



福和集團控股有限公司

FOOK WOO GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock code 股份代號：923

中期報告 Interim Report **2010**



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Corporate Information

公司資料

DIRECTORS

Executive directors

Mr. Leung Kai Kuen (*Chairman*)
Mr. Leung Tat Piu
Mr. Cheng Chun Keung, Thomas

Non-executive director

Ms. Cheung Nga Lai, Carol

Independent non-executive directors

Mr. Chung Wai Kwok, Jimmy
Mr. Chan Kong
Mr. Lee Kwok Chung
Mr. Lau Shun Chuen
(appointed on 1 October 2010)

BOARD COMMITTEES

Audit Committee

Mr. Chung Wai Kwok, Jimmy (*Chairman*)
Mr. Chan Kong
Mr. Lee Kwok Chung

Remuneration Committee

Mr. Leung Kai Kuen (*Chairman*)
Mr. Chan Kong
Mr. Lee Kwok Chung
Mr. Lau Shun Chuen

Nomination Committee

Mr. Chan Kong (*Chairman*)
Mr. Leung Kai Kuen
Mr. Lee Kwok Chung
Mr. Lau Shun Chuen

COMPANY SECRETARY

Mr. Chan Ka Fat, CPA

AUTHORISED REPRESENTATIVES

Mr. Leung Kai Kuen
Mr. Chan Ka Fat

董事

執行董事

梁契權先生 (*主席*)
梁達標先生
鄭振強先生

非執行董事

張雅麗女士

獨立非執行董事

鍾維國先生
陳剛先生
李國忠先生
劉順銓先生
(於二零一零年十月一日起獲委任)

董事會委員會

審核委員會

鍾維國先生 (*主席*)
陳剛先生
李國忠先生

薪酬委員會

梁契權先生 (*主席*)
陳剛先生
李國忠先生
劉順銓先生

提名委員會

陳剛先生 (*主席*)
梁契權先生
李國忠先生
劉順銓先生

公司秘書

陳家發先生，執業會計師

授權代表

梁契權先生
陳家發先生

AUDITOR

PricewaterhouseCoopers

COMPLIANCE ADVISER

Guotai Junan Capital Limited

FINANCIAL RELATIONS CONSULTANT

Strategic Financial Relations Limited

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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Cayman Islands

核數師

羅兵咸永道會計師事務所

合規顧問

國泰君安融資有限公司

財經公關顧問

縱橫財經公關顧問有限公司

開曼群島註冊辦事處

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Cayman Islands

CORPORATE HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Fook Woo Group Building
3 Kui Sik Street
On Lok Tsuen
Fanling, New Territories
Hong Kong

香港公司總部及 主要營業地點

香港
新界粉嶺
安樂村
居適街3號
福和集團大廈5樓

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Fook Woo Industrial City
Liangwu Management Block
Yuanzhou Township
Boluo County
Huizhou City
Guangdong
PRC

中國主要營業地點

中國
廣東
惠州市
博羅縣
園洲鎮
梁屋管理區
福和工業城

COMPANY'S WEBSITE

www.fookwoo.com

公司網站

www.fookwoo.com

STOCK CODE

923

股份代號

923

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

With China's rapid economic development and its continued increase in per capita income, market demand and consumption for paper products have been rising and the consumers are expecting higher quality tissue products. At the same time, environmental protection has become a global concern. Environmental awareness in many places, including Mainland China, has been enhanced, which significantly fostered the businesses of recovered paper and recycled tissue paper. In the first half of financial year of 2011, the Group, leveraging on the momentum in the second half of the financial year 2010, rapidly recovered from the downturn caused by the financial crisis in the same period last year. The performance of its core businesses continued to improve. Being a leading vertically integrated provider of waste paper management, the Group actively expanded its waste paper collection business, and expanded the sales network of its own-branded recycled tissue paper products, while fully capturing synergies brought by sales of greyboard and provision of confidential materials destruction services (CMDS), and thus recorded satisfactory business performance in the period under review.

Segmental Analysis

Recovered paper

During the period under review, revenue from recovered paper was HK\$552.2 million, representing an increase of 88.8% as compared to the same period last year, contributing approximately 58.1% of the Group's revenue. In order to meet the huge market demand, the Group has adopted appropriate strategies in Hong Kong and Mainland China. In Hong Kong, the Group actively developed channels for collecting waste paper and increased the proportion of waste paper collected from households. In August this year, it started up a new waste paper packing station in Tsing Yi to increase the collection volume. In Mainland China, the strengthening of financial resources and goodwill brought about by the successful listing of the Group in Hong Kong has served to attract more printing shops in the northern part of China to collaborate with the Group. In addition, the Group has also strived to develop the business of collecting waste paper from households in China, which significantly broadened the sources of recovered paper.

業務回顧

中國經濟發展迅速，人均收入不斷上升，除了紙品需求量及耗用量增加外，消費者對質量要求也相應提高。與此同時，環境保護已成為全球關注的話題，環保意識在各地包括中國內地均逐漸提高，對推動集團廢紙回收及環保生活用紙業務有很大幫助。在二零一一年財政年度上半年，本集團承接著二零一零財政年度下半年的勢頭，從去年同期金融危機的不景氣中迅速復蘇，旗下核心業務的表現持續好轉。本集團作為具領導地位的廢紙管理垂直綜合供應商，在回顧期內積極擴充廢紙回收業務，拓展自家品牌環保生活用紙的銷售網絡，並同時充分發揮銷售灰板紙及提供機密材料銷毀服務帶來的協同效益，因而錄得理想的業務表現。

分部分析

回收紙

回顧期內，回收紙的收益為552.2百萬港元，較去年同期上升88.8%，佔本集團收益約58.1%。為滿足龐大的市場需求，本集團在中港兩地作出相應部署。在香港，本集團積極開拓回收渠道，增加回收生活廢紙所佔比重，並於本年八月在青衣開設新廢紙打包工場，積極增加回收量。在中國，本集團成功在香港上市有助加強財政實力及提高商譽，吸引更多華北地區的印刷廠與本集團合作。此外，本集團亦致力開展國內回收生活廢紙的業務，顯著擴闊了回收紙的來源。

Tissue Paper Products

Economic recovery and increase in environmental awareness has driven the revenue of tissue paper products upwards by 50.5% as compared with the same period last year, to HK\$372.3 million, accounting for approximately 39.2% of total revenue in the period under review. The Group's orders from OEM customers and away-from-home customers have recorded steady growth. In addition, during the period the Group actively promoted recycled tissue paper products under its own brand names, namely Moonily, Smoovie and See-Mia and significantly expanded its sales and distribution network in China. Accordingly, the number of large chain stores selling the Group's owned branded products increased from 148 as at the end of March 2010 to approximately 300 as at the end of September 2010. These newly added chain stores are mainly located in the major cities of Southern China.

During the period under review, the Group established a logistics center each in Hunan and Jiangxi which went into operation in October 2010. This will not only strengthen the Group's distribution network in second and third tier cities to cover smaller retailers, but will also increase its market share outside Southern China. To capture the huge opportunities in Mainland China, the Group increased its efforts in sales and marketing, significantly expanded its sales team, explored opportunities for cooperation with distributors in different regions and worked with a number of large chain stores to promote the Group's products.

Confidential Materials Destruction Services (CMDs)

Confidential Materials Destruction Services is a strategic operation of the Group. It can provide stable and ample supply of quality waste paper for the Group. Customers in this segment include government bodies, financial and professional institutions and banks. During the period under review, the number of customers of the segment increased significantly and contributed revenue of HK\$2.0 million to the Group, representing an increase of 3.9% over the same period last year.

Greyboard

During the period under review, this segment recorded revenue of HK\$23.4 million. Greyboard business is not a core business of the Group. However, it is the Group's strategy to maximise contributions from the production chain and fully utilise its resources. The Group makes use of greyboard to produce cores for bathroom tissue, jumbo rolls and hard roll towels for its own recycled tissue paper products.

生活用紙

經濟復甦及環保意識提高帶動生活用紙的收益較去年同期增加50.5%至372.3百萬港元，佔回顧期內總收益約39.2%。本集團來自OEM客戶及非家用市場客戶的訂單錄得穩定增長。此外，本集團在期內積極推廣「皇月」、「綠柔」及「思蜜兒」等自家品牌之環保生活用紙業務，大幅擴展國內銷售網絡，令銷售本集團自家品牌產品的大型連鎖店數目由二零一零年三月底的148間攀升至二零一零年九月底約300間。這些新增的連鎖店主要分佈在華南地區的主要城市。

回顧期內，本集團分別在湖南及江西設立物流中心，並已於二零一零年十月啟用，這不僅能加強本集團在二、三線城市的分銷網絡，藉此覆蓋規模較小的零售商，而且更有助提高本集團在華南以外地區的市場份額。為把握中國市場的龐大商機，本集團加大了銷售及市場推廣的力度，積極擴充銷售隊伍，開拓和各地分銷商合作的機會，並與多家大型連鎖店聯手推廣旗下產品。

機密材料銷毀服務

機密材料銷毀服務乃本集團的策略性業務，可為本集團提供穩定及充裕的優質廢紙的來源。此分部客戶主要包括政府機關、金融及專業機構及銀行等。回顧期內，此分部的客戶顯著增加，為本集團帶來2.0百萬港元的收入，較去年同期上升3.9%。

灰板紙

回顧期內，此分部錄得收益約23.4百萬港元。灰板紙業務並非本集團核心業務，而是本集團充分利用生產鏈及全面利用資源的策略。本集團主要利用灰板紙作為副料生產環保衛生紙、大盤紙卷及卷筒擦手紙的紙芯。

Management Discussion and Analysis

管理層討論及分析

Geographical Analysis

The Group services and markets its products in Mainland China, the United States, Japan, Hong Kong, Australia, and to customers across other countries. Mainland China is the largest market of the Group (analysed according to the locations in which sale originated), generating HK\$681.9 million of revenue and accounting for approximately 71.8% of the Group's total revenue. It is expected that Mainland China will continue to be a major market for waste paper and tissue paper consumption and will definitely be one of the regions that the Group will focus on for future development. Revenue from sales originated in Hong Kong to other regions including the United States, Japan, Hong Kong, Australia, etc. accounted for approximately 28.2% of the Group's total revenue.

Operational Analysis

As at 30 September 2010, the Group operated five waste paper packing stations in Hong Kong and one waste paper packing station in Mainland China. During the period under review, the total collection volume was 353,471 tonnes. The Group also operated one secured destruction facility for CMDS in Hong Kong. The annual production capacity of recycled tissue paper from the production facility operated by the Group in Mainland China has increased to 101,000 tonnes.

The Group's production base in Huizhou has a pier and it operates two piers in Hong Kong. Such facilities enable the Group to deliver waste paper collected in Hong Kong to the production plant and to customers in Mainland China in a cost-effective, reliable and efficient manner, and therefore have provided the Group with a significant advantage over its peers.

