



玖龍紙業(控股)有限公司\*

NINE DRAGONS PAPER (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(在百慕達註冊成立的有限公司)

Stock Code 股份代號: 2689

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**2010/2011**

Interim Report

中期業績報告



## 主要產品 Main products



### 牛卡紙

牛卡紙是一種以本色木漿及廢紙製造的本色卡紙。本集團分別以「玖龍牌」營銷高強牛卡紙，及以「海龍牌」及「地龍牌」營銷標準牛卡紙。

### Kraftlinerboard

Kraftlinerboard is unbleached linerboard manufactured from unbleached kraft pulp and recovered paper. The Group markets its high performance kraftlinerboard under its "Nine Dragons" brand and its standard kraftlinerboard under its "Sea Dragon" and "Land Dragon" brands.



### 再生牛卡紙

再生牛卡紙乃由100%廢紙製造，切合若干客戶低成本及更符合環保的要求。本集團以「海龍牌」及「地龍牌」營銷此產品。

### Testlinerboard

Testlinerboard is made of 100% recovered paper. It meets certain customers requirements for lower cost and environmentally-friendly purposes. The Group markets this product under the "Sea Dragon" and "Land Dragon" brands.



### 白面牛卡紙

白面牛卡紙是三層的紙張，其中一層已漂白，以迎合需要白色表面作為外觀或超強印刷適性的客戶。本集團以「玖龍牌」及「海龍牌」營銷此產品。

### White Top Linerboard

White top linerboard is a three-ply sheet of which one layer is bleached, and caters to customers that require a white surface for appearance or superior printability. The Group markets this product under the "Nine Dragons" and "Sea Dragon" brands.



### 高強瓦楞芯紙

與標準瓦楞芯紙比較，相同基重及已作表面施膠的高強瓦楞芯紙能達至超強的強度及物理特性，能減輕包裝重量、減小體積及所用材料，節省客戶的運送成本。本集團以「玖龍牌」、「海龍牌」及「地龍牌」營銷此產品。

### High Performance Corrugating Medium

Compared to standard corrugating medium, high performance corrugating medium, which undergoes surface sizing, achieves superior strength and physical properties for the same basis weight, which reduces packaging weight, bulk and the amount of material used, allowing customers to save on shipping costs. The Group markets this product under the "Nine Dragons", "Sea Dragon" and "Land Dragon" brands.



### 塗布灰底白板紙

塗布灰底白板紙為一種紙板，紙板的一面有光滑的塗布面層，以致具備優越的印刷適性。塗布灰底白板紙一般用作需要高質印刷適性的小型紙盒包裝物料，例如電子消費品、化妝品或其他消費商品的包裝，亦可連同高強瓦楞芯紙及卡紙用作瓦楞紙板的外層。本集團以「玖龍牌」、「海龍牌」及「地龍牌」營銷此產品。

### Coated Duplex Board

Coated duplex board is a type of boxboard with a glossy coated surface on one side for superior printability. This product is typically used as packaging material for small boxes that require high quality printability, such as consumer electronic products, cosmetics and other consumer merchandise. It can also be used in combination with high performance corrugating medium and linerboard for the outer layer of corrugated board. The Group markets this under the "Nine Dragons", "Sea Dragon" and "Land Dragon" brands.

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## 公司資料 Corporate Information

### 董事會

#### 執行董事

張茵女士( 董事長 )  
 劉名中先生( 副董事長兼行政總裁 )  
 張成飛先生( 副行政總裁 )  
 張元福先生( 財務總監 )  
 劉晉嵩先生  
 高靜女士

#### 獨立非執行董事

譚惠珠女士 金紫荊星章，太平紳士  
 鍾瑞明先生 金紫荊星章，太平紳士  
 鄭志鵬博士  
 王宏渤先生

#### 執行委員會

張茵女士( 主席 )  
 劉名中先生  
 張成飛先生

#### 審核委員會

鄭志鵬博士( 主席 )  
 譚惠珠女士 金紫荊星章，太平紳士  
 鍾瑞明先生 金紫荊星章，太平紳士  
 王宏渤先生

#### 薪酬委員會

譚惠珠女士 金紫荊星章，太平紳士( 主席 )  
 鍾瑞明先生 金紫荊星章，太平紳士  
 鄭志鵬博士  
 劉名中先生  
 張成飛先生

### 授權代表

張成飛先生  
 鄭慧珠女士 ACS, ACIS

### 公司秘書

鄭慧珠女士 ACS, ACIS

### 註冊辦事處

Clarendon House, 2 Church Street  
 Hamilton HM 11, Bermuda

### BOARD OF DIRECTORS

#### Executive Directors

Ms. Cheung Yan (Chairlady)  
 Mr. Liu Ming Chung (Deputy Chairman and Chief Executive Officer)  
 Mr. Zhang Cheng Fei (Deputy Chief Executive Officer)  
 Mr. Zhang Yuanfu (Chief Financial Officer)  
 Mr. Lau Chun Shun  
 Ms. Gao Jing

#### Independent Non-Executive Directors

Ms. Tam Wai Chu, Maria GBS, JP  
 Mr. Chung Shui Ming, Timpson GBS, JP  
 Dr. Cheng Chi Pang  
 Mr. Wang Hong Bo

#### Executive Committee

Ms. Cheung Yan (Chairlady)  
 Mr. Liu Ming Chung  
 Mr. Zhang Cheng Fei

#### Audit Committee

Dr. Cheng Chi Pang (Chairman)  
 Ms. Tam Wai Chu, Maria GBS, JP  
 Mr. Chung Shui Ming, Timpson GBS, JP  
 Mr. Wang Hong Bo

#### Remuneration Committee

Ms. Tam Wai Chu, Maria GBS, JP (Chairlady)  
 Mr. Chung Shui Ming, Timpson GBS, JP  
 Mr. Cheng Chi Pang  
 Mr. Liu Ming Chung  
 Mr. Zhang Cheng Fei

### AUTHORISED REPRESENTATIVES

Mr. Zhang Cheng Fei  
 Ms. Cheng Wai Chu, Judy ACS, ACIS

### COMPANY SECRETARY

Ms. Cheng Wai Chu, Judy ACS, ACIS

### REGISTERED OFFICE

Clarendon House, 2 Church Street,  
 Hamilton HM 11, Bermuda

## 公司資料 Corporate Information

### 香港辦事處

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新鴻基中心31樓3129室  
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### 核數師

羅兵咸永道會計師事務所

### 法律顧問

Conyers Dill & Pearman(百慕達)  
君合律師事務所(中國)  
盛德律師事務所(香港)

### 主要往來銀行

中國銀行有限公司  
中國銀行(香港)有限公司  
中國農業銀行  
交通銀行  
招商銀行  
國家開發銀行

### 股份過戶登記處

#### 總處：

Butterfield Fund Services  
(Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke, HM 08 Bermuda

#### 香港分處：

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  
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### 網址

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### AUDITOR

PricewaterhouseCoopers

### LEGAL ADVISERS

Conyers Dill & Pearman (Bermuda)  
Jun He Law Offices (PRC)  
Sidley Austin (Hong Kong)

### PRINCIPAL BANKERS

Bank of China Limited  
Bank of China (Hong Kong) Limited  
Agricultural Bank of China  
Bank of Communications  
China Merchants Bank  
China Development Bank

### SHARE REGISTRAR AND TRANSFER OFFICE

#### Principal:

Butterfield Fund Services (Bermuda) Limited  
Rosebank Centre,  
11 Bermudiana Road,  
Pembroke, HM 08 Bermuda

#### Hong Kong Branch:

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### WEBSITE

[www.ndpaper.com](http://www.ndpaper.com)  
[www.irasia.com/listco/hk/ndpaper](http://www.irasia.com/listco/hk/ndpaper)

## 董事長報告 Chairlady's Statement

致各位股東：

本人謹代表玖龍紙業(控股)有限公司向各位股東以及關心本集團發展的社會各界朋友提呈截至二零一零年十二月三十一日止六個月之中期業績，並代表董事會向各位表示衷心的感謝！

二零一零年中以來，全球宏觀經濟環境的波動已較前減少，但個別地區或行業仍不時出現變化，而中國政府為防止內部經濟過熱推出一系列針對流動性的措施，國內信貸市場被逐漸收緊。同時，在「十二五」以低碳減排為核心的規劃下，針對造紙行業的相關環保條例執行得更為嚴格，令部分不合規格的中小型造紙廠壓力倍增。儘管面對市場不斷變化，但國內消費需求卻依舊保持增長，令包裝紙行業發展勢頭不減。此行業現狀令玖龍紙業受到雙重優惠，優勢更加凸顯。在此挑戰與機遇並存的環境中，玖龍紙業作為行業龍頭，依靠經驗豐富的市場判斷力和各種資源優勢，在業務營運及未來發展計劃等各方面均保持良好進展。集團已開始籌建新的瀋陽基地，並已簽署了對河北永新紙業有限公司(「河北永新」)78.13%控股股權的收購協議，令本集團未來產能規模可進一步擴大，也奠定了本集團在中國市場的整體佈局。截至二零一零年底，集團總設計年產能已達到952萬噸。本集團深信，產能的擴充、集團資源的不斷優化、市場整合步伐的加快、以及市場環境的持續改善，將大大有助於本集團捕捉市場商機，充分發揮集團長期以來建立的優勢和未來的發展潛力，使近年投入龐大資金所帶來的豐厚盈利回報指日可待。

Dear Shareholders,

On behalf of Nine Dragons Paper (Holdings) Limited, I hereby present the interim results for the six months ended 31 December 2010. On behalf of the Board, I would also like to express my heartfelt gratitude to all shareholders and friends from various communities for their care extended to the Group.

Since mid-2010, less volatility was generally observed in the global macro-economic environment, but certain regions or sectors still exhibited fluctuations from time to time. To prevent domestic economy from overheating, the PRC Government has put forth a series of measures to address liquidity, which gradually tightened the domestic credit market. Meanwhile, with low carbon economy and emission reduction as a key policy direction, the 12th 5-Year Program induced more rigorous enforcement of environmental regulations on the paper manufacturing industry, thereby exerting greater pressure on some non-compliant medium and small-sized paper manufacturers. In face of the ever changing market, the packaging paperboard product industry nevertheless continued to flourish as demand due to domestic consumption continued to grow. Such an industry environment is benefiting ND Paper from both perspectives, making the advantages enjoyed by it even more obvious. Faced with both challenges and opportunities, as an industry leader ND Paper drew upon its ample experience in market judgements and rode on its edges on various resources, and was able to make solid progress in every business aspect from operations to future development. While plans were afoot for the construction of the new Shenyang base, an acquisition agreement had been entered into by the Group to acquire 78.13% controlling equity interests in Hebei Yongxin Paper Co., Ltd. ("Hebei Yongxin"). These will further expand the Group's future production scale, and the Group's overall geographical coverage in the PRC market has taken shape. As at the end of 2010, the Group had a total design production capacity of 9.52 million tpa. It is the Group's conviction that with the expansion of production capacities, continual optimization of its resources, accelerated market consolidation and improving market conditions, the Group will be in a much stronger position to capture market opportunities and capitalize on its long-established advantages and future growth potential, enabling the significant investments made by the Group over recent years to generate more promising profit returns in the near future.

## 董事長報告 Chairlady's Statement

由於西方國家經濟復蘇緩慢及國內需求保持增長，本期間廢紙價格仍處於高位，但相較上一時期，波動幅度明顯減小，國內廢紙採購日趨成熟，亦令進口廢紙的價格較為穩定。於本期間，國廢已佔集團廢紙採購的30%，其中重慶基地更逾70%。集團將一如既往積極努力地開拓渠道以期持續增加國廢採購量，預計到二零一一年底時本集團的國廢採購比例將可達到40%。

### 將環保做到更好，抓住行業整合帶來的契機

在二零一一年開始的國家「十二五」規劃中，環保和節能減排的要求更加嚴格。一直以來，集團持續強化環保節能工作，在各基地設立了《環保責任狀》，深入的貫徹落實「沒有環保就沒有造紙」的理念，在研發及生產新產品的同時，力求將集團利潤增長與環保的企業社會責任有機融合。本集團的各項主要環保指標均做到優於國家標準，並屢次獲得政府的各類獎勵，繼續保持行業領先。在更加嚴格的環保要求和政策下，更多的落後產能將以更快的速度被淘汰，為本集團創造了極為有利的競爭環境。

### 靈活穩健的財務支持，利潤持續增長

於本期間，本集團銷售額達到約人民幣126億元，與去年同期相比上升約45%；毛利潤約為人民幣22.8億元，與去年同期相比上升約23.7%；本集團股東應佔純利約為人民幣12.7億元，每股基本盈利約為人民幣0.27元。董事會已宣佈及批准派付中期股息每股人民幣2分。

During the Period, slow economic recovery in western countries and increasingly buoyant domestic demand had driven prices of recovered paper to hover at high levels, yet with much less volatility as compared with the previous period. Driven by an increasingly sophisticated domestic recovered paper supply environment, the prices of imported recovered paper had also been relatively more stable. During the Period, the amount of domestic recovered paper accounted for 30% of the Group's recovered paper purchase, with Chongqing base achieving over 70%. As in the past, the Group will continually seek new channels to further increase its procurement of domestic recovered paper. The proportion of domestic recovered paper purchased by the Group is expected to reach 40% by the end of 2011.

### STRONGER ENVIRONMENTAL PROTECTION INITIATIVES TO CAPTURE OPPORTUNITIES ARISING FROM INDUSTRY CONSOLIDATION

The 12th 5-Year Program, which starts in 2011, imposes more stringent requirements for environmental protection and emission reduction. As part of its persistent endeavours to strengthen environmental protection, the Group has constantly adhered to the philosophy of "no environment, no paper", with an "Environmental Protection Responsibility Statement" mandated on each base. In the process of research development and production of its new products, the Group aspires to maintaining profit growth and simultaneously fulfilling its social obligations. With its key environmental management parameters outperforming state requirements, the Group won incentives from the government and continued to be ahead of its peers. As environmental protection requirements and policies are becoming more stringent, more obsolete production capacities will be phased out sooner, thus creating a favourable competitive landscape for the Group.

### SUSTAINED PROFIT GROWTH WITH STABLE AND FLEXIBLE FINANCIAL SUPPORT

During the Period, the Group's sales reached approximately RMB12.6 billion, representing a growth of approximately 45.0% as compared with the corresponding period last year. Gross profit amounted to approximately RMB2.28 billion, representing a growth of approximately 23.7%. Net profit attributable to shareholders of the Group amounted to approximately RMB1.27 billion, with basic earnings per share at approximately RMB0.27. The Board has declared and approved an interim dividend of RMB2 cents per share.

## 董事長報告 Chairlady's Statement

對玖龍紙業而言，把握同步實現盈利增長、產能擴充及穩健財務之間的平衡至關重要。一直以來，本集團持續致力於與各大銀行建立長期互信的合作關係，為集團長遠的財務狀況提供穩健的支持。秉持審慎的財務管理，本集團通過不同的幣種、還貸年期及銀行安排，不斷優化貸款組合，使銀行授信額度獲得增加的同時，也分散了風險。本集團於二零一零年十二月三十一日之總貸款約為人民幣200億元，淨借貸比率約為87.8%。

### 完成階段性擴產成果，盈利回報指日可待

面對國內防止通貨膨脹的一系列宏觀調控措施，本集團今年主要將重點放在保證各項新產能及改造計劃能如期順利完成投產，並保持對環保項目的投入。本集團位於太倉基地的兩台新紙機已於二零一零年十二月順利投產：

- 二十九號紙機 — 設計年產能40萬噸卡紙；
- 三十號紙機 — 設計年產能30萬噸低克重高強瓦楞芯紙。

目前各主要生產基地的產能擴充及改造升級工作正在有序進行，預期在二零一一年六月底前，將有四台新紙機建設完成投產，及三台紙機完成改造升級：

- 東莞基地 — 二十七號紙機及二十八號紙機(新建)、三號紙機(改造)；
- 太倉基地 — 二十號紙機及二十一號紙機(改造)；
- 天津基地 — 三十一號紙機及三十二號紙機(新建)。

It is essential for ND Paper to achieve profit growth and capacity expansion without compromising financial stability. The Group continuously endeavours to develop long-term cooperative relationship with the major banks based on mutual trust, so as to provide stable support for its long-term financial stability. On the principle of prudent financial management, the Group has increased its bank credit facilities with dispersed risks through the optimization of its loan portfolio in terms of currency, repayment period and terms of arrangement. As at 31 December 2010, the total borrowings of the Group amounted to approximately RMB20 billion, with a net borrowing to total equity ratio of approximately 87.8%.

### COMPLETION OF CURRENT STAGE OF CAPACITY EXPANSION BRINGING PROFITABLE RETURNS ON THE HORIZON

In face of a series of austerity measures initiated by the PRC Government to curb inflation in the domestic market, the Group's major focus this year is to ensure the smooth completion and production commencement of its new and upgraded capacities as scheduled, whilst continuing its investment in environmental protection projects. Two new paper machines had commenced production smoothly in the Group's Taicang base in December 2010:

- PM29 — 400,000 tpa design capacity in kraftlinerboard;
- PM30 — 300,000 tpa design capacity in light weight high performance corrugating medium.

At present, capacity expansion and upgrading projects at the major production bases are being executed in an orderly manner. It is expected that, by the end of June 2011, four new paper machines will commence production and three paper machines will complete their upgrading:

- Dongguan base — PM27 and PM28 (new), PM3 (upgrade);
- Taicang base — PM20 and PM21 (upgrade);
- Tianjin base — PM31 and PM32 (new).



## 董事長報告 Chairlady's Statement

同時，河北永新的加入可增加本集團於華北地區的市場份額，並為本集團位於天津的生產基地帶來協同效應，在採購及銷售方面得以資源共享。預計到二零一一年六月，集團總設計年產能將達1,145萬噸，較現時的產能規模增加約20%，其中生產高利潤產品的產能將由目前的95萬噸大幅增加至278萬噸。新紙機及改造後的紙機將於二零一二財年(截至二零一二年六月三十日止十二個月)開始逐步體現其貢獻，令集團的整體盈利、規模效益及投資回報提升至更高的水平。

### 推動長期持續發展，強化產品及地域覆蓋面

位於天津基地的三十四號紙機及位於重慶基地的三十三號紙機，將於二零一二財年內投產，提供每年共110萬噸的白卡紙及灰底白板紙新產能，令本集團的總設計年產能增加至1,255萬噸，其中高利潤產品所佔產能再增至388萬噸。位於福建泉州新的中型造紙基地，第一期計劃生產牛卡紙類產品的三十五號和三十六號紙機預期於二零一二年八月底前投產，設計年產能分別為35和30萬噸。鄰近瀋陽的新造紙基地，第一期計劃於二零一三年六月底前開始投產，包括兩台牛卡紙類造紙機(三十七號紙機及三十八號紙機)，設計年產能共70萬噸，到時將令本集團的總設計年產能增至1,390萬噸，以六大基地的佈局全面覆蓋中國的主要市場。

Meanwhile, the addition of Hebei Yongxin will not only enlarge the Group's market share in northern China, but also create synergies for the Group's production base in Tianjin by the sharing of resources in procurement and sales. By June 2011, the total design capacity of the Group is expected to increase by 20% to 11.45 million tpa, of which the capacity manufacturing high-margin products will surge from the current 0.95 million tpa to 2.78 million tpa. The new and upgraded paper machines will progressively contribute to the Group's performance starting from FY12 (the twelve months ending 30 June 2012), thus elevating the overall profitability, economies of scale and investment returns of the Group.

### LONG-TERM SUSTAINABLE DEVELOPMENT ACHIEVED THROUGH ENHANCING PRODUCT MIX AND GEOGRAPHICAL COVERAGE

PM34 in Tianjin base and PM33 in Chongqing base are both scheduled to commence production in FY12. They will bring to the Group an additional production capacity of 1.1 million tpa for products in the duplex board category, thus increasing the Group's total design production capacity to 12.55 million tpa, of which the capacity for high-margin products will further increase to 3.88 million tpa. At the Group's medium-sized paper manufacturing base in Quanzhou, Fujian, PM35 and PM36 in the first phase with a design production capacity of 350,000 tpa and 300,000 tpa respectively for producing products in the linerboard category, are expected to commence production before the end of August 2012. In addition, at the Group's new base near Shenyang, the first phase which includes two paper machines (PM37 and PM38) for products in the linerboard category, with an aggregate design production capacity of 700,000 tpa, is planned to commence production before the end of June 2013. By then, the Group will have a total design production capacity of 13.9 million tpa, with an extensive operating network comprising six major production bases spanning all major markets in the PRC.

## 董事長報告 Chairlady's Statement

### 積極參與公益事業，體現玖龍的社會價值

二零一零年本集團獲得政府審批的各類獎勵超過人民幣1,100萬元。與此同時，玖龍紙業以打造「百年基業」為目標，在各基地成立的「公益事業專項基金」，使集團公益事業更加系統化、更具延續性。本期間玖龍紙業在「9.21」特大洪澇地質災害發生後，向受災嚴重的高州市馬貴鎮捐建「僑心居」；為重慶市彭水縣貧困山區的400名留守兒童和貧困學生提供「玖龍愛心午餐」，並計劃二零一一年將資助規模提升到800名。玖龍紙業將持續推動各項公益事業的開展，以期在提升經濟效益的同時，切實體現龍頭企業的社會價值。

### 展望及致謝

展望未來，預料個別行業會在二零一一年上半年出現緊縮狀況，而全球經濟復蘇也會保持緩慢的步伐，令整體的市場情緒變得保守和不時出現波動，但相對其他經濟體系，中國的長期經濟未來仍會繼續保持增長。就行業而言，國內龐大人口的消費需求為本集團提供了良好的增長空間；就企業而言，新基地和新設備的相繼投產令玖龍的平臺更加廣大；就產品而言，本集團一直致力於研發新產品，並不斷優化產品組合，以提升集團的總體盈利潛力；就原材料採購而言，玖龍的各大基地均在不斷加大國廢的採購比例，以期真正實現將一個十三億人口的龐大消費資源最大循環利用的目標。作為中國擁有最豐富資源的造紙企業，本集團充分利用現有的管理和財務實力，持續穩健地逐步完成擴產及對現有產品結構的調整計劃，於不久將來即可為股東帶來更佳的投资回報。藉此機會，本人謹代表董事會全體同仁向為玖龍付出努力及信任的管理層和全體員工，各級政府、投資者、銀行以及一直支持本集團的業務夥伴，致以衷心的感謝！

董事長  
張茵

香港，二零一一年二月二十三日

### PROMOTED NINE DRAGONS' SOCIAL VALUE BY ACTIVELY PARTICIPATING IN COMMUNITY WELFARE UNDERTAKINGS

In 2010, the Group had obtained various government-approved incentives with an aggregate amount of over RMB11 million. At the same time, with a view to building an enterprise that would thrive for a century, ND Paper has set up "Special Funds for Community Welfare" across its bases to advance its welfare efforts in a more systematic and sustainable manner. During the Period, ND Paper made donation for the construction of "Heart Resettling Houses" in Magui Town, Gaozhou City, which was severely hit by the catastrophic flood on 21 September. The Group also provided "Nine Dragons Caring Lunches" for 400 children and students from poor families staying in poverty-stricken mountain areas of Pengshui County, Chongqing City and has planned to double the scale in 2011. ND Paper will persistently promote various community welfare undertakings, demonstrating its leadership position not only by elevating economic performance but also by exhibiting its social value.

