197噸上升約11.2%至68,078噸，其中裝飾原紙產品之銷售量由截至二零零八年六月三十日止六個月之41,474噸上升約18.6%至截至二零零九年六月三十日止六個月之49,175噸。因此，截至二零零九年六月三十日止六個月的營業額由截至二零零八年六月三十日止六個月之人民幣683,400,000元增加約2.8%至截至二零零九年六月三十日止六個月之人民幣702,200,000元。

銷售成本

銷售成本指於期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。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Cost of sales (Continued)

The cost of sales decreased by approximately 1.0% from RMB510.7 million for the six months ended 30 June 2008 to RMB505.4 million for the six months ended 30 June 2009. The decrease in the cost of sales was primarily due to the combined effects of (i) increase in the raw material costs, which are the major component of our cost of sales, as a result of the increased sales volume, (ii) decrease in costs of wood pulp and titanium dioxide powder, our principal raw materials for the production, during the six months ended 30 June 2009 (as discussed below), (iii) increase in production overheads, such as electricity and steam expenses, in line with the increase in production volume; and (iv) increase in depreciation expenses due to the commercial production of Production line nos. 8 and 9 since March 2009.

The results of operations are subject to price fluctuations of raw materials used in the production process. The principal raw materials for our production are wood pulp and titanium dioxide powder. For the six months ended 30 June 2008 and 2009, the purchase of wood pulp amounted to approximately RMB214.5 million and RMB192.4 million, respectively, representing approximately 42.0% and 38.1% of the total cost of sales for the respective periods and the purchase of titanium dioxide powder amounted to approximately RMB147.3 million and RMB133.9 million, respectively, representing approximately 28.8% and 26.5% of the total cost of sales for the respective periods. For the six months ended 30 June 2008 and 2009, the Group purchased wood pulp at the average price (value added tax inclusive) of approximately RMB6,540 per tonne and RMB5,104 per tonne, respectively, and titanium dioxide powder at the average price (value added tax inclusive) of approximately RMB14,023 per tonne and RMB12,524 per tonne, respectively.

財務回顧(續)

銷售成本(續)

銷售成本由截至二零零八年六月三十日止六個月之人民幣510,700,000元減少約1.0%至截至二零零九年六月三十日止六個月之人民幣505,400,000元。銷售成本減少主要因為下列因素之綜合影響所致：(i)作為本集團之銷售成本主要部分之原料成本隨銷售量上升而增加；(ii)截至二零零九年六月三十日止六個月內，本集團之主要生產原料木漿及鈦白粉之成本下降(詳情將於下文論述)；(iii)電力及蒸汽開支等生產成本隨生產量上升而增加；及(iv)折舊費用亦因第8號及第9號生產線於二零零九年三月開始作商業生產而增加。

經營業績受制於用於生產過程之原料價格之波動，生產所需之主要原料是木漿及鈦白粉。截至二零零八年及二零零九年六月三十日止六個月，購買木漿分別耗資約人民幣214,500,000元及人民幣192,400,000元，分別佔相關期間總銷售成本約42.0%及38.1%；而購買鈦白粉則分別耗資約人民幣147,300,000元及人民幣133,900,000元，分別佔相關期間總銷售成本約28.8%及26.5%。截至二零零八年及二零零九年六月三十日止六個月，本集團購買木漿之平均價格(包括增值稅)分別約為每噸人民幣6,540元及每噸人民幣5,104元，而購買鈦白粉之平均價格(包括增值稅)則分別約為每噸人民幣14,023元及每噸人民幣12,524元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Gross profit and gross profit margin

The gross profit of the Group increased by approximately 14.0% from RMB172.7 million for the six months ended 30 June 2008 to RMB196.8 million for the six months ended 30 June 2009. The following table sets forth the gross profit margin of each category of the products for the six months ended 30 June 2008 and 2009:

		For the six months ended 30 June 截至六月三十日止六個月	
		2009 二零零九年	2008 二零零八年
Decorative base paper products	裝飾原紙產品	30.0%	27.0%
Printing paper product	印刷用紙產品	17.0%	18.2%

The increase in gross profit margin for decorative base paper products for the six months ended 30 June 2009 as compared to that for the six months ended 30 June 2008 was mainly due to (i) the increase in sales of premium decorative base paper products which have higher gross profit margins; and (ii) the continuing realignment of the product mix.

Despite the cost of raw materials, such as wood pulp, for production of printing paper products, was decreased during the six months ended 30 June 2009, the gross profit margin for printing paper product was decreased slightly for the six months ended 30 June 2009 as compared to that for the six months ended 30 June 2008 since the average selling price of printing paper products was decreased by approximately 13.9% from RMB6,674 per tonne in 2008 to RMB5,744 per tonne in 2009.