Subscription of Shares

On 7 October 2010, the Company entered into a conditional subscription agreement with Chow Tai Fook Nominee Limited ("Chow Tai Fook"), pursuant to which Chow Tai Fook subscribed for an aggregate of 366,275,000 subscription shares at the subscription price of HK\$2.40 per share for a total consideration of HK\$879,060,000. The subscription agreement not only broadened the shareholder base of the Group, but also provided more funds for the Group's future development, as well as reflected the confidence of a renowned institutional investor in the prospects of the Group.

地區分析

本集團為中國、美國、日本、香港、澳洲及其他國家的客戶提供服務及銷售產品。本集團的最大市場為中國(根據銷售來源地區的分析)，共錄得681.9百萬港元收益，佔本集團總收益約71.8%。預期未來中國仍然是廢紙及生活用紙消耗的主要市場，亦必繼續為本集團日後重點發展的地區之一。由香港銷往其他地區包括美國、日本、香港及澳洲等地的銷售收益合共佔本集團總收益約28.2%。

營運分析

於二零一零年九月三十日，本集團在香港及中國分別設有5個及1個廢紙打包工場，回顧期內，回收總量達353,471噸。本集團亦在香港設有機密文件處理設備，提供機密材料銷毀服務。而本集團設於中國的生產設備之環保生活用紙的年產能已增至101,000噸。

本集團在惠州之生產基地附設碼頭，而在香港則於兩個碼頭營運，這些設備有助本集團以經濟、可靠而迅速的途徑將香港回收的廢紙運往生產廠房及中國客戶，讓本集團於業內享有顯著的競爭優勢。

股份認購

本公司於二零一零年十月七日與周大福代理有限公司(「周大福」)訂立有條件認購協議，據此，周大福按每股2.40港元的認購價認購本集團合共366,275,000股認購股份，總代價為879,060,000港元。是次認購協議不僅擴闊了本集團的股東基礎，為本集團日後發展提供更多資金，更反映知名機構投資者對本集團的前景充滿信心。

FINANCIAL REVIEW

Operating Results

The profit attributable to equity holders of the Company for the six months ended 30 September 2010 was approximately HK\$169.4 million (same period of 2009: HK\$107.2 million), representing an increase of HK\$62.2 million or 58.0% over the same period of last year.

The Group's revenue for the six months ended 30 September 2010 amounted to HK\$949.8 million, representing an increase of 71.2% as compared with the same period of last year's HK\$554.9 million. Gross profit also rose by 60.3% in the current period to approximately HK\$322.6 million as compared with the same period of last year's HK\$201.3 million.

In line with the revenue growth, the Group reported an operating profit of approximately HK\$202.2 million for the six months ended 30 September 2010 (same period of 2009: HK\$129.7 million), representing a growth of 55.9%.

Other Loss, net

During the period, the Group recorded an exchange loss of HK\$23.7 million, which mainly represented exchange loss of the Company. Since the Company's functional currency is Renminbi ("RMB"), given the appreciation of RMB against Hong Kong dollars ("HKD"), the translation of the Company's HKD denominated monetary assets has given rise to an exchange loss.

Income Tax Expense

Income tax expense for the six months ended 30 September 2010 was HK\$29.6 million, representing an increase of 67.2% as compared to HK\$17.7 million for the same period of last year. The effective tax rate was 14.9% for the six months ended 30 September 2010, compared to 14.2% for the same period of last year.

財務回顧

經營業績

截至二零一零年九月三十日止六個月期間，本公司權益持有人應佔溢利約為169.4百萬港元(二零零九年同期：107.2百萬港元)，較去年同期增長62.2百萬港元或58.0%。

截至二零一零年九月三十日止六個月，本集團收益為949.8百萬港元，較去年同期的554.9百萬港元增加71.2%。本期間毛利亦上升60.3%至約322.6百萬港元，去年同期則為201.3百萬港元。

隨著收益的增長，截至二零一零年九月三十日止六個月，本集團錄得經營利潤約202.2百萬港元(二零零九年同期：129.7百萬港元)，增長達55.9%。

其他虧損淨額

於期內，本集團錄得滙兌虧損23.7百萬港元，主要為本公司的滙兌虧損。由於本公司的功能貨幣為人民幣，鑒於人民幣對港元升值，換算本公司以港元計值的貨幣資產令滙兌虧損增加。

所得稅開支

截至二零一零年九月三十日止六個月的所得稅開支為29.6百萬港元，較去年同期的17.7百萬港元增加67.2%。截至二零一零年九月三十日止六個月的實際所得稅稅率為14.9%，而去年同期為14.2%。

Management Discussion and Analysis

管理層討論及分析

Profit for the Period Attributable to the Equity Holders of the Company

The Group's profit attributable to the equity holders of the Company for the six months ended 30 September 2010 was HK\$169.4 million, representing an increase of 58.0% compared to HK\$107.2 million for the same period of last year. Profit attributable to the equity holders of the Company as a percentage of revenue was 17.8% for the six months ended 30 September 2010, compared to 19.3% in the same period of last year.

Liquidity and Financial Resources

As at 30 September 2010, the Group had bank and cash balances of approximately HK\$954.4 million. Total bank borrowings of the Group with floating rates amounted to approximately HK\$159.5 million as at 30 September 2010. This included long-term borrowings of approximately HK\$41.9 million and short-term bank borrowings of approximately HK\$117.6 million. All bank borrowings were due within 5 years.

As at 30 September 2010, the Group had net current assets of approximately HK\$1,231.0 million, as compared to net current assets of approximately HK\$1,082.8 million as at 31 March 2010. The current ratio of the Group was 4.98 as at 30 September 2010 as compared to 3.19 as at 31 March 2010.

In the period under review, the Group generated net cash of HK\$118.2 million from its operating activities, as compared to HK\$101.7 million in the same period of last year. Net cash used in investing activities was HK\$297.8 million, which mainly included capital expenditures of HK\$300.1 million less proceeds from disposal of property, plant and equipment and interest received.

During the period, the net cash inflow from financing activities amounted to HK\$46.3 million, included in which were mainly the gross proceeds from issuance of ordinary shares pursuant to the exercise of the over-allotment option amounting to HK\$213.9 million, repayment of bank borrowings of HK\$117.4 million and the payment for share issuance costs amounting to HK\$55.8 million.

The Group did not have a net debt position as at 30 September 2010 and therefore no gearing ratio is presented.

本公司權益持有人應佔期內利潤

截至二零一零年九月三十日止六個月，本公司權益持有人應佔本集團溢利為169.4百萬港元，較去年同期的107.2百萬港元增加58.0%。截至二零一零年九月三十日止六個月，本公司權益持有人應佔溢利相當於收入的17.8%，而去年同期則為19.3%。

流動資金及財務資源

於二零一零年九月三十日，本集團有銀行及現金結餘約954.4百萬港元。於二零一零年九月三十日，本集團的浮息銀行借貸總額約為159.5百萬港元。其包括長期借貸約41.9百萬港元及短期銀行借貸約117.6百萬港元。所有銀行借貸於5年內到期。

於二零一零年九月三十日，本集團有淨流動資產約1,231.0百萬港元，於二零一零年三月三十一日則有淨流動資產約1,082.8百萬港元。於二零一零年九月三十日，本集團的流動比率為4.98，於二零一零年三月三十一日則為3.19。

於回顧期間內，本集團的經營活動產生現金淨額118.2百萬港元，而去年同期則為101.7百萬港元。投資活動使用的現金淨額為297.8百萬港元，主要包括資本開支300.1百萬港元及減出售物業、廠房及設備的所得款項及已收利息。

期內，融資活動的現金流入淨額為46.3百萬港元，其主要包括根據行使超額配售權發行普通股的所得款項總額213.9百萬港元、償還銀行貸款117.4百萬港元及支付股份發行成本55.8百萬港元。

本集團於二零一零年九月三十日並無淨負債，因此並無呈列資產負債率。

Management Discussion and Analysis

管理層討論及分析

Foreign Exchange

The Group's principal production facilities are located in the PRC whilst most of its sales and purchases are transacted in RMB, United States dollars ("USD") and HKD. Furthermore, most of the Group's monetary assets and liabilities are denominated in these currencies.

As stated in the section headed "Other loss, net", the Group has recorded an exchange loss of HK\$23.7 million in the Group's condensed consolidated interim income statement for the six months ended 30 September 2010. On the other hand, given the appreciation of RMB against HKD, the Group has recognised an exchange difference of HK\$57.9 million in other comprehensive income, which represented the translation of the financial statements of the Company and the net investment in a foreign operation for the six months ended 30 September 2010; thereby increasing the capital and reserves attributable to equity holders of the Company by the same amount.

Management is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between these currencies and will continue to evaluate the Group's foreign currency exposure and take actions as appropriate.

Pledge of Assets

As of 30 September 2010, buildings with net book value of HK\$335.5 million, plant and machinery of HK\$763.4 million, land use rights with carrying value of HK\$41.3 million and trade receivables of HK\$77.5 million were pledged as collateral for the Group's borrowings. Borrowings totalling HK\$154.8 million (31 March 2010: HK\$259.1 million) were secured by corporate guarantees by certain subsidiaries as of 30 September 2010.

Contingent Liabilities

Details of the contingent liabilities of the Group as at 30 September 2010 are disclosed in note 17 to the condensed consolidated interim financial information.

外匯

本集團主要生產設施在中國，其大部分銷售額及採購額以人民幣、美元及港元計值。此外，本集團大部分貨幣資產與負債以該等貨幣計值。

誠如「其他虧損淨額」一節所載，本集團於截至二零一零年九月三十日止六個月的簡明綜合中期收益表中錄得滙兌虧損23.7百萬港元。另一方面，鑒於人民幣對港元升值，本集團已於其他全面收益確認滙兌差額57.9百萬港元，該數額代表截至二零一零年九月三十日止六個月的本公司財務報表換算及於海外業務的投資淨額，並同時增加相同數額的本公司權益持有人應佔資本及儲備。

管理層知悉可能來自該等貨幣之間的匯率波動的潛在外幣風險，並將繼續評估本集團的外幣風險，並於需要時採取適當行動。

資產質押

於二零一零年九月三十日，賬面淨值335.5百萬港元的樓宇、763.4百萬港元的廠房及機器、賬面值41.3百萬港元的土地使用權及77.5百萬港元的應收貿易賬款乃質押作為本集團借貸的抵押品。於二零一零年九月三十日，由若干附屬公司提供企業擔保而獲得的借貸合共為154.8百萬港元(二零一零年三月三十一日：259.1百萬港元)。

或然負債

於二零一零年九月三十日，本集團的或然負債詳情於簡明綜合中期財務資料附註17中披露。

Management Discussion and Analysis

管理層討論及分析

PROSPECTS

With awareness of environmental protection increasing generally, China, the major market of the Group, has also been attaching greater importance to environmental protection. In order to improve the environment and achieve the target of energy saving and emission reduction, China has placed the concept of “energy saving and emission reduction” in first place under the “seven major industries” in the proposals of the 12th Five-Year Plan, and formulated a range of corresponding measures. Economically, the Five-Year Plan advocates the expansion of domestic demand, and the improvement of consumption power of low income group. The promotion of environmental policies and economic development of China, together with the gradual recovery of the global economy from the financial crisis will create huge opportunities for the Group’s business of recovered paper and tissue paper products.