### OUTLOOK AND ACKNOWLEDGEMENT

Looking into the future, some tightening is expected to be seen in certain sectors in the first half of 2011, while global economic recovery remains sluggish. The overall market sentiment may thereby become conservative and volatile from time to time. Nevertheless, the future economic prospect of the PRC is still expected to grow in the longer term as compared to other economies. As to the paper industry, the consumption from a huge domestic population bodes well for demand growth for the Group. As to the Group, the progressive production commencement of new bases and facilities will greatly expand its production scale. On products, the Group aims to improve its overall profitability by reaffirming its commitment to the research and development of new products and the optimization of its product portfolio. On purchase of raw materials, all the bases are increasing their proportion of domestic recovered paper purchase, with a view to maximizing the re-use of the enormous resources consumed by a 1.3 billion population. As the most resourceful paper manufacturing enterprise in the PRC, the Group will, by leveraging on its existing strengths in management and finance, complete its plans of production expansion and enhancement of its existing product mix in a persistent and stage-by-stage manner, in order to strive for better investment return for its shareholders in the foreseeable future. On behalf of all members of the Board, I'd like to take this opportunity to express my heartfelt gratitude to the management and all the staff for their dedication to and the trust they have bestowed on ND Paper, as well as my appreciation for governments at all levels, investors, banks and business partners who have been supporting the Group all along.

Cheung Yan  
Chairlady

Hong Kong, 23 February 2011

## Chief Executive Officer's Operation Review and Outlook

致各位股東：

本人謹向各位提呈玖龍紙業(控股)有限公司之二零一一年度中期業績報告。

### 營運回顧

於本期間，由於有效的定價和銷售策略，本集團的銷售量及銷售額均再創歷史新高，銷售量達4.1百萬噸，銷售額達人民幣126億元，分別較去年同期增長約17.1%和約45.0%，而集團成品庫存已從二零一零年第二季度的高位逐漸恢復到正常水平。有關內需銷售繼續保持穩定增長，佔總銷售的85.5%。本期間的包裝紙總銷售量達4.0百萬噸，其中包括約2.1百萬噸卡紙、約1.4百萬噸高強瓦楞芯紙和約0.5百萬噸塗布灰底白板紙，為集團帶來人民幣約123億元的收入貢獻。除了本集團在中國的四大生產基地(東莞、太倉、重慶、天津)之外，四川樂山、內蒙及越南項目均運營理想。

本集團的總設計年產能現已達952萬噸，包括於二零一零年十二月投產的太倉基地二十九號紙機及三十號紙機，設計年產能分別為40萬噸卡紙及30萬噸低克重高強瓦楞芯紙，令本集團的產能規模於本期間再增長約8%。

於2009年成立的集團總管理部在本期間發揮顯著效果，有效地協調和規範了各基地及各部門的工作，ERP管理系統在四大基地均已上線，令集團資源效益得以持續提升。在此基礎上，集團各大基地均成功施行了分廠制，給管理層提供一個更大的平臺發揮，大大提高了資源配置的可操作性。對於快速發展的玖龍紙業而言，這一逐步優化的管理系統為未來產能擴充和風險控制提供了良好的基礎支援。

Dear Shareholders,

I hereby present the interim report of Nine Dragons Paper (Holdings) Limited for the year 2011.

### REVIEW OF OPERATIONS

Thanks to an effective pricing and sales strategy during the Period, the sales volume and revenue of the Group hit records of 4.1 million tonnes and RMB12.6 billion respectively, representing an increase of approximately 17.1% and 45.0% respectively as compared with the same period last year. The Group's finished goods inventory was gradually reduced to normal levels from high levels in the second quarter of 2010. Sales related to domestic consumption had been growing steadily, representing 85.5% of the total sales. During the Period, the total sales volume of the Group's packaging paperboard products reached 4.0 million tonnes, including approximately 2.1 million tonnes of linerboard, approximately 1.4 million tonnes of high performance corrugating medium and approximately 0.5 million tonnes of coated duplex board, generating a revenue of approximately RMB12.3 billion to the Group. Apart from the four major production bases of the Group in Dongguan, Taicang, Chongqing and Tianjin, the operations of the projects in Leshan of Sichuan, Inner Mongolia and Vietnam were all delivering satisfactory performance.

The Group currently has a total design production capacity of 9.52 million tpa, including PM29 and PM30, which commenced production in Taicang base in December 2010, with design capacity of 400,000 tpa in kraftlinerboard and 300,000 tpa in light weight high performance corrugating medium respectively. This has resulted in approximately 8% increase in the Group's total production capacity during the Period.

Established in 2009, the Group General Management Office clearly demonstrated its contribution by playing a significant role in effectively coordinating and standardizing operations of each base and department during the Period. With the ERP management system becoming online at all four major bases, the efficiency of the Group's resources deployment continued to improve and the "management by plant sub-group" system was thereby successfully assimilated into each base, providing to the management more room for exhibiting their capabilities and enormously enhancing the operating effectiveness of resources allocation. To a fast growing enterprise like ND Paper, the continual improvements on management systems are laying a profound foundation for its future capacity expansion and risk control.

## 行政總裁營運回顧與展望 Chief Executive Officer's Operation Review and Outlook

本集團堅持將節能減排貫徹於生產中，使環保管理更系統化、規範化。本集團利用現有資源及設施積極配合政府減低水及煤的消耗，並結合「十二五」規劃的要求將廢水處理做到優於國家標準，同時繼續穩固本集團龍頭優勢地位，在環保成就方面成為行業典範。在延續降低水耗和燃煤使用的同時，本集團亦已率先實現了污泥的乾化焚燒及輕渣焚燒，不僅減少煤耗，還大大減少了固體廢棄物的排放。於本期間，本集團在環保及節能減排方面表現理想，屢次獲得政府的各類節能減排獎勵，成績被社會各界廣泛認同。

秉承著審慎的財務管理及與各銀行的長期互信關係，本集團為擴展產能爭取最優化的貸款組合，在幣種、還貸年期等多方面與實際業務需求及發展步伐互相配合。本期間內並無錄得任何壞賬，令集團一貫健康穩定的財務狀況得以延伸，且積極加強鞏固與銀行的良好合作關係，把握市場中、長期走勢為基礎，謹慎運用資金，以期令資金管理帶來最好的回報。

### 發展計劃

中國東北及華北市場的包裝紙產品需求快速增長，本集團的天津基地現有有三台新紙機在建造中，包括將用於生產牛卡紙類產品的三十一號和三十二號紙機，設計年產能各為40萬噸，計劃於二零一一年六月底前投產；第三十四號紙機將生產塗布灰底白板紙及食品級、醫藥級白卡紙，設計年產能為55萬噸，計劃於二零一一年十二月底前投產。本集團亦已計劃於瀋陽地區興建新的造紙基地，其中第一期共有兩台紙機，設計年產能各為35萬噸，預期於二零一三年投產。此外，本集團於二零一一年一月向上海實業控股有限公司的兩間附屬公司購買河北永新的78.13%控股股權，此項交易計劃於二零一一年

The Group persistently pursues energy conservation and emission reduction in the course of production by introducing more systematic and standardized environmental management. In support of the government, the Group has proactively reduced the consumption of water and coal by utilizing existing resources and facilities. In line with the requirements of the 12th 5-Year Program, the Group's wastewater treatment has achieved better than national standards, thus becoming the role model of environmental protection whilst consolidating its leadership position. Apart from reducing water consumption and coal combustion, the Group has also become the first to materialize sludge dewatering for use as a fuel and the incineration of light slag, which have significantly reduced coal consumption and curtailed the discharge of solid wastes. During the Period, attributable to its satisfactory performance in environmental protection, energy conservation and emission reduction, the Group was awarded with several incentives for energy conservation and emission reduction from the government and gained wide recognition from various community sectors.

Adhering to its prudent financial management approach and the long-term trust built with various banks, the Group strives to obtain the optimal debt portfolio for capacity expansion, with a mix in terms of currency, repayment period, etc staying in line with its actual business needs and pace of development. During the Period, the Group had no bad debts and continued its already healthy and stable financial position. Proactive efforts were also made to enhance the Group's sound partnership with existing banks. By keeping abreast of market dynamics in the mid and long-term, funds were utilized prudently so as to generate the best returns from the management of funds.

### DEVELOPMENT PLANS

In order to capitalize on the fast-growing market demand for packaging paperboard products in northeastern and northern China, three paper machines are currently under construction in the Group's Tianjin base, including PM31 and PM32 that are planned to commence production before the end of June 2011 for the production of products in the kraftlinerboard category, each with a design production capacity of 400,000 tpa, and PM34 that is planned to commence production before the end of December 2011 for the production of coated duplex board and food grade and pharmaceutical grade white board, with a design production capacity of 550,000 tpa. The Group has also planned to build a new paper manufacturing base in the Shenyang region, the first phase of which will include two paper machines which are expected to commence production in 2013, each with a design production capacity of 350,000 tpa. In addition, in January 2011 the Group has entered into a transaction to acquire 78.13% controlling equity interest of Hebei Yongxin from two subsidiaries of Shanghai

## Chief Executive Officer's Operation Review and Outlook

三月三十一日完成。此舉不但可擴大本集團於華北地區的市場份額，並為本集團於天津及瀋陽的基地帶來協同效應，在生產技術、產品多元化、銷售、客戶服務、採購、庫存管理、成本優化、物流支援及人力資源交流各業務範疇內將可相輔相承，因而可進一步加強本集團在未來的競爭力及鞏固其行業龍頭地位。

本集團致力優化產品組合，除天津基地的三十四號紙機外，位於東莞的二十七號紙機和位於重慶的三十三號紙機也將生產塗布灰底白板紙及食品級、醫藥級白卡紙，設計年產能各為55萬噸，計劃分別於二零一一年六月底前及二零一二年六月底前投產，這些紙機完成投產後，將可令本集團在此類高盈利產品的設計產能躍升1.7倍。在紙機改造及其他高利潤產品方面，生產輕塗牛卡紙的東莞基地三號紙機、太倉基地二十號紙機以及用於生產環保型文化用紙的二十一號紙機，將分別於二零一一年六月底前、二月底前及三月底前改造升級完畢，設計年產能分別為40萬噸、43萬噸以及20萬噸；東莞新建的用以生產環保型文化用紙的二十八號紙機也計劃於二零一一年六月底前投產，設計年產能為25萬噸。

此外，本集團位於福建泉州的中型造紙基地計劃生產牛卡紙類產品的三十五號和三十六號紙機將於二零一二年八月底前投產，設計年產能分別為35和30萬噸。

Industrial Holdings Limited, which is expected to complete on 31 March 2011. The acquisition will not only enlarge the Group's market share in northern China, but also create synergies for the Group's production bases in Tianjin and Shenyang. The aforementioned three bases will complement each other across many business aspects, such as production technology, product diversification, sales, customer service, procurement, inventory management, cost optimization, logistics support and exchange of human resources, thus further strengthening the Group's competitiveness in the future and consolidating its leading position within the industry.

The Group has always striven to optimize its product mix. In addition to PM34 in Tianjin base, PM27 in Dongguan and PM33 in Chongqing that are planned to commence production before the end of June 2011 and June 2012 respectively, will also produce coated duplex board and food grade and pharmaceutical grade white board, each with a design production capacity of 550,000 tpa. These paper machines, upon completion and production commencement, will drive the Group's total design production capacity in these high-margin products to increase by 1.7 fold. As for upgrade of paper machines and other high-margin products, PM3 in Dongguan base and PM20 in Taicang base that will produce light coated linerboard, and PM 21 in Taicang base that will produce recycled printing and writing paper will all complete upgrading before the end of June, February and March 2011 respectively, with design production capacity of 400,000 tpa, 430,000 tpa and 200,000 tpa respectively. The new PM28 in Dongguan base that will produce recycled printing and writing paper is also planned to commence production before the end of June 2011, with a design production capacity of 250,000 tpa.

In addition, PM35 and PM36 in the Group's medium-sized paper manufacturing base in Quanzhou, Fujian, which are planned to produce products in the kraftlinerboard category, will commence production before the end of August 2012, with a design production capacity of 350,000 tpa and 300,000 tpa respectively.

## 行政總裁營運回顧與展望 Chief Executive Officer's Operation Review and Outlook

本集團憑藉管理層優越的領導才能、敏銳的市場觸覺及系統化的管理制度，始終堅持在提高產能的同時將集團的產品開發、產品質量及服務質素保持在行業龍頭的標準。同時，本集團長期以來堅持以誠待客的原則，十分重視與客戶維繫雙贏的合作關係，造就出龐大的客戶網絡及市場上良好的口碑，產品銷量亦屢創新高。本集團預期總設計年產能將於二零一一年六月超過1,100萬噸，其中278萬噸將為高利潤產品，透過穩定互信的良好客戶關係及不斷優化的產品組合，即將令本集團的盈利表現顯著提升，為未來的玖龍「百年基業」奠下更堅實的基礎。

### 展望

在下一個十年的視窗開啟之際，本集團將繼續積極配合政府所定下的節能減排指標的嚴格要求，並履行行業龍頭的責任在環保方面做出表率，保證持續優化及提升環保項目的標準。同時，ERP系統的成功上線，使本集團的管理體系更為統一及標準化。未來，集團將繼續優化ERP系統，增強其效益，控制開支，節省成本，以進一步提高盈利。本集團預期包裝紙市場需求將持續增長，於二零一一年將一如既往充分發揮獨有的四大市場據點及資源優勢，在邁向六大基地的佈局和區域市場覆蓋日趨擴大的同時，不斷提升產能及優化產品組合，改善管理系統、優化生產成本、強化財政收支、提高產品利潤及履行環保責任，更快地實現集團投資收益最大化，以回饋廣大客戶、供應商及各界人士對本集團長期以來的鼎力支持及信任。

副董事長兼行政總裁  
劉名中

香港，二零一一年二月二十三日

Leveraging on the outstanding leadership and sharp market acumen of the Group's management, together with a systematic management framework, the Group is committed to keeping its product development, product quality and service standards above industry standards while increasing its production capacity. Our long-term endeavor to serve customers on the principle of honesty and our paramount emphasis on maintaining a win-win relationship with customers have earned us a vast customer network, respected market reputation and record-breaking sales. The Group expects the total design production capacity to exceed 11 million tpa by June 2011, of which 2.78 million tpa will be taken up by high-margin products. By sustaining sound and trusted customer relationship and further optimizing our product portfolio, the Group is poised to record even stronger profitability, which will lay a solid foundation for ND Paper as an "enterprise that would strive a century".

### OUTLOOK

As the next decade unfolds, the Group will proactively comply with the stringent targets set by the government on energy-saving and emission reduction, whilst taking up an exemplary role in environmental protection to fulfil its responsibility as an industry leader by persisting on optimizing and upgrading its environmental project standards on an on-going basis. Meanwhile, the implementation of the ERP system has facilitated a more uniform and standardized management framework within the Group. In the future, the Group will continue to optimize the ERP system to enhance its effectiveness in expense control and cost savings, thereby further improving on the Group's profit. In addition, in 2011, in anticipation of continued growth in the market demand for packaging paperboard products, the Group will, as usual, make full use of the unique advantages of its four major market bases and resources. Apart from steering its path forward building a strategic network comprising six bases and broadening its regional market coverage, the Group will strive for the constant enhancement of production capacity, optimization of product mix, improvement in the management systems, optimizing production costs, strengthening financial management, elevating product profitability and fulfilment of its obligation on protecting the environment. In so doing, the Group can soon maximize returns from its investments and requite the stern support and trust that its customers, suppliers and people from various communities have long bestowed on the Group.

Liu Ming Chung  
Deputy Chairman and Chief Executive Officer

Hong Kong, 23 February 2011

## Management Discussion and Analysis

## 業務回顧

玖龍紙業作為亞洲最大的箱板原紙生產商，主要生產及銷售多樣化的包裝紙板產品，包括卡紙（牛卡紙、環保牛卡紙及白面牛卡紙）、高強瓦楞芯紙及塗布灰底白板紙，同時從事木漿和特種紙的生產和銷售業務。

二零一零年中以來，中國政府為防止內部經濟過熱推出一系列收緊信貸的措施，而在「十二五」規劃以低碳減排為核心的政策方向下，針對造紙行業的相關環保條例執行得更為嚴格。同時，國內消費需求卻依舊保持增長，令包裝紙行業發展勢頭不減。在此挑戰與機遇並存的環境中，玖龍紙業作為行業龍頭，依靠經驗豐富的市場判斷力和各種資源優勢，在業務營運及未來發展計劃等各方面均保持良好進展。

本集團在中國主要製造業中心設有四大包裝紙生產基地（東莞、太倉、重慶、天津），是中國唯一全面覆蓋此四大市場的包裝紙製造企業。同時，本集團於福建泉州新的中型造紙基地計劃於二零一二年投產，而在華北及東北地區市場，本集團已開始於瀋陽鄰近地區籌建新基地，計劃於二零一三年投產，並簽署了對河北永新78.13%控股股權的收購協議，奠定了本集團在中國市場的整體佈局。

## BUSINESS REVIEW

Being the largest containerboard manufacturer in Asia, the Group primarily produces and sells a broad variety of packaging paperboard products, including linerboard (kraftlinerboard, testlinerboard and white top linerboard), high performance corrugating medium and coated duplex board, as well as produces and sells pulp and specialty paper.

Since mid-2010, the PRC Government has put forth a series of credit tightening measures to prevent domestic economy from overheating. With a program focus on low carbon economy and emission reduction, the 12th 5-Year Program has induced more rigorous enforcement of environmental regulations on the paper manufacturing industry. On the other hand, the packaging paperboard product industry continued to flourish as demand due to domestic consumption continued to grow. Faced with both challenges and opportunities, as an industry leader ND Paper drew upon its ample experience in market judgements and rode on its edges on resources, and was able to make solid progress in every business aspect from operations to future development.

The Group has established four major packaging paperboard production bases (Dongguan, Taicang, Chongqing and Tianjin) across China's main manufacturing hubs, making it the only packaging paperboard manufacturer covering all these four major markets in the PRC. In addition, the Group has a new medium-sized paper production base in Quanzhou, Fujian under construction which is planned to commence production in 2012. As for the northern and north-eastern markets, a new production base near Shenyang is in the pipeline which is planned to commence production in 2013. The Group has also entered into an agreement for the acquisition of 78.13% controlling equity interest in Hebei Yongxin. As such, the Group's overall geographical coverage in the PRC market has taken shape.

## 管理層討論及分析 Management Discussion and Analysis

本集團的總設計年產能現已達952萬噸，包括於二零一零年十二月投產的太倉基地二十九號紙機及三十號紙機，設計年產能分別為40萬噸卡紙及30萬噸低克重高強瓦楞芯紙，令本集團的產能規模於本期間再增長約8%。本集團於二零一一年一月向上海實業控股有限公司的兩間附屬公司購買河北永新的78.13%控股股權，此項交易計劃將於二零一一年三月三十一日完成，除可增加本集團於華北地區的市場份額，並為本集團位於天津的生產基地帶來協同效應，在採購及銷售方面得以資源共享。

於本期間，由於有效的定價和銷售策略，本集團的銷售量及銷售額均再創歷史新高，而集團成品庫存已從二零一零年第二季度的高位逐漸恢復到正常水平。有關內需銷售繼續保持穩定增長，佔總銷售額的約85.5%。

### 優化資源配置 持續擴大產能

玖龍紙業是中國擁有最豐富資源的造紙企業。於二零一零年十二月三十一日，本集團共獲得9.28百萬平方米的土地使用權；於東莞、太倉、重慶及天津四大基地共有二十五台先進的大型造紙機，並設置自有中央燃煤熱電聯產發電廠，總裝機容量為1,154兆瓦；在太倉及重慶基地更建有大型船運碼頭。

於二零一零年底時，本集團在中國內地及香港共聘用約14,200名全職僱員，並持續進行管理系統優化工作。於二零零九年成立的集團總管理部在本期間發揮顯著效果，有效地協調和規範了各基地及各部門的工作，ERP管理系統在四大基地均已上線，令集團資源效益得以持續提升，為未來產能擴充和風險控制提供了良好的基礎支援。

The Group currently has a total design production capacity of 9.52 million tpa, including PM29 and PM30 which commenced production in Taicang base in December 2010, with design capacity of 400,000 tpa in kraftlinerboard and 300,000 tpa in light weight high performance corrugating medium respectively. This has resulted in approximately 8% increase in the Group's total design capacity during the Period. In January 2011, the Group has entered into a transaction to acquire 78.13% controlling equity interest of Hebei Yongxin from two subsidiaries of Shanghai Industrial Holdings Limited, which is expected to be completed on 31 March 2011. Such move will not only enlarge the Group's market share in northern China, but also create synergies for the Group's production base in Tianjin by the sharing of resources in procurement and sales.

Thanks to an effective pricing and sales strategy, the sales volume and revenue of the Group both hit record during the Period, with finished goods inventory gradually reducing to normal levels from high levels in the second quarter of 2010. Sales related to domestic consumption had been growing steadily, representing approximately 85.5% of the total sales.

### Optimizing resources allocation and continuously expanding production capacity

ND Paper is the most resourceful paper manufacturing enterprise in the PRC. As at 31 December 2010, the Group had secured the land use rights for land plots aggregating 9.28 million sq.m. There were a total of 25 large scale, advanced paper machines in operation at its 4 major bases in Dongguan, Taicang, Chongqing and Tianjin, which also had their self-owned central coal-fired cogeneration power plants with an aggregate installed capacity of 1,154 MW. Large scale self-owned piers have also been constructed at the Taicang and Chongqing bases.

As at the end of 2010, the Group employed approximately 14,200 full-time staff in Mainland China and Hong Kong. It is also committed to the on-going optimization of its management systems. Established in 2009, the Group General Management Office clearly demonstrated its contribution by playing a significant role in effectively coordinating and standardizing operations of each base and department during the Period. With the ERP management system becoming online at all four major bases, the efficiency of the Group's resources deployment continued to improve. All these are laying profound foundation for ND Paper's future capacity expansion and risk control.



## 管理層討論及分析

## Management Discussion and Analysis

目前各主要生產基地的產能擴充及改造升級工作正在有序進行，預期在二零一一年六月底前，將有四台新紙機（東莞的二十七號紙機及二十八號紙機、天津的三十一號紙機及三十二號紙機）投產，及三台紙機（東莞的三號紙機、太倉的二十號紙機及二十一號紙機）完成改造升級，集團總設計年產能將達1,145萬噸，較現時的產能規模增加約20%，其中生產高利潤產品的產能將由目前的95萬噸大幅增加至278萬噸。面對中國今年針對通脹的宏觀調控市場情況，本集團在今年的重點工作，是確保此等紙機能順利如期投產，並於二零一二財年開始逐步體現其貢獻，令集團的整體盈利、規模效益及投資回報提升至更高的水平。

位於天津基地的三十四號紙機及位於重慶基地的三十三號紙機，將於二零一二財年內投產，提供每年共110萬噸的白卡紙及灰底白板紙新產能，令本集團的總設計年產能增加至1,255萬噸，其中高利潤產品的產能再增至388萬噸。位於福建泉州新的中型造紙基地及鄰近瀋陽的新造紙基地，分別於二零一二年及二零一三年投產後，將令本集團的總設計年產能增至1,390萬噸，以六大基地的佈局全面覆蓋中國的主要市場。

At present, capacity expansion and upgrading projects at the major production bases are being executed in an orderly manner. It is expected that, by the end of June 2011, four new paper machines (PM27 and PM28 in Dongguan and PM31 and PM32 in Tianjin) will commence production and three paper machines (PM3 in Dongguan, PM20 and PM21 in Taicang) will complete their upgrading. By then, the total design capacity of the Group will increase by approximately 20% to 11.45 million tpa, of which the capacity for manufacturing high-margin products will surge from the current 0.95 million tpa to 2.78 million tpa. In view of the PRC market conditions reflecting the Government's austerity measures for curbing inflation in this year, the Group's priorities are to ensure that these paper machines will be put into production as scheduled and progressively contribute to the Group's performance starting from FY12, thus elevating the overall profitability, economies of scale and investment returns of the Group.

