

# 福和集團控股有限公司

**FOOK WOO GROUP HOLDINGS LIMITED**

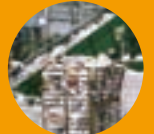
*(Incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立之有限公司)*

Stock code 股份代號：923

# 年報 2010

Annual Report



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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

### 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

#### **Nomination Committee**

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

### COMPANY SECRETARY

Mr. Cheung Wai Hung, Boswell, *CPA*

### AUTHORISED REPRESENTATIVES

Mr. Leung Kai Kuen  
Mr. Cheung Wai Hung, Boswell

### 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

### 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

#### 提名委員會

陳剛先生(主席)  
梁契權先生  
李國忠先生

### 公司秘書

張偉雄先生，執業會計師

### 授權代表

梁契權先生  
張偉雄先生

### AUDITOR

PricewaterhouseCoopers

### COMPLIANCE ADVISER

Guotai Junan Capital Limited

### FINANCIAL RELATIONS CONSULTANT

Strategic Financial Relations Limited

### REGISTERED OFFICE IN THE CAYMAN ISLANDS

Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman  
KY1-1108  
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

### PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

### COMPANY'S WEBSITE

[www.fookwoo.com](http://www.fookwoo.com)

### STOCK CODE

923

### 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

Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

### 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

### 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

### 公司網站

[www.fookwoo.com](http://www.fookwoo.com)

### 股份代號

923

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Trust (Cayman) Ltd.  
Clifton House  
75 Fort Street  
P.O. Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

### 開曼群島股份過戶登記總處

Appleby Trust (Cayman) Ltd.  
Clifton House  
75 Fort Street  
P.O. Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

### HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### 香港股份過戶登記處

香港中央證券登記有限公司  
香港  
灣仔  
皇后大道東 183 號  
合和中心  
17樓 1712-1716 室

### PRINCIPAL BANKERS

Shanghai Commercial Bank Limited  
Hang Seng Bank Limited  
Bank of China (Hong Kong) Limited  
China Construction Bank Corporation

### 主要往來銀行

上海商業銀行有限公司  
恒生銀行有限公司  
中國銀行(香港)有限公司  
中國建設銀行股份有限公司

### LEGAL ADVISER

As to Hong Kong law:  
Sidley Austin

### 法律顧問

香港法律:  
盛德律師事務所

# Chairman's Statement

## 主席報告



# Chairman's Statement

## 主席報告

Dear shareholders,

On behalf of Fook Woo Group Holdings Limited (“Fook Woo” or the “Company”) and its subsidiaries (collectively, the “Group”), I am pleased to report the first set of full year results of the Group for the year ended 31 March 2010.

During the year under review, the Group achieved a turnover of HK\$1,423 million and profit attributable to equity holders of HK\$291 million, which is in line with the profit forecast made during our listing. Basic earning per share was approximately HK\$0.19.

The Group was successfully listed on the main board of The Stock Exchange of Hong Kong Limited on 31 March 2010, marking a significant milestone of our development. As the largest waste paper management services provider and a leading recycled paper products producer in the People's Republic of China (the “PRC”), the Group has taken the advantage of being the first-mover and actively expanded its green paper operation and focused on raising its domestic market share. The successful listing greatly strengthened the capital and shareholder base of the Group which will enable it to achieve a more rapid business development.

The past year was a year of challenge. Economic conditions were uncertain in the first half of the year as the global economy was still under the influence of the financial crisis. However, the Group managed to stand out from its peers through competitive pricing, lower production and operation costs, stable raw materials supply and a high quality product portfolio. The Group also enjoyed higher cost effectiveness and competitive advantage from its vertically integrated production and having its own piers. As such, the Group has received support from many customers, which brought stable and significant profit.

At the same time, last year was also a year of opportunities. The global economy has been recovering and China's economy maintained a remarkable growth. According to the National Bureau of Statistics, the GDP of China increased 8.7% year-on-year and consumer prices also rebounded, indicating a strengthened consumption power which has directly driven the growth of our business.