For waste paper collection, the Group has established a new packing station in Kwun Tong in October this year. In addition, it has identified two other locations for the establishment of new packing stations, one of which will have a pier. With such facilities, the Group can deliver waste paper to the production base at Huizhou for sorting process in a faster and more convenient way, and benefit from cost-effective and efficient logistics. It is expected that the two new packing stations will commence operation in the second half of the financial year.

For tissue paper products, in addition to the production of bathroom tissue, jumbo rolls and paper towels for OEM customers and away-from-home customers, and the promotion of its own brands of tissue paper, the Group will enrich its product mix and actively increase the proportion of high margin products. At the same time as the Group strengthened the production line for paper napkins, it has also purchased new machinery for the production of pocket tissue and facial tissue. The new machinery has commenced operation in November this year and has made a positive impact on the revenue of the Group in the second half of the financial year. The Group is also planning to further increase the production capacity of tissue paper products at the end of the financial year of 2011 through enhancement of existing machines.

Furthermore, the Group will continue to expand its confidential materials destruction services to regions outside of Southern China and increase waste paper processing facilities in Shanghai. This will increase the Group’s revenue as well as secure the supply of more quality waste paper.

展望

隨著環保意識不斷提高，中國作為本集團的主要市場亦對環境保護越來越重視。中國政府為改善環境，確保節能減排目標實現，於「十二·五規劃」建議中將「節能環保」概念放在「七大產業」之首，制訂一系列相應措施。在經濟方面，五年計劃提倡擴大內需，致力改善低收入群體的消費能力。中國致力促進環保政策及經濟發展，加上全球經濟逐漸從金融危機中復蘇，為本集團的廢紙回收及生活用紙業務締造龐大商機。

在廢紙回收方面，本集團已於本年十月在觀塘開設一個新的打包工場，此外亦已確定另外兩個新地點開設打包工場，而其中一個更附設碼頭，讓本集團能更方便快捷地將廢紙運送至惠州的生產基地作分類，顯著提高物流安排的效率及成本效益。預期兩個新打包工場將於本財政年度下半年開始營運。

至於生活用紙方面，本集團除了為OEM客戶及非家用客戶生產浴室衛生紙、大盤紙卷及擦手紙，以及推廣自家品牌之生活用紙外，亦將致力豐富現有產品組合，積極增加高毛利產品的比例。本集團在加強餐巾紙的生產線同時，亦購入新機器生產袋裝紙巾及衛生面紙。這批新機器已於本年十一月投產，有關收入將於下半年度逐漸得到反映。本集團亦正計劃透過提升現有機器的產能，在二零一一年財政年度內將生活用紙的產能進一步提高。

另外，本集團未來將繼續拓展機密文件材料銷毀服務至華南以外地區，增加在上海的廢紙回收處理設施，一方面可提高收入，此外可提供更多優質廢紙之數量。

Management Discussion and Analysis

管理層討論及分析

On 8 November 2010, the Group announced the leasing of a parcel of land located in the Tseung Kwan O Industrial Estate with an area of approximately 12,277 square meters from Hong Kong Science and Technology Parks Corporation for the setting up of its new headquarters, which is expected to commence operation on or around October 2013. The new headquarters for office and administrative functions will include converting process facilities and confidential materials destruction services for the recycled tissue paper business. This will facilitate the development of the logistics of the Group's recycling business as well as the expansion of its market share in the recycling business, the recycled tissue paper business and the confidential materials destruction services.

As one of the largest waste paper management services providers and producers of recycled tissue paper products in the China region and the largest confidential materials destruction services provider in Hong Kong, the Group will leverage on the external operating environment and its own competitive advantages, coupling with stringent cost control and timely market strategies, to capture further development opportunities and realize a sustainable and rapid growth in business.

Employees

At 30 September 2010, the Group had 2,097 employees, of which 177 were employed in Hong Kong and 1,920 were employed in the PRC. Employee costs, excluding directors' emoluments, totaled HK\$36.6 million for the six months ended 30 September 2010 (same period of 2009: HK\$26.7 million). All of the Fook Woo Group companies are equal opportunity employers, with the selection and promotion of individuals based on suitability for the position offered. The Group operates a defined contribution mandatory provident fund retirement benefits for its employees in Hong Kong, and provides its PRC employees with welfare schemes as required by the applicable laws and regulations in the PRC. The Company has also adopted a share option scheme on 11 March 2010. During the six months ended 30 September 2010, no share option was granted. The Group did not experience any significant labour disputes or substantial changes in the number of employees that led to any disruption of its normal business operations.

於二零一零年十一月八日，本集團宣佈向香港科技園公司租賃位於香港將軍澳工業邨、面積約為12,277平方米的一幅土地設立新總部，預期將於二零一三年十月或前後投入營運。新總部將設有環保生活用紙業務的轉換加工設施及機密材料銷毀設施，並用作辦公室及行政用途。這將可促進本集團的循環再造業務的物流發展，亦有助擴大其於循環再造業務及環保生活用紙以及機密材料銷毀服務的市場份額。

作為中國最大的廢紙管理服務供應商和環保生活用紙生產商之一，以及香港最大的機密材料銷毀服務供應商，本集團將乘著客觀經營環境及自身競爭優勢，採取嚴謹的成本控制措施及適時的市場策略，把握更多未來發展的機會，推動業務持續及快速增長。

僱員

於二零一零年九月三十日，本集團有2,097名僱員，當中177名在香港僱用及1,920名在中國僱用。截至二零一零年九月三十日止六個月，僱員成本(不包括董事酬金)合共36.6百萬港元(二零零九年同期：26.7百萬港元)。所有福和集團公司均提倡平等僱用機會，僱員的甄選及晉升皆視乎其個人是否符合有關空缺的要求而定。本集團為香港僱員設立界定供款強制性公積金退休福利，及為中國僱員提供中國適用法律及法規規定的福利計劃。本公司亦已於二零一零年三月十一日採納購股權計劃。截至二零一零年九月三十日止六個月，並無授出任何購股權。本集團並無出現導致正常業務運作中斷的任何重大勞資糾紛或僱員人數的重大變動。

Other Information

其他資料

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 September 2010, the interests and short positions of each director and chief executives of the Company in the shares of the Company (the "Shares") which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO"); or (b) were required under Section 352 of the SFO, to be entered in the register required to be kept by the Company referred to in that section; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Name of director	Capacity	Number of ordinary shares held*	% of the issued share capital of the Company
董事姓名	身份	持有的普通股數目*	佔本公司已發行股本百分比
Mr. Leung Kai Kuen 梁契權先生	Interest in a controlled corporation 受控法團權益	475,050,000 (L) 168,750,000 (S) (Note) (附註)	22.70% 8.06%

* The letter "L" denotes the person's long position in the Shares whereas the letter "S" denotes the person's short position in the Shares.

Note: Mr. Leung Kai Kuen was deemed to be interested in these 475,050,000 Shares which were held by City Legend International Limited ("City Legend"), a corporation wholly owned by Mr. Leung. Among these 475,050,000 Shares, 168,750,000 Shares were held under a loan agreement (the "Loan Agreement") entered into between Firstrate Enterprises Limited ("Firstrate") and Mr. Leung Kai Kuen. Pursuant to the Loan Agreement, Firstrate granted an unsecured loan in the amount of HK\$100,000,000 to Mr. Leung, in consideration of which Firstrate was granted a right to exchange the entire outstanding principal of the loan into 168,750,000 Shares in the manner as set out in the Loan Agreement.

董事於股份的權益及淡倉

於二零一零年九月三十日，本公司董事及主要行政人員於本公司股份（「股份」）中擁有根據證券及期貨條例（「證券及期貨條例」）第XV部第7及8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）的權益及淡倉；或（b）根據證券及期貨條例第352條須記錄於該條所述本公司須存置之登記冊的權益及淡倉；或（c）根據聯交所證券上市規則（「上市規則」）所載，上市發行人董事進行證券交易的標準守則（「標準守則」），各董事須知會本公司及聯交所的權益及淡倉如下：

* 字母「L」代表有關人士的股份好倉，字母「S」代表有關人士的股份淡倉。

附註：梁契權先生被視為於475,050,000股由滙駿國際有限公司（「滙駿」）持有的股份中擁有權益，該公司由梁先生全資擁有。該475,050,000股股份其中168,750,000股乃根據Firstrate Enterprises Limited（「Firstrate」）與梁契權先生訂立的貸款協議（「貸款協議」）持有，根據貸款協議，Firstrate向梁先生授出100,000,000港元的無抵押貸款，代價為Firstrate獲授予權利，可按貸款協議所載方式將貸款的全部未償還本金轉換為168,750,000股股份。

Save as disclosed above, as at 30 September 2010, none of the directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, nor had there been any grant or exercise of rights of such interests during the six months ended 30 September 2010.

SHARE OPTION

Pursuant to the resolutions in writing passed by all shareholders of the Company on 11 March 2010, the Company approved and adopted a share option scheme for the purpose of enabling the Group to grant options to selected participants as incentives or rewards for their contribution to the Group (the "Share Option Scheme"). No share option had been granted since the date of adoption of the Share Option Scheme.

除上文所披露者外，於二零一零年九月三十日，概無本公司董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的任何股份、相關股份或債券中，擁有已記錄於本公司根據證券及期貨條例第352條存置的登記冊內的任何權益或淡倉，或擁有已根據標準守則知會本公司及聯交所的任何權益或淡倉，而於截至二零一零年九月三十日止六個月，亦概無授出或行使任何有關權益的權利。

購股權

根據本公司全體股東於二零一零年三月十一日通過的一項書面決議案，本公司亦批准及採納購股權計劃，以確保本集團向甄選的參與者授出購股權，作為彼等對本集團貢獻的獎勵或回報(「購股權計劃」)。自採納購股權計劃以來，概無授出購股權。

Other Information 其他資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 September 2010, the following persons (other than the directors and chief executives of the Company) had interests and short positions of 5% or more in the Shares as recorded in the register required to be kept under Section 336 of the SFO:

Name of shareholder	Notes	Capacity	Number of ordinary shares held* 持有的普通股數目*	% of the issued share capital of the Company 佔本公司已發行股本百分比
股東名稱	附註	身份		
Ms. Tam Ming Luen 譚鳴鸞女士	1	Interest in a controlled corporation 受控法團權益	785,100,000 (L)	37.51%
Trump Max International Investment Limited ("Trump Max") 凱卓國際投資有限公司(「凱卓」)	1	Beneficial owner 實益擁有人	785,100,000 (L)	37.51%
City Legend 滙駿	2	Beneficial owner 實益擁有人	475,050,000 (L)	22.70%
			168,750,000 (S)	8.06%

* The letter "L" denotes the person's long position in the Shares whereas the letter "S" denotes the person's short position in the Shares.