PM34 in Tianjin base and PM33 in Chongqing base are both scheduled to commence production in FY12. They will bring to the Group a total additional production capacity of 1.1 million tpa for white board and duplex board, thus increasing the Group's total design production capacity to 12.55 million tpa, of which the capacity for high-margin products will further increase to 3.88 million tpa. With the Group's medium-sized paper manufacturing base in Quanzhou, Fujian and new base located in the vicinity of Shenyang planned to commence production in 2012 and 2013 respectively, the Group will then have a total design production capacity of 13.9 million tpa with an extensive operating network comprising six major production bases spanning all major markets in the PRC.

## 管理層討論及分析 Management Discussion and Analysis

### 已於二零一零年建設完成投產的造紙機

New paper machines commenced production in 2010

造紙機 Paper machine	地點 Location	產品 Product	設計年產能 Design capacity	投產日期 Date of production commencement
二十九號(新建) PM29 (new)	太倉 Taicang	牛卡紙 Kraftlinerboard	400,000噸 400,000 tpa	十二月 Dec
三十號(新建) PM30 (new)	太倉 Taicang	低克重高強瓦楞紙 Light weight high performance corrugating medium	300,000噸 300,000 tpa	十二月 Dec

### 計劃於二零一一年建設或改造完成投產的造紙機

Paper machines planned for completion of construction or upgrading and production commencement in 2011

造紙機 Paper machine	地點 Location	產品 Product	設計年產能 Design capacity	計劃完成日期 Scheduled completion date
二十號(改造) PM20 (upgrade)	太倉 Taicang	輕塗牛卡紙 Coated linerboard	430,000噸 430,000 tpa	二月底前 Before end of Feb
二十一號(改造) PM21 (upgrade)	太倉 Taicang	環保型文化用紙 (包括雙膠紙、複印紙等) Recycled printing and writing paper (including uncoated woodfree paper, copy paper, etc.)	200,000噸 200,000 tpa	三月底前 Before end of Mar
二十七號(新建) PM27 (new)	東莞 Dongguan	塗布灰底白板紙、食品級、醫藥級白卡紙 Coated duplex board, food grade and pharmaceutical grade white board	550,000噸 550,000 tpa	六月底前 Before end of Jun
二十八號(新建) PM28 (new)	東莞 Dongguan	環保型文化用紙 (包括雙膠紙、複印紙等) Recycled printing and writing paper (including uncoated woodfree paper, copy paper, etc.)	250,000噸 250,000 tpa	六月底前 Before end of Jun
三十一號(新建) PM31 (new)	天津 Tianjin	再生牛卡紙 Testlinerboard	400,000噸 400,000 tpa	六月底前 Before end of Jun
三十二號(新建) PM32 (new)	天津 Tianjin	牛卡紙 Kraftlinerboard	400,000噸 400,000 tpa	六月底前 Before end of Jun
三號(改造) PM3 (upgrade)	東莞 Dongguan	輕塗牛卡紙 Coated linerboard	400,000噸 400,000 tpa	六月底前 Before end of Jun
三十四號(新建) PM34 (new)	天津 Tianjin	塗布灰底白板紙、食品級、醫藥級白卡紙 Coated duplex board, food grade and pharmaceutical grade white board	550,000噸 550,000 tpa	十二月底前 Before end of Dec

## 管理層討論及分析

### Management Discussion and Analysis

#### 計劃於二零一二年建設完成投產的造紙機

Paper machines planned for completion of construction and production commencement in 2012

造紙機 Paper machine	地點 Location	產品 Product	設計年產能 Design capacity	計劃完成日期 Scheduled completion date
三十三號(新建) PM33 (new)	重慶 Chongqing	塗布灰底白板紙、食品級、 醫藥級白卡紙 Coated duplex board, food grade and pharmaceutical grade white board	550,000噸 550,000 tpa	六月底前 Before end of Jun
三十五號(新建) PM35 (new)	泉州 Quanzhou	牛卡紙 Kraftlinerboard	350,000噸 350,000 tpa	八月底前 Before end of Aug
三十六號(新建) PM36 (new)	泉州 Quanzhou	再生牛卡紙 Testlinerboard	300,000噸 300,000 tpa	八月底前 Before end of Aug

#### 計劃於二零一三年建設完成投產的造紙機

Paper machines planned for completion of construction and production commencement in 2013

造紙機 Paper machine	地點 Location	產品 Product	設計年產能 Design capacity	計劃完成日期 Scheduled completion date
三十七號(新建) PM37 (new)	瀋陽 Shenyang	牛卡紙 Kraftlinerboard	350,000噸 350,000 tpa	六月底前 Before end of Jun
三十八號(新建) PM38 (new)	瀋陽 Shenyang	再生牛卡紙 Testlinerboard	350,000噸 350,000 tpa	六月底前 Before end of Jun

#### 本集團於中國六大基地之設計產能(包括河北永新)

Design capacities of the Group's six major bases in China (inclusive of Hebei Yongxin)

(按產品分類)(百萬噸/年) (Breakdown by product category) (million tpa)		2010年12月 December 2010	2011年6月 June 2011	2012年6月 June 2012	2013年6月 June 2013
卡紙類	Linerboard	5.00	5.30	5.30	6.65
瓦楞芯紙類	Corrugating medium	3.30	3.10	3.10	3.10
輕塗牛卡紙類*	Coated linerboard*	–	0.83	0.83	0.83
塗布白板紙類*	Coated duplex board*	0.95	1.50	2.60	2.60
環保型文化紙類*	Recycled printing and writing paper*	–	0.45	0.45	0.45
*高盈利產品合計	*High margin products sub-total	0.95	2.78	3.88	3.88
<b>總計</b>	<b>Total</b>	<b>9.25</b>	<b>11.18</b>	<b>12.28</b>	<b>13.63</b>

## 管理層討論及分析 Management Discussion and Analysis

(按產品分佈) (Capacity mix by product category)		2010年12月 December 2010	2011年6月 June 2011	2012年6月 June 2012	2013年6月 June 2013
卡紙類	Linerboard	54.0%	47.4%	43.1%	48.8%
瓦楞芯紙類	Corrugating medium	35.7%	27.7%	25.2%	22.7%
輕塗牛卡紙類*	Coated linerboard*	–	7.5%	6.8%	6.1%
塗布白板紙類*	Coated duplex board*	10.3%	13.4%	21.2%	19.1%
環保型文化紙類*	Recycled printing and writing paper*	–	4.0%	3.7%	3.3%
高盈利產品合計	*High margin products sub-total	10.3%	24.9%	31.7%	28.5%
<b>總計</b>	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

(按基地地點分佈) (Distribution by location)		2010年12月 December 2010	2011年6月 June 2011	2012年6月 June 2012	2013年6月 June 2013
東莞	Dongguan	48.2%	47.0%	42.7%	38.5%
太倉	Taicang	34.6%	27.1%	24.7%	22.2%
重慶	Chongqing	8.6%	7.1%	11.0%	9.9%
天津	Tianjin	8.6%	14.3%	17.5%	15.8%
泉州	Quanzhou	–	–	–	4.8%
瀋陽	Shenyang	–	–	–	5.1%
河北永新	Hebei Yongxin	–	4.5%	4.1%	3.7%
<b>總計</b>	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### 中國六大基地的造紙機數目(按基地地點分佈)

### Number of paper machines in the Group's six major bases in China (By location)

(台) (No. of machines)		2010年12月 December 2010	2011年6月 June 2011	2012年6月 June 2012	2013年6月 June 2013
東莞	Dongguan	13	15	15	15
太倉	Taicang	8	8	8	8
重慶	Chongqing	2	2	3	3
天津	Tianjin	2	4	5	5
泉州	Quanzhou	–	–	–	2
瀋陽	Shenyang	–	–	–	2
<b>總計</b>	<b>Total</b>	<b>25</b>	<b>29</b>	<b>31</b>	<b>35</b>

## 管理層討論及分析

# Management Discussion and Analysis

### 嚴控成本支出 開拓多元化來源

本集團將繼續發揮ERP系統在管理上的優勢，持續對各部門的互動進行強化，嚴控庫存及成本，最大化物質使用，盡量做到循環再用，減少浪費，以提高業務效益，增加盈利，並有利於環保標準的執行。

由於西方國家經濟復蘇緩慢及中國國內需求保持增長，本期間廢紙價格仍處於高位，但相較上一時期，波動幅度明顯減小，國內廢紙採購日趨成熟，亦令進口廢紙的價格較為穩定。於本期間，國廢已佔集團廢紙採購的約30%，其中重慶基地更逾70%。集團將一如既往地積極努力地開拓渠道以期持續增加國廢採購量，預計到二零一一年底時本集團的國廢採購比例將可達到40%。

### 持續貫徹對環保的高度重視

「十二五」規劃以節能減排為核心，相應的環保指標要求也不斷提高。此政策為一向重視和強化環保節能工作的玖龍紙業提供了更加有利的經營環境。本集團在各基地設立了《環保責任狀》，持續貫徹「沒有環保，就沒有造紙」的理念，各項主要環保指標均已做到優於國家標準，並屢次獲得政府的各項獎勵。目前集團除延續之前已投入建設的設備，持續降低水耗和燃煤使用之外，還實現了污泥的乾化焚燒及輕渣焚燒，力求繼續降低煤耗及減少固體廢物的排放。本集團已在環保節能方面成為行業典範，屢次獲得政府的各項環保獎勵，並將之視為打造百年基業的重要基石，不論市場環境如何，都會堅持對環保項目的投入。在更加嚴格的環保要求和政策下，更多的落後產能將以更快的速度被淘汰，為本集團創造了極為有利的競爭環境。

### Controlling costs and diversifying sources of supplies

By further capitalizing on the advantages of ERP systems in management by strengthening the interactive coordination among various internal departments, the Group aspires to keep its inventory and costs under strict control, maximize the utilization of resources and reduce waste through reuse and recycling practices, so as to improve cost-efficiency and profitability as well as facilitate the Group's compliance with relevant environmental standards.

During the Period, slow economic recovery in western countries and an increasingly buoyant domestic demand in China had driven prices of recovered paper to hover at high levels, yet with much less volatility as compared with the previous period. Balanced by an increasingly sophisticated domestic recovered paper supply environment, the prices of imported recovered paper had also been relatively more stable. During the Period, the amount of domestic recovered paper accounted for approximately 30% of the Group's recovered paper purchase, with Chongqing base achieving over 70%. As in the past, the Group will continually seek new channels to further increase its domestic procurement of recovered paper. The proportion of domestic recovered paper purchased by the Group is expected to reach 40% by the end of 2011.

### Continuing to place high emphasis on environmental protection

With energy conservation and emission reduction being a key focus, the 12th 5-Year Program is imposing more stringent requirements on environmental protection. Such a policy will bring a more favourable business environment to ND Paper, a company that has all along put much emphasis and efforts on environmental protection and energy conservation. The Group has constantly adhered to the philosophy of "no environment, no paper", with an "Environmental Protection Responsibility Statement" mandated on each base. With all key environmental management parameters of the Group outperforming state requirements, the Group won numerous incentives from the government. Apart from utilizing existing facilities to reduce water consumption and coal combustion, the Group has also materialized sludge dewatering for use as a fuel and the incineration of light slag, which have significantly reduced coal consumption and curtailed the discharge of solid wastes. The Group has become the role model of environmental protection in the papermaking industry with a number of environmental protection awards granted by the government. Environmental protection is seen as an important cornerstone for building an enterprise that would thrive for a century, and the Group will persist on its commitment on environmental management facilities notwithstanding any change in the market environment. With more stringent environmental protection requirements and policies, more obsolete production capacities will be phased out sooner, thus creating a favourable competitive landscape for the Group.

## 管理層討論及分析 Management Discussion and Analysis

### 財務回顧

與去年同期比較，本集團於本期間持續錄得銷售額與純利增長。

### 銷售額

於本期間，本集團銷售額較去年同期增加約45.0%至約人民幣12,615.0百萬元。本集團之主要銷售額來源仍為包裝紙業務，佔本集團總銷售額約97.6%，其餘銷售額則來自木漿和高價特種紙產品業務。

本集團銷售額增加主要由於本集團銷量大幅上升。卡紙、高強瓦楞芯紙及塗布灰底白板紙銷量於本期間分別較去年同期增加約16.2%、24.8%及5.1%。

本集團於二零一零年十二月三十一日的包裝原紙設計年產能為9.35百萬噸，其中卡紙、高強瓦楞芯紙及塗布灰底白板紙分別為每年5.1百萬噸、3.30百萬噸及0.95百萬噸。本集團包裝原紙產品銷量自去年同期的3.4百萬噸上升17.6%至本期間約4.0百萬噸。於天津新推出的二十五號及二十六號造紙機（於二零一零年一月開始投產）及現有造紙生產線生產效率大幅提升拉動包裝原紙銷量增加。於二零一零年十二月下旬，太倉的兩台新造紙機二十九號及三十號開始優化，並正在順利運作。

本集團的銷售額繼續主要來自國內市場（尤其是瓦楞芯紙及塗布灰底白板紙業務）。截至二零一零年及二零零九年十二月三十一日止六個月，國內消費相關的銷售額分別佔本集團總銷售額約85.5%及85.0%，而餘下銷售額主要為售予中國境內之外資加工企業用於間接出口銷售，均以外幣結算。

於本期間，本集團五大客戶的銷售額合共佔總銷售額約4.6%（二零零九年：6.4%），其中最大單一客戶的銷售額佔約1.2%（二零零九年：2.1%）。

### FINANCIAL REVIEW

The Group continued to record growth in sales and net profit for the Period as compared with those in the corresponding period last year.

### Sales

The Group's sales for the Period increased by approximately 45.0% over the corresponding period last year to approximately RMB12,615.0 million. The major contributor of the Group's sales was still from its paper packaging business which accounted for approximately 97.6% of the total Group sales, with the remaining sales generated from its pulp and high value special paper products business.

The increase of Group's sales is mainly a result of substantial increase in the Group's sales volume. The sales volume of linerboard, high performance corrugated medium and coated duplex board for the Period increased by approximately 16.2%, 24.8% and 5.1% respectively, as compared with the corresponding period last year.

The Group's annual design production capacity of packaging paperboard as at 31 December 2010 was 9.35 million tpa, comprising 5.1 million tpa of linerboard, 3.30 million tpa of high performance corrugating medium and 0.95 million tpa of coated duplex board. The Group's sales volume of packaging paperboard products increased by 17.6% to approximately 4.0 million tonnes in the Period from 3.4 million tonnes in the same period last year. The increase of the sales volume of packaging paper board was supported by the contribution from the newly introduced PM25 and PM26 in Tianjin, which commenced their commercial operation in January 2010, and the substantial enhancement in production efficiency of the existing paper production lines. By end of December 2010, two new paper machines PM29 and PM30 in Taicang started their optimization and they are running very smooth currently.

The majority of the Group's sales continued to be realized from the domestic market, in particular from the corrugating medium and coated duplex board sectors. For the six months ended 31 December 2010 and 2009, sales related to domestic consumption represented approximately 85.5% and 85.0% of the Group's total sales respectively, while the remaining sales are denominated in foreign currencies which primarily represented indirect export sales made to foreign invested processing enterprises in China.

During the Period, sales to the Group's top five customers in aggregate accounted for approximately 4.6% (2009: 6.4%) of the total sales, out of which the single largest customer accounted for approximately 1.2% (2009: 2.1%).

## 管理層討論及分析

# Management Discussion and Analysis

### 毛利潤

本期間的毛利潤約為人民幣2,275.4百萬元，較去年同期的人民幣1,839.4百萬元增加約人民幣436.0百萬元或23.7%，而本期間毛利率則由去年同期的21.1%減少至約18.0%。

### 銷售及市場推廣成本

銷售及市場推廣成本由去年同期的人民幣155.8百萬元增加至本期間約人民幣230.0百萬元，增幅約為47.6%。銷售及市場推廣成本增加乃由於銷量增加及地域覆蓋擴闊。本期間及去年同期的銷售及市場推廣成本佔本集團銷售額的百分比相若，約為1.8%。

### 行政開支

行政開支由去年同期人民幣237.5百萬元增至本期間約人民幣367.0百萬元。行政開支佔本集團銷售額的百分比由去年同期的2.7%增至本期間約2.9%。回顧期內行政開支增加，主要由於新造紙機及新生產基地開始營運而產生額外管理及行政成本。

### 經營盈利

本期間的本集團經營盈利為人民幣1,767.7百萬元，較去年同期人民幣1,443.3百萬元增加人民幣324.4百萬元，增幅為22.5%。本期間經營盈利率由去年同期的16.6%下降至約14.0%，乃由於本間期毛利率由去年同期的21.1%下降至約18.0%。

### Gross profit

The gross profit for the Period was approximately RMB2,275.4 million, representing an increase of approximately RMB436.0 million or 23.7% as compared with the RMB1,839.4 million in the same period last year while the gross profit margin for the Period decreased from 21.1% to approximately 18.0%.

### Selling and marketing costs

Selling and marketing costs increased by approximately 47.6% from RMB155.8 million in the same period last year to approximately RMB230.0 million in the Period. The increase in the selling and marketing costs was due to larger sales volume and more geographical coverage. As a percentage of the Group's sales, the selling and marketing costs remained relatively stable at approximately 1.8% in the Period and in the same period last year.

### Administrative expenses

Administrative expenses increased from RMB237.5 million in the period last year to approximately RMB367.0 million in the Period. As a percentage of Group sales, the administrative expenses increased from 2.7% in the same period last year to approximately 2.9% in the Period. The increase during the Period under review was mainly a result of additional management and the administrative costs incurred to support the commencement of new paper machines and new production bases.

### Operating profit

The Group's operating profit for the Period was RMB1,767.7 million, representing an increase of RMB324.4 million or 22.5% over the RMB1,443.3 million of the same period last year. The operating profit margin for the Period decreased from 16.6% in the period last year to approximately 14.0% as gross profit margin decreased from 21.1% in the last period to approximately 18.0% in this Period.

## 管理層討論及分析 Management Discussion and Analysis

### 財務費用－淨額

財務費用由去年同期的人民幣236.8百萬元微增至本期間約人民幣275.2百萬元。稍微增加乃資本化利息增加及利息費用增加，主要是由於額外貸款由二零零九年十二月三十一日人民幣12,840.4百萬元增加至二零一零年十二月三十一日約人民幣19,971.0百萬元，為擴充產能提供資金。

### 所得稅

本集團所得稅開支自去年同期的人民幣147.8百萬元增至本期間約人民幣191.5百萬元，主要是由於本期間本集團的應課稅利潤大幅增長。本集團的實際稅率相對穩定，去年同期為12.3%，本期間則約為12.8%。

### 純利及純利率

於本期間，本公司權益持有人應佔盈利約為人民幣1,267.3百萬元，較去年同期增加約22.2%。純利率由去年同期的12.2%下跌至本期間約10.3%。

### 營運資金

存貨由二零一零年六月三十日的人民幣3,765.0百萬元減至二零一零年十二月三十一日的約人民幣2,967.4百萬元，減幅為21.2%。存貨主要包括約人民幣1,711.2百萬元的廢紙、木漿及其他原材料以及約人民幣1,256.2百萬元的成品。

本期間原材料及成品的週轉天數分別約為30天及22天，而去年同期則分別為37天及12天。

### Finance costs – net

The finance costs slightly increased from RMB236.8 million in the same period last year to approximately RMB275.2 million in the Period. The slight increase was the net result of the increase in interest capitalised and the increase in interest expenses mainly due to the fact that additional borrowings were raised from RMB12,840.4 million as at 31 December 2009 to approximately RMB19,971.0 million as at 31 December 2010 to fund the expansion of production capacity.

### Income tax

The Group's income tax expenses increased from RMB147.8 million in the same period last year to approximately RMB191.5 million, which was mainly attributed by the substantial increase in assessable profits of the Group in the Period. The Group's effective tax rate remained relatively stable at 12.3% in the corresponding period last year and approximately 12.8% in the Period.

### Net profit and net profit margin

The profit attributable to the equity holders of the Company for the Period was approximately RMB1,267.3 million, representing an increase of approximately 22.2% over the corresponding period last year. Whilst the net profit margin decreased from 12.2% in the corresponding period last year to approximately 10.3% in the Period.

### Working capital

The level of inventory as at 31 December 2010 decreased by 21.2% to approximately RMB2,967.4 million from RMB3,765.0 million as at 30 June 2010. Inventories mainly comprised recovered paper, pulp and other raw materials of approximately RMB1,711.2 million and finished goods of approximately RMB1,256.2 million.

The turnover days for raw materials and finished products were approximately 30 days and 22 days respectively during the Period, compared to 37 days and 12 days in the corresponding period last year.



## 管理層討論及分析

### Management Discussion and Analysis

二零一零年十二月三十一日應收貿易賬款及應收票據為人民幣3,829.3百萬元，較二零一零年六月三十日的人民幣2,549.1百萬元增加約50.2%。應收貿易賬款及應收票據的週轉天數為55天，而去年同期為45天。截至二零一零年十二月三十一日，賬齡少於60天的應收貿易賬款佔應收貿易賬款總額約98.5%。

應付貿易賬款及應付票據較二零一零年六月三十日增加約28.1%至人民幣3,143.0百萬元。應付貿易賬款週轉天數為55天，而去年同期為52天。

#### 流動資金及財務資源

本集團於本期間所需營運資金及長期投資資金主要來自本集團的經營現金流量及銀行貸款。

本集團於本期間來自經營活動的現金流入淨額由去年同期人民幣612.3百萬元增至本期間約人民幣1,830.9百萬元，此增加主要是由於營運資金變動所致，當中包括銷售額上升及為提高產能增加原材料存貨，故期末成品存貨減少及期末應付貿易賬款及其他應付款項增加。有關本集團於二零一零年十二月三十一日的備用財務資源，本集團有銀行及現金結餘約人民幣2,171.9百萬元（包括受限制現金約人民幣9.3百萬元）及未使用銀行融資總額約人民幣17,663.9百萬元。

於二零一零年十二月三十一日，股東資金約為人民幣20,279.9百萬元，較二零一零年六月三十日增加人民幣903.2百萬元。

本集團於二零一零年十二月三十一日的未償還銀行貸款約為人民幣19,971.0百萬元。短期及長期貸款分別約為人民幣2,296.6百萬元及人民幣17,674.4百萬元，分別佔貸款總額的11.5%及88.5%。於本期間結束時，本集團約99.6%債項為無抵押債項。

The trade receivables and bills receivable as at 31 December 2010 were RMB3,829.3 million, increased by approximately 50.2% from RMB2,549.1 million as at 30 June 2010. The turnover days for trade receivables and bills were 55 days, compared to 45 days in the corresponding period last year. As at 31 December 2010, the trade receivables with age less than 60 days accounted for approximately 98.5% of the total trade receivables.

The trade payables and bills payable increased by approximately 28.1% to RMB3,143.0 million as compared to the corresponding figure as at 30 June 2010. The turnover days for trade creditors were 55 days, compared to 52 days in the corresponding period last year.

#### Liquidity and financial resources

The working capital and long-term investment funding requirements of the Group during the Period was primarily satisfied by the Group's operating cash flows and bank borrowings.