致各位股東：

本人謹代表福和集團控股有限公司（「福和」或「本公司」）及其附屬公司（統稱「本集團」），欣然提呈本集團於截至二零一零年三月三十一日止首份全年業績報告。

回顧年內，本集團的營業額達1,423百萬港元，權益持有人應佔利潤錄得291百萬港元，符合上市作出的利潤預測；每股基本盈利約0.19港元。

本集團於二零一零年三月三十一日在香港聯合交易所有限公司主板成功上市，標誌著一個重要里程碑。作為中華人民共和國（「中國」）最大的廢紙管理服務供應商和領先的再造紙品生產商，本集團已早著先機，積極擴展其環保紙品業務，並致力於國內提升市場份額；而成功上市大大強化本集團的資本及股東基礎，有助加速業務發展的步伐。

過去一年是充滿挑戰的一年。全球經濟於上半年仍受到金融危機影響，經濟環境處於不明朗狀態。然而，本集團憑藉極具競爭力的產品訂價、較低的生產及營運成本、穩定的原材料供應及高品質的產品組合，成功在業內突圍而出。而垂直整合的生產模式，再加上擁有自營的碼頭，都令本集團提升成本效益及競爭優勢。因此，本集團獲得不少客戶的支持，帶來穩健及可觀的收益。

同時，過去一年亦是充滿機遇的一年。全球經濟已逐漸復蘇，而中國經濟更保持理想增長。據國家統計局統計，二零零九年中國國內生產總值按年增長8.7%，而國內居民消費價格亦見回升，顯示消費者購買力增強，消費力上升直接帶動了我們的業務增長。



Looking ahead, as the global markets stabilises and, in particular, a robust China market benefiting from both economic recovery and an increasing domestic demand, the Group is optimistic about its future business. Environmental awareness is gaining momentum worldwide, and governments around the world are actively implementing environmental protection policies. Waste paper recycling and utilisation are in line with the green concept and will certainly be the trend for the sector's future development. Being a pioneer of the sector, the Group is in a good position to capitalize on the huge market opportunities.

Furthermore, both environmental protection and recycled paper are increasingly popular in China which represents unlimited development potential. We will continue to focus on our recovered paper and recycled tissue paper products operations. In particular, we will actively promote our own brand of recycled tissue paper and increase the variety of recycled tissue paper to take up greater market share. In order to support the Group's future development, we will install new production facilities, increase investment in R&D, accelerate capacity expansion and enhance the economy of scale.

Finally, while actively pursuing business development, the Group highly values its relationship with the staff. We believe that our staff is an important asset and engine for enterprise development. We are committed to providing a good working environment and enhance the quality of our staff. This, in turn, can promote team spirit and a sense of belonging to create a win-win situation.

### ACKNOWLEDGEMENT

On behalf of the board, I wish to thank all the staff for their dedicated contribution to the excellent result of the Group in the past year. I would also like to express my sincere thanks to our shareholders, customers and partners for their support. We shall continue to leverage on our advantages and grasp opportunities to strive for the best return for the shareholders.

**Leung Kai Kuen**

*Chairman*

Hong Kong, 22 July 2010

展望未來，隨著全球市場回穩，尤其是中國市場蓬勃發展，受惠於經濟復蘇及內需增加的雙重利好，本集團對業務前景保持樂觀。全球對環保意識日漸增強，世界各國包括中國積極推行環保政策，廢紙循環生產及利用正好符合環保理念，因此將是行業發展的大勢所趨。作為業內的先行者，本集團已準備就緒，迎接龐大的市場機遇。

除此以外，環保概念及再造紙在中國正日趨流行，發展潛力無限，我們將繼續重點拓展回收紙及生活用紙業務，尤其是大力推廣自營的環保生活用紙品牌，豐富環保生活用紙的種類，努力爭取更大的市場份額。我們將透過增設生產設備、增加研發投資，加快擴產的速度，提高經濟規模效益，為本集團的未來發展提供龐大後盾。

最後，本集團在積極發展業務的同時，亦非常重視員工關係。本集團深信員工是企業發展的重要資產和動力，我們一直致力建立良好的工作環境，提升員工質素，從而提升員工的團隊精神及對公司的歸屬感，締造多贏局面。

### 鳴謝

本人謹代表董事會感謝全體員工在過去一年不懈努力，為本集團創造佳績。本人也希望在此向股東、客戶及業務合作伙伴的支持表示衷心的謝意。我們將繼續善用優勢，把握時機，致力為股東爭取最佳回報。