Notes:

- (1) Ms. Tam Ming Luen was deemed to be interest in these 785,100,000 Shares which were held by Trump Max, a corporation wholly owned by Ms. Tam.
- (2) The interests of City Legend were also disclosed as the interests of Mr. Leung Kai Kuen, the beneficial owner of City Legend, in the above section headed "Directors' Interests and Short Positions in Shares".

Save as disclosed above, as at 30 September 2010, no person, other than the director of the Company whose interests and short positions are set out in the section headed "Directors' Interests and Short Positions in Shares" above, had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

主要股東的股份權益及淡倉

於二零一零年九月三十日，根據按證券及期貨條例第336條所存置的登記冊記錄，下列人士(不包括本公司董事及主要行政人員)持有股份5%或以上的權益及淡倉：

Name of shareholder	Notes	Capacity	Number of ordinary shares held* 持有的普通股數目*	% of the issued share capital of the Company 佔本公司已發行股本百分比
股東名稱	附註	身份		
Ms. Tam Ming Luen 譚鳴鸞女士	1	Interest in a controlled corporation 受控法團權益	785,100,000 (L)	37.51%
Trump Max International Investment Limited ("Trump Max") 凱卓國際投資有限公司(「凱卓」)	1	Beneficial owner 實益擁有人	785,100,000 (L)	37.51%
City Legend 滙駿	2	Beneficial owner 實益擁有人	475,050,000 (L)	22.70%
			168,750,000 (S)	8.06%

* 字母「L」代表有關人士的股份好倉，字母「S」代表有關人士的股份淡倉。

附註：

- (1) 譚鳴鸞女士被視為於785,100,000股由凱卓持有的股份中擁有權益，該公司由譚女士全資擁有。
- (2) 滙駿的權益亦於上文「董事於股份的權益及淡倉」一節中，披露為滙駿實益擁有人梁契權先生的權益。

除上文所披露者外，於二零一零年九月三十日，概無任何人士(其權益及淡倉載於上文「董事於股份的權益及淡倉」一節的本公司董事除外)於本公司的股份或相關股份中擁有已記錄於本公司根據證券及期貨條例第336條存置的登記冊內的任何權益或淡倉。

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is of the view that the Company has met the code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 to the Listing Rules, except that there is no separation of the roles of Chairman and Chief Executive Officer as stipulated in the code provision A.2.1 of the CG Code. Currently, Mr. Leung Kai Kuen is both the Chairman and the Chief Executive Officer of the Company. As Mr. Leung is one of the founders of the Group and has extensive experience in waste paper management industry and the recycled paper manufacturing industry, the Board believes that it is in the best interest of the Group to have Mr. Leung taking up both roles for continuous effective management of the Board and business development of the Group.

USE OF NET PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The Company raised net proceeds of approximately HK\$1,047.3 million and HK\$203.6 million by way of the Global Offering (as defined in the Prospectus) and from the allotment and issue of the Overallotment Shares pursuant to the Over-allotment Option (as defined in the Prospectus), respectively. As at 30 September 2010, HK\$333.0 million have been used in the manner as described in the Prospectus and HK\$917.9 million remained unutilized.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding directors' securities transactions. Having made specific enquiries, all the directors of the Company confirmed that they have complied with the standard set out in the Model Code during the six months ended 30 September 2010.

企業管治常規守則

董事會認為，本公司一直遵守上市規則附錄14所載之企業管治常規守則（「企業管治守則」）的守則條文，惟企業管治守則條文第A.2.1條主席與行政總裁的職能須分立除外。現時，梁契權先生為本公司的主席兼行政總裁。由於梁先生為本集團創辦人之一，於廢紙管理行業及再造紙生產行業擁有豐富的經驗，故董事會相信，梁先生兼任兩職，符合本集團的最佳利益，有利本集團持續有效管理董事會及業務發展。

本公司首次公開發售所得款項淨額的使用情況

本公司分別透過全球發售（定義見招股章程）及根據超額配售權（定義見招股章程）配發及發行超額配售股份籌得所得款項淨額約1,047.3百萬港元及203.6百萬港元。於二零一零年九月三十日，333.0百萬港元已根據招股章程所載的方式使用，而917.9百萬港元尚未使用。

董事進行證券交易的標準守則

本公司已採納標準守則作為董事進行證券交易的行為守則。所有董事已在本公司作出特定查詢後確認，於截至二零一零年九月三十日止六個月，已遵守標準守則所載的標準。

Other Information 其他資料

COMPLIANCE WITH WRITTEN GUIDELINES FOR SECURITIES TRANSACTIONS BY THE RELEVANT EMPLOYEES OF THE COMPANY

The Company has established written guidelines for the relevant employees of the Company (the "Relevant Employees") in respect of their dealings in the securities of the Company (the "Written Guidelines") on terms no less exacting than the required standards set out in the Model Code. For this purpose, Relevant Employees include any employee of the Company or a director or employee of a subsidiary or holding company of the Company who, because of such office or employment, is likely to be in possession of unpublished price sensitive information in relation to the Company or its securities. No incident of non-compliance of the Written Guidelines was noted by the Company during the six months ended 30 September 2010.

UPDATE ON DIRECTOR'S INFORMATION UNDER RULE 13.51(B)(1) OF THE LISTING RULES

Mr. Cheng Chun Keung, Thomas, an executive director of the Company, has been appointed as the Chief Operating Officer of the Company with effect from 1 October 2010.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2010.

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company, which comprises three independent non-executive directors of the Company, namely, Mr. Chung Wai Kwok, Jimmy (Chairman of the Audit Committee), Mr. Chan Kong and Mr. Lee Kwok Chung, has reviewed the condensed consolidated interim financial information of the Group for the six months ended 30 September 2010 and discussed with the management of the Company on the accounting principles and practices adopted by the Group and internal controls and financial reporting matters.

The interim financial information for the six months ended 30 September 2010 has not been audited but has been reviewed by the Company's external auditor.

本公司相關僱員遵守證券交易書面指引

本公司已就本公司相關僱員(「相關僱員」)買賣本公司證券為彼等訂立條款不遜於標準守則所載必守標準的書面指引(「書面指引」)。就此而言，相關僱員包括本公司任何僱員或本公司的附屬公司或控股公司的董事或僱員，彼等因其職務或其受僱而有可能掌握本公司或其證券的未公佈的股價敏感資料。於截至二零一零年九月三十日止六個月期間，本公司並無獲悉有任何違反書面指引的事件。

根據上市規則第 13.51(B)(1) 條更新董事資料

本公司執行董事鄭振強先生已獲委任為本公司營運總監，自二零一零年十月一日起生效。

收購、出售或贖回本公司已上市證券

截至二零一零年九月三十日止六個月期間內，本公司或任何其附屬公司概無收購、出售或贖回任何本公司已上市證券。

審閱中期業績

本公司審核委員會合共由三名獨立非執行董事組成，即鍾維國先生(審核委員會主席)、陳剛先生及李國忠先生。彼等已審核本集團截至二零一零年九月三十日止六個月的簡明綜合中期財務資料，並與本公司管理層討論本集團採納的相關會計原則及規例，以及內部監控及財務報告事宜。

截至二零一零年九月三十日止六個月的中期財務資料未經審核，但已經本公司外聘核數師審閱。

Report on Review of Interim Financial Information

中期財務資料審閱報告



羅兵咸永道會計師事務所

PricewaterhouseCoopers
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**TO THE BOARD OF DIRECTORS OF
FOOK WOO GROUP HOLDINGS LIMITED**
(incorporated in the Cayman Islands with limited liability)

致：福和集團控股有限公司
(於開曼群島註冊成立的有限公司)
董事會

Introduction

We have reviewed the interim financial information set out on pages 19 to 48, which comprises the condensed consolidated balance sheet of Fook Woo Group Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 September 2010 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

引言

本核數師已審閱載於第19至48頁之中期財務資料。此中期財務資料包括福和集團控股有限公司（「貴公司」）及其附屬公司（統稱為「貴集團」）於二零一零年九月三十日之簡明綜合資產負債表與截至該日止六個月期間之相關簡明綜合收益表、簡明綜合全面收益表、權益變動表及現金流量表，以及重要會計政策概述及其他說明附註。香港聯合交易所有限公司主板證券上市規則規定，就中期財務資料編製之報告必須符合當中有關係文以及國際會計準則第34號「中期財務報告」。貴公司董事須對根據國際會計準則第34號「中期財務報告」編製及呈列該中期財務資料負責。本核數師之責任是根據審閱對該中期財務資料作出結論，並按照委聘之協定條款僅向作為實體之閣下報告結論，且並無其他目的。本核數師不會就本報告之內容向任何其他人士負上或承擔任何責任。

Report on Review of Interim Financial Information

中期財務資料審閱報告

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 9 December 2010

審閱範圍

本核數師已根據國際審閱委聘準則第2410號「由實體獨立核數師審閱中期財務資料」進行審閱。審閱中期財務資料包括主要向負責財務及會計事務之人員作出查詢，並應用分析性及其他審閱程序。審閱範圍遠少於根據國際核數準則進行審核之範圍，故不能令本核數師保證本核數師將知悉在審核中可能發現之所有重大事項。因此，本核數師不會發表審核意見。

結論

按照本核數師之審閱，本核數師並無發現任何事項，令本核數師相信中期財務資料在各重大方面未有根據國際會計準則第34號「中期財務報告」編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一零年十二月九日

Condensed Consolidated Interim Balance Sheet

簡明綜合中期資產負債表

As at 30 September 2010
於二零一零年九月三十日

			Unaudited 未經審核 30 September 2010 二零一零年 九月三十日 HK\$'000 千港元	Audited 經審核 31 March 2010 二零一零年 三月三十一日 HK\$'000 千港元 (Note 20) (附註20)
ASSETS				
Non-current assets	資產			
	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	1,203,136	1,032,993
Land use rights	土地使用權	11	41,345	40,835
Prepayments	預付賬款		182,677	66,554
Deferred income tax assets	遞延所得稅資產		816	258
Total non-current assets	總非流動資產		1,427,974	1,140,640
Current assets	流動資產			
Inventories	存貨		95,326	62,438
Trade and bills receivables	應收貿易賬款及票據	12	401,313	350,324
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		88,183	59,879
Amounts due from related companies	應收有關連公司款項		926	705
Amount due from a shareholder	應收一名股東款項		–	14,110
Tax recoverable	可收回稅項		249	488
Cash and cash equivalents	現金及現金等價物		954,372	1,079,216
Restricted bank deposits	受限制銀行存款		–	9,294
Total current assets	總流動資產		1,540,369	1,576,454
Total assets	總資產		2,968,343	2,717,094
EQUITY	權益			
Capital and reserves attributable to equity holders of the Company	本公司權益持有人應佔資本及儲備			
Share capital	股本	15	209,300	200,000
Share premium	股份溢價	15	2,120,615	1,923,706
Capital reserve	資本儲備		(964,044)	(964,044)
Other reserves	其他儲備		1,263,478	1,036,150
Total equity	總權益		2,629,349	2,195,812