The Group's net cash inflow from operating activities for the Period increased from RMB612.3 million in the same period last year to approximately RMB1,830.9 million in the Period. The increase was attributable primarily to the changes in working capital, mainly from the decrease in period end finished goods inventory and increase in period end trade and other payables as a result of increase in sales and stock up more raw materials for the additional production capacity. In terms of the Group's available financial resources as at 31 December 2010, the Group had bank and cash balances of approximately RMB2,171.9 million (including restricted cash of approximately RMB9.3 million) and total undrawn bank facilities of approximately RMB17,663.9 million.

As at 31 December 2010, the shareholders' funds were approximately RMB20,279.9 million, an increase of RMB903.2 million from that as at 30 June 2010.

The Group had outstanding bank borrowings as at 31 December 2010 of approximately RMB19,971.0 million. The short-term and long-term borrowings amounted to approximately RMB2,296.6 million and RMB17,674.4 million respectively, accounting for 11.5% and 88.5% of the total borrowings respectively. As at the end of the Period, about 99.6% of the Group's debts were on unsecured basis.

## 管理層討論及分析 Management Discussion and Analysis

本集團於二零一零年十二月三十一日的淨貸款對權益總額比率由二零一零年六月三十日的73.9%增至約87.8%。

### 庫務政策

本集團制定庫務政策以更有效控制庫務運作及降低資金成本。因此，本集團為所有業務提供的資金及外匯風險均由本集團統一檢討及監控。為控制個別交易及外幣貸款的匯率及利率波動風險，本集團以外匯結構工具及其他相關的金融工具對沖重大風險。

本集團的政策為不利用任何衍生合約純粹為進行投機活動。

庫務政策符合本集團以下目標：

#### (a) 減低利率風險

以貸款再融資及洽商貸款安排達成。董事會將繼續密切監察本集團貸款組合，比較現有協議的貸款利率與當時不同貨幣及銀行新貸款的借款利率。

#### (b) 減低貨幣風險

基於現時貨幣市場波動，董事會密切監控本集團外幣貸款。於二零一零年十二月三十一日，外幣貸款總額相等於人民幣4,841.6百萬元，而人民幣貸款為人民幣15,129.4百萬元，分別佔本集團貸款24.2%及75.8%。

### 資本開支

本集團於本期間已投資約人民幣5,155.3百萬元興建廠房、購買廠房及機械、設備，而去年同期則為人民幣1,675.1百萬元。該等資本開支全部由內部資金及銀行貸款撥付。

The net borrowings to total equity ratio for the Group as at 31 December 2010 increased to approximately 87.8% from 73.9% as at 30 June 2010.

### Treasury policies

The Group has established treasury policies with the objectives of achieving effective control of treasury operations and of lowering cost of funds. Therefore, funding for all its operations and foreign exchange exposure have been centrally reviewed and monitored at the Group level. To manage the Group's exposure to fluctuations in exchange rates and interest rates on specific transactions and foreign currency borrowings, currency structured instruments and other appropriate financial instruments were used to hedge material exposure.

It is the policy of the Group not to enter into any derivative contracts purely for speculative activities.

The treasury policies followed by the Group aim to:

#### (a) Minimise interest risk

This is accomplished by loan re-financing and negotiation. The Board will continue to closely monitor the Group's loan portfolio and compares the loan margin spread under its existing agreements against the current borrowing interest rates under different currencies and new offers from banks.

#### (b) Minimise currency risk

In view of the current volatile currency market, the Board closely monitors the Group foreign currency borrowings. As at 31 December 2010, total foreign currency borrowings amounted to the equivalent of RMB4,841.6 million and RMB loans amounted to RMB15,129.4 million, representing 24.2% and 75.8% of the Group's borrowings respectively.

### Capital expenditures

The Group invested approximately RMB5,155.3 million for the construction of factory buildings, purchase of plant and machinery, and equipment during the Period, as compared to RMB1,675.1 million in the corresponding period last year. These capital expenditures were fully financed by internal resources and bank borrowings.

## 管理層討論及分析 Management Discussion and Analysis

### 資本承擔及或然負債

於二零一零年十二月三十一日，本集團的資本開支承擔主要為在財務報表已訂約但未撥備的約人民幣3,107.8百萬元的機器。以上承擔主要用於建設新造紙機以擴充本集團產能；改善若干現有生產線以提高盈利能力。該等未來資本開支全部將由內部資金及銀行貸款撥付。

於二零一零年十二月三十一日，本集團並無重大或然負債。

### 結算日後事項

於二零一一年一月十二日，本集團與第三方訂立買賣協議，按代價人民幣564,000,000元收購河北永新紙業有限公司之78.13%股權。河北永新紙業有限公司主要從事箱板原紙產品之生產和銷售。

### Capital commitments and contingencies

The Group made capital expenditure commitments mainly for machinery of approximately RMB3,107.8 million, which were contracted but not provided for in the financial statements as at 31 December 2010. These commitments were mainly related to the construction of new paper machines for the expansion of the Group's production capacity and improvement of certain existing production lines for enhancement of their profitability. These future capital expenditures will also be fully financed by internal resources and bank borrowings.

As of 31 December 2010, the Group had no material contingent liabilities.

### Event occurring after the balance sheet date

On 12 January 2011, the Group entered into a sale and purchase agreement with a third party to acquire 78.13% equity interest in the Hebei Yongxin Paper Co., Ltd. at a consideration of RMB564,000,000. Hebei Yongxin Paper Co., Ltd. is principally engaged in the manufacture and sale of containerboard products.

## 企業管治及其他資料

# Corporate Governance and Other Information

### 企業管治常規

玖龍紙業致力確保高水準企業管治以符合股東利益，並竭力識別及制定最佳管治常規。於本期間內，本公司一直奉行聯交所上市規則附錄十四所載《企業管治常規守則》的原則，並遵守守則內適用的條文。

### 標準守則

本公司已採納上市規則附錄十所載標準守則作為其守則。經向全體董事作出具體查詢後，各董事確認於本期間內一直遵守標準守則所訂的標準。高級管理層因任職於本公司可能擁有未公佈的價格敏感資料，已被要求遵守標準守則的條文。

### 執行委員會

執行委員會負責本公司業務的管理和行政工作以及任何按照公司細則條文在本公司正常業務過程中應由董事會控制和監督的任何事務。

執行委員會由執行董事組成，惟執行委員會成員中的執行董事人數於任何時間一律不得超過四名。除經所有董事書面批准外，執行委員會的組成不可改變。董事會主席將擔任執行委員會主席一職。

目前，執行委員會成員包括張女士(主席)、劉先生及張先生。

### CORPORATE GOVERNANCE PRACTICES

ND Paper is committed to ensuring high standards of corporate governance in the interests of shareholders and devotes considerable effort to identifying and formalizing best practices. Throughout the Period, the Company followed the principles and complied with applicable provisions under the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules of the Stock Exchange.

### MODEL CODE

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its code. Specific enquiries have been made with all Directors, who have confirmed that, during the Period, they have complied with provisions of the Model Code. Senior management who, because of their office in the Company, are likely to be in possession of unpublished price sensitive information, have been requested to comply with the provisions of the Model Code.

### EXECUTIVE COMMITTEE

The Executive Committee is responsible for the management and administration of the business of the Company and any matters which are within the ordinary course of the Company's business under the control and supervision of the Board and in accordance with the provisions of the Bye-laws.

The members of the Executive Committee shall be executive Directors, but the Executive Committee shall not at any time consist of more than four members. No change shall be made to the composition of the Executive Committee except with the approval of all the Directors in writing. The Chairlady of the Board shall be the Chairlady of the Executive Committee.

Currently, the members of the Executive Committee includes Ms. Cheung (Chairlady), Mr. Liu and Mr. Zhang.

## Corporate Governance and Other Information

## 薪酬委員會

薪酬委員會工作包括就薪酬政策及常規向董事會提供建議及建立便於聘請人才的相關制度，此可確保本公司能夠招攬、挽留及激勵優秀員工為本公司作出貢獻及為股東增值。

委員會亦負責檢討及決定董事的薪酬。管理層就公司的董事薪酬架構及成本向委員會提出建議，而委員會就該建議作出檢討。沒有董事或其聯繫人參與其薪酬之決定。

此外，薪酬委員會對本公司的上市前購股權計劃及二零零六年購股權計劃進行有效的監察及執行。

目前，薪酬委員會成員包括：譚惠珠女士(主席)、鍾瑞明先生、鄭志鵬博士、劉先生及張先生。

## 審核委員會

審核委員會每年至少舉行四次會議，旨在監督本集團財務報表的完整性及考慮內部及外部審核的性質及範圍。審核委員會與本公司管理層以及外部核數師羅兵咸永道會計師事務所審閱本公司採納的會計原則與慣例，並討論及審核財務事宜，包括對所有重大財務、營運及合規監控情況，並作出檢討。

審核委員會全體成員均為獨立非執行董事，即鄭志鵬博士(主席)、譚惠珠女士、鍾瑞明先生及王宏渤先生。鄭博士及鍾先生為合資格會計師，擁有豐富的財務申報及監控經驗，譚女士是香港執業大律師。而王先生則擁有豐富的中國紙業經驗及專門知識。

## REMUNERATION COMMITTEE

The functions of the Remuneration Committee include making recommendations to the Board on the remuneration policy and practices and establishing recruitment policies that enable the Company to recruit, retain and motivate high-calibre staff to reinforce the success of the Company and create value for our Shareholders.

It also reviews and determines the remuneration of the Directors. Management makes recommendations to the Committee on the Company's framework for, and cost of, Director's remuneration and the Committee then reviews these recommendations. No Directors or any of his associates is involved in deciding his own remuneration.

In addition, the Remuneration Committee supervises and enforces the Pre-Listing Share Option Scheme and 2006 Share Option Scheme of the Company in an effective manner.

Currently, the Remuneration Committee consists of Ms. Tam Wai Chu, Maria (Chairlady), Mr. Chung Shui Ming, Timpson, Dr. Cheng Chi Pang, Mr. Liu and Mr. Zhang.

## AUDIT COMMITTEE

The Audit Committee meets at least four times each year with the purpose of monitoring the integrity of the Group's financial statements and to consider the nature and scope of internal and external audit. The Audit Committee, together with the Company's management and its external auditor, PricewaterhouseCoopers, have reviewed the accounting principles and practices adopted by the Company and discussed over and reviewed the auditing and financial matters, including all significant aspects involving financial, operational and compliance controls.

All the members of the Audit Committee are appointed from the INEDs, namely, Dr. Cheng Chi Pang (Chairman), Ms. Tam Wai Chu, Maria, Mr. Chung Shui Ming, Timpson and Mr. Wang Hong Bo. Dr. Cheng and Mr. Chung are qualified accountants with extensive experience in financial reporting and controls. Ms. Tam is a barrister and practicing in Hong Kong. Mr. Wang has rich experience and expertise in the paper industry in China.

## 企業管治及其他資料 Corporate Governance and Other Information

### 風險管理委員會

風險管理委員會由本集團屬下之監督部及財務部組成。風險管理委員會的主要職責為強化監控環境；評估有關風險及執行所需的監控活動；確保信息交流暢通無阻；執行適當的監察，確保部門內部及各部門間的監控成效與效率；風險識別及分析影響達成企業目標的風險（包括與監管及營運環境不斷轉變有關的風險）；確定為了減低和消除風險採取的內部監控措施；對內部監控是否有效運行進行檢討，並向董事會匯報；以及與外聘核數師就維持本集團內部監控系統的素質保持聯繫。

### 審閱中期業績

本未經審核簡明綜合中期財務報告已經本公司之審核委員會審閱，並經本公司之核數師羅兵咸永道會計師事務所按照香港會計師公會頒佈之香港審閱準則第2410號《由實體的獨立核數師執行中期財務資料審閱》所審閱。

### 中期股息

董事會已宣佈及批准派付本期間的中期股息每股人民幣2.00分（相等於約2.37港仙），預期將約於二零一一年五月三十日（星期一）以郵寄方式派付予股東。股息將派付予二零一一年五月十七日（星期二）營業時間結束時名列本公司股東名冊的股東。人民幣兌港元於二零一一年二月二十三日之匯率為1.00港元兌人民幣0.8448元換算，此僅供說明之用。以港元所派付股息的實際匯率將以滙款當日的匯率為準。

### RISK CONTROL COMMITTEE

The Risk Control Committee is formed by the Supervision Department and Finance Department. The primary duties of the Risk Control Committee are strengthening the control environment; assessing relevant risks and carrying out necessary control activities; ensuring seamless information exchange; exercising appropriate supervision to ensure the effectiveness and efficiency of control over activities within and between different departments; identifying risks and analysing such risks which may impede the achievement of corporate objectives (including such risks associated with constant changes in the regulatory and operating environments); establishing internal control measures for minimising and eliminating risks; reviewing and reporting to the Board in respect of the effectiveness of internal control; and maintaining contact with external auditors for maintaining the quality of the Group's internal control system.

### REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated interim financial report has been reviewed by the Company's Audit Committee and the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

### INTERIM DIVIDEND

The Board has declared and approved an interim dividend of RMB2.00 cents (equivalent to approximately HK2.37 cents) per Share for the Period, which is expected to be payable to the Shareholders by post on or about Monday, 30 May 2011. The dividend will be payable to the Shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 17 May 2011. The translation of RMB into HKD is made at the exchange rate of HK\$1.00 to RMB0.8448 as at 23 February 2011 for illustration purpose only. The actual translation rate for the purpose of dividend payment in HKD will be subject to exchange rate at the remittance date.

## Corporate Governance and Other Information

## 暫停辦理股東登記

本公司將由二零一一年五月十八日(星期三)至二零一一年五月二十日(星期五)(包括首尾兩日)暫停辦理股東登記，於該期間將不會辦理任何股份登記。為合資格獲發中期股息，所有過戶表格連同有關股票須最遲於二零一一年五月十七日(星期二)下午4時30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。

## 權益披露

## 董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於二零一零年十二月三十一日，本公司董事及主要行政人員及彼等的聯繫人於本公司及其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券，或根據證券及期貨條例第352條須予存置的登記冊所記錄，或根據上市規則標準守則知會本公司及聯交所的權益及淡倉如下：

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 18 May 2011 to Friday, 20 May 2011, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m., on Tuesday, 17 May 2011.

## DISCLOSURE OF INTERESTS

## Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation

As at 31 December 2010, the Directors and chief executive of the Company and their associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporation (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:

## 企業管治及其他資料 Corporate Governance and Other Information

### (A) 所擁有本公司的權益

#### (i) 本公司之股份

下表顯示本公司董事及主要行政人員於二零一零年十二月三十一日所持有本公司股份及相關股份之好倉總額。

### (A) Interests in the Company

#### (i) the Shares of the Company

The table below sets out the aggregate long positions in the Shares and underlying shares of the Directors and the chief executive of the Company as at 31 December 2010.

董事姓名 Name of Directors	好倉/淡倉 Long Position/ Short Position	股份數目 Number of Shares			相關股份數目 (就購股權而言) Number of underlying Shares (in respect of share options)			概約持股 百分比* Approximate percentage of shareholdings*
		個人權益 Personal Interests	家族權益 Family Interests	公司權益 Corporate Interests (附註1) (Note 1)	個人權益 Personal Interests	家族權益 Family Interests	總額 Total	
張女士 Ms. Cheung	好倉 Long Position	44,090,758	27,094,184	2,992,120,000	33,200,000	33,200,000	3,129,704,942	67.13%
劉先生 Mr. Liu	好倉 Long Position	27,094,184	44,090,758	2,992,120,000	33,200,000	33,200,000	3,129,704,942	67.13%
張先生 Mr. Zhang	好倉 Long Position	20,114,821	—	—	33,200,000	—	53,314,821	1.14%
張元福先生 Mr. Zhang Yuanfu	好倉 Long Position	200,000	—	—	2,400,000	—	2,600,000	0.06%
劉晉嵩先生 Mr. Lau Chun Shun	好倉 Long Position	—	—	2,992,120,000	450,000	—	2,992,570,000	64.19%
高靜女士 Ms. Gao Jing	好倉 Long Position	200,000	400,000	—	—	—	600,000	0.01%
譚惠珠女士 Ms. Tam Wai Chu, Maria	好倉 Long Position	1,216,670	—	—	—	—	1,216,670	0.03%
鍾瑞明先生 Mr. Chung Shui Ming, Timpson	好倉 Long Position	1,017,496	—	—	—	—	1,017,496	0.02%
鄭志鵬博士 Dr. Cheng Chi Pang	好倉 Long Position	700,002	—	—	—	—	700,002	0.02%



## 企業管治及其他資料

## Corporate Governance and Other Information

\* 該百分比以本公司於二零一零年十二月三十一日之已發行股份(即4,662,272,620股普通股)計算。

附註：

- (1) Best Result直接持有2,992,120,000股本公司股份。Best Result已發行股本由(i) The Northern Trust Company of Delaware以YC2006 Family Irrevocable Trust的信託人身份及Zhang Xiujie為特別信託人身份持有約29.706%·(ii) 並由張女士持有約7.367%·(iii) 由BNP Paribas Jersey Trust Corporation Limited以The Liu Family Trust的信託人身份通過Goldnew Limited持有約37.053%·(iv) 由BNP Paribas Jersey Trust Corporation Limited通過Acorn Crest Limited以The Zhang Family Trust信託人身份持有約10.000%·及(v) 由BNP Paribas Jersey Trust Corporation Limited通過Winsea Investments Limited以The Golden Nest Trust的信託人身份持有約15.874%。
- (2) YC2006 Family Irrevocable Trust及The Zhang Family Trust為不可撤銷信託而The Liu Family Trust及The Golden Nest Trust為可撤銷信託。
- (3) 張女士為劉先生的配偶。因此，張女士及劉先生亦根據證券及期貨條例第XV部被視為擁有彼此的權益。
- (4) 劉晉嵩先生為YC2006 Family Irrevocable Trust, The Liu Family Trust及The Golden Nest Trust之受益人。因此，根據證券及期貨條例第XV部，他被視為擁有於Best Result的股份權益。
- (5) 根據上市前購股權計劃及二零零六年購股權計劃授出的購股權詳情載於以下(ii)部。

\* The percentage has been compiled based on the total number of Shares of the Company in issue as at 31 December 2010 (i.e. 4,662,272,620 ordinary Shares).

Notes:

- (1) Best Result directly held 2,992,120,000 Shares in the Company. The issued share capital of Best Result is held (i) as to approximately 29.706% by YC2006 Family Irrevocable Trust with The Northern Trust Company of Delaware, as the trustee, and Zhang Xiujie, as the special trustee; (ii) as to approximately 7.367% by Ms. Cheung; (iii) as to approximately 37.053% by Goldnew Limited which was held by The Liu Family Trust with BNP Paribas Jersey Trust Corporation Limited as the trustee, (iv) as to approximately 10% by Acorn Crest Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of the Zhang Family Trust, and (v) as to approximately 15.874% by Winsea Investments Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Golden Nest Trust.
- (2) YC2006 Family Irrevocable Trust and The Zhang Family Trust are irrevocable trusts while The Liu Family Trust and The Golden Nest Trust are revocable trusts.
- (3) Ms. Cheung is the spouse of Mr. Liu. Each of Ms. Cheung and Mr. Liu is therefore deemed to be interested in the Shares held by Best Result pursuant to Part XV of the SFO.
- (4) Mr. Lau Chun Shun is a beneficiary of each of the YC2006 Family Irrevocable Trust, The Liu Family Trust and The Golden Nest Trust. He is therefore deemed to be interested in the Shares held by Best Result pursuant to Part XV of the SFO.
- (5) Details of the share options granted under the Pre-Listing Share Options Scheme and 2006 Share Option Scheme are set out in Part (ii) below.

## 企業管治及其他資料

### Corporate Governance and Other Information

## (ii) 本公司之相關股份

## (ii) the underlying shares of the Company

## (1) 上市前購股權計劃

## (1) The Pre-Listing Share Option Scheme

於本期間內，根據上市前購股權計劃之購股權詳情如下：

Details of the options under the Pre-Listing Share Option Scheme during the Period are as follows:

		購股權數目 Number of share options			
承授人 Grantees		於二零一零年 七月一日的結餘 Balance as at 1 July 2010	於本期間行使 Exercised during the Period	於本期間 註銷/失效 Cancelled/Lapsed during the Period	於二零一零年 十二月三十一日 的結餘 Balance as at 31 December 2010
i) 董事	i) Directors				
張女士(附註3)	Ms. Cheung (Note 3)	6,769,326	(6,769,326)	—	—
劉先生(附註3)	Mr. Liu (Note 3)	6,765,674	(6,765,674)	—	—
張先生	Mr. Zhang	4,725,930	(4,725,930)	—	—
高靜女士	Ms. Gao Jing	200,000	(200,000)	—	—
譚惠珠女士	Ms. Tam Wai Chu, Maria	466,668	(466,668)	—	—
鍾瑞明先生	Mr. Chung Shui Ming, Timpson	470,002	(470,002)	—	—
鄭志鵬博士	Dr. Cheng Chi Pang	700,002	(700,002)	—	—
小計	Sub-total:	20,097,602	(20,097,602)	—	—
ii) 僱員及其他	ii) Employees and others	11,200,868	(10,872,468)	(328,400)	—
合計：	Total:	31,298,470	(30,970,070)	(328,400)	—

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附註：

- (1) 上市前購股權計劃的全部購股權於二零零六年一月一日授出，行使價為每股3.06港元。
- (2) 所有根據上市前購股權計劃授出的購股權已於二零零一年十二月三十一日到期。
- (3) 劉先生為張女士的配偶。因此，張女士視為擁有劉先生所獲授購股權的相關股份權益，而劉先生亦視為擁有張女士所獲授購股權的相關股份權益。
- (4) 於購股權數個行使日前，本公司股份平均收市價為11.23港元。

除上文所披露者外，於本期間內並無購股權根據上市前購股權計劃獲授出、遭註銷或失效。

## (2) 二零零六年購股權計劃

於本期間內，根據二零零六年購股權計劃授出及尚未行使之購股權的詳情如下：

Notes:

- (1) All options under the Pre-Listing Share Option Scheme were granted on 1 January 2006 at an exercise price of HK\$3.06 per Share.
- (2) All the share options granted under the Pre-Listing Share Option Scheme were expired on 31 December 2010.
- (3) Mr. Liu is the spouse of Ms. Cheung. Therefore, Ms. Cheung is deemed to be interested in the Shares subject to the share options granted to Mr. Liu and Mr. Liu is deemed to be interested in the Shares subject to the share options granted to Ms. Cheung.
- (4) The weighted average closing price immediately before the dates on which the options were exercised was approximately HK\$11.23.

Save as disclosed above, no option was granted, cancelled or lapsed under the Pre-Listing Share Option Scheme during the Period.