However, the overall gross profit margin of the Group was increased from approximately 25.3% to approximately 28.0% during the six months ended 30 June 2009 due to the increase in sales of decorative base paper products which have higher profit margin.

財務回顧(續)

毛利及毛利率

本集團之毛利由截至二零零八年六月三十日止六個月之人民幣172,700,000元增加約14.0%至截至二零零九年六月三十日止六個月之人民幣196,800,000元。下表載列截至二零零八年及二零零九年六月三十日止六個月各產品類別之毛利率：

For the six months ended
30 June
截至六月三十日止六個月

2009
二零零九年

2008
二零零八年

截至二零零九年六月三十日止六個月，裝飾原紙產品之毛利率較截至二零零八年六月三十日止六個月有所增加，原因主要為：(i) 毛利率較高之高檔裝飾原紙產品的銷售量增加；及(ii)持續重整產品組合所致。

儘管印刷用紙產品生產原料(如木漿)的成本於截至二零零九年六月三十日止六個月期間有所下降，但截至二零零九年六月三十日止六個月，印刷用紙產品之毛利率較截至二零零八年六月三十日止六個月輕微下跌。原因是印刷用紙產品的平均售價由二零零八年每噸人民幣6,674元下降約13.9%至二零零九年每噸人民幣5,744元所致。

然而，本集團截至二零零九年六月三十日止六個月之整體毛利率由約25.3%上升至約28.0%，是因為溢利較高之裝飾原紙產品之銷售額增加所致。

FINANCIAL REVIEW (Continued)**Other revenue and net loss/gain**

Other revenue, which represented the interest income earned from the bank deposits and dividend income from listed securities, decreased from RMB21.1 million for the six months ended 30 June 2008 to RMB2.6 million for the six months ended 30 June 2009 and such decrease was mainly due to the decrease in average effective bank interest rate during the period.

In compliance with the financial management and treasury policies, certain investments were made on uncommitted funds. During the six months ended 30 June 2008 and 2009, we recorded a net realised gain of RMB29.1 million and a net realised and unrealised loss of RMB0.8 million on financial assets at fair value through profit or loss, respectively.

Selling expenses

As disclosed in our Prospectus, our Group planned to strengthen our marketing activities. As at 30 June 2009, the Group had over 40 sales and marketing staff to carry out various promotional activities in an attempt to solicit new customers in the six designated sales regions in the PRC. For the six months ended 30 June 2009, the selling expenses increased to RMB8.4 million, representing an increase of approximately 16.7% from RMB7.2 million for the six months ended 30 June 2008. As a percentage of turnover, our selling expenses were maintained at approximately 1.0% for each of the six months ended 30 June 2008 and 2009. 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.

財務回顧 (續)**其他收益及虧損／收益淨額**

其他收益指從銀行存款所賺取之利息收入及上市證券之股息收入，涉及金額由截至二零零八年六月三十日止六個月之人民幣21,100,000元減少至截至二零零九年六月三十日止六個月之人民幣2,600,000元。減少主要由於期內銀行平均實際利率下跌所致。

遵照本集團之財務管理及庫存政策，本集團已就未定用途資金作出若干投資。於截至二零零八年及二零零九年六月三十日止六個月內，本集團分別錄得按公平值計入損益之財務資產已變現收益淨額人民幣29,100,000元及已變現及未變現虧損淨額人民幣800,000元。

銷售開支

誠如本集團的招股章程所披露，本集團計劃加強本集團之市場推廣活動。於二零零九年六月三十日，本集團擁有逾40名銷售及市場推廣員工，負責進行多項宣傳活動，務求於中國六個指定銷售地區招攬新客戶。截至二零零九年六月三十日止六個月，銷售開支增至人民幣8,400,000元，較截至二零零八年六月三十日止六個月人民幣7,200,000元上升約16.7%。截至二零零八年及二零零九年六月三十日止六個月，本集團之銷售開支佔營業額之百分比均維持在1.0%左右之水平，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。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Administrative expenses

The administrative expenses decreased by approximately 2.0% from RMB15.1 million for the six months ended 30 June 2008 to RMB14.8 million for the six months ended 30 June 2009. The decrease was mainly due to the donation to Sichuan Earthquake Relief of RMB1.0 million during the six months ended 30 June 2008 where there was no such donation during the six months ended 30 June 2009. As a percentage of turnover, our administrative expenses decreased slightly from approximately 2.2% for the six months ended 30 June 2008 to approximately 2.1% for the six months ended 30 June 2009.