Condensed Consolidated Interim Balance Sheet

簡明綜合中期資產負債表

As at 30 September 2010
於二零一零年九月三十日

	Notes 附註	Unaudited 未經審核 30 September 2010 二零一零年 九月三十日 HK\$'000 千港元	Audited 經審核 31 March 2010 二零一零年 三月三十一日 HK\$'000 千港元 (Note 20) (附註20)
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Long-term borrowings	13	27,907	27,273
Deferred income tax liabilities		1,689	360
Total non-current liabilities		29,596	27,633
Current liabilities	流動負債		
Trade and other payables	14	145,522	223,130
Short-term bank borrowings	13	117,617	225,087
Current portion of long-term borrowings	13	13,953	27,272
Amounts due to related companies		–	27
Current income tax liabilities		32,306	18,133
Total current liabilities		309,398	493,649
Total liabilities	總負債	338,994	521,282
Total equity and liabilities	總權益及負債	2,968,343	2,717,094
Net current assets	流動資產淨額	1,230,971	1,082,805
Total assets less current liabilities	總資產減流動負債	2,658,945	2,223,445

On behalf of the Board

Mr. Leung Kai Kuen
梁契權先生
Director
董事

代表董事會

Mr. Leung Tat Piu
梁達標先生
Director
董事

The notes on pages 27 to 48 form an integral part of this condensed consolidated interim financial information.

載於第27頁至第48頁的附註乃構成本簡明綜合中期財務資料的一部分。

Condensed Consolidated Interim Income Statement

簡明綜合中期收益表

For the six months ended 30 September 2010
截至二零一零年九月三十日止六個月

			Unaudited 未經審核	Audited 經審核
			Six months ended 30 September 截至九月三十日止六個月	
			2010 二零一零年	2009 二零零九年
			HK\$'000 千港元	HK\$'000 千港元
		Notes 附註		
Revenue	收益	4	949,822	554,861
Cost of sales	銷售成本	5	(627,212)	(353,519)
Gross profit	毛利		322,610	201,342
Other income	其他收入	5	2,747	1,514
Other loss, net	其他虧損淨額	5	(23,473)	(1,902)
Administrative expenses	行政開支	5	(66,028)	(52,544)
Selling expenses	銷售開支	5	(33,667)	(18,698)
Operating profit	經營利潤		202,189	129,712
Finance income	融資收入	6	1,669	774
Finance costs	融資成本	6	(4,800)	(5,597)
Profit before income tax	除所得稅前利潤		199,058	124,889
Income tax expense	所得稅開支	7	(29,634)	(17,708)
Profit for the period attributable to equity holders of the Company	本公司權益持有人應佔期內利潤		169,424	107,181
Basic and diluted earnings per share for profit attributable to equity holders of the Company	本公司權益持有人應佔每股基本及攤薄盈利	9	HK8.1 cents 港仙	HK7.1 cents 港仙
Dividends	股息	8	-	-

The notes on pages 27 to 48 form an integral part of this condensed consolidated interim financial information.

載於第27頁至第48頁的附註乃構成本簡明綜合中期財務資料的一部分。

Condensed Consolidated Interim Statement of Comprehensive Income

簡明綜合中期全面收益表

For the six months ended 30 September 2010

截至二零一零年九月三十日止六個月

		Unaudited 未經審核	Audited 經審核
		Six months ended 30 September 截至九月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit for the period	期內利潤	169,424	107,181
Other comprehensive income:	其他全面收益：		
Exchange translation differences	滙兌差額	57,904	8,896
Total other comprehensive income for the period, net of tax	經扣除稅項後的期內其他全面總收益	57,904	8,896
Total comprehensive income for the period attributable to equity holders of the Company	本公司權益持有人應佔期內全面總收益	227,328	116,077

The notes on pages 27 to 48 form an integral part of this condensed consolidated interim financial information.

載於第27頁至第48頁的附註乃構成本簡明綜合中期財務資料的一部分。

Condensed Consolidated Interim Statement of Changes in Equity

簡明綜合中期權益變動結算表

For the six months ended 30 September 2010
截至二零一零年九月三十日止六個月

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Statutory reserve 法定儲備 HK\$'000 千港元	Exchange reserve 滙兌儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance as of 1 April 2009	於二零零九年四月一日 的結餘	-	-	(2,274)	50,000	61,570	624,348	733,644
Profit for the period	期間利潤	-	-	-	-	-	107,181	107,181
Other comprehensive income:	其他全面收益：							
Currency translation differences	貨幣滙兌差額	-	-	-	-	8,896	-	8,896
Total comprehensive income for the six months ended 30 September 2009	截至二零零九年 九月三十日止六個月 全面總收益	-	-	-	-	8,896	107,181	116,077
Costs incurred for proposed issuance of new shares	建議發行新股份招致 的成本	-	-	(7,151)	-	-	-	(7,151)
Balance as of 30 September 2009	於二零零九年九月三十日 的結餘	-	-	(9,425)	50,000	70,466	731,529	842,570

Condensed Consolidated Interim Statement of Changes in Equity

簡明綜合中期權益變動結算表

For the six months ended 30 September 2010

截至二零一零年九月三十日止六個月

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Statutory reserve 法定儲備 HK\$'000 千港元	Exchange reserve 滙兌儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance as of 1 April 2010	於二零一零年四月一日 的結餘	200,000	1,923,706	(964,044)	50,000	70,463	915,687	2,195,812
Profit for the period	期間利潤	-	-	-	-	-	169,424	169,424
Other comprehensive income:	其他全面收益：							
Currency translation differences	貨幣滙兌差額	-	-	-	-	57,904	-	57,904
Total comprehensive income for the six months ended 30 September 2010	截至二零一零年 九月三十日止六個月 全面總收益	-	-	-	-	57,904	169,424	227,328
Shares issued pursuant to the exercise of over-allotment option	根據行使超額配售權 已發行股份	9,300	204,600	-	-	-	-	213,900
Share issuance costs incurred in current period	本期間招致的股份 發行成本	-	(7,691)	-	-	-	-	(7,691)
Balance as of 30 September 2010	於二零一零年九月三十日 的結餘	209,300	2,120,615	(964,044)	50,000	128,367	1,085,111	2,629,349

The notes on pages 27 to 48 form an integral part of this condensed consolidated interim financial information.

載於第27頁至第48頁的附註乃構成本簡明綜合中期財務資料的一部分。

Condensed Consolidated Interim Cash Flow Statements

簡明綜合中期現金流量表

For the six months ended 30 September 2010
截至二零一零年九月三十日止六個月

		Unaudited 未經審核	Audited 經審核
		Six months ended 30 September 截至九月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元 (Note 20) (附註20)
Cash flows from operating activities	來自經營活動的現金流量		
Cash generated from operations	經營所產生的現金	133,185	116,628
Income tax paid	已付所得稅	(15,020)	(14,958)
Net cash generated from operating activities	經營活動所產生的現金淨額	118,165	101,670
Cash flows from investing activities	來自投資活動的現金流量		
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	612	1,615
Purchase of property, plant and equipment	收購物業、廠房及設備	(116,642)	(120,599)
Prepayments for purchase of property, plant and equipment	收購物業、廠房及設備預付款項	(183,443)	(32,274)
Interest received	已收利息	1,669	97
Net cash used in investing activities	投資活動所用現金淨額	(297,804)	(151,161)
Cash flows from financing activities	來自融資活動的現金流量		
Proceeds from bank borrowings	銀行借貸所得款項	-	77,476
Repayments of bank borrowings	償還銀行借貸	(117,390)	-
Interest paid on bank borrowings	已付銀行借貸利息	(3,803)	(4,035)
Proceeds from issuance of ordinary shares pursuant to exercise of over-allotment option	根據行使超額配售權發行普通股所得款項	213,900	-
Payments for share issuance costs	支付股份發行成本	(55,825)	-
Costs incurred for proposed issuance of new shares	就建議發行新股招致的成本	-	(3,651)
Decrease/(increase) in restricted bank deposits	受限制銀行存款減少/(增加)	9,400	(9,294)
Net cash generated from financing activities	融資活動所產生的現金淨額	46,282	60,496

Condensed Consolidated Interim Cash Flow Statements

簡明綜合中期現金流量表

For the six months ended 30 September 2010

截至二零一零年九月三十日止六個月

		Unaudited 未經審核	Audited 經審核
		Six months ended 30 September 截至九月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元 (Note 20) (附註20)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(133,357)	11,005
Cash and cash equivalents, net of bank overdrafts at the beginning of the period	期初扣除銀行透支後的現金及現金等價物	1,067,985	50,348
Exchange difference on cash and cash equivalents	現金及現金等價物的滙兌差額	15,094	253
Cash and cash equivalents, net of bank overdrafts at the end of the period	期末扣除銀行透支後的現金及現金等價物	949,722	61,606
Bank overdrafts at the end of the period	期末的銀行透支	4,650	4,699
Cash and cash equivalents at the end of the period	期末的現金及現金等價物	954,372	66,305

The notes on pages 27 to 48 form an integral part of this condensed consolidated interim financial information.

載於第27頁至第48頁的附註乃構成本簡明綜合中期財務資料的一部分。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

For the six months ended 30 September 2010
截至二零一零年九月三十日止六個月

1 General Information

Fook Woo Group Holdings Limited (the “Company”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 11 November 2009 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company is an investment holding company and was listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 31 March 2010. The registered address of the Company is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands.

The Company and its subsidiaries are collectively referred to as the “Group”. The subsidiaries of the Group are principally engaged in the trading and manufacturing of tissue paper products and recycled greyboard, trading of recovered paper and provision of confidential materials destruction services.

This condensed consolidated interim financial information is presented in thousands of units of HK dollars (HK\$'000), unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the Board of Directors on 29 November 2010.