## (2) 2006 Share Option Scheme

Details of options granted and outstanding under the 2006 Share Option Scheme during the Period:

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#### 購股權數目

#### Number of share options

承授人 Grantees	於二零一零年 七月一日 的結餘 Balance as at 1 July 2010		於二零一零年 十二月三十一日 的結餘 Balance as at 31 December 2010			概約 持股百分比* Approximate percentage of shareholding*		
	於本期間 授出 Granted during the Period	於本期間 行使 Exercised during the Period	於本期間 註銷/生效 Cancelled/ Lapsed during the Period	於本期間 授出 Granted during the Period	於本期間 行使 Exercised during the Period			
<b>i) 董事</b>	<b>i) Directors</b>							
張女士 (附註1及2)	Ms. Cheung (Notes 1 & 2)	33,200,000	—	—	—	33,200,000	0.71%	
劉先生 (附註1及2)	Mr. Liu (Notes 1 & 2)	33,200,000	—	—	—	33,200,000	0.71%	
張先生 (附註1及2)	Mr. Zhang (Notes 1 & 2)	33,200,000	—	—	—	33,200,000	0.71%	
張元福先生 (附註3及5)	Mr. Zhang Yuanfu (Notes 3 & 5)	3,200,000	—	(800,000)	—	2,400,000	0.05%	
劉晉嵩先生 (附註3及5)	Mr. Lau Chun Shun (Notes 3 & 5)	450,000	—	—	—	450,000	0.01%	
小計:	Sub-total:	103,250,000	—	(800,000)	—	102,450,000	2.19%	
<b>ii) 僱員及其他</b> (附註4)	<b>ii) Employees and others</b> (Note 4)		7,412,958	300,000	(948,383)	(400,000)	6,364,575	0.14%
<b>合計:</b>	<b>Total:</b>	110,662,958	300,000	(1,748,383)	(400,000)	108,814,575	2.33%	

\* 該百分比以本公司於二零一零年十二月三十一日之已發行股份(即4,662,272,620股普通股)計算。

附註:

(1) 根據二零零六年購股權計劃，張女士、劉先生及張先生分別被授予41,500,000股購股權。行使價為每股9.8365港元，較二零零六年十月二十六日(董事會於當日舉行會議以考慮及建議授出購股權)之股份收市價及截至二零零六年十月二十六日止五個交易日之股份收市價平均價(以較高者為準)高出約3%。行使期由二零零八年一月一日至二零一一年十二月三十一日。

\* The percentage has been compiled based on the total number of Shares of the Company in issue as at 31 December 2010 (i.e. 4,662,272,620 ordinary Shares).

Notes:

(1) Ms. Cheung, Mr. Liu and Mr. Zhang each was granted 41,500,000 share options under the 2006 Share Option Scheme. The exercise price is HK\$9.8365 per Share, being about 3% premium to the higher of the closing price of the Shares on 26 October 2006, the date of the meeting of the Board to consider and propose the grant of the share options, and the average closing price of the Shares for the five trading days immediately preceding 26 October 2006. The exercise period is from 1 January 2008 to 31 December 2011.

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- (2) 購股權須待達到利潤表現目標後方可行使。自二零零七年七月一日至二零一一年六月三十日期間之五個財政年度各年設有不同的利潤表現目標。利潤表現目標按本集團截至二零零六年財政年度之純利(惟不計及本公司自二零零六年三月之上市前首次公開發售股份超額認購所得的利息收入)計算。利潤表現目標根據二零零六財政年度純利每年增長35%計算。薪酬委員會負責監察本集團之利潤表現目標及本集團能否於各個相關年度達標。
- (2) The exercisable of the share options is subject to the achievement of the performance targets of profit. The each of the five financial years during from 1 July 2007 to 30 June 2011 has different performance targets of profit. The performance target of profit is calculated based on the net profit of the Group for FY2006 which excludes the interest income of the Company derived from the over-subscription of the Shares during the Pre-Listing Initial Public Offering in March 2006. The performance targets of profit are calculated based on the 35% growth of the Net Profit FY2006 on the annual basis. The Remuneration Committee will be responsible for monitoring the performance targets of the profit of the Group and whether or not that the Group has been met the targets for each of the relevant years.
- (3) 已授予董事的購股權資料如下：
- (3) Details of the options granted to the directors are as follow:

董事姓名 Name of Directors	授出日期 (「授出日期」) Date of grant ("Grant Date")	行使價 Exercise Price 港幣 HK\$	行使期 Exercisable Period	購股權數目 Number of shares options				於二零一零年 十二月三十一日 的結餘 Balance as at 31 December 2010	於授出日期前 之收市價 Closing price immediately before Grant Date 港幣 HK\$
				於二零一零年 七月一日的結餘 Balance as at 1 July 2010	於本期間授出 Granted during the Period	於本期間行使 Exercised during the Period	於本期間 註銷/失效 Cancelled/ Lapsed during the Period		
張元福先生 Mr. Zhang Yuanfu	二零零八年 八月二十五日 25 August 2008	4.310	二零零九年八月二十五日至 二零一三年八月二十四日 25 August 2009 to 24 August 2013	800,000	-	(200,000)	-	600,000	4.20
	二零零八年 十月二十八日 28 October 2008	0.894	二零零九年十月二十八日至 二零一三年十月二十七日 28 October 2009 to 27 October 2013	1,600,000	-	(400,000)	-	1,200,000	0.72
	二零零八年 十一月十日 10 November 2008	1.590	二零零九年十一月十一日至 二零一三年十一月十日 11 November 2009 to 10 November 2013	800,000	-	(200,000)	-	600,000	1.44
<b>合計 Total:</b>				3,200,000	-	(800,000)	-	2,400,000	
劉晉嵩先生 Mr. Lau Chun Shun	二零一零年 六月一日 1 June 2010	11.052	二零一一年六月一日至 二零一五年五月三十日 1 June 2011 to 30 May 2015	450,000	-	-	-	450,000	11.58
<b>合計 Total:</b>				450,000	-	-	-	450,000	

## 企業管治及其他資料

### Corporate Governance and Other Information

(4) 已授予僱員及其他人士的購股權資料如下：

(4) Details of the options granted to Employee and others are as follows:-

授出日期 (「授出日期」) Date of grant (「Grant Date」)	行使價 Exercise Price 港幣 HK\$	行使期 Exercisable Period	購股權數目 Number of shares options				於二零一零年 十二月三十一日 的結餘 Balance as at 31 December 2010	於授出日期前 之收市價 Closing price immediately before Grant Date 港幣 HK\$
			於二零一零年 七月一日的結餘 Balance as at 1 July 2010	於本期間授出 Granted during the Period	於本期間行使 Exercised during the Period	於本期間 註銷/失效 Cancelled/ lapsed during the Period		
二零零八年十月二十八日 (附註5) 28 October 2008 (Note 5)	0.894	二零零九年十月二十九日至 二零一三年十月二十八日 29 October 2009 to 28 October 2013	2,712,958	-	(728,383)	-	1,984,575	0.72
二零零八年十月二十八日 28 October 2008	0.894	二零零八年十月二十九日至 二零一三年十月二十八日 29 October 2008 to 28 October 2013	200,000	-	(200,000)	-	-	0.72
二零零九年四月七日 (附註5) 7 April 2009 (Note 5)	3.320	二零一零年四月八日至 二零一四年四月七日 8 April 2010 to 7 April 2014	1,300,000	-	(20,000)	-	1,280,000	3.40
二零零九年十一月十九日 (附註5) 19 November 2009 (Note 5)	13.520	二零一零年十一月十九日至 二零一四年十一月十八日 19 November 2010 to 18 November 2014	800,000	-	-	-	800,000	13.66
二零零九年十一月二十六日 (附註5) 26 November 2009 (Note 5)	13.980	二零一零年十一月二十六日至 二零一四年十一月二十五日 26 November 2010 to 25 November 2014	300,000	-	-	-	300,000	14.00
二零零九年十二月十四日 (附註5) 14 December 2009 (Note 5)	13.060	二零一零年十二月十四日至 二零一四年十二月十三日 14 December 2010 to 13 December 2014	300,000	-	-	-	300,000	12.90
二零一零年一月七日 (附註5) 7 January 2010 (Note 5)	13.600	二零一零年一月七日至 二零一五年一月六日 7 January 2011 to 6 January 2015	400,000	-	-	(400,000)	-	13.64
二零一零年四月八日 (附註6) 8 April 2010 (Note 6)	14.220	二零一零年四月八日至 二零一五年四月七日 8 April 2010 to 7 April 2015	1,100,000	-	-	-	1,100,000	14.28
二零一零年五月二十四日 (附註5) 24 May 2010 (Note 5)	11.488	二零一零年五月二十四日至 二零一五年五月二十三日 24 May 2011 to 23 May 2015	300,000	-	-	-	300,000	10.52
二零一零年七月十三日 (附註5) 13 July 2010 (Note 5)	10.800	二零一零年七月十三日 至二零一五年七月十二日 13 July 2011 to 12 July 2015	-	300,000	-	-	300,000	11.16
<b>合計</b> Total:			7,412,958	300,000	(948,383)	(400,000)	6,364,575	

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- (5) 根據二零零六年購股權計劃獲得有條件授予購股權的各承授人，可以：
- (i) 授出日期獲授有關購權後滿一週年當起至滿第二週年當日止期間，隨時行使所獲授可認購不超過相關股份20%（約減至最接近的整數）的購股權；
  - (ii) 自授出日期後滿第二週年當日起至滿第三週年當日止期間，隨時行使所獲授可認購不超過相關股份40%減按已行使購股權而發行的股份數目（約減至最接近的整數）的購股權；
  - (iii) 自授出日期後滿第三週年當日起至授出日期後滿54個月當日止期間，隨時行使所獲授可認購不超過相關股份60%減按已行使購股權而發行的股份數目（約減至最接近的整數）的購股權；及
  - (iv) 自授出日期後滿第54個月結束後，直至根據二零零六年購股權計劃規則視為授出及接納購股權日期後第60個月期間，隨時行使所獲授可認購全部相關股份減按已行使購股權而發行的股份數目的購股權。
- (6) 根據二零零六年購股權計劃獲得有條件授予購股權的各承授人，可以：
- (i) 授出日期起至滿第一週年當日止期間，隨時行使所獲授可認購不超過相關股份20%（約減至最接近的整數）的購股權；
  - (ii) 自授出日期後滿第一週年當日起至滿第二週年當日止期間，隨時行使所獲授可認購不超過相關股份40%減按已行使購股權而發行的股份數目（約減至最接近的整數）的購股權；
- (5) Each of the grantees has been conditionally granted under the 2006 Share Option Scheme will be entitled to exercise:
- (i) up to 20% of the Shares that are subject to the option so granted to him/her (rounded down to the nearest whole number) at any time during the period commencing on the first anniversary of the date on which the relevant option was so granted to him on Grant Date and ending on the second anniversary of the Grant Date;
  - (ii) up to 40% of the Shares that are subject to the option so granted to him/her less the number of Shares in respect of which the option has been exercised (rounded down to the nearest whole number) at any time during the period commencing on the expiry of the second anniversary of the Grant Date and ending on the third anniversary of the Grant Date;
  - (iii) up to 60% of the Shares that are subject to the option so granted to him/her less the number of Shares in respect of which the option has been exercised (rounded down to the nearest whole number) at any time during the period commencing on the expiry of the third anniversary of the Grant Date and ending on the 54th month from the Grant Date; and
  - (iv) such number of Shares subject to the option so granted to him/her less the number of Shares in respect of which the option has been exercised at any time commencing from the expiry of the 54th month from the Grant Date and ending on the expiration of 60 months from the date upon which such option is deemed to be granted and accepted in accordance with the rules of the 2006 Share Option Scheme.
- (6) Each of the grantees has been conditionally granted under the 2006 Share Option Scheme will be entitled to exercise:
- (i) up to 20% of the Shares that are subject to the option so granted to him/her (rounded down to the nearest whole number) at any time during the period commencing on the Grant Date and ending on the first anniversary of the Grant Date;
  - (ii) up to 40% of the Shares that are subject to the option so granted to him/her less the number of Shares in respect of which the option has been exercised (rounded down to the nearest whole number) at any time during the period commencing on the expiry of the first anniversary of the Grant Date and ending on the second anniversary of the Grant Date;

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## Corporate Governance and Other Information

- |   |  |
|---|--|
| (iii) 自授出日期後滿第二週年當日起至滿第三週年當日止期間，隨時行使所獲授可認購不超過相關股份60%減按已行使購股權而發行的股份數目(約減至最接近的整數)的購股權；及           | (iii) up to 60% of the Shares that are subject to the option so granted to him/her less the number of Shares in respect of which the option has been exercised (rounded down to the nearest whole number) at any time during the period commencing on the expiry of the second anniversary of the Grant Date and ending on the third anniversary of the Grant Date; and  |
| (iv) 自授出日期後滿第三週年當日起，直至根據二零零六年前購股權計劃規則視為授出及接納購股權日期後第60個月期間，隨時行使所獲授可認購全部相關股份減按已行使購股權而發行的股份數目的購股權。 | (iv) such number of Shares subject to the option so granted to him/her less the number of Shares in respect of which the option has been exercised at any time commencing from the expiry of the third anniversary of the Grant Date and ending on the expiration of 60 months from the date upon which such option is deemed to be granted and accepted in accordance with the rules of the 2006 Share Option Scheme. |
| (7) 合資格僱員乃按《僱傭條例》所指屬於「連續性合約」之僱傭合約下工作的僱員。  | (7) Eligible employees are working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance.  |
| (8) 於購股權數個行使日前，本公司股份平均收市價為港幣12.08。  | (8) The weighted average closing price immediately before the dates on which the options were exercised was approximately HK\$12.08.   |

除上文所披露者外，於本期間內並無購股權根據二零零六年購股權計劃獲授出、遭註銷或失效。

Save as disclosed above, no any other options were granted, cancelled or lapsed under the 2006 Share Option Scheme during the Period.

## (B) 所擁有相聯法團的權益 – Best Result

## (B) Interests in Associated Corporation – Best Result

董事姓名 Name of Directors	好倉/淡倉 Long Position/ Short Position	身份 Capacity	持有Best Result 已發行股份數目 No. of issued ordinary shares held in Best Result	概約持股百分比 Approximate percentage of shareholding
張女士 Ms. Cheung	好倉	實益擁有人	7,367	7.367%
	Long Position	Beneficial Owner		
	好倉	YC2006 Family Irrevocable Trust成立人	29,706	29.706%
	Long Position	Founder of YC2006 Family Irrevocable Trust		
		配偶權益	37,053	37.053%
		Interest of spouse		
劉先生 Mr. Liu	好倉	The Liu Family Trust成立人	37,053	37.053%
	Long Position	Founder of The Liu Family Trust		
		配偶權益	37,073	37.073%
		Interest of spouse		
張先生 Mr. Zhang	好倉	The Zhang Family Trust and The Golden Nest Trust 成立人及受益人	25,874	25.874%
	Long Position	Founder and beneficiary of The Zhang Family Trust and The Golden Nest Trust		
劉晉嵩先生 Mr. Lau Chun Shun	好倉	信託受益人(註4)	82,633	82.633%
	Long Position	Beneficiary of trusts (note 4)		



## 企業管治及其他資料

# Corporate Governance and Other Information

附註：

- (1) Best Result直接持有2,992,120,000股本公司股份。Best Result已發行股本由(i) The Northern Trust Company of Delaware以YC2006 Family Irrevocable Trust的信託人身份及Zhang Xiujie為特別信託人身份持有約29.706%，(ii)並由張女士持有約7.367%，(iii)由BNP Paribas Jersey Trust Corporation Limited以The Liu Family Trust的信託人身份通過Goldnew Limited持有約37.053%，(iv) 由BNP Paribas Jersey Trust Corporation Limited通過Acorn Crest Limited以The Zhang Family Trust信託人身份持有約10.000%，及(v) 由BNP Paribas Jersey Trust Corporation Limited通過Winsea Investments Limited以The Golden Nest Trust的信託人身份持有約15.874%。
- (2) YC2006 Family Irrevocable Trust及The Zhang Family Trust為不可撤銷信託而The Liu Family Trust及The Golden Nest Trust為可撤銷信託。
- (3) 張女士為劉先生的配偶。因此，張女士及劉先生亦根據證券及期貨條例第XV部被視為擁有彼此的權益。
- (4) 劉晉嵩先生為YC2006 Family Irrevocable Trust, The Liu Family Trust及The Golden Nest Trust之受益人。因此，根據證券及期貨條例第XV部，他被視為擁有於Best Result的股份權益。

除上文所披露者外，於二零一零年十二月三十一日，本公司各董事、主要行政人員或彼等的聯繫人士(定義見證券及期貨條例第XV部)概無擁有本公司或其任何相聯法團的股份、相關股份及債券任何權益或淡倉而登記於根據證券及期貨條例第352條須予備存的登記冊內，或根據標準守則須知會本公司及聯交所。

Notes:

- (1) Best Result directly held 2,992,120,000 Shares in the Company. The issued share capital of Best Result is held (i) as to approximately 29.706% by YC2006 Family Irrevocable Trust with The Northern Trust Company of Delaware, as the trustee, and Zhang Xiujie, as the special trustee; (ii) as to approximately 7.367% by Ms. Cheung; (iii) as to approximately 37.053% by Goldnew Limited which was held by The Liu Family Trust with BNP Paribas Jersey Trust Corporation Limited as the trustee, (iv) as to approximately 10% by Acorn Crest Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of the Zhang Family Trust, and (v) as to approximately 15.874% by Winsea Investments Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Golden Nest Trust.
- (2) YC2006 Family Irrevocable Trust and The Zhang Family Trust are irrevocable trusts while The Liu Family Trust and The Golden Nest Trust are revocable trusts.
- (3) Ms. Cheung is the spouse of Mr. Liu. Each of Ms. Cheung and Mr. Liu is therefore deemed to be interested in the Shares held by Best Result pursuant to Part XV of the SFO.
- (4) Mr. Lau Chun Shun is a beneficiary of each of the YC2006 Family Irrevocable Trust, The Liu Family Trust and The Golden Nest Trust. He is therefore deemed to be interested in the Shares held by Best Result pursuant to Part XV of the SFO.

Save as disclosed above, none of the directors or chief executive of the Company or any of their associates (within the meaning of Part XV of SFO) had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporation as at 31 December 2010, as recorded in the register required to be kept under 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## 企業管治及其他資料 Corporate Governance and Other Information

### 根據證券及期貨條例須予披露的 主要股東權益及淡倉

就本公司各董事或最高行政人員所知，於二零一零年十二月三十一日，除上文披露之本公司董事或最高行政人員之權益及淡倉外，下列人士於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露，或須於本公司按證券及期貨條例第336條規定備存之登記冊中記錄，或已知會本公司及聯交所之權益或淡倉：

### Interests and Short Positions of Substantial Shareholders Discloseable under the SFO

So far as is known to any Directors or chief executive of the Company, as at 31 December 2010, other than the interests and short positions of the Directors or chief executive of the Company as disclosed above, the following persons had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

股東名稱 Name of Shareholders	好倉/淡倉 Long Position/ Short Position	身份 Capacity	持有 股份數目 No. of Shares held	概約持股百分比* Approximate percentage of total issued Shares*
Best Result(附註) Best Result (Note)	好倉 Long Position	實益擁有人 Beneficial Owner	2,992,120,000	64.18%
The Northern Trust Company of Delaware	好倉 Long Position	YC 2006 Family Irrevocable Trust受託人 Trustee of YC 2006 Family Irrevocable Trust	2,992,120,000	64.18%
Zhang Xiujie	好倉 Long Position	YC 2006 Family Irrevocable Trust 特別受託人 Special trustee of YC 2006 Family Irrevocable Trust	2,992,120,000	64.18%
BNP Paribas Jersey Trust Corporation Limited	好倉 Long Position	The Liu Family Trust 受託人 Trustee of The Liu Family Trust	2,992,120,000	64.18%
Goldnew Limited	好倉 Long Position	控制法團的權益 Interest of controlled corporation	2,992,120,000	64.18%

\* 該百分比以本公司於二零一零年十二月三十一日之已發行股份(即4,662,272,620股普通股)計算。

\* The percentage has been compiled based on the total number of shares of the Company in issue as at 31 December 2010 (i.e. 4,662,272,620 ordinary shares).

## 企業管治及其他資料 Corporate Governance and Other Information

附註：Best Result直接持有2,992,120,000股本公司股份。Best Result已發行股本由(i) The Northern Trust Company of Delaware以YC2006 Family Irrevocable Trust的信託人身份及Zhang Xiujie為特別信託人身份持有約29.706%，(ii) 並由張女士持有約7.367%，(iii) 由BNP Paribas Jersey Trust Corporation Limited以The Liu Family Trust的信託人身份通過Goldnew Limited持有約37.053%，(iv) 由BNP Paribas Jersey Trust Corporation Limited通過Acorn Crest Limited以The Zhang Family Trust信託人身份持有約10.000%，及(v) 由BNP Paribas Jersey Trust Corporation Limited通過Winsea Investments Limited以The Golden Nest Trust的信託人身份持有約15.874%。

Note: Best Result directly held 2,992,120,000 Shares in the Company. The issued share capital of Best Result is held (i) as to approximately 29.706% by YC2006 Family Irrevocable Trust with The Northern Trust Company of Delaware, as the trustee, and Zhang Xiujie, as the special trustee; (ii) as to approximately 7.367% by Ms. Cheung; (iii) as to approximately 37.053% by Goldnew Limited which was held by The Liu Family Trust with BNP Paribas Jersey Trust Corporation Limited as the trustee, (iv) as to approximately 10% by Acorn Crest Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of the Zhang Family Trust, and (v) as to approximately 15.874% by Winsea Investments Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Golden Nest Trust.

除上文所披露者外，於二零一零年十二月三十一日，本公司並無獲悉有任何其他人士(本公司任何董事或主要行政人員除外)擁有本公司股份及相關股份的權益或淡倉而登記於根據證券及期貨條例第336條所需備存的登記冊內。

Save as disclosed above, as at 31 December 2010, as far as the Company is aware of, there was no other person (other than any Director or the chief executive of the Company) who had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

### 購股權之價值

購股權公平價值均按「二項式定價模式」及「柏力克－舒爾斯期權定價模式」(「該等模式」)釐定。該等模式的主要假設為：

#### (i) 上市前購股權計劃

授出日期 Date of Grant	模式 Model	無風險利率 Risk-free rate	預期股息率 Expected dividend yield	預期本公司 股份市價波幅 Expected volatility of the market price of the Shares	公平價值(約) Fair value (approximately) 港元 HK\$
二零零六年一月一日 1 January 2006	二項式 Binominal Valuation	五年期外匯基金 票據收益率 Yield of 5-year Exchange Fund Notes	5%	25%	70,000,000

### VALUE OF SHARE OPTIONS

The fair value of options are determined used "Binominal Valuation model" and "Black-Scholes model" (the "Models"). Key assumptions of the Models are:

#### (i) Pre-Listing Share Option Scheme

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### (ii) 二零零六年購股權計劃

### (ii) 2006 Share Option Scheme

授出日期 Date of Grant	模式 Model	無風險利率 Risk-free rate	預期股息率 Expected dividend yield	預期本公司 股份市價波幅 Expected volatility of the market price of the Shares	公平價值(約) Fair value (approximately) 港元 HK\$
二零零六年十一月十七日 17 November 2006	柏力克-舒爾斯 Black-Scholes	3.75%-3.81%	每年1.00%-4.50% per annum 1.00%-4.50%	28%	364,000,000
二零零八年七月二十一日 21 July 2008	二項式 Binominal Valuation	3.354%	每年1.013% per annum 1.013%	60%	4,000,000
二零零八年八月二十五日 25 August 2008	二項式 Binominal Valuation	2.897%	每年1.373% per annum 1.373%	61%	8,000,000
二零零八年十月二十八日 28 October 2008	二項式 Binominal Valuation	2.154%	每年7.356% per annum 7.356%	62%	3,000,000
二零零八年十一月十日 10 November 2008	二項式 Binominal Valuation	1.798%	每年3.706% per annum 3.706%	62%	1,000,000
二零零九年四月七日 7 April 2009	二項式 Binominal Valuation	1.733%	每年1.800% per annum 1.800%	82%	3,000,000
二零零九年七月二十二日 22 July 2009	二項式 Binominal Valuation	1.692%	每年1.000% per annum 1.000%	72%	1,000,000
二零零九年九月十八日 18 September 2009	二項式 Binominal Valuation	1.731%	每年1.000% per annum 1.000%	70%	3,000,000
二零零九年十一月十九日 19 November 2009	二項式 Binominal Valuation	1.542%	每年1.000% per annum 1.000%	71%	6,000,000
二零零九年十一月二十六日 26 November 2009	二項式 Binominal Valuation	1.525%	每年1.000% per annum 1.000%	70%	2,000,000
二零零九年十二月十四日 14 December 2009	二項式 Binominal Valuation	1.551%	每年1.000% per annum 1.000%	70%	2,000,000
二零一零年一月七日 7 January 2010	二項式 Binominal Valuation	1.975%	每年1.000% per annum 1.000%	81%	3,000,000
二零一零年四月八日 8 April 2010	二項式 Binominal Valuation	1.997%	每年1.000% per annum 1.000%	78%	9,000,000
二零一零年五月二十四日 24 May 2010	二項式 Binominal Valuation	1.535%	每年1.000% per annum 1.000%	78%	2,000,000
二零一零年六月一日 1 June 2010	二項式 Binominal Valuation	1.581%	每年1.000% per annum 1.000%	79%	3,000,000

## Corporate Governance and Other Information

該等模式包含股價波幅等主觀假設成份。由於主觀假設的變更會嚴重影響公平價值的估計值，故此董事認為，現行模式毋須為提供購股權公平價值的唯一可靠計值。

### 根據上市規則第13.21條作出之持續披露

本集團簽訂了一項5億美元之貸款協議（「貸款協議」），該貸款協議於本報告日期仍然生效。

根據貸款協議，倘(i)本公司之控股股東張女士、劉先生及張先生（統稱「控股股東」）任何一位不再擔任本公司董事；或(ii)控股股東不再對本公司擁有共同管理控制權；或(iii)控股股東及張女士之家族成員不再直接或間接實益合共擁有本公司至少51%已發行股本（附有全部投票權者），則將構成違約事件。倘發生上述任何事件，尚未償還之貸款須即時償還。

### 購買、出售或贖回本公司上市證券

於本期間內，本公司或其任何附屬公司概無購買、出售或贖回本公司的上市證券。

The Models requires the input of subjective assumptions, including the volatility of Share price. As changes in subjective input assumptions can materially affect the fair value estimate, in the Directors' opinion, the existing models do not necessarily provide a reliable single measure of the fair value of shares options.