Finance costs

Finance costs consist primarily of interest expenses on the bank borrowings. The amount decreased by approximately 45.5% from RMB7.7 million for the six months ended 30 June 2008 to RMB4.2 million for the six months ended 30 June 2009. The decrease in interest expenses was mainly due to the repayment of all bank borrowings during the period.

Income tax

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

Shandong QX, our principal operating subsidiary in the PRC, 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 of 12.5% for the remaining three years from 1 January 2009 to 31 December 2011 under the grandfathering treatments of the Corporate Income Tax Law of the PRC passed on 16 March 2007. As such, our Group was not liable to pay any income tax in the PRC for the six months ended 30 June 2008, while Shandong QX is subject to an income tax rate of 12.5% for the six months ended 30 June 2009.

財務回顧(續)

行政開支

行政開支由截至二零零八年六月三十日止六個月之人民幣15,100,000元減少約2.0%至截至二零零九年六月三十日止六個月之人民幣14,800,000元，減少主要由於公司截至二零零八年六月三十日止六個月為四川地震賑災捐出人民幣1,000,000元的款項，而截至二零零九年六月三十日止六個月卻沒有錄得相關的捐款所致。本集團之行政開支佔營業額之百分比由截至二零零八年六月三十日止六個月約2.2%輕微降至截至二零零九年六月三十日止六個月約2.1%。

融資成本

融資成本主要包括銀行借貸之利息支出。利息支出由截至二零零八年六月三十日止六個月之人民幣7,700,000元減少約45.5%至截至二零零九年六月三十日止六個月之人民幣4,200,000元。利息支出減少，主要由於期內全數償還銀行借貸所致。

所得稅

本集團之成員公司於不同司法權區註冊成立，而不同司法權區擁有不同之稅務規定。

根據於二零零七年三月十六日通過之中國企業所得稅法之稅務優惠過渡辦法，本集團於中國之主要營運附屬公司山東群星自二零零七年一月一日至二零零八年十二月三十一日兩年間獲豁免繳納中國所得稅，以及其後於二零零九年一月一日至二零一一年十二月三十一日三年間按12.5%之優惠稅率繳納中國所得稅，故截至二零零八年六月三十日止六個月，本集團在中國並不需要承擔任何所得稅。而截至二零零九年六月三十日止六個月，山東群星須按所得稅稅率12.5%繳納所得稅。

FINANCIAL REVIEW (Continued)

Income tax (Continued)

The provision for Hong Kong Profits Tax for 2008 and 2009 are calculated at 16.5% of the estimated assessable profits for the periods.

Liquidity and Financial Resources

Current and quick ratio

The current ratio of the Group increased from 3.7 as at 31 December 2008 to 8.4 as at 30 June 2009 and the quick ratio of the Group increased from 3.6 as at 31 December 2008 to 8.2 as at 30 June 2009, respectively, which were mainly due to the combined effect of (i) the repayment of short-term bank loans of RMB124.0 million during the six months ended 30 June 2009; and (ii) the settlement of balance payable for construction of Production line nos. 8 and 9 during the six months ended 30 June 2009.

Gearing ratio

As at 30 June 2009, the Group did not have any outstanding bank borrowings (31 December 2008: RMB124.0 million). The gearing ratio decreased from approximately 4.6% as at 31 December 2008 to 0.0% as at 30 June 2009 mainly due to the full repayment of bank borrowings of RMB124.0 million during the six months ended 30 June 2009.

Financial resources

The financial resources of the Group continued to be strong. As at 30 June 2009, the total shareholders' fund of the Group was RMB2,307.4 million, represented an increase of 3.2% from RMB2,235.2 million at 31 December 2008. The Group had cash and cash equivalents of approximately RMB1,227.3 million as at 30 June 2009 (31 December 2008: RMB1,539.4 million), after the payment of final dividend for the year ended 31 December 2008 of RMB77.0 million during the period.

財務回顧(續)

所得稅(續)

二零零八年及二零零九年之香港利得稅撥備乃根據期內之估計應課稅溢利按稅率16.5%計算。

流動資金及財務資源

流動比率及速動比率

本集團的流動比率由二零零八年十二月三十一日的3.7上升至二零零九年六月三十日的8.4，而本集團的速動比率由二零零八年十二月三十一日的3.6上升至二零零九年六月三十日的8.2，主要由於下列因素的綜合影響所致：(i)於截至二零零九年六月三十日止六個月內償還短期銀行貸款人民幣124,000,000元；及(ii)清償截至二零零九年六月三十日止六個月期間因建造第8及第9號生產線應付的結餘。