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 30 September 2010 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim financial reporting” issued by the International Accounting Standards Board and applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2010, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

1 一般資料

福和集團控股有限公司（「本公司」）於二零零九年十一月十一日根據開曼群島公司法第22章（一九六一年第3條法例，經綜合及修訂）在開曼群島註冊成立並登記為獲豁免有限公司。本公司乃一家投資控股公司，於二零一零年三月三十一日在香港聯合交易所有限公司（「聯交所」）上市。本公司註冊地址為Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands。

本公司及其附屬公司統稱為「本集團」。本集團之附屬公司主要業務是買賣及製造生活用紙及再造灰板紙、買賣回收紙及提供機密材料處理服務。

除另有說明外，本簡明綜合中期財務資料以千港元為計算單位。本簡明綜合中期財務資料已於二零一零年十一月二十九日獲董事會批准發行。

本簡明綜合中期財務資料未經審核。

2 編製基準

截至二零一零年九月三十日止六個月的簡明綜合中期財務資料已根據國際會計準則理事會頒佈的國際會計準則第34號「中期財務報告」及聯交所證券上市規則的適用披露規定編製。

本簡明綜合中期財務資料應與根據國際財務報告準則（「國際財務報告準則」）編製的截至二零一零年三月三十一日止年度的年度財務報表一併閱讀。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

For the six months ended 30 September 2010
截至二零一零年九月三十日止六個月

3 Accounting Policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 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.

The following amendments to standards and interpretations are mandatory to the Group for the financial year beginning 1 April 2010:

IFRSs (Amendments)	Improvements to IFRSs (2008 and 2009)
IAS 27 (Revised)	Consolidated and Separate Financial Statements
IAS 32 (Amendment)	Classification of Rights Issue
IAS 39 (Amendment)	Eligible Hedged Items
IFRS 1 (Revised)	First-Time Adoption of International Financial Reporting Standards
IFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
IFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
IFRS 3 (Revised)	Business Combinations
IFRIC-Int 17	Distribution of Non-cash Assets to Owners
IFRIC-Int 18	Transfers of Assets from Customers

The application of the above amendments to standards and interpretations had resulted in certain changes on the disclosures in the Group's financial information while the results and financial position were not affected.

3 會計政策

除以下所述者外，所採用的會計政策與截至二零一零年三月三十一日止年度的年度財務報表所採用的會計政策（見有關的年度財務報表）一致。

於中期期間的應課所得稅按預期年度總盈利的適用稅率累計。

下列準則及詮釋之修訂於二零一零年四月一日起之財政年度於本集團強制實行：

國際財務報告準則（修訂本）	二零零八年及二零零九年國際財務報告準則之改進
國際會計準則第27號（經修訂）	合併和單獨財務報表
國際會計準則第32號（修訂本）	供股的分類
國際會計準則第39號（修訂本）	合資格對沖項目
國際財務報告準則第1號（經修訂）	首次採納國際財務報告準則
國際財務報告準則第1號（修訂本）	首次採納者的額外豁免
國際財務報告準則第2號（修訂本）	集團現金結算的以股份為基礎的支付交易
國際財務報告準則第3號（經修訂）	業務合併
國際財務報告詮釋委員會－詮釋第17號	向所有者分派非現金資產
國際財務報告詮釋委員會－詮釋第18號	自客戶轉讓資產

上述準則及詮釋之修訂之應用導致若干關於本集團財務資料披露之變動，而業績及財務狀況不受影響。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

For the six months ended 30 September 2010
截至二零一零年九月三十日止六個月

3 Accounting Policies (continued)

The following new standard, amendments to standards and new interpretations have been issued but are not effective for the financial year beginning 1 April 2010 and have not been early adopted by the Group:

IFRSs (Amendments)	Improvements to IFRSs (2010)
IAS 24 (Revised)	Related Party Disclosures
IFRS 1 (Amendment)	Limited exemption from comparative IFRS 7 disclosures for first-time adopters
IFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets
IFRS 9	Financial Instruments
IFRIC-Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement and their Interaction
IFRIC-Int 19	Extinguishing Financial Liabilities with Equity Instruments

The Group has already commenced an assessment of the impact of the new standard, amendments to standards and interpretations, but is not yet in a position to state whether the new standard, amendments to standards and interpretations would have a significant impact to its results of operations and financial position.

3 會計政策 (續)

下列新訂準則、準則之修訂本及新詮釋已頒佈但並未於二零一零年四月一日起開始之財務年度生效，且並無獲本集團提早採納：

國際財務報告準則 (修訂本)	二零一零年國際財務報告準則之改進
國際會計準則第24號 (經修訂)	關連人士之披露
國際財務報告準則第1號 (修訂本)	首次採納者對國際財務報告準則第7號比較披露之有限豁免
國際財務報告準則第7號 (修訂本)	披露－轉讓金融資產
國際財務報告準則第9號	金融工具
國際財務報告詮釋委員會－詮釋第14號 (修訂本)	最低資金要求之預付款項及其互動
國際財務報告詮釋委員會－詮釋第19號	以股本工具抵銷金融負債

本集團已著手評估新準則、準則及詮釋之修訂的影響，但尚未能指出新準則、準則及詮釋之修訂是否對其經營業績及財務狀況造成重大影響。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

For the six months ended 30 September 2010
截至二零一零年九月三十日止六個月

4 Segment Information

The Board of Directors of the Company, which is the chief operating decision maker of the Group, reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group is organised into four business segments:

- Recovered paper – sales of recovered papers
- Tissue paper products – manufacturing and sales of tissue paper products
- Recycled greyboard – manufacturing and sales of recycled greyboard
- Confidential materials destruction (“CMD”) – provision of confidential materials destruction services

Although the Group's products and services are sold/rendered to Hong Kong, the People's Republic of China (the “PRC”) and overseas markets, the chief operating decision maker of the Group regularly reviews the Group financial results by business segment to assess performance and make resources allocation decisions.

4 分部資料

本公司董事會乃本集團的主要營運決策者，審閱本集團內部報告，以評估表現及分配資源。管理層根據該等報告釐定營運分部。本集團分為四個業務分部：

- 回收紙 — 銷售回收紙
- 生活用紙 — 製造及銷售生活用紙
- 再造灰板紙 — 製造及銷售再造灰板紙
- 機密材料銷毀（「機密材料銷毀」）— 提供機密材料處理服務

儘管本集團的產品及服務乃向香港、中華人民共和國（「中國」）及海外市場出售／提供，本集團的主要營運決策者定期審閱本集團按業務分部劃分的財務業績，以評估表現及作出分配資源決策。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

For the six months ended 30 September 2010
截至二零一零年九月三十日止六個月

4 Segment Information (continued)

Revenue consists of sales of recovered papers, tissue paper products and recycled greyboard and provision of confidential materials destruction services. The Group's revenue comprises the following:

		Unaudited 未經審核	Audited 經審核
		Six months ended 30 September 截至九月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Sales of recovered paper	銷售回收紙	552,161	292,452
Sales of tissue paper products	銷售生活用紙	372,328	247,418
Sales of recycled greyboard	銷售再造灰板紙	23,376	13,107
Provision of confidential materials destruction services	提供機密材料銷毀服務	1,957	1,884
		949,822	554,861

The analysis of the Group's revenue from external customers attributed to the locations in which the sales originated during the period consists of the following:

		Unaudited 未經審核	Audited 經審核
		Six months ended 30 September 截至九月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Hong Kong	香港	267,891	186,558
The PRC	中國	681,931	368,303
		949,822	554,861

The geographical location of non-current assets other than deferred tax assets are determined based on the countries of domicile of the subsidiaries.

4 分部資料(續)

收益包括銷售回收紙、生活用紙及再造灰板紙以及提供機密材料銷毀服務。本集團收益構成如下：

		Unaudited 未經審核	Audited 經審核
		Six months ended 30 September 截至九月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Sales of recovered paper	銷售回收紙	552,161	292,452
Sales of tissue paper products	銷售生活用紙	372,328	247,418
Sales of recycled greyboard	銷售再造灰板紙	23,376	13,107
Provision of confidential materials destruction services	提供機密材料銷毀服務	1,957	1,884
		949,822	554,861

於期內，本集團來自外間客戶的收入按銷售所來自的地區分析如下：

		Unaudited 未經審核	Audited 經審核
		Six months ended 30 September 截至九月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Hong Kong	香港	267,891	186,558
The PRC	中國	681,931	368,303
		949,822	554,861

非流動資產(不計及遞延稅項資產)的地區劃分按附屬公司所在的國家釐定。

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簡明綜合中期財務資料附註

For the six months ended 30 September 2010
截至二零一零年九月三十日止六個月

4 Segment Information (continued)

The segment results and other segment items included in the profit for the six months ended 30 September 2010 are as follows:

4 分部資料(續)

以下載列截至二零一零年九月三十日止六個月經已包括於利潤中的分部業績及其他分部項目：

		Unaudited 未經審核				
		Recovered paper	Tissue paper products	Recycled greyboard	CMD 機密材料	Group
		回收紙	生活用紙	再造灰板紙	銷毀	本集團
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue	收入	552,161	372,328	23,376	1,957	949,822
Cost of sales	銷售成本	(380,573)	(224,437)	(20,843)	(1,359)	(627,212)
Segment gross profit	分部毛利	171,588	147,891	2,533	598	322,610
Unallocated operating costs	未分配經營成本					(120,421)
Finance costs, net	融資成本淨額					(3,131)
Profit before income tax	除所得稅前利潤					199,058
Income tax expense	所得稅開支					(29,634)
Profit for the period	期內利潤					169,424

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

For the six months ended 30 September 2010
截至二零一零年九月三十日止六個月

4 Segment Information (continued)

The segment results and other segment items included in the profit for the six months ended 30 September 2009 are as follows:

4 分部資料(續)

以下載列截至二零零九年九月三十日止六個月經已包括於利潤中的分部業績及其他分部項目：

		Audited 經審核				Group
		Recovered paper	Tissue paper products	Recycled greyboard	CMD 機密材料	
		回收紙	生活用紙	再造灰板紙	銷毀	本集團
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue	收入	292,452	247,418	13,107	1,884	554,861
Cost of sales	銷售成本	(197,222)	(141,088)	(14,251)	(958)	(353,519)
Segment gross profit/(loss)	分部毛利/(虧損)	95,230	106,330	(1,144)	926	201,342
Unallocated operating costs	未分配經營成本					(71,630)
Finance costs, net	融資成本淨額					(4,823)
Profit before income tax	除所得稅前利潤					124,889
Income tax expense	所得稅開支					(17,708)
Profit for the period	期內利潤					107,181

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簡明綜合中期財務資料附註

For the six months ended 30 September 2010
截至二零一零年九月三十日止六個月

5 Operating Profit

Operating profit is stated after charging/crediting the following:

5 經營溢利

經營溢利乃經扣除／計入下列各項後列賬：

		Unaudited 未經審核	Audited 經審核
		Six months ended 30 September 截至九月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Charging:	扣除：		
Auditor's remuneration	核數師酬金	1,118	797
Amortisation of land use rights (Note 11)	土地使用權攤銷 (附註11)	434	240
Cost of inventories sold	已售存貨成本	558,889	308,790
Depreciation (Note 10)	折舊(附註10)	37,375	23,158
Operating lease charges in respect of land and buildings	土地及樓宇的經營租賃費用	3,622	2,838
Employee benefit expense	僱員福利開支	36,554	26,689
Directors' emoluments	董事酬金	2,956	1,423
Transportation costs	運輸成本	36,604	26,444
Exchange loss, net	滙兌虧損淨額	23,681	2,321
Provision for impairment of trade receivables	應收貿易賬款減值撥備	-	1,811
Crediting:	計入：		
Gain on disposals of property, plant and equipment, net	出售物業、廠房及設備 所得收益淨額	70	298
Write back of provision for impairment of trade receivables	應收貿易賬款 減值撥備撥回	562	-

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簡明綜合中期財務資料附註

For the six months ended 30 September 2010
截至二零一零年九月三十日止六個月

6 Finance Income and Costs

6 融資收入及成本

		Unaudited 未經審核	Audited 經審核
		Six months ended 30 September 截至九月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Finance income	融資收入	1,669	774
Finance costs	融資成本		
Interest expenses on bank borrowings	銀行借貸利息開支	(3,803)	(5,597)
Others	其他	(997)	-
		(4,800)	(5,597)

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

For the six months ended 30 September 2010
截至二零一零年九月三十日止六個月

7 Income Tax Expense

		Unaudited 未經審核	Audited 經審核
		Six months ended 30 September 截至九月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Current income tax	即期所得稅		
– Hong Kong profits tax	– 香港利得稅	276	941
– PRC corporate income tax	– 中國企業所得稅	28,587	16,476
Over provisions in prior years	過往年度超額撥備	–	(40)
		28,863	17,377
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時差額的產生及撥回	771	331
		771	331
Income tax expense	所得稅開支	29,634	17,708

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 30 September 2010 (2009: 16.5%).

Huizhou Fook Woo Paper Company Limited ("FWHZ"), a subsidiary operating in the PRC, was eligible for a 50% reduction in corporate income tax rate from 1 January 2008 to 31 December 2010. The applicable corporate income tax rate for FWHZ for the period ended 30 September 2010 was 12.5% (2009: 12.5%).

8 Dividends

No dividends had been paid or declared by the Company for the six months ended 30 September 2010 (2009: HK\$Nil).

7 所得稅開支

Unaudited
未經審核
Six months ended 30 September
截至九月三十日止六個月

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
276	941
28,587	16,476
–	(40)
28,863	17,377
771	331
771	331
29,634	17,708

所得稅開支乃根據管理層對整個財政年度的加權平均年度所得稅率的最佳估計予以確認。

截至二零一零年九月三十日止六個月，香港利得稅以估計應課稅利潤按16.5%的稅率撥備(二零零九年：16.5%)。

本集團的中國營運附屬公司惠州福和紙業有限公司(「惠州福和」)於二零零八年一月一日至二零一零年十二月三十一日合資格獲得企業所得稅稅率減半。惠州福和截至二零一零年九月三十日止期間的適用企業所得稅率為12.5%(二零零九年：12.5%)。

8 股息

本公司截至二零一零年九月三十日止六個月並無支付或宣派任何股息(二零零九年：零港元)。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

For the six months ended 30 September 2010
截至二零一零年九月三十日止六個月

9 Basic and Diluted Earnings per Share

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

As disclosed in the Company's annual financial statements for the year ended 31 March 2010, the weighted average number of ordinary shares in issue for the six months ended 30 September 2009 used in the basic earnings per share calculation is determined on the assumption that the 1,500,000,000 shares with par value of HK\$0.01 each issued upon the capitalisation issue and reorganisation pursuant to the global offering of the Company had been in issue prior to the incorporation of the Company.

9 每股基本及攤薄盈利

每股基本盈利乃以期內本公司權益持有人應佔溢利除以本期間已發行普通股之加權平均股數計算。

誠如本公司截至二零一零年三月三十一日止年度的年度財務報表所披露，截至二零零九年九月三十日止六個月，用作計算每股基本盈利的已發行普通股的加權平均股數乃根據下列假設釐定：於根據本公司全球發行進行資本化發行及重組後發行的1,500,000,000股每股面值0.01港元的股份已於本公司註冊成立前發行。

		Unaudited 未經審核	Audited 經審核
		Six months ended 30 September 截至九月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit attributable to the equity holders of the Company	本公司權益持有人應佔溢利	169,424	107,181
Weighted average number of ordinary shares in issue (thousand shares)	已發行普通股之加權平均股數(千股)	2,088,934	1,500,000
		HK8.1 cents	HK7.1 cents

Diluted earnings per share are equal to basic earnings per share as there were no potential dilutive ordinary shares outstanding during the period (2009: same).

由於期內並無潛在攤薄普通股，故每股攤薄盈利相等於每股基本盈利（二零零九年：相同）。

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簡明綜合中期財務資料附註

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10 Property, Plant and Equipment

During the period, major property, plant and equipment acquired by the Group included plant and machineries amounting to HK\$80,782,000.

10 物業、廠房及設備

期內，本集團收購的物業、廠房及設備主要為總額80,782,000港元的廠房及機器。

		HK\$'000 千港元
Six months ended 30 September 2009	截至二零零九年九月三十日止六個月	
Opening net book amount as of 1 April 2009	於二零零九年四月一日的期初 賬面淨值	420,498
Additions	添置	459,514
Disposals	出售	(1,317)
Depreciation charge	折舊費用	(23,158)
Exchange adjustments	滙兌調整	4,683
Closing net book amount as of 30 September 2009	於二零零九年九月三十日的期終 賬面淨值	<u>860,220</u>
Six months ended 30 September 2010	截至二零一零年九月三十日止六個月	
Opening net book amount as of 1 April 2010	於二零一零年四月一日的期初 賬面淨值	1,032,993
Additions	添置	186,846
Disposals	出售	(542)
Depreciation charge	折舊費用	(37,375)
Exchange adjustments	滙兌調整	21,214
Closing net book amount as of 30 September 2010 (unaudited)	於二零一零年九月三十日的期終 賬面淨值(未經審核)	<u>1,203,136</u>

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簡明綜合中期財務資料附註

For the six months ended 30 September 2010
截至二零一零年九月三十日止六個月

11 Land Use Rights

11 土地使用權

		HK\$'000 千港元
<hr/>		
Six months ended 30 September 2009	截至二零零九年九月三十日止六個月	
Opening net book amount as of 1 April 2009	於二零零九年四月一日期初 賬面淨值	20,498
Amortisation	攤銷	(240)
Exchange adjustments	滙兌調整	234
Closing net book amount as of 30 September 2009	於二零零九年九月三十日期終 賬面淨值	<u>20,492</u>
Six months ended 30 September 2010	截至二零一零年九月三十日止六個月	
Opening net book amount as of 1 April 2010	於二零一零年四月一日期初 賬面淨值	40,835
Amortisation	攤銷	(434)
Exchange adjustments	滙兌調整	944
Closing net book amount as of 30 September 2010 (unaudited)	於二零一零年九月三十日期終 賬面淨值(未經審核)	<u>41,345</u>

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簡明綜合中期財務資料附註

For the six months ended 30 September 2010
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12 Trade and Bills Receivables

	Unaudited 未經審核 30 September 2010 二零一零年 九月三十日 HK\$'000 千港元	Audited 經審核 31 March 2010 二零一零年 三月三十一日 HK\$'000 千港元
Trade and bills receivables 應收貿易賬款及票據	406,588	356,159
Less: provision for impairment 減：減值撥備	(5,275)	(5,835)
Trade and bills receivables 應收貿易賬款及票據淨額 – net	401,313	350,324

Payment terms granted to customers are mainly cash on delivery and on credit. The average credit period ranges from 10 days to 90 days. As of 30 September 2010 and 31 March 2010, the ageing analysis of trade and bill receivables based on due date is as follows:

客戶享有的付款條款主要分為貨到付現及除購。一般信貸期介乎10日至90日。於二零一零年九月三十日及二零一零年三月三十一日，按到期日計的應收貿易賬款及票據賬齡分析如下：

	Unaudited 未經審核 30 September 2010 二零一零年 九月三十日 HK\$'000 千港元	Audited 經審核 31 March 2010 二零一零年 三月三十一日 HK\$'000 千港元
Current 即期	318,347	283,316
1 – 30 days 1 – 30 日	60,979	36,417
31 – 60 days 31 – 60 日	10,719	15,378
61 – 90 days 61 – 90 日	6,092	1,304
91 – 120 days 91 – 120 日	2,240	2,297
Over 120 days 逾 120 日	8,211	17,447
	406,588	356,159
Less: Provision for impairment 減：減值撥備	(5,275)	(5,835)
	401,313	350,324

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簡明綜合中期財務資料附註

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13 Borrowings

Movements in borrowings is analysed as follows:

13 借貸

借貸變動的分析如下：

		Bank overdrafts	Short-term bank loans	Long-term bank loans	Total
		銀行透支	短期 銀行貸款	長期 銀行貸款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
			(Note 20)	(Note 20)	
			(附註20)	(附註20)	
Six months ended 30 September 2009	截至二零零九年九月三十日 止六個月				
Opening amount as of 1 April 2009	於二零零九年四月一日的 期初金額	2,373	158,310	53,932	214,615
Borrowings	借貸	2,326	77,476	-	79,802
Exchange adjustments	滙兌調整	-	326	613	939
Closing amount as of 30 September 2009	於二零零九年九月三十日的 期終金額	<u>4,699</u>	<u>236,112</u>	<u>54,545</u>	<u>295,356</u>
Six months ended 30 September 2010	截至二零一零年九月三十日 止六個月				
Opening amount as of 1 April 2010	於二零一零年四月一日的 期初金額	11,231	213,856	54,545	279,632
Repayments	借貸	(6,581)	(103,597)	(13,793)	(123,971)
Exchange adjustments	滙兌調整	-	2,708	1,108	3,816
Closing amount as of 30 September 2010 (unaudited)	於二零一零年九月三十日的 期終金額(未經審核)	<u>4,650</u>	<u>112,967</u>	<u>41,860</u>	<u>159,477</u>

Finance costs in respect of borrowings and loans for the six months ended 30 September 2010 amounted to HK\$4,800,000 (2009: HK\$5,597,000).