### CONTINUING DISCLOSURE REQUIREMENT UNDER RULE 13.21 OF CHAPTER 13 OF THE LISTING RULES

The Group has entered into a facility agreement for US\$500 million (the "Facility Agreement"), which still subsists as at the date of this report.

The Facility Agreement provides that it would constitute an event of default if (i) any one of Ms. Cheung, Mr. Liu and Mr. Zhang (together, the "Controlling Shareholders"), the controlling shareholders of the Company, ceases to be a director of the Company; or (ii) the Controlling Shareholders cease to have joint management control of the Company; or (iii) the Controlling Shareholders and the family members of Ms. Cheung, together, cease to beneficially own in aggregate, directly or indirectly, at least 51% of the issued share capital (which carries full voting rights) of the Company. Upon the occurrence of any of the above events, the outstanding liability under the loan facilities will become immediately repayable.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the Period.

## 簡明綜合資產負債表

### Condensed Consolidated Balance Sheet

			二零一零年 十二月三十一日 31 December 2010 (未經審核) (Unaudited) 人民幣千元 RMB'000	二零一零年 六月三十日 30 June 2010 (經審核) (Audited) 人民幣千元 RMB'000
	附註 Note			
<b>資產</b>		<b>ASSETS</b>		
<b>非流動資產</b>		<b>Non-current assets</b>		
物業、廠房及設備	5	Property, plant and equipment	34,746,444	30,157,456
土地使用權	5	Land use rights	1,345,064	1,299,607
無形資產	6	Intangible assets	237,100	239,543
<b>非流動資產合計</b>		<b>Total non-current assets</b>	<b>36,328,608</b>	<b>31,696,606</b>
<b>流動資產</b>		<b>Current assets</b>		
存貨	7	Inventories	2,967,401	3,764,989
應收貿易賬款 及其他應收款項	8	Trade and other receivables	5,248,479	3,385,855
可退回稅項		Tax recoverable	30,815	29,695
受限制現金	9	Restricted cash	9,307	–
現金及現金等價物		Cash and cash equivalents	2,162,558	2,340,967
<b>流動資產合計</b>		<b>Total current assets</b>	<b>10,418,560</b>	<b>9,521,506</b>
<b>總資產</b>		<b>Total assets</b>	<b>46,747,168</b>	<b>41,218,112</b>
<b>權益</b>		<b>EQUITY</b>		
<b>本公司權益持有人 應佔股本及儲備</b>		<b>Capital and reserves attributable to equity holders of the Company</b>		
股本	10	Share capital	9,185,820	9,093,747
其他儲備	11	Other reserves	1,211,153	1,222,588
保留盈利		Retained earnings		
– 擬派股息		– Proposed dividend	93,245	462,955
– 未分配 保留盈利		– Unappropriated retained earnings	9,518,038	8,350,924
			<b>20,008,256</b>	<b>19,130,214</b>
<b>非控制權益</b>		<b>Non-controlling interests</b>	<b>271,689</b>	<b>246,528</b>
<b>總權益</b>		<b>Total equity</b>	<b>20,279,945</b>	<b>19,376,742</b>
<b>負債</b>		<b>LIABILITIES</b>		
<b>非流動負債</b>		<b>Non-current liabilities</b>		
遞延政府補助金		Deferred government grants	–	7,258
貸款	13	Borrowings	17,674,395	14,604,056
遞延所得稅負債		Deferred income tax liabilities	790,506	710,863
<b>非流動負債合計</b>		<b>Total non-current liabilities</b>	<b>18,464,901</b>	<b>15,322,177</b>

## 簡明綜合資產負債表

### Condensed Consolidated Balance Sheet

		二零一零年 十二月三十一日 31 December 2010 (未經審核) (Unaudited) 人民幣千元 RMB'000	二零一零年 六月三十日 30 June 2010 (經審核) (Audited) 人民幣千元 RMB'000
		附註 Note	
<b>流動負債</b>	<b>Current liabilities</b>		
衍生金融工具	Derivative financial instruments		1,922
應付貿易賬款及 其他應付款項	Trade and other payables	12	4,288,535
即期所得稅負債	Current income tax liabilities		173,145
貸款	Borrowings	13	2,055,591
<b>流動負債合計</b>	<b>Total current liabilities</b>		<b>6,519,193</b>
<b>總負債</b>	<b>Total liabilities</b>		<b>21,841,370</b>
<b>總權益及負債</b>	<b>Total equity and liabilities</b>		<b>41,218,112</b>
<b>流動資產淨額</b>	<b>Net current assets</b>		<b>3,002,313</b>
<b>總資產減流動負債</b>	<b>Total assets less current liabilities</b>		<b>34,698,919</b>

第52至76頁的附註為本簡明綜合中期財務資料的一部分。

The notes on pages 52 to 76 form an integral part of this condensed consolidated interim financial information.

## 簡明綜合損益表

### Condensed Consolidated Income Statement

			未經審核	
			截至十二月三十一日止六個月	
			Unaudited	
			Six months ended 31 December	
			二零一零年	二零零九年
			2010	2009
			人民幣千元	人民幣千元
			RMB'000	RMB'000
		附註 Note		
銷售額	Sales	14	12,615,040	8,700,136
銷售成本	Cost of goods sold	16	(10,339,618)	(6,860,698)
<b>毛利潤</b>	<b>Gross profit</b>		<b>2,275,422</b>	<b>1,839,438</b>
其他收益/(虧損)－淨額	Other gains/(losses) – net	15	89,280	(2,862)
銷售及市場推廣成本	Selling and marketing costs	16	(229,971)	(155,772)
行政開支	Administrative expenses	16	(367,033)	(237,549)
<b>經營盈利</b>	<b>Operating profit</b>		<b>1,767,698</b>	<b>1,443,255</b>
財務費用－淨額	Finance costs – net	17	(275,177)	(236,766)
<b>除所得稅前利潤</b>	<b>Profit before income tax</b>		<b>1,492,521</b>	<b>1,206,489</b>
所得稅開支	Income tax expense	18	(191,497)	(147,769)
<b>本期間盈利</b>	<b>Profit for the period</b>		<b>1,301,024</b>	<b>1,058,720</b>
<b>以下人士應佔盈利：</b>	<b>Profit attributable to:</b>			
－本公司權益持有人	－ Equity holders of the Company		1,267,338	1,037,287
－非控制權益	－ Non-controlling interests		33,686	21,433
			<b>1,301,024</b>	<b>1,058,720</b>
<b>本公司權益持有人應佔盈利的每股盈利</b> (以每股人民幣計)	<b>Earnings per share for profit attributable to equity holders of the Company</b> (expressed in RMB per share)			
－基本	－ basic	19	0.27	0.23
－攤薄	－ diluted	19	0.27	0.23
<b>股息</b>	<b>Dividend</b>	20	<b>93,245</b>	<b>92,244</b>

第52至76頁的附註為本簡明綜合中期財務資料的一部分。

The notes on pages 52 to 76 form an integral part of this condensed consolidated interim financial information.



## 簡明綜合全面收入表

### Condensed Consolidated Statement of Comprehensive Income

		未經審核	
		截至十二月三十一日止六個月	
		Unaudited	
		Six months ended 31 December	
		二零一零年	二零零九年
		2010	2009
		人民幣千元	人民幣千元
		RMB'000	RMB'000
<b>本期間盈利</b>	Profit for the period	1,301,024	1,058,720
<b>其他全面收入</b>	Other comprehensive income		
貨幣換算差額	Currency translation differences	(11,343)	(7,365)
現金流量對沖	Cash flow hedges	(1,306)	(17,630)
<b>本期間全面收入總額</b>	<b>Total comprehensive income for the period</b>	<b>1,288,375</b>	<b>1,033,725</b>
<b>以下人士應佔全面收入總額：</b>	<b>Total comprehensive income attributable to:</b>		
– 本公司權益持有人	– Equity holders of the Company	1,258,475	1,015,061
– 非控制權益	– Non-controlling interests	29,900	18,664
		<b>1,288,375</b>	<b>1,033,725</b>

第52至76頁的附註為本簡明綜合中期財務資料的一部分。

The notes on pages 52 to 76 form an integral part of this condensed consolidated interim financial information.

## 簡明綜合權益變動表

### Condensed Consolidated Statement of Changes in Equity

		未經審核 Unaudited				
		本公司權益持有人應佔 Attributable to equity holders of the Company			非控制權益 Non-controlling interests	合計 Total
		股本 Share capital 人民幣千元 RMB'000	其他儲備 Other reserves 人民幣千元 RMB'000	保留盈利 Retained earnings 人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零零九年 七月一日的結餘	Balance at 1 July 2009	6,539,269	1,250,050	6,904,003	199,043	14,892,365
全面收入	Comprehensive income					
本期間盈利	Profit for the period	-	-	1,037,287	21,433	1,058,720
其他全面收入：	Other comprehensive income:					
– 貨幣換算差額	– Currency translation differences	-	(4,596)	-	(2,769)	(7,365)
– 現金流量對沖	– Cash flow hedges	-	(17,630)	-	-	(17,630)
截至二零零九年 十二月三十一日 止期間全面收入總額	Total comprehensive income for the period ended 31 December 2009	-	(22,226)	1,037,287	18,664	1,033,725
與擁有人的交易	Transactions with owners					
其他儲備分配	Appropriation to other reserves	-	3,037	(3,037)	-	-
已付本公司權益 持有人的二零零九年 末期股息	2009 final dividend paid to equity holders of the Company	-	-	(161,295)	-	(161,295)
授予董事及僱員的 購股權	Share options granted to directors and employees	-	6,631	-	-	6,631
配售股份	Placement of shares	2,475,484	-	-	-	2,475,484
行使購股權	Exercise of share options	18,169	(3,749)	-	-	14,420
與擁有人的交易總額	Total transactions with owners	2,493,653	5,919	(164,332)	-	2,335,240
於二零零九年十二月 三十一日的結餘	Balance at 31 December 2009	9,032,922	1,233,743	7,776,958	217,707	18,261,330

## 簡明綜合權益變動表

# Condensed Consolidated Statement of Changes in Equity

		未經審核 Unaudited				
		本公司權益持有人應佔 Attributable to equity holders of the Company			非控制權益 Non-controlling interests	
		股本 Share capital	其他儲備 Other reserves	保留盈利 Retained earnings	Non- controlling interests	合計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
<b>於二零一零年 七月一日的結餘</b>	Balance at 1 July 2010	9,093,747	1,222,588	8,813,879	246,528	19,376,742
<b>全面收入</b>	Comprehensive income					
本期間盈利	Profit for the period	-	-	1,267,338	33,686	1,301,024
其他全面收入：	Other comprehensive income:					
- 貨幣換算差額	- Currency translation differences	-	(7,557)	-	(3,786)	(11,343)
- 現金流量對沖	- Cash flow hedges	-	(1,306)	-	-	(1,306)
<b>截至二零一零年 十二月三十一日 止期間全面收入總額</b>	Total comprehensive income for the period ended 31 December 2010	-	(8,863)	1,267,338	29,900	1,288,375
<b>與擁有人的交易</b>	Transactions with owners					
其他儲備分配	Appropriation to other reserves	-	1,608	(1,608)	-	-
已付本公司權益 持有人的二零一零年 末期股息	2010 final dividend paid to equity holders of the Company	-	-	(468,326)	-	(468,326)
已付非控制權益股息	Dividend paid to a non-controlling interests	-	-	-	(4,739)	(4,739)
授予董事及僱員的 購股權	Share options granted to directors and employees	-	4,052	-	-	4,052
行使購股權	Exercise of share options	92,073	(8,232)	-	-	83,841
<b>與擁有人的交易總額</b>	Total transactions with owners	92,073	(2,572)	(469,934)	(4,739)	(385,172)
<b>於二零一零年十二月 三十一日的結餘</b>	Balance at 31 December 2010	9,185,820	1,211,153	9,611,283	271,689	20,279,945

第52至76頁的附註為本簡明綜合中期財務資料的一部分。

The notes on pages 52 to 76 form an integral part of this condensed consolidated interim financial information.

## 簡明綜合現金流量表

### Condensed Consolidated Cash Flow Statement

		未經審核	
		截至十二月三十一日止六個月	
		Unaudited	
		Six months ended 31 December	
		二零一零年	二零零九年
		2010	2009
		人民幣千元	人民幣千元
		RMB'000	RMB'000
	附註 Note		
<b>來自經營活動的現金流量</b>			
<b>本期間盈利</b>		1,301,024	1,058,720
就下列各項作出調整：	Adjustments for:		
所得稅開支	Income tax expense 18	191,497	147,769
折舊	Depreciation 16	489,600	430,899
攤銷	Amortisation 16	19,175	14,593
應收款項減值撥備/(撥回)	Provision/(reversal) of impairment for receivables 16	19,000	(30,024)
處置物業、廠房及設備的虧損	Loss on disposal of property, plant and equipment	5,518	2,255
授予董事及僱員的購股權	Share options granted to directors and employees 11	4,052	6,631
因衍生金融工具產生的虧損淨額	Net losses arising from derivative financial instruments	-	8,181
財務費用－淨額	Finance costs – net 17	275,177	236,766
利息收入	Interest income 15	(9,243)	(3,923)
補助金	Subsidy income 15	(12,196)	-
現金及現金等價物的匯兌虧損/(收益)	Exchange losses/(gains) on cash and cash equivalents	19,526	(1,103)
<b>營運資金變動前的經營盈利</b>	<b>Operating profit before working capital changes</b>	<b>2,303,130</b>	<b>1,870,764</b>
存貨	Inventories	797,588	(338,596)
應收貿易賬款及其他應收款項	Trade and other receivables	(1,807,225)	(652,462)
應付貿易賬款及其他應付款項	Trade and other payables	1,109,833	137,704
衍生金融工具	Derivative financial instruments	(1,922)	-
<b>經營業務所得現金</b>	<b>Cash generated from operations</b>	<b>2,401,404</b>	<b>1,017,410</b>
已付所得稅	Income tax paid	(53,523)	(41,142)
已付利息	Interest paid	(516,956)	(363,958)
<b>經營活動所得現金淨額</b>	<b>Net cash generated from operating activities</b>	<b>1,830,925</b>	<b>612,310</b>

## 簡明綜合現金流量表

## Condensed Consolidated Cash Flow Statement

		未經審核	
		截至十二月三十一日止六個月	
		Unaudited	
		Six months ended 31 December	
		二零一零年	二零零九年
		2010	2009
		人民幣千元	人民幣千元
		RMB'000	RMB'000
	附註		
	Note		
<b>來自投資活動的現金流量</b>	<b>Cash flows from investing activities</b>		
收購附屬公司的按金	Deposit for acquisition of subsidiaries	(70,000)	-
購買物業、 廠房及設備	Purchase of property, plant and equipment	(4,932,896)	(1,627,203)
收購土地 使用權付款	Payment for acquisition of land use rights	(82,287)	(115,456)
處置物業、廠房及 設備所得款項	Proceeds from disposal of property, plant and equipment	4,291	5,897
已收利息	Interest received	9,243	3,923
投資活動所用現金淨額	Net cash used in investing activities	(5,071,649)	(1,732,839)
<b>來自融資活動的現金流量</b>	<b>Cash flows from financing activities</b>		
配售股份	Placement of shares	-	2,475,484
貸款所得款項	Proceeds from borrowings	6,104,625	5,315,685
償還貸款	Repayments of borrowings	(2,699,905)	(6,302,694)
已收政府補助金	Government grants received	66,345	55,779
已付本公司權益 持有人股息	Dividend paid to equity holders of the Company	(468,326)	(161,295)
已付非控制 權益股息	Dividend paid to non-controlling interests	(4,739)	-
行使購股權	Exercise of share options	83,841	14,420
融資活動所得 現金淨額	Net cash generated from financing activities	3,081,841	1,397,379
<b>現金及現金等價物 (減少)/增加淨額</b>	<b>Net (decrease)/increase in cash and cash equivalents</b>	(158,883)	276,850
期初現金及 現金等價物	Cash and cash equivalents at beginning of the period	2,340,967	1,508,542
現金及現金等價物 的匯兌(虧損)/收益	Exchange (losses)/gains on cash and cash equivalents	(19,526)	1,103
<b>期末現金及 現金等價物</b>	<b>Cash and cash equivalents at end of the period</b>	2,162,558	1,786,495

第52至76頁的附註為本簡明綜合中期財務資料的一部分。

The notes on pages 52 to 76 form an integral part of this condensed consolidated interim financial information.

## 簡明綜合中期財務資料附註 Notes to the Condensed Consolidated Interim Financial Information

### 1. 一般資料

玖龍紙業(控股)有限公司(「本公司」)於二零零五年八月十七日根據一九八一年公司法在百慕達註冊成立為獲豁免有限公司。本公司及其附屬公司(統稱「本集團」)主要於中華人民共和國(「中國」)從事包裝紙、木漿及高價特種紙產品的生產和銷售。本公司的註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司的股份在香港聯合交易所有限公司主板上市。

除另有列明者外，本簡明綜合中期財務資料均以人民幣(「人民幣」)千元呈列。本簡明綜合中期財務資料於二零一一年二月二十三日獲批准刊發。

本簡明綜合中期財務資料乃未經審核。

### 2. 編製基準

截至二零一零年十二月三十一日止六個月之本簡明綜合中期財務資料乃根據香港會計準則(「香港會計準則」)第34號「中期財務報告」編製。簡明綜合中期財務資料應與根據香港財務報告準則(「香港財務報告準則」)所編製截至二零一零年六月三十日止年度之年度財務報表一併閱讀。

### 1. GENERAL INFORMATION

Nine Dragons Paper (Holdings) Limited (the "Company") was incorporated in Bermuda on 17 August 2005 under the Companies Act 1981 as an exempt company with limited liability. The Company and its subsidiaries (together the "Group") are principally engaged in the manufacture and sale of packaging paper, pulp and high value specialty board products in the Peoples Republic of China (the "PRC"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company has its listing on the main board of The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information is presented in thousands of units of Renminbi ("RMB"), unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 23 February 2011.

This condensed consolidated interim financial information has not been audited.

### 2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 31 December 2010 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

## Notes to the Condensed Consolidated Interim Financial Information

## 3. 重大會計政策

除下文所述者外，所採納之會計政策與截至二零一零年六月三十日止年度之年度財務報表所採納者一致。

中期期間的所得稅按預期年度盈利總額適用的稅率預提。

現有準則之修訂本及詮釋須於二零一零年七月一日開始的財政年度首次強制執行

- 香港財務報告準則第1號(修訂本)「首次採納者的額外豁免」於二零一零年一月一日或之後開始之年度期間生效。由於本集團為現有香港財務報告準則編製人，故此項準則與本集團無關。
- 香港財務報告準則第1號(修訂本)「就首次採納者而言香港財務報告準則第7號比較性披露資料的有限度豁免」於二零一零年七月一日或之後開始之年度期間生效。由於本集團為現有香港財務報告準則編製人，故此項準則與本集團無關。
- 香港會計準則第32號(修訂本)「供股分類」於二零一零年二月一日或之後開始之年度期間生效。由於本集團並無供股，故此項準則現不適用於本集團。
- 香港(國際財務報告解釋委員會) – 詮釋第19號「以權益工具抵銷金融負債」於二零一零年七月一日或之後開始之年度期間生效。此項準則現不適用於本集團。

## 3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 June 2010, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Amendments and interpretations to existing standards are mandatory for the first time for the financial year beginning of 1 July 2010

- HKFRS 1 (amendment), “Additional exemptions for first-time adopters” is effective for annual periods beginning on or after 1 January 2010. This is not relevant to the Group as it is an existing HKFRSs preparer.
- HKFRS 1 (amendment), “Limited exemption from comparative HKFRS 7 disclosures for first-time adopters” is effective for annual periods beginning on or after 1 July 2010. This is not relevant to the Group as it is an existing HKFRSs preparer.
- HKAS 32 (amendment), “Classification of rights issues” is effective for annual periods beginning on or after 1 February 2010. This is not currently applicable to the Group as it has no rights issues.
- HK(IFRIC) – Int 19, “Extinguishing financial liabilities with equity instruments” is effective for annual periods beginning on or after 1 July 2010. This is not currently applicable to the Group.

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 3. 重大會計政策(續)

- 香港財務報告準則第2號(修訂本)「集團以現金結算以股份為基礎的付款交易」於二零一零年一月一日或之後開始之年度期間生效。由於本集團並無以現金結算以股份為基礎的付款交易，故此項準則現不適用於本集團。
- 香港詮釋第5號「財務報表之呈列—借款人對載有按求償還條款之定期貸款之分類」於二零一零年十一月二十九日頒佈。此詮釋乃現有準則香港會計準則第1號「財務報表之呈列」之澄清，即時生效。由於本集團並無定期貸款，故此詮釋現不適用於本集團。
- 香港財務報告準則(二零零九年)的第二次改進於二零零九年五月由香港會計師公會頒佈。所有改進均於二零一零年一月一日或之後開始之年度期間生效。此項準則現不適用於本集團。

## 4. 分部資料

本集團主要從事包裝紙、木漿及高價特種紙產品的生產及銷售。由於本集團實體提供的產品及服務全部均與生產及銷售紙張有關，所承擔之業務風險相若，故本集團並無編製分部資料。

3. SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

- HKFRS 2 (amendment), "Group cash-settled share-based payment transaction" is effective for annual periods beginning on or after 1 January 2010. This is not currently applicable to the Group, as it has no such cash-settled share-based payment transaction.
- HK Int 5, "Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause" is issued 29 November 2010. This Interpretation is a clarification of an existing standard, HKAS 1 "Presentation of Financial Statements", and shall have immediate effect. This Interpretation is not currently applicable to the Group, as the Group has not such a term loan.
- Second improvements to HKFRSs (2009) were issued in May 2009 by the HKICPA. All improvements are effective for annual periods beginning on or after 1 January 2010. These are not currently applicable to the Group.