資產負債比率

於二零零九年六月三十日，本集團並無任何未償還銀行借貸(二零零八年十二月三十一日：人民幣124,000,000元)。資產負債比率由二零零八年十二月三十一日約4.6%下降至二零零九年六月三十日的0.0%，下降的主要原因是於截至二零零九年六月三十日止六個月悉數償還銀行借貸人民幣124,000,000元所致。

財務資源

本集團之財務資源仍然穩健。於二零零九年六月三十日，本集團之股東資金總額為人民幣2,307,400,000元，較於二零零八年十二月三十一日之人民幣2,235,200,000元增加3.2%。於期內派付截至二零零八年十二月三十一日止年度之末期股息人民幣77,000,000元後，本集團於二零零九年六月三十日之現金及現金等價物約為人民幣1,227,300,000元(二零零八年十二月三十一日：人民幣1,539,400,000元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Liquidity and Financial Resources (Continued)

Financial resources (Continued)

The Group continues to enjoy a stable and strong net cash inflow from operating activities. During the six months ended 30 June 2009, the net cash generated from operating activities was RMB199.8 million, represented an increase of 26.9% as compared to RMB157.5 million for the six months ended 30 June 2008.

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 presentation 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 to ensure there are no undue exposures to significant interest rate movements and rates are approximately fixed. As at 30 June 2009, the Group did not have any bank borrowings.

The Group conducts its business transactions principally in the PRC. All of the Group's turnover and cost of sales and most of the Group's monetary assets and liabilities are denominated in RMB. RMB is the functional currency of the Group 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 periods did not have significant impact on the result of the Group.

財務回顧(續)

流動資金及財務資源(續)

財務資源(續)

本集團繼續享有穩定及強勁經營活動現金流入淨額。截至二零零九年六月三十日止六個月，經營活動所得現金淨額為人民幣199,800,000元，較截至二零零八年六月三十日止六個月之人民幣157,500,000元增加26.9%。

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。

本集團管理利率風險之政策是確保在出現重大利率變動時不會承受過高風險及確保利率大致固定。於二零零九年六月三十日，本集團並無任何銀行借貸。

本集團主要在中國進行其業務交易。本集團所有營業額及銷售成本以及本集團絕大部分貨幣性資產及負債均以人民幣計值，人民幣乃本集團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，期內人民幣兌外幣的波動對本集團之業績並無重大影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Capital expenditure

During the six months ended 30 June 2009, 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 approximately RMB202.6 million (during the six months ended 30 June 2008: RMB104.7 million).

Capital commitments, contingencies and charge on assets

The Group will further invest RMB560.1 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 Initial Public Offering".

As disclosed in our 2008 Annual Report, the Group has environmental contingencies under the increasingly stringent environmental protection laws and regulations in the PRC. However, as at the date hereof, the Group has not incurred any significant expenditure for environmental remediation and is currently not involved in any environmental remediation. In addition, the outcome of environmental liabilities under proposed or future environmental legislation cannot be reasonably estimated at present. As such, the Group has not accrued any amounts for environmental remediation relating to its operations.

Saved as disclosed above, the Group had no material contingent liabilities as at 30 June 2009.

As at 30 June 2009, the Group did not have any property, plant and equipment secured for any borrowings (31 December 2008: RMB225.2 million).

財務回顧(續)

資本開支

截至二零零九年六月三十日止六個月，本集團之物業、廠房及設備及在建工程之增加、購買土地使用權以及購買廠房及設備之預付款項合共動用約為人民幣202,600,000元(截至二零零八年六月三十日止六個月：人民幣104,700,000元)。

資本承擔、或然項目及資產抵押

本集團將進一步投資人民幣560,100,000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。

誠如二零零八年年報所披露，本集團在中國日益嚴格之環保法律及法規下有環保或然項目。然而，於本公告日期，本集團並未因環境修復問題產生任何重大支出，現時亦無涉及任何環境修復事件。此外，目前無法合理估計建議中或將來推出之環保法律規定可能導致在環保方面之負債。因此，本集團未就任何與業務相關之環境修復計提任何金額。

除上文所披露者外，本集團於二零零九年六月三十日並無重大或然負債。

於二零零九年六月三十日，本集團並無就任何借貸而抵押任何物業、廠房及設備(二零零八年十二月三十一日：人民幣225,200,000元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Use of proceeds from 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 30 June 2009, part of the net proceeds had been applied as follows:

財務回顧(續)

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。於二零零九年六月三十日，部分所得款項淨額已應用於下列各項：

		Amount utilised up to 30 June 2009 直至 二零零九年 六月三十日 已使用金額	Balance as at 30 June 2009 於 二零零九年 六月三十日 之結餘
	Planned amount 計劃金額 RMB'000 人民幣千元	RMB'000 人民幣千元	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	—
Construction of Production lines nos. 8 to 11	建造第8至第11號生產線	720,000	160,180
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 to 3	重整及改善第1至第3號生產線	40,000	40,000
		1,283,300	560,180

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Use of proceeds from 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 is exercised, our Group planned to apply part of the additional net proceeds of RMB360.0 million for doubling the production capacity of the planned Production lines nos. 10 to 11 from 60,000 tonnes to 120,000 tonnes. The Over-allotment Option was exercised on the Listing Date and our Group decided to further increase our production capacity by 60,000 tonnes by way of constructing two more Production lines nos. 12 to 13.