截至二零一零年九月三十日止六個月有關借貸及貸款的融資成本為4,800,000港元(二零零九年：5,597,000港元)。

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簡明綜合中期財務資料附註

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14 Trade and other Payables

		Unaudited 未經審核 30 September 2010 二零一零年 九月三十日 HK\$'000 千港元	Audited 經審核 31 March 2010 二零一零年 三月三十一日 HK\$'000 千港元
Trade payables	應付貿易賬款	69,304	82,030
Other payables and accruals	其他應付款項及應計費用	76,218	141,100
		145,522	223,130

The ageing analysis of the Group's trade payables is as follows:

本集團應付貿易賬款賬齡分析如下：

		Unaudited 未經審核 30 September 2010 二零一零年 九月三十日 HK\$'000 千港元	Audited 經審核 31 March 2010 二零一零年 三月三十一日 HK\$'000 千港元
Current	即期	58,621	54,144
1 – 30 days	1 – 30 日	2,361	9,720
31 – 60 days	31 – 60 日	2,427	1,551
61 – 90 days	61 – 90 日	428	2,990
91 – 120 days	91 – 120 日	393	2,146
Over 120 days	逾 120 日	5,074	11,479
		69,304	82,030

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簡明綜合中期財務資料附註

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15 Share Capital and Share Premium

15 股本及股份溢價

		Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Total 總計 HK\$'000 千港元
	Note 附註				
Opening balance as of 1 April 2010	於二零一零年四月一日 的期初餘額	2,000,000	200,000	1,923,706	2,123,706
Shares issued pursuant to the exercise of the over-allotment option	根據行使超額配股權 發行的股份 (i)	93,000	9,300	204,600	213,900
Share issuance costs	股份發行成本	–	–	(7,691)	(7,691)
As of 30 September 2010	於二零一零年九月三十日	<u>2,093,000</u>	<u>209,300</u>	<u>2,120,615</u>	<u>2,329,915</u>

(i) On 9 April 2010, the over-allotment option as detailed in the Company's Prospectus dated 19 March 2010 was fully exercised and the Company issued an aggregate of 93,000,000 new shares at the offer price of HK\$2.3 per share. Gross proceeds in relation to the over-allotment amounted to HK\$213,900,000.

(i) 於二零一零年四月九日，本公司日期為二零一零年三月十九日的招股章程內詳述的超額配股權已獲悉數行使，本公司按每股股份2.3港元的發售價發行合共93,000,000股新股份。有關超額配售的所得款項總額為213,900,000港元。

16 Capital Commitments

16 資本承擔

	Unaudited 未經審核 30 September 2010 二零一零年 九月三十日 HK\$'000 千港元	Audited 經審核 31 March 2010 二零一零年 三月三十一日 HK\$'000 千港元
Contracted but not provided for: 已訂約但未撥備：		
– Property, plant and equipment 一物業、廠房及設備	<u>386,557</u>	<u>175,467</u>

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17 Contingent Liabilities

In April 2009, certain subsidiaries of the Group received notices of additional assessment dated 30 March 2009 from the Hong Kong Inland Revenue Department (“IRD”) for the year of assessment 2002/2003, demanding additional profits tax payment in the aggregate amount of HK\$3,840,000. Notices of objection have been served and the IRD has granted unconditional holdover orders in respect of the entire amount of additional profits tax demanded. The Group was informed that the additional assessments are of protective nature and were issued to keep the 2002/2003 tax year technically open in view of the statutory time-bar. The Group was also informed that the IRD had no specific basis in arriving at the profits assessed under the additional assessments, and the case is still in the information collection stage.

In March 2010, certain subsidiaries of the Group received notices of additional assessment dated 15 March 2010 from the IRD for the year of assessment 2003/2004, demanding additional profits tax payment in the aggregate amount of HK\$7,700,000. Notices of objections have been served by the Group for these notices of additional assessments. The Group was informed that the additional assessments are of protective nature and were issued to keep the 2003/2004 tax year technically open in view of the statutory time-bar. The Group was also informed that the IRD had no specific basis in arriving at the profits assessed under the additional assessments, and the case is still in the information collection stage.

As such, the Group is of the view that there is no present obligation and no reliable basis for estimating, and making provision for potential tax liabilities, if any, and the corresponding penalty and interest, if any, as at the date of this report.

17 或然負債

於二零零九年四月，本集團若干附屬公司接獲香港稅務局（「稅務局」）發出日期為二零零九年三月三十日有關二零零二／二零零三課稅年度的補加評稅通知書，要求支付額外利得稅稅款總額3,840,000港元。本集團已提呈反對通知書，而稅務局亦就要求繳付的全數額外利得稅稅款發出無條件暫緩令。本集團得悉，鑒於法定時限，該等補加評稅屬保障性質，以按照法例保留二零零二／二零零三課稅年度補加評稅的權利。本集團亦得悉，稅務局根據補加評稅評核的利潤並無特定的基準，而案件仍處於資料收集的階段。

於二零一零年三月，本集團若干附屬公司接獲稅務局就二零零三／二零零四課稅年度發出日期為二零一零年三月十五日的補加評稅通知書，要求支付額外利得稅款項總額7,700,000港元。本集團已就該等補加評稅通知書提呈反對通知書。本集團得悉，鑒於法定時限，該等補加評稅屬保障性質，以按照法例保留二零零三／二零零四課稅年度補加評稅的權利。本集團亦得悉，稅務局根據補加評稅評核的利潤並無特定的基準，而案件仍處於資料收集的階段。

因此，本集團認為現時沒有義務及任何可靠的估算及撥備基準計算於本公告日期的潛在稅項負債（如有），包括有關罰款及利息（如有）。

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17 Contingent Liabilities (continued)

In April 2010, certain subsidiaries of the Group received notices from the IRD that, in respect of the additional assessment for the year of assessment 2003/2004, HK\$6,700,000 could be held over unconditionally and the remaining HK\$1,000,000 could be held over on the condition that an equal amount of tax reserve certificate was purchased. As such the Group purchased a tax reserve certificate of HK\$1,000,000 in April 2010.

Mr. Leung Kai Kuen and Ms. Tam Ming Luen, substantial shareholders of the Company, have entered into a deed of indemnity with the Group under which they have agreed to indemnify on a joint and several basis each member of the Group in respect of the cash payment for any additional tax assessment for the year of assessment 2002/2003 and any other notices of additional assessment that may be received by any member of the Group for and including the 2003/2004 tax year through the 2009/2010 tax year.

17 或然負債(續)

於二零一零年四月，本集團若干附屬公司接獲稅務局就二零零三／二零零四年課稅年度的通知書，可獲無條件延緩繳納6,700,000港元，而餘下的1,000,000港元則可於購入同等金額的儲稅券後延緩繳納。因此，本集團已於二零一零年四月購入1,000,000港元的儲稅券。

本公司主要股東梁契權先生及譚鳴鸞女士已與本集團訂立彌償契約，據此，彼等同意就二零零二／二零零三課稅年度的任何額外稅務評估的現金付款，以及本集團任何成員公司可能接獲二零零三／二零零四年課稅年度至二零零九／二零一零年課稅年度(包括該兩個年度)的任何額外評估通知，共同及個別向本集團成員公司作出彌償。

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18 Related Party Transactions

(a) The following transactions were carried out with related parties during the period:

18 有關連人士交易

(a) 以下為期內與有關連人士進行的交易：

		Unaudited 未經審核	Audited 經審核
		Six months ended 30 September 截至九月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Non-continuing:	已終止：		
Management fee paid to Takco Limited	支付達巨有限公司的管理費	-	703
Sales of goods to Quanta Paper Corporation ("Quanta")	對 Quanta Paper Corporation (「Quanta」) 銷售貨品	-	2,979
Purchases of goods from Quanta	向 Quanta 購買貨品	-	35
		-	3,717
Continuing:	持續：		
Rental expenses in respect of land and buildings paid to E&I Development Limited ("E&I") (note (i) below)	就土地及樓宇支付益佳發展有限公司(「益佳」)的租金開支(下文附註(i))	1,500	1,500
Rental expenses in respect of land and buildings paid to China Gold Industries Ltd ("China Gold") (note (i) below)	就土地及樓宇支付中金實業有限公司(「中金」)的租金開支(下文附註(i))	492	492
Management fee paid and payable to Lai Wah Shipping Company ("Lai Wah") (note (ii) below)	就勵華運輸公司(「勵華」)支付及應付的管理費(下文附註(ii))	492	-
Management fee paid and payable to Fook Woo Paper Company Limited (note (iii) below)	就福和紙業有限公司支付及應付的管理費(下文附註(iii))	480	-
		2,964	1,992

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18 Related Party Transactions (continued)

(a) (continued)

Note:

- (i) These represented the rental expenses for leasing of office space and directors' quarters paid to E&I and China Gold, respectively. The controlling shareholders of E&I are the son and daughter of Mr. Leung Kai Kuen, a director of the Company. The controlling shareholder of China Gold is also one of the substantial shareholders of the Group. The rental expenses were charged at pre-determined rates mutually agreed between both parties.
- (ii) The amount represented waste loading services provided by Lai Wah Shipping Company. The sole proprietor of Lai Wah is Mr. Leung Kai Kuen, a director of the Company. These transactions were entered into in the normal course of business based on terms mutually agreed by both parties.
- (iii) The amount represented waste paper management services provided by Fook Woo Paper Company Limited, a company with a common director of the Company, Mr Leung Kai Kuen, at the Tai Po packing station. These transactions are entered into in the normal course of business based on terms mutually agreed by both parties.

(b) Key management compensation

During the period ended 30 September 2010, no transactions have been entered into with the directors of the Company other than the emoluments paid to them (2009: Nil).

19 Subsequent Events

The following event took place subsequent to 30 September 2010:

On 7 October 2010, the Company and Chow Tai Fook Nominee Limited, (the "Subscriber"), entered into a conditional subscription agreement pursuant to which the Company agreed to issue and the Subscriber agreed to subscribe for an aggregate of 366,275,000 new shares of the Company at the subscription price of HK\$2.40 per share for a total consideration of HK\$879,060,000. The transaction was completed on 26 October 2010.

18 有關連人士交易(續)

(a) (續)

附註：

- (i) 有關金額指租用辦公室樓面及董事宿舍而分別向益佳及中金支付之租金開支。益佳的控股股東為梁契權先生的一子一女。而中金的控股股東亦為本集團其中一名主要股東。租金開支按雙方事先協定的費率收取。
- (ii) 有關金額指勵華提供的載運廢料服務。勵華的唯一擁有人為本公司董事梁契權先生。該等交易按雙方事先協定的正常商業條款進行。
- (iii) 有關金額指福和紙業有限公司提供的廢紙管理服務，該公司於大埔包裝站(Tai Po packing station)與本公司有一名共同董事梁契權先生。該等交易按雙方事先協定的正常商業條款進行。

(b) 主要管理層補償

截至二零一零年九月三十日止期間內，除支付予本公司董事的薪酬外，概未與彼等訂立任何交易（二零零九年：無）。

19 結算日後事項

以下事件於二零一零年九月三十日後發生：

於二零一零年十月七日，本公司與周大福代理人有限公司(「認購人」)訂立一份有條件認購協議，據此，本公司同意發行且認購人同意認購本公司合共366,275,000股新股份，認購價為每股2.40港元，總代價為879,060,000港元。該交易於二零一零年十月二十六日完成。