## 4. SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of packaging paper, pulp and high value specialty board products. As the products and services provided by the Group's entities are all related to the manufacture and sale of paper and subject to similar business risks, no segment information has been prepared by the Group.



## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 5. 資本開支

## 5. CAPITAL EXPENDITURE

		土地使用權 Land use rights 人民幣千元 RMB'000	物業、 廠房及設備 Property, plant and equipment 人民幣千元 RMB'000
<b>截至二零零九年 十二月三十一日 止六個月</b>	<b>Six months ended 31 December 2009</b>		
<b>於二零零九年七月一日 的期初賬面淨值</b>	<b>Opening net book amount as at 1 July 2009</b>	1,185,815	27,011,394
在建工程優化	Optimisation on construction in progress	–	89,179
添置	Additions	120,162	1,585,889
稅務優惠 (附註(a))	Tax benefit (note (a))	–	(55,779)
出售	Disposals	–	(8,152)
匯兌差額	Exchange difference	(1,024)	(8,902)
攤銷/折舊開支 (附註16)	Amortisation/depreciation charges (note 16)	(12,480)	(432,137)
<b>於二零零九年 十二月三十一日的 期末賬面淨值</b>	<b>Closing net book amount as at 31 December 2009</b>	<b>1,292,473</b>	<b>28,181,492</b>
<b>截至二零一零年 十二月三十一日 止六個月</b>	<b>Six months ended 31 December 2010</b>		
<b>於二零一零年七月一日 的期初賬面淨值</b>	<b>Opening net book amount as at 1 July 2010</b>	1,299,607	30,157,456
添置	Additions	64,097	5,155,293
稅務優惠 (附註(a))	Tax benefit (note (a))	–	(57,506)
出售	Disposals	–	(9,809)
匯兌差額	Exchange difference	(1,908)	(9,390)
攤銷/折舊開支 (附註16)	Amortisation/depreciation charges (note 16)	(16,732)	(489,600)
<b>於二零一零年 十二月三十一日 的期末賬面淨值</b>	<b>Closing net book amount as at 31 December 2010</b>	<b>1,345,064</b>	<b>34,746,444</b>

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 5. 資本開支(續)

- (a) 於本期間，本集團因購買在中國製造的合資格設備而獲得稅務優惠人民幣57,506,000元(二零零九年：人民幣55,779,000元)。該項金額已於廠房及機器的添置成本中扣除。
- (b) 於二零一零年十二月三十一日，本集團將賬面值約人民幣104,902,000元(二零一零年六月三十日：人民幣118,748,000元)的若干物業、廠房及設備，用作抵押本集團所借入的銀行貸款人民幣42,183,000元(二零一零年六月三十日：人民幣55,478,000元)。

## 5. CAPITAL EXPENDITURE (Continued)

- (a) During the period, the Group has received tax benefit of RMB57,506,000 (2009: RMB55,779,000) relating to the purchase of qualified equipment manufactured in the PRC. The amount has been deducted from the cost of additions of the plant and machinery.
- (b) Certain property, plant and equipment of the Group with carrying values of approximately RMB104,902,000 as at 31 December 2010 (30 June 2010: RMB118,748,000) had been pledged for bank borrowings of RMB42,183,000 (30 June 2010: RMB55,478,000) of the Group.

## 6. 無形資產

## 6. INTANGIBLE ASSETS

人民幣千元  
RMB'000

<b>截至二零零九年 十二月三十一日止六個月</b>	Six months ended 31 December 2009	
<b>於二零零九年七月一日的 期初賬面淨值</b>	Opening net book amount as at 1 July 2009	234,647
添置	Additions	9,164
攤銷(附註16)	Amortisation (note 16)	(2,113)
<b>於二零零九年十二月三十一日的 期末賬面淨值</b>	Closing net book amount as at 31 December 2009	<u>241,698</u>
<b>截至二零一零年 十二月三十一日止六個月</b>	Six months ended 31 December 2010	
<b>於二零一零年七月一日的 期初賬面淨值</b>	Opening net book amount as at 1 July 2010	239,543
攤銷(附註16)	Amortisation (note 16)	(2,443)
<b>於二零一零年十二月三十一日的 期末賬面淨值</b>	Closing net book amount as at 31 December 2010	<u>237,100</u>

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 7. 存貨

## 7. INVENTORIES

		二零一零年 十二月三十一日 31 December 2010 人民幣千元 RMB'000	二零一零年 六月三十日 30 June 2010 人民幣千元 RMB'000
原材料	Raw materials	1,711,204	1,727,454
成品	Finished goods	1,256,197	2,037,535
		2,967,401	3,764,989

## 8. 應收貿易賬款及其他應收款項

## 8. TRADE AND OTHER RECEIVABLES

		二零一零年 十二月三十一日 31 December 2010 人民幣千元 RMB'000	二零一零年 六月三十日 30 June 2010 人民幣千元 RMB'000
應收下列各方之貿易賬款：	Trade receivables due from:		
— 第三方	— third parties	1,892,916	1,522,682
— 有關連人士 (附註(b)及22(d))	— related parties (notes (b) & 22(d))	182,050	247,250
		2,074,966	1,769,932
應收票據	Bills receivable	1,754,322	779,139
預付款項	Prepayments	414,352	171,804
其他應收款項	Other receivables	1,004,839	664,980
		5,248,479	3,385,855

(a) 於二零一零年十二月三十一日，扣除減值撥備後，應收貿易賬款及其他應收款項的公平值與其賬面值相若。

(b) 該應收款項為無抵押、免息及須按要求償還。

(c) 本集團向企業客戶銷售所訂立的信貸期約為30至60日。

(a) As at 31 December 2010, the fair value of trade and other receivables approximate their carrying amounts after provision for impairment.

(b) The amounts due are unsecured, interest free and repayable on demand.

(c) The Group's sales to corporate customers are entered into on credit terms around 30 to 60 days.

## 簡明綜合中期財務資料附註 Notes to the Condensed Consolidated Interim Financial Information

### 8. 應收貿易賬款及其他應收款項 (續)

(d) 於二零一零年十二月三十一日，應收貿易賬款之賬齡分析如下：

0至30日	0-30 days
31至60日	31-60 days
61至90日	61-90 days
逾90日	Over 90 days

鑑於本集團客戶眾多，遍佈全中國，因此應收貿易賬款之信貸風險並不集中。

### 9. 受限制現金

於二零一零年十二月三十一日，用作抵押本集團所借入的銀行貸款人民幣30,068,000元(二零一零年六月三十日：人民幣：零)的受限制現金為人民幣9,307,000元(二零一零年六月三十日：人民幣：零)。

### 8. TRADE AND OTHER RECEIVABLES (Continued)

(d) As at 31 December 2010, the ageing analysis of trade receivables is as follows:

二零一零年 十二月三十一日 31 December 2010 人民幣千元 RMB'000	二零一零年 六月三十日 30 June 2010 人民幣千元 RMB'000
1,788,773	1,320,934
254,687	277,064
25,585	43,652
5,921	128,282
<b>2,074,966</b>	<b>1,769,932</b>

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers, which are widely dispersed within the PRC.

### 9. RESTRICTED CASH

As at 31 December 2010, the restricted cash of RMB9,307,000 (30 June 2010: RMB: nil) has been pledged as securities for bank borrowings of RMB30,068,000 (30 June 2010: RMB: nil) of the Group.

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 10. 股本

## 10. SHARE CAPITAL

		普通股 面值等值	普通股 面值等值	股份溢價	合計
	普通股數目	普通股面值	Equivalent nominal value of ordinary shares	Share premium	Total
	Number of ordinary shares	Nominal value of ordinary shares	nominal value of ordinary shares	Share premium	Total
	千股	港幣千元	人民幣千元	人民幣千元	人民幣千元
	Shares in thousands	HK\$'000	RMB'000	RMB'000	RMB'000
<b>截至二零零九年</b> Six months ended					
<b>十二月三十一日</b> 31 December 2009					
<b>止六個月</b>					
於二零零九年	Balances as at 1 July 2009				
七月一日					
的結餘	4,335,305	433,530	449,214	6,090,055	6,539,269
配售股份	Placement of shares	264,285	26,429	23,285	2,503,090
配售開支	Placing expenses	-	-	-	(50,891)
行使購股權	Exercise of share options	12,608	1,261	1,110	17,059
					18,169
於二零零九年	Balances as at				
十二月三十一日	31 December 2009				
的結餘	4,612,198	461,220	473,609	8,559,313	9,032,922
<b>截至二零一零年</b> Six months ended					
<b>十二月三十一日</b> 31 December 2010					
<b>止六個月</b>					
於二零一零年	Balances as at 1 July 2010				
七月一日					
的結餘	4,629,554	462,955	475,132	8,618,615	9,093,747
行使購股權	Exercise of share options	32,718	3,272	2,822	89,251
					92,073
於二零一零年	Balances as at				
十二月三十一日	31 December 2010				
的結餘	4,662,272	466,227	477,954	8,707,866	9,185,820

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 11. 其他儲備

## 11. OTHER RESERVES

		繳納盈餘 Contributed surplus 人民幣千元 RMB'000	資本儲備 Capital reserve 人民幣千元 RMB'000	購股權儲備 Share options reserve 人民幣千元 RMB'000 (附註(a)) (note (a))	法定儲備 及企業 發展基金 Statutory reserve and enterprise expansion fund 人民幣千元 RMB'000	現金流量對沖 儲備 換算 Cash flow hedge reserve Translation 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
<b>截至二零零九年 十二月三十一日止六個月</b>	<b>Six months ended 31 December 2009</b>						
於二零零九年七月一日的結餘	Balances as at 1 July 2009	660,542	98,980	37,606	447,013	(21,503)	1,250,050
授予董事及僱員的購股權	Share options granted to directors and employees	-	-	6,631	-	-	6,631
其他儲備分配	Appropriation to other reserves	-	-	-	3,037	-	3,037
行使購股權	Exercise of share options	-	-	(3,749)	-	-	(3,749)
貨幣換算差額	Currency translation differences	-	-	-	-	(4,596)	(4,596)
現金流量對沖儲備撥回以 抵銷影響損益表對沖項目 的影響金額	Cash flow hedge reserve released to set off the impact of hedged items that affected income statement	-	-	-	-	-	(17,630)
於二零零九年十二月三十一日 的結餘	Balances as at 31 December 2009	660,542	98,980	40,488	450,050	(26,099)	1,233,743
<b>截至二零一零年 十二月三十一日止六個月</b>	<b>Six months ended 31 December 2010</b>						
於二零一零年七月一日的結餘	Balances as at 1 July 2010	660,542	98,980	34,541	450,050	(30,068)	1,222,588
授予董事及僱員的購股權	Share options granted to directors and employees	-	-	4,052	-	-	4,052
其他儲備分配	Appropriation to other reserves	-	-	-	1,608	-	1,608
行使購股權	Exercise of share options	-	-	(8,232)	-	-	(8,232)
貨幣換算差額	Currency translation differences	-	-	-	-	(7,557)	(7,557)
現金流量對沖儲備撥回以 抵銷影響損益表對沖項目 的影響金額	Cash flow hedge reserve released to set off the impact of hedged items that affected income statement	-	-	-	-	-	(1,306)
於二零一零年十二月 三十一日的結餘	Balances as at 31 December 2010	660,542	98,980	30,361	451,658	(37,625)	1,211,153

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 11. 其他儲備(續)

(a) 購股權計劃概要及本公司截至二零一零年十二月三十一日止六個月的購股權變動詳情載於第32至38頁。

## 11. OTHER RESERVES (Continued)

(a) A summary of the share option schemes and details of the movement in share options of the Company during the six months ended 31 December 2010 are set out on pages 32 to 38.

## 12. 應付貿易賬款及其他應付款項

## 12. TRADE AND OTHER PAYABLES

	二零一零年 十二月三十一日 31 December 2010 人民幣千元 RMB'000	二零一零年 六月三十日 30 June 2010 人民幣千元 RMB'000
應付下列各方之貿易賬款： Trade payables due to:		
— 第三方 — third parties	980,023	903,903
— 有關連人士 — related parties (notes (a) & 22(d)) (附註(a)及22(d))	1,082,830	871,806
	2,062,853	1,775,709
應付票據 Bills payable	1,080,100	677,000
向客戶收取的按金 Deposits from customers	482,265	224,320
其他應付款項 Other payables	1,791,739	1,515,236
應付員工福利 Staff welfare benefits payable	49,352	42,772
應計費用 Accrued expenses	58,034	53,498
	5,524,343	4,288,535

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 12. 應付貿易賬款及其他應付款項(續)

- (a) 該款項為無抵押、免息及須按要求償還。
- (b) 於二零一零年十二月三十一日，應付貿易賬款之賬齡分析如下：

## 12. TRADE AND OTHER PAYABLES (Continued)

- (a) The amounts due are unsecured, interest free and repayable upon demand.
- (b) The ageing analysis of trade payables as at 31 December 2010 is as follows:

		二零一零年 十二月三十一日 31 December 2010 人民幣千元 RMB'000	二零一零年 六月三十日 30 June 2010 人民幣千元 RMB'000
0至90日	0 – 90 days	1,951,575	1,683,849
91至180日	91 – 180 days	58,617	37,884
181至365日	181 – 365 days	34,805	36,531
逾365日	Over 365 days	17,856	17,445
		2,062,853	1,775,709



## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 13. 貸款

## 13. BORROWINGS

		二零一零年 十二月三十一日 31 December 2010 人民幣千元 RMB'000	二零一零年 六月三十日 30 June 2010 人民幣千元 RMB'000
非流動	Non-current		
– 長期銀行貸款	– Long-term bank borrowings	14,347,371	10,896,284
– 聯合有期貸款	– Club term loan	3,014,420	3,387,668
– 優先票據	– Senior notes	312,604	320,104
		17,674,395	14,604,056
流動	Current		
– 短期銀行貸款	– Short-term bank borrowings	953,294	1,337,947
– 聯合有期貸款 即期部分	– Current portion of club term loan	334,936	–
– 長期銀行貸款 即期部分	– Current portion of long-term bank borrowings	1,008,377	717,644
		2,296,607	2,055,591
		19,971,002	16,659,647

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 13. 貸款(續)

## 13. BORROWINGS (Continued)

(a) 總貸款的變動如下：

(a) Movements of total borrowings are as follows:

		貸款 Borrowings 人民幣千元 RMB'000
<b>截至二零零九年十二月三十一日 Six months ended 31 December 2009</b>		
<b>止六個月</b>		
於二零零九年七月一日的結餘	Balances as at 1 July 2009	13,827,748
新借銀行貸款	New bank borrowings	5,315,685
償還銀行貸款	Repayments of bank borrowings	(6,302,694)
攤銷發行成本	Amortisation of issue cost	7,472
匯兌差額	Exchange difference	(7,847)
於二零零九年十二月三十一日 的結餘		12,840,364
<b>截至二零一零年十二月三十一日 Six months ended 31 December 2010</b>		
<b>止六個月</b>		
於二零一零年七月一日的結餘	Balances as at 1 July 2010	16,659,647
新借銀行貸款	New bank borrowings	6,104,625
償還銀行貸款	Repayments of bank borrowings	(2,699,905)
攤銷發行成本	Amortisation of issue cost	4,437
匯兌差額	Exchange difference	(97,802)
於二零一零年十二月三十一日 的結餘		19,971,002

(b) 於二零一零年十二月三十一日，貸款人民幣17,444,564,000元(二零一零年六月三十日：人民幣15,813,538,000元)由本集團旗下附屬公司擔保。

(b) As at 31 December 2010, borrowings of RMB17,444,564,000 (30 June 2010: RMB15,813,538,000) are guaranteed by subsidiaries within the Group.

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 13. 貸款(續)

## 13. BORROWINGS (Continued)

(c) 貸款到期日如下：

(c) The maturity of the borrowings is as follows:

		二零一零年十二月三十一日 31 December 2010			
		銀行貸款 Bank borrowings 人民幣千元 RMB'000	聯合有期貸款 Club term loan 人民幣千元 RMB'000	優先票據 Senior notes 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
一年內	Within 1 year	1,961,671	334,936	-	2,296,607
一年至兩年	Between 1 and 2 years	8,072,949	1,004,807	-	9,077,756
兩年至五年	Between 2 and 5 years	4,359,594	2,009,613	312,604	6,681,811
須於五年內悉數償還	Wholly repayable within 5 years	14,394,214	3,349,356	312,604	18,056,174
逾五年	Over 5 years	1,914,828	-	-	1,914,828
		16,309,042	3,349,356	312,604	19,971,002

  

		二零一零年六月三十日 30 June 2010			
		銀行貸款 Bank borrowings 人民幣千元 RMB'000	聯合有期貸款 Club term loan 人民幣千元 RMB'000	優先票據 Senior notes 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
一年內	Within 1 year	2,055,591	-	-	2,055,591
一年至兩年	Between 1 and 2 years	6,193,470	846,917	-	7,040,387
兩年至五年	Between 2 and 5 years	3,516,586	2,540,751	320,104	6,377,441
須於五年內悉數償還	Wholly repayable within 5 years	11,765,647	3,387,668	320,104	15,473,419
逾五年	Over 5 years	1,186,228	-	-	1,186,228
		12,951,875	3,387,668	320,104	16,659,647

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 13. 貸款(續)

## 13. BORROWINGS (Continued)

(d) 於二零一零年十二月三十一日之實際利率如下：

(d) The effective interest rates as at 31 December 2010 are as follows:

		二零一零年十二月三十一日 31 December 2010			
		人民幣 RMB	港元 HK\$	美元 US\$	歐元 EUR
長期銀行貸款	Long-term bank borrowings	5.10%	1.73%	2.47%	4.00%
聯合有期貨款	Club term loan	4.86%	-	1.79%	-
優先票據	Senior notes	-	-	9.88%	-
短期銀行貸款	Short-term bank borrowings	5.10%	1.48%	3.78%	4.45%

		二零一零年六月三十日 30 June 2010			
		人民幣 RMB	港元 HK\$	美元 US\$	歐元 EUR
長期銀行貸款	Long-term bank borrowings	4.86%	0.71%	2.33%	-
聯合有期貨款	Club term loan	4.86%	-	1.74%	-
優先票據	Senior notes	-	-	9.88%	-
短期銀行貸款	Short-term bank borrowings	4.85%	-	3.70%	-

(e) 於二零一零年十二月三十一日，本集團貸款之賬面值以下列貨幣計值：

(e) The carrying amounts of the Group's borrowings as at 31 December 2010 are denominated in the following currencies:

		二零一零年 十二月三十一日 31 December 2010 人民幣千元 RMB'000	二零一零年 六月三十日 30 June 2010 人民幣千元 RMB'000
人民幣	RMB	15,129,366	13,559,376
歐元	EUR Dollars	849,243	-
美元	US Dollars	3,227,980	2,947,603
港元	HK Dollars	764,413	152,668
		19,971,002	16,659,647

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 13. 貸款(續)

(f) 本集團尚未提取之貸款融通額如下：

## 13. BORROWINGS (Continued)

(f) The Group has the following undrawn borrowing facilities:

		二零一零年 十二月三十一日 31 December 2010 人民幣千元 RMB'000	二零一零年 六月三十日 30 June 2010 人民幣千元 RMB'000
浮動利率：	At floating rate:		
— 一年內到期	— expiring within one year	9,066,305	8,798,468
— 一年後到期	— expiring beyond one year	8,597,644	5,225,798
		17,663,949	14,024,266

## 14. 銷售額

截至二零一零年十二月三十一日止六個月確認之銷售額如下：

## 14. SALES

Sales recognised during the six months ended 31 December 2010 are as follows:

		截至十二月三十一日 止六個月 Six months ended 31 December	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
銷售包裝紙	Sales of packaging paper	12,311,658	8,429,439
銷售木漿	Sales of pulp	204,541	159,610
銷售高價特種紙產品	Sales of high value specialty board products	98,841	111,087
		12,615,040	8,700,136

## 15. 其他收益/(虧損)－淨額

銷售電力及煤炭 Sales of electricity and coals  
 利息收入 Interest income  
 經營活動產生的匯兌  
 收益/(虧損)淨額 Net foreign exchange gains/(losses) on  
 operating activities  
 衍生金融工具產生的  
 收益/(虧損)淨額 Net gains/(losses) arising from derivative  
 financial instruments  
 補助金 Subsidy income  
 其他 Others

## 15. OTHER GAINS/(LOSSES) - NET

截至十二月三十一日  
止六個月  
Six months ended  
31 December

	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
	6,465	1,203
	9,243	3,923
	45,575	(2,562)
	18,714	(8,181)
	12,196	-
	(2,913)	2,755
	89,280	(2,862)

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 16. 按性質劃分的開支

## 16. EXPENSES BY NATURE

計入銷售成本、銷售及市場推廣成本和行政開支的開支分析如下：

Expenses included in cost of goods sold, selling and marketing costs and administrative expenses are analysed as follows:

		截至十二月三十一日 止六個月 Six months ended 31 December	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
固定資產折舊 (附註5)	Depreciation of fixed assets (note 5)	489,600	432,137
減：已於其他 收益 / (虧損) 淨額中扣除的款項	Less: amount charged to other gains/(losses) – net	(1,167)	(2,596)
已於在建工程 中扣除的款項	amount charged to construction in progress	–	(1,238)
僱員福利開支	Employee benefit expense	488,433	428,303
無形資產攤銷 (附註6)	Amortisation of intangible assets (note 6)	364,272	277,076
成品變動	Changes in finished goods	2,443	2,113
已耗用原材料及耗用品 (已抵減索賠額)	Raw materials and consumables used (net of claims)	781,338	(8,418)
運輸	Transportation	8,957,671	6,284,557
經營租賃	Operating leases	65,963	78,037
– 土地使用權 (附註5)	– land use rights (note 5)	16,732	12,480
– 建築物	– buildings	1,022	1,238
出口銷售對應之不可 抵扣增值稅項成本	Non-deductible value added tax for export sales	46,700	48,374
應收款項減值 撥備 / (撥回)	Provision/(reversal) of impairment for receivables	19,000	(30,024)
其他開支	Other expenses	193,048	160,283
		10,936,622	7,254,019

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 17. 財務費用－淨額

## 17. FINANCE COSTS – NET

		截至十二月三十一日 止六個月 Six months ended 31 December	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
利息費用	Interest expense	224,282	215,410
票據貼現費用	Bills discount charge	100,500	29,659
其他附帶貸款成本	Other incidental borrowing costs	4,437	8,622
貸款的匯兌 (收益) / 虧損	Exchange (gains)/losses on borrowings	(52,736)	705
已解除的對沖儲備 (附註11)	Hedge reserve released (note 11)	(1,306)	(17,630)
		275,177	236,766

截至二零一零年十二月三十一日止六個月，用作發展在建工程而借入及運用之資金所適用之資本化比率約為3.97% (二零零九年：4.81%)。

The capitalisation rate applied to funds borrowed generally and used for the development of construction in progress is approximately 3.97% for the six months ended 31 December 2010 (2009: 4.81%).