Employees and Remuneration Policies

As at 30 June 2009, our Group employed a total of approximately 1,200 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 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.

財務回顧(續)

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60,000噸提高至120,000噸。超額配股權已於上市日期獲行使，而本集團決定透過興建第12至第13號另外兩條生產線，進一步增加60,000噸產能。

僱員及薪酬政策

於二零零九年六月三十日，本集團共聘用約1,200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僱傭福利計劃。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，於招聘及挽留富經驗僱員時亦不曾遇到任何困難。本集團與其僱員保持良好工作關係。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUTLOOK

Looking into the second half of 2009, as economic stimulus packages introduced by different countries are becoming effective gradually, financial markets and economic indicators start to show steady trends with gradually improving economic sentiment, global economy hit by financial crisis in late 2008 is expected to recover in an orderly manner in the second half of 2009. In fact, the impact of the financial tsunami on the PRC is relatively indirect. With the support of RMB4 trillion economic stimulus plan and moderately loose monetary policy adopted by the PRC government, it is believed that the PRC economy will recover at a faster pace than other countries, and its growth momentum will be stronger. Therefore, we are cautiously optimistic about the prospects of our mid and long-term business development.

To satisfy market demand for our products, the Group will expand production lines of decorative base paper in a progressive approach as well as widening applications of our products. We will continue to implement stringent cost control measures, improve production efficiency and quality control system for ensuring quality of our products. Furthermore, based on the principles of pragmatism and innovation and driven by our mission of protecting environment and contributing the society, we are focusing on exploring and identifying suitable and relevant development opportunities and broadening the scope for continuing development with an aim to enhance shareholders' value in long-term, while contributing to environmental protection and ecological balance. Leveraging our healthy financial position and our experienced management with market insight, the Board is confident in the sustainable growth of the Group.

展望

展望二零零九年下半年，隨著各國的經濟紓困措施漸見成效，金融市場及各類經濟數據開始回穩，經濟氣氛陸續好轉，二零零九年下半年全球經濟可望從二零零八年下半年金融海嘯的低谷漸漸回升。由於中國受金融海嘯的牽連較為間接，加上在中國政府早前推出的人民幣四萬億刺激經濟方案和適度放鬆貨幣政策的帶動下，中國經濟復蘇的步代相信會較其他國家為快，增長的動力也較為強勁，因此，本集團對中長期的業務發展前景比較審慎樂觀。

為應付市場需求，本集團將循序漸進地擴充裝飾原紙的生產綫，並增加產品之應用層面。同時，本集團亦將貫徹實施嚴謹之成本控制措施，加強生產效率及品質監察系統，以確保本集團產品的質素。此外，本集團秉承務實及創新的作風，並本著承擔綠色使命及以回饋社會為己任的驅使下，正專注探索及物色合適的相關發展機遇，從而拓闊本集團的持續發展空間，並為股東帶來長遠增益，同時為環保及生態文明建設作出貢獻。鑒於本集團雄厚的財務狀況及在洞悉市場和經驗豐富的管理層帶領下，董事會對此充滿信心。

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

As at 30 June 2009, 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 or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were set out below:

Long Positions in Shares of the Company

Name of Director 董事名稱	Capacity/Nature of interest 身份／權益性質
Dr. ZHU Yu Guo 朱玉國博士	Interest of controlled corporation 受控制公司權益
Ms. SUN Rui Fang 孫瑞芳女士	Interest of spouse 配偶權益

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% shareholding interest in Addinsight Limited, Dr. Zhu Yu Guo, a chairman of the Board, was deemed to be interested in the same parcel of shares held by Boom Instant Limited under the SFO.