**梁契權**

*主席*

香港，二零一零年七月二十二日



# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

In the fiscal year ended 31 March 2010, there were both challenges and opportunities for the Group. After the financial crisis broke out in the second half of 2008, the global market sentiment had yet recovered in the first half of the fiscal year. As a result of the economic downturn, the average selling prices of recovered paper and tissue paper products were inevitably affected, as was the Group's performance. However, with the economic stimulus measures implemented by governments worldwide in the second half of FY2010, the market began to pick up, especially in China. Leveraging the Group's commitment to business expansion, cost control and enhancement of production capacity, its core businesses rapidly returned to the growth track.

#### Revenue

The Group's revenue for the year ended 31 March 2010 amounted to HK\$1,422.6 million, an increase of 29.5% compared with last year's HK\$1,098.5 million. Gross profit also rose by 33.9% in the current year to approximately HK\$513.0 million compared with last year's HK\$383.1 million. Increase in gross margin from 34.9% in FY2009 to 36.1% in FY2010 was mainly contributed by an enhancement in productivity as a result of the new tissue machines used in the production of tissue products.

With improved sales performance and operational efficiency, the Group reported an operating profit of approximately HK\$349.7 million (FY2009: HK\$209.5 million), representing a growth of 66.9%. The Group's profit attributable to equity holders of the Company for the year reached HK\$291.3 million, representing an increase of 68.8% as compared to HK\$172.6 million in year 2009. This outperformed the profit forecast stated in the Prospectus for the Global Offering of the Company's shares in March 2010.

#### Operating Expenses

Total selling and administrative expenses dropped from HK\$166.8 million to HK\$162.9 million. The decrease was mainly due to the Group's continued effort to tighten its control over cost and overhead.

### 財務回顧

截至二零一零年三月三十一日止財政年度對於本集團而言為充滿挑戰與機遇的一年。二零零八年下半年金融危機爆發後，本財政年度上半年全球市場氣氛仍有待復原。在經濟下滑的情況下，回收紙及生活用紙的平均售價無可避免地受到影響，本集團的表現也同樣受到影響。然而，各國政府於二零一零財政年度下半年採取經濟刺激措施，市場開始回升，尤其是中國。在本集團致力擴展業務、控制成本及提升產能下，核心業務迅速重拾升軌。

#### 收益

截至二零一零年三月三十一日止年度，本集團收益為1,422.6百萬港元，較去年的1,098.5百萬港元增加29.5%。本年度毛利亦上升33.9%至約513.0百萬港元，去年則為383.1百萬港元。毛利率由二零零九年財政年度的34.9%增加至二零一零年財政年度的36.1%，主要由於生產力因使用新機器生產生活用紙而得到提升。

在銷售表現及營運效率改善下，本集團錄得經營利潤約349.7百萬港元（二零零九年財政年度：209.5百萬港元），增長達66.9%。本公司權益持有人應佔本集團年度利潤達291.3百萬港元，較二零零九年的172.6百萬港元增加68.8%，高於二零一零年三月本公司股份全球發售招股章程所述的利潤預測。

#### 經營開支

總銷售及行政開支由166.8百萬港元下降至162.9百萬港元。減少主要來自本集團持續收緊對成本及管理費用的控制。

# Management Discussion and Analysis

## 管理層討論及分析

### Income Tax Expenses

Income tax expense for the year ended 31 March 2010 was HK\$46.4 million, representing an increase of 67.5% as compared to HK\$27.7 million for 2009. The effective income tax rate was 13.75% for the year ended 31 March 2010, compared to 13.85% for 2009.

### Profit For The Year Attributable To The Equity Holders

The Group's profit attributable to the equity holders for the year ended 31 March 2010 was HK\$291.3 million, representing an increase of 68.8% compared to HK\$172.6 million for 2009. Profit attributable to the equity holders as a percentage of revenue was 20.5% for the year ended 31 March 2010, compared to 15.7% in 2009.

## BUSINESS REVIEW

The Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 31 March 2010, raising gross proceeds of HK\$1,363.9 million (including proceeds from the exercise of the over-allotment option). Going public opens the door to the international financing platform and allows the Group to have access to more sources of funding to maintain a sustainable growth in the future.