## 18. 所得稅開支

## 18. INCOME TAX EXPENSE

		截至十二月三十一日 止六個月 Six months ended 31 December	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
即期稅項	Current tax		
— 香港利得稅	— Hong Kong profits tax	—	—
— 中國企業所得稅	— PRC corporate income tax	111,252	75,456
		111,252	75,456
遞延所得稅	Deferred income tax	80,245	72,313
		191,497	147,769

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 18. 所得稅開支(續)

## (a) 香港利得稅

由於本集團於截至二零一零年十二月三十一日止六個月並無任何香港利得稅應課稅利潤，故此並未為香港利得稅計提撥備。

## (b) 中國企業所得稅

中國企業所得稅乃以本期間估計應課稅利潤按適用於相關附屬公司的稅率計算。

於二零一零年十二月三十一日，本集團並無就其中國附屬公司之盈利預提任何預扣所得稅(二零一零年六月三十日：零)，原因為本集團並無計劃在可預見將來分派由二零零八年一月一日至二零一零年十二月三十一日期間其中國附屬公司所產生之盈利。

## 19. 每股盈利

## — 基本

每股基本盈利乃以本期間本公司權益持有人應佔盈利除以已發行普通股的加權平均股數計算。

## 18. INCOME TAX EXPENSE (Continued)

## (a) Hong Kong profits tax

Hong Kong profits tax has not been provided as the Group did not have any assessable profits during the six months ended 31 December 2010.

## (b) PRC corporate income tax

PRC corporate income tax has been calculated on the estimated assessable profit for the period at the rates of taxation applicable to the respective subsidiaries.

As at 31 December 2010, the Group has not accrued any withholding income tax for the earnings of its PRC subsidiaries (30 June 2010: nil), because the Group does not have a plan to distribute earnings from its PRC subsidiaries generated in the period from 1 January 2008 to 31 December 2010 in the foreseeable future.

## 19. EARNINGS PER SHARE

## — Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

		截至十二月三十一日 止六個月 Six months ended 31 December	
		二零一零年 2010	二零零九年 2009
本公司權益持有人 應佔盈利 (人民幣千元)	Profit attributable to equity holders of the Company (RMB'000)	1,267,338	1,037,287
已發行普通股的加權 平均股數(千股計)	Weighted average number of ordinary shares in issue (shares in thousands)	4,632,465	4,423,976
每股基本盈利 (每股人民幣元)	Basic earnings per share (RMB per share)	0.27	0.23



## Notes to the Condensed Consolidated Interim Financial Information

## 19. 每股盈利(續)

## — 攤薄

每股攤薄盈利乃假設兌換所有攤薄潛在普通股後，根據普通股的加權平均股數計算。本公司的攤薄潛在普通股為購股權。購股權根據未行使購股權所附認購權的貨幣價值，按公平值(釐定為本公司股份於本期間的平均市價)計算可購入的股份數目。按以上方式計算的股份數目與假設行使購股權而應已發行的股份數目作比較。

## 19. EARNINGS PER SHARE (Continued)

## — Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

		截至十二月三十一日 止六個月 Six months ended 31 December	
		二零一零年 2010	二零零九年 2009
本公司權益持有人 應佔盈利 (人民幣千元)	Profit attributable to equity holders of the Company (RMB'000)	1,267,338	1,037,287
已發行普通股的加權 平均股數(千股計)	Weighted average number of ordinary shares in issue (shares in thousands)	4,632,465	4,423,976
調整購股權(千股計)	Adjustments for share options (shares in thousands)	16,737	47,446
計算每股攤薄盈利的 普通股加權平均股數 (千股計)	Weighted average number of ordinary shares for diluted earnings per share (shares in thousands)	4,649,202	4,471,422
每股攤薄盈利 (每股人民幣元)	Diluted earnings per share (RMB per share)	0.27	0.23

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 20. 股息

## 20. DIVIDEND

		截至十二月三十一日 止六個月 Six months ended 31 December	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
中期股息(附註(b))	Interim dividend (note (b))	93,245	92,244

(a) 本公司於二零一零年十一月二十二日舉行的股東週年大會上宣派二零一零年末期股息每股普通股人民幣10.0分(二零零九年末期: 人民幣3.5分), 合共約人民幣468,326,000元(二零零九年末期: 人民幣161,295,000元), 該股息已於截至二零一零年十二月三十一日止六個月支付。

(b) 董事建議就截至二零一零年十二月三十一日止六個月派發中期股息每股普通股人民幣2.0分(二零零九年年中期: 人民幣2.0分), 合共約人民幣93,245,000元(二零零九年年中期: 人民幣92,244,000元)。該中期股息已於二零一一年二月二十三日召開的本公司董事會會議獲得批准。本中期財務資料並未反映應付中期股息。

(a) A 2010 final dividend of RMB10.0 cents (2009 final: RMB3.5 cents) per ordinary share, totalling approximately RMB468,326,000 (2009 final: RMB161,295,000) has been declared in the Company's Annual General Meeting on 22 November 2010 and paid in the six months ended 31 December 2010.

(b) The directors recommend the payment of an interim dividend of RMB2.0 cents (2009 interim: RMB2.0 cents) per ordinary share, totalling approximately RMB93,245,000 for the six months ended 31 December 2010 (2009 interim: RMB92,244,000). Such interim dividend has been approved in the meeting of board of directors of the Company on 23 February 2011. This interim financial information does not reflect this interim dividend payable.

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 21. 承擔

## 21. COMMITMENTS

## (a) 資本承擔

本集團在物業、廠房及設備有重大資本承擔如下：

	二零一零年 十二月三十一日 31 December 2010 人民幣千元 RMB'000	二零一零年 六月三十日 30 June 2010 人民幣千元 RMB'000
已訂約但未撥備	3,107,819	5,179,034
已授權但未訂約	706,467	963,677
	<b>3,814,286</b>	<b>6,142,711</b>

## (a) Capital commitments

The Group has material capital commitments on property, plant and equipment as follows:

## (b) 經營租賃承擔 – 本集團為承租人

根據不可撤銷經營租賃支付的未來最低租金總額如下：

	二零一零年 十二月三十一日 31 December 2010 人民幣千元 RMB'000	二零一零年 六月三十日 30 June 2010 人民幣千元 RMB'000
土地及建築物		
– 不多於一年	2,385	2,829
– 一年後但五年內	2,052	2,872
– 五年後	19,237	19,507
	<b>23,674</b>	<b>25,208</b>

## (b) Operating lease commitments – where the Group is the lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 22. 有關連人士交易

## 22. RELATED PARTY TRANSACTIONS

## (a) 有關連人士名稱及關係

名稱 Name
美國中南有限公司(「美國中南」) America Chung Nam Inc. ("ACN")
玖龍包裝(太倉)有限公司(「太倉包裝」) Nine Dragons Packaging (Taicang) Company Limited ("Taicang Packaging")

## (a) Name and relationship with related parties

關係 Relationship
本公司董事兼大股東張茵女士(「張女士」)實益擁有的公司。 Company beneficially owned by Ms. Cheung Yan ("Ms. Cheung"), a director and majority shareholder of the Company.
本公司董事兼股東張成飛先生(「張先生」)實益擁有的公司。 Company beneficially owned by Mr. Zhang Chengfei ("Mr. Zhang"), a director and shareholder of the Company.

## (b) 與有關連人士進行之交易

截至二零一零年十二月三十一日止六個月內，本集團曾與有關連人士進行以下重大交易。有關買賣交易於本集團的日常業務過程中進行：

## (b) Transactions with related parties

During the six months ended 31 December 2010, the Group had the following significant transactions with related parties. Sales and purchase transactions are conducted in the normal course of the Group's business:

		截至十二月三十一日 止六個月 Six months ended 31 December	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
銷售產品：	Sales of goods:		
– 太倉包裝	– Taicang Packaging	34,789	185,063
採購廢紙 (已抵減索賠額)：	Purchase of recovered paper (net of claims):		
– 美國中南	– ACN	3,712,465	2,804,587
– 太倉包裝	– Taicang Packaging	10,299	3,375
		3,722,764	2,807,962

## 簡明綜合中期財務資料附註

## Notes to the Condensed Consolidated Interim Financial Information

## 22. 有關連人士交易(續)

## 22. RELATED PARTY TRANSACTIONS (Continued)

## (c) 主要管理層薪酬

## (c) Key management compensation

		截至十二月三十一日 止六個月 Six months ended 31 December	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
薪金	Salaries	21,899	17,098
購股權	Share options	2,990	2,948
		24,889	20,046

## (d) 與有關連人士之結餘

## (d) Balances with related parties

		二零一零年 十二月三十一日 31 December 2010 人民幣千元 RMB'000	二零一零年 六月三十日 30 June 2010 人民幣千元 RMB'000
應收下列各方之貿易 結餘：	Trade balances due from:		
— 太倉包裝	— Taicang Packaging	182,050	247,250

該款項為無抵押、免息且信  
貸期為六十日。

The amount is unsecured, interest free, and has a credit  
period of 60 days.

		二零一零年 十二月三十一日 31 December 2010 人民幣千元 RMB'000	二零一零年 六月三十日 30 June 2010 人民幣千元 RMB'000
應付下列各方之貿易 結餘：	Trade balances due to:		
— 美國中南	— ACN	1,072,099	863,156
— 太倉包裝	— Taicang Packaging	10,731	8,650
		1,082,830	871,806

該款項為無抵押、免息及須  
於九十日內償還。

The amounts are unsecured, interest free, and repayable  
within 90 days.

## 簡明綜合中期財務資料附註

# Notes to the Condensed Consolidated Interim Financial Information

### 23. 結算日後事項

於二零一一年一月十二日，本集團與第三方訂立買賣協議，按代價人民幣564,000,000元收購河北永新紙業有限公司之78.13%股權。河北永新紙業有限公司主要從事箱板原紙產品之生產和銷售。

### 23. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 12 January 2011, the Group entered into a sale and purchase agreement with a third party to acquire 78.13% equity interest in the Hebei Yongxin Paper Co., Ltd. at a consideration of RMB564,000,000. Hebei Yongxin Paper Co., Ltd. is principally engaged in the manufacture and sale of containerboard products.

## 投資者關係及與股東的溝通

### Investor Relations and Communications with Shareholders

玖龍紙業利用多種渠道及方法確保與股東及投資者的有效溝通，讓他們可與本公司保持緊密聯繫，了解公司業務發展、營運策略及行業情況的最新發展和信息。

投資者及公眾可自公司的企業資訊更新、新聞發佈、年度報告和中期報告及時獲得玖龍紙業的準確消息。管理層亦與投資者個別面談，進行電話會議及參與各個區域及全球投資者論壇，讓投資者對業務理念和財務情況能有更全面的詮釋及分析。

為維持彼此相互的有效溝通，集團亦經常安排基金經理、研究分析員及其他機構投資者參觀造紙基地，加深他們對玖龍紙業的業務運作和生產程序的了解。

超過25間本地及國際研究機構曾編撰有關玖龍紙業的報告。

#### 股東

於二零一零年十二月三十一日，本集團有超過4,200位非機構股東。

#### 財務紀要

2011年財政年度 中期業績	二零一一年二月 二十三日刊登公佈
中期股息除息日期	二零一一年五月十六日
最後辦理股份過戶時間	二零一一年 五月十七日 下午四時三十分
暫停辦理股份過戶登記	二零一一年 五月十八日至 二十日
派發2011年財政 年度中期股息	二零一一年 五月三十日

ND Paper has adopted a variety of channels and methods to ensure effective communication with shareholders and investor communities. Such protocol allows the company's business development, operating strategies and industry updates to be regularly communicated and interpreted effectively.

Corporate updates, frequent press releases and the annual and interim reports provide the means for investors and the public to receive accurate and timely information about ND Paper. Participation by management in one-on-one investor meetings, conference calls and regional and global investor forums also allows business visions and financials to be well interpreted and analyzed.

Effective two-way communications are further enhanced by frequent plant tours conducted for fund managers, research analysts and other institutional investors. This allows for more understanding of ND Paper's business operations and production processes.

Over 25 local and international research institutions have published reports on ND Paper.

#### SHAREHOLDERS

As at 31 December 2010, the Group had over 4,200 non-institutional shareholders.

#### FINANCIAL CALENDAR

FY2011 interim results announcement	published on 23 February 2011
Ex-dividend date for interim dividend	16 May 2011
Latest time to lodge transfer with the Share Registrar	4:30 p.m. on 17 May 2011
Closure of register of members	18 to 20 May 2011
Distribution of FY2011 interim dividend	30 May 2011

**投資者關係及與股東的溝通****Investor Relations and Communications with Shareholders****股份資料****股份上市**

玖龍紙業的股份自二零零六年三月在聯交所主板上市(股份代號: 2689)。

**普通股**

已發行股份 4,662,272,620  
(於二零一零年  
十二月三十一日)  
股股份

面值 每股0.1港元  
每手買賣單位 1,000股股份

**股息****每股股息**

— 2009/2010年 每股人民幣10分  
財政年度末期股息  
— 2010/2011年 每股人民幣2分  
財政年度中期股息

**SHARE INFORMATION****Shares listing**

The Shares of ND Paper have been listed on the Main Board of the Stock Exchange (Stock Code: 2689) since March 2006.

**Ordinary shares**

Issued Shares as at 31 December 2010 4,662,272,620 Shares

Nominal Value HK\$0.1 per Share  
Board Lot 1,000 Shares

**DIVIDENDS****Dividend per Share**

FY2009/2010 Final Dividend RMB10.0 cents per Share  
FY2010/2011 Interim Dividend RMB2.0 cents per Share



## 投資者關係及與股東的溝通 Investor Relations and Communications with Shareholders

### 投資者關係

企業傳訊部  
香港灣仔港灣道30號  
新鴻基中心31樓3129室  
電話：(852) 3929 3800  
傳真：(852) 3929 3890  
電郵：ir@ndpaper.com

### 股份代號

香港聯合交易所 : 2689  
路透社 : 2689.HK  
彭博 : 2689 HK

### INVESTOR RELATIONS CONTACT

Corporate Communications Department  
Room 3129, 31/F., Sun Hung Kai Centre,  
30 Harbour Road, Wanchai, Hong Kong  
Tel: (852) 3929 3800  
Fax: (852) 3929 3890  
Email: ir@ndpaper.com

### STOCK CODE

HKSE : 2689  
Reuters : 2689.HK  
Bloomberg : 2689 HK

## 釋義 Definition

「二零零六年購股權計劃」	指	本公司於二零零六年二月十二日採納之購股權計劃	2006 Share Option Scheme	the share option scheme adopted by the Company on 12 February 2006
「美國中南」	指	美國中南有限公司，一家根據美國加利福尼亞州法律成立的有限公司，由張女士間接全資擁有	ACN	America Chung Nam, Inc., a corporation established with limited liability under the laws of the State of California in the United States, is indirectly wholly owned by Ms. Cheung
「聯繫人」	指	具有上市規則所賦予的涵義	Associate(s)	has the meaning ascribed to it under the Listing Rules
「Best Result」	指	Best Result Holdings Limited，根據英屬處女群島法律註冊成立的公司，為本公司的主要股東	Best Result	Best Result Holdings Limited, a company incorporated under the laws of BVI, is a substantial shareholder of the Company
「董事會」	指	本公司董事會	Board	The board of directors of the Company
「處女群島」	指	英屬處女群島	BVI	the British Virgin Islands
「公司細則」	指	玖龍紙業的公司細則	Bye-laws	the bye-laws of ND Holdings
「本公司」或「玖龍控股」或「玖龍紙業」	指	玖龍紙業(控股)有限公司*，二零零五年八月十七日於百慕達根據一九八一年公司法註冊成立的獲豁免有限公司	Company or ND Holdings or ND Paper	Nine Dragons Paper (Holdings) Limited, a company which was incorporated in Bermuda on 17 August 2005 under the companies Act 1981 as an exempt Company with limited liability
「董事」	指	本公司董事或任何其董事	Director(s)	the director(s) of the Company or any one of them
「財政年度」	指	截至六月三十日止財政年度	FY	Financial year ended/ending 30 June
「本集團」	指	本公司及其附屬公司	Group	The Company and its subsidiaries
「港元」	指	香港法定貨幣港元	HKD/HK\$	Hong Kong dollars
「聯交所」	指	香港聯合交易所有限公司	HKSE or Stock Exchange	The Stock Exchange of Hong Kong Limited

## 釋義 Definition

「香港」或「香港特別行政區」	指	中華人民共和國香港特別行政區	Hong Kong or Hong Kong SAR	The Hong Kong Special Administrative Region of the People's Republic of or HKSAR China
「獨立非執行董事」	指	玖龍控股獨立非執行董事	INED(s)	Independent Non-executive Director(s) of ND Holdings
「上市規則」	指	聯交所證券上市規則	Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
「標準守則」	指	上市公司董事進行證券交易的標準守則	Model Code	Model Code for Securities Transactions by Directors of Listed Issuers
「劉先生」	指	劉名中先生，本公司執行董事、副主席兼行政總裁	Mr. Liu	Mr. Liu Ming Chung, an executive Director, the Deputy Chairman and the Chief Executive Officer of the Company
「張先生」	指	張成飛先生，本公司執行董事兼副行政總裁	Mr. Zhang	Mr. Zhang Cheng Fei, an executive Director and the Deputy Chief Executive Officer of the Company
「張女士」	指	張茵女士，本公司執行董事兼主席	Ms. Cheung	Ms. Cheung Yan, an executive Director and the Chairlady of the Company
「期間」或「本期間」	指	截至二零一零年十二月三十一日止六個月	Period	for the six months ended 31 December 2010
「造紙機」	指	本集團造紙機的代號。例如，一號造紙機指本集團的第一台造紙機	PM	a prefix referring to the Group's paper machines. For example, PM1 refers to the Group's first paper machine
「上市前購股權計劃」	指	本公司由二零零六年一月一日起採納的上市前購股權計劃	Pre-Listing Share Option Scheme	the Pre-Listing Share Option Scheme adopted by the Company with effect from 1 January 2006
「人民幣」	指	中國法定貨幣人民幣	RMB	Renminbi, the lawful currency of the PRC
「證監會」	指	證券及期貨事務監察委員會	SFC	Securities and Futures Commission

## 釋義 Definition

「證券及期貨條例」	指	證券及期貨條例	SFO	Securities and Futures Ordinance
「購股權計劃」	指	上市前購股權計劃及二零零六年購股權計劃	Share Option Schemes	Pre-Listing Share Option Scheme and 2006 Share Option Scheme
「股份」	指	本公司已發行股本中每股面值0.10港元的普通股	Share(s)	Ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
「股東」	指	本公司股份持有人	Shareholder(s)	holder(s) of Shares of the Company
「平方呎」	指	平方呎	sq.ft	square feet
「平方米」	指	平方米	sq.m	square metre
「The Liu Family Trust」	指	以劉先生為成立人及BNP Paribas Jersey Trust Corporation為信託人	The Liu Family Trust	a trust set up by Mr. Liu as the settlor and BNP Paribas Jersey Trust Corporation Limited as the trustee
「年產能(噸)」	指	每年以噸計量的產能	tpa	tonnes per annum
「[「十二五」或「十二五」規劃」	指	中國國民經濟和社會發展第十二個五年規劃(2011-2015)	12th 5-Year program	12th Five-Year Program for China's National Economic and Social Development (2011-2015)
「美元」	指	美國法定貨幣美元	USD/US\$	US dollars
「YC 2006 Family Irrevocable Trust」	指	YC 2006 Family Irrevocable Trust 中，The Northern Trust Company of Delaware 為信託人及 Zhang Xiujie 為特別信託人	YC 2006 Family Irrevocable Trust	The Northern Trust Company of Delaware, as the trustee, and Zhang Xiujie, as the special trustee, of YC 2006 Family Irrevocable Trust
「%」	指	百分比	%	per cent

## 詞彙 Glossary

「塗布白板紙」	指 一種白板紙，其中一面為光滑的塗布面，該面印刷適性極佳，包括塗布灰底白板紙	coated duplex board	a type of duplex board with a glossy coated surface on one side for superior printability, including coated duplex board with grey back
「箱板原紙」	指 用作製造瓦楞紙箱的紙板組件。箱板原紙主要包括卡紙及瓦楞芯紙，亦可包括塗布白板紙	containerboard	the paperboard components used to manufacture corrugated containers. Containerboard primarily includes linerboard and corrugating medium and can also include coated duplex board
「瓦楞芯紙」	指 用作製成卡紙夾層的波浪紋部分所用的紙板	corrugating medium	a paperboard used to form the corrugated or fluted component sandwiched between the linerboard
「木漿」	指 用硫酸鹽製漿法或硫酸鹽化學方法製成的木漿。硫酸鹽製漿法是全球通用的主要化學製漿法，涉及將木片浸在鹼性溶液中煮沸（浸溶）數個小時，此時化學品會溶解木塊中的木質素。其後已溶解的木質素會被抽走，剩下纖維素纖維（木漿的主要成分）	kraft pulp	pulp produced by the kraft or sulphate chemical process. The kraft process is the predominant chemical pulping process used globally, and involves cooking (digesting) wood chips in an alkaline solution for several hours during which time the chemicals attack the lignin in the wood. The dissolved lignin is later removed leaving behind the cellulose fibers (the primary constituent of pulp)
「牛卡紙」	指 純粹或部分由木漿製成的高級卡紙	kraftlinerboard	a high grade of linerboard manufactured wholly or partially from kraft pulp
「廢紙」	指 分開收集的舊紙張及舊紙板，可循環利用作製造箱板原紙的纖維原料	recovered paper	used paper and board separately collected for re-use as fiber raw material in containerboard manufacture

## 詞彙 Glossary

「環保牛卡紙」	指	純粹由廢紙製成的卡紙	testlinerboard	linerboard made entirely from recovered paper
「白面牛卡紙」	指	由一層已漂白及其餘各層未漂白的紙張組成的多層紙板	white top linerboard	a type of linerboard comprising a multiple-ply sheet composed of one bleached layer with the remaining layer(s) unbleached

本2010/2011中期報告(「中期報告」)已登載於本公司網站www.ndpaper.com及聯交所披露易網站www.hkexnews.hk。

選擇透過本公司網站收取本公司的公司通訊(其中包括但不限於年報、財務摘要報告(如適用)、中期報告、中期摘要報告(如適用)、會議通告、上市文件、通函及代表委任表格),及因任何理由以致在接收載於本公司網站的中期報告上出現困難的股東,可即時要求以郵寄方式獲免費發送中期報告的印刷本。

股東可隨時更改收取本公司公司通訊的方式及語言版本的選擇。

股東可在給予本公司合理時間的書面通知,要求索取中期報告的印刷本或更改收取本公司公司通訊的方式及語言版本的選擇,該書面通知應交予本公司之股份過戶登記香港分處—卓佳證券登記有限公司,地址為香港灣仔皇后大道東二十八號金鐘匯中心二十六樓,或將該通知電郵至ndpaper-ecom@hk.tricorglobal.com。

This 2010/2011 Interim Report ("Interim Report") has been posted on the Company's website at www.ndpaper.com and on the website of HKExnews at www.hkexnews.hk.

Shareholders who have chosen to receive the Company's Corporate Communications (including but not limited to annual report, summary financial report (where applicable), interim report, summary interim report (where applicable), notice of meeting, listing document, circular and proxy form) via the Company's website and for any reason have difficulty in gaining access to the Interim Report posted on the Company's website will promptly upon request be sent by post the Interim Report in printed form free of charge.

Shareholders may at any time change their choice of means of receipt and language of the Corporate Communications.

Shareholders may request for printed copy of the Interim Report or change of their choice of means of receipt and language of the Corporate Communications by sending reasonable notice in writing to the Company's branch registrar in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong or by sending an email to ndpaper-ecom@hk.tricorglobal.com.



玖龍紙業(控股)有限公司\*

NINE DRAGONS PAPER (HOLDINGS) LIMITED