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

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

董事於本公司及其相聯法團股份之權益

於二零零九年六月三十日，本公司之已發行普通股數目為1,032,800,000股；而董事於本公司或其相聯法團（具證券及期貨條例第XV部之涵義）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：

於本公司股份之好倉

Number of ordinary shares held 持有的普通股數目	Approximate percentage of the issued ordinary shares 佔已發行普通股之概約百分比
700,000,000 (Note) (附註)	67.78%
700,000,000 (Note) (附註)	67.78%

附註：

該等股份由 Boom Instant Limited 實益擁有，Addinsight Limited 擁有其80%權益。根據證券及期貨條例，董事會主席朱玉國博士透過其於 Addinsight Limited 的87.5%股權，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，非執行董事孫瑞芳女士（為朱玉國博士之配偶）被視為擁有朱玉國博士持有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之權益」一節所披露之股份相同。

DISCLOSURE OF INTERESTS

權益披露

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

董事於本公司及其相聯法團股份之權益(續)

Long Positions in Shares of Associated Corporations of the Company

於本公司相聯法團股份之好倉

Name of Director 董事名稱	Name of associated corporation 相聯法團名稱	Capacity/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 佔已發行普通股之概約百分比
Dr. ZHU Yu Guo 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)

Long Positions in Shares of Associated Corporations of the Company (Continued)

Note:

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

Save as disclosed above, as at 30 June 2009, none of the Directors has interests or short positions in the shares, underlying shares or debentures of the Company, or any of its holding companies 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 period 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 in or debentures of the Company or any other body corporate, and none of the Directors or their spouse or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such right during the period.

董事於本公司及其相聯法團股份之權益(續)

於本公司相聯法團股份之好倉(續)

附註：

該等股份由 Be Broad Limited 實益擁有。根據證券及期貨條例，鑑於董事會副主席朱墨群先生透過其於 Be Broad Limited 的 100% 直接權益，被視為擁有 Be Broad Limited 持有的同一批 Boom Instant Limited 股份之權益。

除上文所披露者外，於二零零九年六月三十日，董事概無於本公司或其任何控股公司、附屬公司或其他相聯法團(具證券及期貨條例第XV部之涵義)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。

董事購買股份或債券之權利

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

DISCLOSURE OF INTERESTS

權益披露

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES OF THE COMPANY

As at 30 June 2009, 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% shareholding interest in Boom Instant Limited, Addinsight Limited was deemed to be interested in all the shares held by Boom Instant Limited under the SFO. Dr. Zhu Yu Guo (a chairman of the Board), Mr. Zhu Mo Qun (a vice-chairman of the Board) and Ms. Sun Rui Fang (an non-executive Director) are the directors of both Boom Instant Limited and Addinsight Limited.

Save as disclosed above, as at 30 June 2009, 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之權益

於二零零九年六月三十日，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之主要股東／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。Addinsight Limited透過其於Boom Instant Limited的80%股權，根據證券及期貨條例被視為擁有Boom Instant Limited持有的所有股份的權益。朱玉國博士(董事會主席)、朱墨群先生(董事會副主席)及孫瑞芳女士(非執行董事)均為Boom Instant Limited及Addinsight Limited之董事。

除上文所披露者外，於二零零九年六月三十日，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。

The Board and the management are committed to promoting the Group's standards of corporate governance with emphasis on independence, effective internal control, transparency and accountability to shareholders. It is the belief of the Board that such commitment is crucial to the continuing development of the Group and to enhance our shareholders' value.

The corporate governance practices adopted by the Company throughout the six months ended 30 June 2009 were consistent with those disclosed in the 2008 Annual Report.

COMPLIANCE WITH CG CODE

As at 30 June 2009, the Company has complied with the applicable Code Provisions under the CG Code except the following deviation:

Under the Code Provision A.2.1, the roles of chairman and chief executive officer ("CEO") should be separated 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 an executive Director and a chairman of the Board, also assumes 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, an executive Director, a general manager of the Company, as well as a vice-chairman of the Board, is responsible for the overall management of the Group's business operation 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.

董事會及管理層致力提升本集團之企業管治水平，尤其著重獨立性、有效之內部監控、透明度及對股東之問責性。董事會相信該理念乃本集團持續發展及為股東帶來增益之關鍵。

本公司在截至二零零九年六月三十日止六個月內所採納之企業管治常規與二零零八年年報所披露者貫徹一致。

遵守企業管治守則

於二零零九年六月三十日，本公司已遵守企業管治守則之適用守則條文，惟下述偏離者除外：

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

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the QX Securities Dealing Code regarding Directors' and employees' securities transactions on terms no less exacting than the required standard set out in the Model Code. The QX Securities Dealing Code also applies to the relevant employees who may be in possession of unpublished price sensitive information. Having made specific enquiry of all the Directors, the Directors confirmed that they have complied with the required standard as set out in both the QX Securities Dealing Code and the Model Code throughout the six months ended 30 June 2009.