### Segmental Analysis

As the largest waste paper management services provider and producer of recycled tissue paper products in the China region and the largest confidential materials destruction services provider in Hong Kong, the Group takes pride in its leadership as a vertically integrated player covering the entire value chain for waste paper management, capitalising on highly streamlined and efficient logistic model with production facilities strategically located with access to efficient transportation links and reliable water sources, thereby enjoys significant cost and competitive advantages. The Group is gaining momentum in the recovered paper and tissue paper segments, its two major businesses, while fully capturing synergies brought by sales of greyboard and provision of confidential materials destruction services (CMDS).

### 所得稅開支

截至二零一零年三月三十一日止年度的所得稅開支為46.4百萬港元，較二零零九年的27.7百萬港元增加67.5%。截至二零一零年三月三十一日止年度的實際所得稅稅率為13.75%，而二零零九年為13.85%。

### 年內權益持有人應佔利潤

截至二零一零年三月三十一日止年度權益持有人應佔本集團溢利為291.3百萬港元，較二零零九年的172.6百萬港元增加68.8%。截至二零一零年三月三十一日止年度，權益持有人應佔溢利相當於銷售收入的20.5%，而二零零九年則為15.7%。

### 業務回顧

本公司於二零一零年三月三十一日成功在香港聯合交易所有限公司（「聯交所」）主板上市，籌得所得款項總額1,363,900,000港元（包括來自行使超額配股權的所得款項），標誌著本集團成功建立了國際融資平台，為以後利用資本市場資金持續積極發展完成了最佳的部署。

### 分部分析

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，以及香港最大的機密材料銷毀服務供應商，本集團以作為具領導地位的橫跨廢紙管理價值鏈的垂直綜合供應商為榮，憑藉其高度精簡且具效率的物流模式、處於策略位置的生產設施連接具效率的運輸網絡及可靠水源，從而享有顯著的成本及競爭優勢。本集團兩項主要業務回收紙及生活用紙分部呈現增長勢頭，並同時充分發揮銷售灰板紙及提供機密材料銷毀服務的協同效益。

# Management Discussion and Analysis

## 管理層討論及分析

### **Recovered Paper**

Revenue from this segment grew by 36.4% to approximately HK\$815.2 million, contributing approximately 57.3% of the Group's revenue. The growth was primarily due to recovery of economy which led to increase in market demand. During the year, significant sales of recovered paper were made to customers who were paper manufacturers in China. In particular, the Group entered into a 17-month cooperation agreement with Guangzhou Paper Company Limited and a 24-month cooperation agreement with Zhongshan Rengo Hung Hing Paper Manufacturing Company Limited in November and December 2009 respectively to supply recovered paper to these customers. These two key customers procured over 108,000 tonnes of recovered paper from the Group representing a major portion of the total volume of recovered paper sold during the year.

### **Tissue Paper Products**

During the year, revenue of this segment increased by 25.8% to HK\$575.6 million, accounting for approximately 40.5% of the total revenue. The increase was primarily due to the increase in global consumption, increase in awareness of green concept and increase in demand from away-from-home market. The Group produces bathroom tissue, jumbo rolls and paper towels from recycled paper or virgin pulp for OEM customers and away-from-home customers including those in office buildings, shopping malls and public facilities in China, Hong Kong, the United States, Australia, etc., as well as selling parent rolls to value-added resellers. The Group also produces and sells recycled tissue paper products under its own brands, namely Moonily, Smoovie and See-Mia, which gained popularity in the China market during the year.

### **Greyboard**

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 paper towels for its own recycled tissue paper products. In addition, the Group also produces greyboard from lower-grade recovered paper using its own brands, namely Eagle King and Hui Lan, for selling to paper merchants, manufacturers and printers in China. During the year, this segment recorded revenue of approximately HK\$27.8 million.

### **回收紙**

此分部的收益增加36.4%至約815.2百萬港元，佔本集團收益約57.3%。增長主要來自經濟復甦帶來市場需求增加。年內，本集團向中國紙品製造商客戶銷售大量回收紙。特別是本集團分別於二零零九年十一月及十二月與廣州造紙股份有限公司訂立為期17個月的合作協議及與中山聯合鴻興造紙有限公司訂立為期24個月的合作協議，以向該等客戶供應回收紙。該兩個重要客戶向本集團採購108,000噸以上的回收紙，佔年內出售回收紙總量的主要部分。

### **生活用紙**

年內，此分部的收益增加25.8%至575.6百萬港元，佔總收益約40.5%。收益增加主要由於全球消費增加、環保意識提高及非家用市場的需求上升所致。本集團為OEM客戶及非家用客戶包括中國、香港、美國及澳洲等辦公室大樓、購物商場及公共設施生產浴室衛生紙、大盤紙卷及擦手紙，並向增值轉售商銷售大卷紙，此等產品由再造紙或原木漿製成。本集團亦生產及銷售「皇月」、「綠柔」及「思密兒」等自身品牌環保生活用紙，該等品牌年內在中國市場日漸受到歡迎。

### **灰板紙**

灰板紙業務並非本集團核心業務。然而，該業務是本集團充分利用生產鏈及全面利用資源的策略。本集團以灰板紙生產自身品牌環保生活用紙的浴室衛生紙、大盤紙卷及擦手紙的紙芯。此外，本集團亦以較低級別的回收紙生產「飛鷹王」及「惠蘭」等自身品牌的灰板紙，售予中國的紙商、造紙商及印刷商。年內，此分部錄得收益約27.8百萬港元。

# Management Discussion and Analysis

## 管理層討論及分析

### **Confidential Materials Destruction Services (CMDS)**

The Group also provided CMDS in Hong Kong, in which it has a market share of over 50% in 2009, and which recorded HK\$4.0 million in sales in FY 2010. With loyal customers including government bodies, financial and professional institutions and banks, this segment secures stable and ample supply of quality waste paper, which is an important source for the production chain of recycled paper.

### **Geographical Analysis**

The Group services and markets its products in China, the United States, Japan, Hong Kong, Australia, and customers across other countries. China is the largest market of the Group (analysed according to the locations in which sale originated), generating HK\$1,023.5 million in revenue and accounting for approximately 71.9% of its total revenue, whereas revenue from the United States, Japan, Hong Kong, Australia and other markets accounted for approximately 28.1% in total. It is expected that 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.

### **Operational Analysis**

As at 31 March 2010, the Group operated four waste paper packing stations in Hong Kong and one waste paper packing station in China with total collection volume of about 580,000 tonnes per annum. The Group also operated one secured destruction facility for CMDS in Hong Kong which is capable of processing 36,000 tonnes of confidential materials per annum, as well as recycled paper manufacturing facilities in China, producing 91,410 tonnes and 18,510 tonnes of recycled tissue paper and greyboard respectively in FY 2010. During the year, the Group installed two technologically advanced tissue paper machines.

With a production base and one pier in Huizhou and two piers in Hong Kong, the Group enjoys cost-effective and efficient transportation arrangements for delivering waste paper collected in Hong Kong to the production plant and to customers in China, creating a noteworthy advantage over peers.

### **機密材料銷毀服務**

本集團亦於香港提供機密材料銷毀服務，於二零零九年佔有市場份額50%以上，並於二零一零年財政年度錄得銷售額4.0百萬港元。忠誠的客戶包括政府機構、金融及專業機構及銀行。此分部可確保本集團有穩定及充裕的優質廢紙供應，是再造紙生產鏈的重要來源。

### **地區分析**

本集團在中國、美國、日本、香港、澳洲及對其他國家的客戶提供服務及銷售產品。中國為本集團的最大市場（根據產生銷售的地點分析），產生1,023.5百萬港元收益，佔總收益約71.9%，而來自美國、日本、香港、澳洲及其他市場的收益則佔總收益約28.1%。預期中國將繼續為廢紙及生活用紙消耗的主要市場，並將必然為本集團將集中於的地區之一。

### **營運分析**

於二零一零年三月三十一日，本集團在香港及中國分別設有四所及一所廢紙打包工場，回收總量約每年580,000噸；本集團亦在香港設有一套機密文件處理設備，提供機密材料銷毀服務，每年可處理36,000噸機密材料；以及在中國設有再造紙生產設施，於二零一零年財政年度分別生產91,410噸及18,510噸再造紙及灰板紙。年內，本集團裝置了兩部技術先進的生活用紙製造機。