Board Committees

The Board has established a total of 4 board committees including an Executive Committee (the "Executive Committee"), an Audit Committee (the "Audit Committee"), a Remuneration Committee (the "Remuneration Committee") and an Nomination Committee (the "Nomination Committee") to oversee different aspects of the Group's affairs. Each of the said board committees has adopted specific terms of reference covering its duties, powers and functions which would be reviewed by the Board from time to time.

Audit Committee

The Audit Committee currently comprises all 3 independent non-executive Directors ("INEDs"). The Audit Committee has reviewed with our management the condensed consolidated interim financial statements of the Group for the six months ended 30 June 2009, and the accounting principles and practices adopted by the Group during the period.

Remuneration Committee

The Remuneration Committee currently comprises 1 executive Director and all 3 INEDs. The primary duties of the Remuneration Committee are to make recommendations to the Board on specific remuneration packages and conditions of employment for the Directors and senior management.

董事進行證券交易之標準守則

本公司已採納一套有關董事及僱員進行證券交易之群星證券買賣守則，其條款不比標準守則寬鬆。群星證券買賣守則亦適用於可能擁有未公開股價敏感資料之有關僱員。經向所有董事作出特定查詢後，董事確認彼等於截至二零零九年六月三十日止六個月一直遵守群星證券買賣守則及標準守則兩者所載之規定標準。

董事委員會

董事會合共成立4個董事委員會，包括執行委員會（「執行委員會」）、審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」），以監察本集團不同範疇之事務。上述董事委員會已各自採納涵蓋其職責、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。

審核委員會

審核委員會現時由全體3名獨立非執行董事（「獨立非執行董事」）組成。審核委員會經已與管理層審閱本集團截至二零零九年六月三十日止六個月之簡明綜合中期財務報表，以及本集團於期內所採納之會計原則及實務準則。

薪酬委員會

薪酬委員會現時由1名執行董事及全體3名獨立非執行董事組成。薪酬委員會之主要職責為就董事及高級管理層之特定薪酬福利及僱用條件向董事會作出建議。

Nomination Committee

The Nomination Committee currently comprises 1 executive Director and all 3 INEDs. The primary function of the Nomination Committee is to make recommendations to the Board regarding candidates to fill vacancies on the Board.

Executive Committee

The Executive Committee currently comprises all the 3 executive Directors. The Board delegates powers to the Executive Committee to conduct and supervise the business of the Group and its staff in order to enhance the efficiency of the Group's daily operation.

提名委員會

提名委員會現時由1名執行董事及全體3名獨立非執行董事組成。提名委員會之主要職責為就填補董事會空缺之候選人向董事會作出建議。

執行委員會

執行委員會現時由全體3名執行董事組成。董事會授權予執行委員會執行及管理本集團之業務及員工，務求促進本集團之日常營運效率。

OTHER INFORMATION

其他資料

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK3.277 cents (equivalent to approximately RMB2.889 cents) (2008: HK4.16 cents) per ordinary share for the six months ended 30 June 2009 which shall be payable on or about Friday, 18 September 2009 to shareholders whose names appear on the register of members of the Company on Thursday, 10 September 2009.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 8 September 2009 to Thursday, 10 September 2009, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the aforesaid interim 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 not later than 4:30 p.m. on Monday, 7 September 2009.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the period.

中期股息

董事會議決宣派截至二零零九年六月三十日止六個月之中期股息每股普通股3.277港仙(約相當於人民幣2.889分)(二零零八年: 4.16港仙), 將於二零零九年九月十八日(星期五)或左右向於二零零九年九月十日(星期四)名列本公司股東名冊之股東派發。

暫停辦理股份過戶登記

本公司將於二零零九年九月八日(星期二)至二零零九年九月十日(星期四)(首尾兩天包括在內)暫停辦理股份過戶登記手續。為符合獲派上述中期股息之資格, 所有股份過戶文件連同有關股票須於二零零九年九月七日(星期一)下午四時三十分前, 一併送達本公司之香港股份過戶登記分處卓佳證券登記有限公司, 地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

購買、出售或贖回股份

於截至二零零九年六月三十日止六個月, 本公司及其任何附屬公司於期內概無購買、出售或贖回任何本公司股份。

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

During the six months ended 30 June 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the period.

CONVERTIBLE BONDS, WARRANTS OR OTHER SIMILAR RIGHTS

During the six months ended 30 June 2009, the Company has not issued any convertible bonds, warrants or similar rights.

SHARE OPTION SCHEME

The following is a summary of the principal terms of the share option scheme (the "Share Option Scheme") adopted by the Company on 8 September 2007.

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

(b) Who may join

The Directors may, at their discretion, invite (i) any directors and employees of any members of the Group and any entity ("Invested Entity") in which the Group holds an equity interest; and (ii) any advisors, consultants, customers, business partners, joint venture partners, supplier of goods and service providers of any member of the Group or any Invested Entity to participate in the Share Option Scheme.

購買、出售或贖回股份 *(續)*

於二零零九年六月三十日止六個月，本公司及其任何附屬公司於期內概無購買、出售或贖回任何本公司股份。

可換股債券、認股權證或其他類似權利

於截至二零零九年六月三十日止六個月內，本公司並無發行任何可換股債券、認股權證或類似權利。

購股權計劃

以下為本公司於二零零七年九月八日採納之購股權計劃(「購股權計劃」)的主要條款概要：

(a) 購股權計劃之目的

購股權計劃旨在使本集團能向選定參與者授予購股權，以作為彼等對本集團所作貢獻之獎勵或回報。

(b) 可參與之人士

董事可酌情邀請(i) 本集團或本集團持有股本權益之任何實體(「投資實體」)之任何董事及僱員；及(ii) 任何顧問、諮詢人、客戶、業務夥伴、合資經營夥伴、本集團任何成員公司之貨品供應商及服務供應商或任何參與購股權計劃之投資實體。

OTHER INFORMATION

其他資料

SHARE OPTION SCHEME (Continued)

(c) Maximum number of the Company's shares which may be issued

The maximum number of the Company's shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group shall not in aggregate exceed 30% of the issued share capital of the Company from time to time.

The total number of the Company's shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group shall not in aggregate exceed 10% of the issued share capital of the Company on 2 October 2007 (the day on which dealings in the Company's shares first commenced on the Stock Exchange) but excluding such shares issued upon the exercise of the over-allotment option as referred to in the Prospectus. Such 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 Company's shareholders' approval of the refreshed limit in general meeting.

(d) Maximum entitlement of each participant

The total number of the Company's shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

購股權計劃(續)

(c) 可予發行之本公司股份的最高數目

因行使根據購股權計劃及本集團任何其他購股權計劃所有授出而尚未行使之本公司購股權而將予發行之本公司股份最高數目，合共不得超過本公司不時已發行股本之30%。

因行使根據購股權計劃及本集團任何其他購股權計劃將予授出之所有購股權而可予配發及發行之本公司股份總數，合共不得超過本公司於二零零七年十月二日(本公司股份於聯交所開始買賣首日)已發行股本之10%，惟不包括因行使在招股章程所述之超額配售權而發行之該等股份。該上限可於任何時間予以更新，惟新上限合共不得超過本公司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%。

(d) 每位參與者之最高配額

已發行及因行使根據購股權計劃及本集團任何其他購股權計劃而於任何12個月期間向每位參與者授出之購股權(包括已行使或尚未行使之購股權)而須予發行之本公司股份總數，不得超過本公司當時已發行股本之1%。

SHARE OPTION SCHEME (Continued)**(e) Time of acceptance and exercise of option**

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

(f) Subscription price for Shares and consideration for the option

The subscription price per share of the Company under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price per share of the Company as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant; (ii) the average closing price per share of the Company as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of a share of the Company.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

購股權計劃(續)**(e) 接納及行使購股權之時間**

參與者可於建議授出購股權當日起計21日內接納購股權。

承授人可根據購股權計劃之條款於董事釐定及通知各承授人之期限內隨時行使購股權，該期限可由提出授予購股權建議日期後翌日起計，惟無論如何不得超過自購股權授出當日起計10年，且須受有關購股權提前終止之條文所規限。

(f) 股份之認購價及購股權之代價

根據購股權計劃，每股股份之認購價將由董事釐定，惟不得少於(以下列中最高者為準)(i) 建議授出當日聯交所每日報價表中所列之本公司每股股份收市價；(ii) 緊接建議授出日期前5個交易日聯交所每日報價表中所列之本公司每股股份平均收市價；及(iii) 本公司每股股份面值。

接納獲批授購股權建議時須繳付1港元之象徵式代價。


OTHER INFORMATION 其他資料

SHARE OPTION SCHEME (Continued)

(g) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which it is adopted.

No options were granted, cancelled or lapsed under the Share Option Scheme as at 30 June 2009.



ZHU Yu Guo 朱玉國

Chairman 主席

Shandong, the PRC, 18 August 2009

中國山東，二零零九年八月十八日

購股權計劃(續)

(g) 購股權計劃之期限

購股權計劃自其獲採納當日起計10年內均屬有效。

於二零零九年六月三十日，概無購股權根據購股權計劃授出、註銷或失效。

 This interim report is printed on environmental paper
此中期報告以環保紙張印製



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

www.qxpaper.com