本集團在惠州設有一個生產基地及一個碼頭，在香港擁有兩個碼頭，因此在將香港回收的廢紙運往生產廠房及中國客戶方面，享有具成本效益及高效率的運輸安排，因而於業內享有顯著的競爭優勢。

# Management Discussion and Analysis

## 管理層討論及分析

### Liquidity and Financial Resources

As at 31 March 2010, the Group had bank and cash balances, including restricted bank deposits, of approximately HK\$1,088.5 million. Total bank borrowings of the Group with floating rates amounted to approximately HK\$279.6 million as at 31 March 2010. This included long-term borrowings of approximately HK\$170.7 million and short-term bank borrowings of approximately HK\$108.9 million. The effective interest rates for short-term borrowings and long-term borrowings were 7.09% per annum (2009: 4.24% per annum) and 5.24% per annum (2009: 7.76% per annum) respectively. All bank borrowings were due within 5 years. The Group's gearing ratio, which is calculated as net debt (including current and non-current borrowings and amount due to a director less cash and cash equivalents and restricted bank deposits) divided by total capital, dropped from 27% as at 31 March 2009 to zero as at 31 March 2010.

As at 31 March 2010, the Group had net current assets of approximately HK\$1,180.9 million, as compared to net current assets of approximately HK\$6.2 million as at 31 March 2009. The current ratio of the Group was 3.99 as at 31 March 2010 as compared to 1.02 as at 31 March 2009.

In FY10, the Group generated net cash of HK\$303.3 million from its operating activities, as compared to HK\$200.7 million in FY09. Net cash used in investing activities was HK\$420.4 million, which mainly included capital expenditures of HK\$402.1 million and additional payment of HK\$20.6 million for acquiring land use rights.

During the year, the net cash inflow from financing activities amounted to HK\$1,134.4 million, included in which was mainly the gross proceeds from issuance of ordinary shares pursuant to the Global Offering amounting to HK\$1.15 billion, the draw-down of new bank loans, net of repayment, of HK\$54.5 million and payments of professional fees for the Global Offering amounting to HK\$49.4 million.

### 流動資金及財務資源

於二零一零年三月三十一日，本集團有銀行及現金結餘(包括受限制銀行結餘)約1,088.5百萬港元。於二零一零年三月三十一日，本集團的浮息銀行借貸總額約為279.6百萬港元。其包括長期借貸約170.7百萬港元及短期銀行借貸約108.9百萬港元。短期借貸及長期借貸的實際利率分別為每年7.09%(二零零九年：每年4.24%)及每年5.24%(二零零九年：每年7.76%)。所有銀行借貸於5年內到期。本集團的資產負債比率(以淨債務(包括即期及非即期借貸及應付董事款項減現金及現金等價物及受限制現金)除以總資本)由二零零九年三月三十一日的27%下降至二零一零年三月三十一日的零。

於二零一零年三月三十一日，本集團有淨流動資產約1,180.9百萬港元，於二零零九年三月三十一日則有淨流動資產約6.2百萬港元。於二零一零年三月三十一日，本集團的流動比率為3.99，於二零零九年三月三十一日則為1.02。

於二零一零年財政年度，本集團的經營活動產生現金淨額303.3百萬港元，於二零零九年財政年度則為200.7百萬港元。投資活動使用的現金淨額為420.4百萬港元，主要包括資本開支402.1百萬港元及收購土地使用權的額外付款20.6百萬港元。

年內，融資活動的現金流入淨額為1,134.4百萬港元，其主要包括根據全球發售發行普通股的所得款項總額11.5億港元、提取新造銀行貸款(扣除償還金額)54.5百萬港元及支付全球發售的專業費用49.4百萬港元。

# Management Discussion and Analysis

## 管理層討論及分析

### Foreign Exchange Exposure

The Group's principal production facilities are located in the PRC whilst most of its sales are denominated in Renminbi, United States dollars and Hong Kong dollars. Most of the purchases of raw materials are denominated in Renminbi and Hong Kong dollars. Furthermore, most of the Group's monetary assets and liabilities are denominated in Renminbi, United States dollars and Hong Kong dollars.

As such, management is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between United States dollars, Hong Kong dollars and Renminbi.

Although the foreign exchange risk is not considered to be significant, management will continue to evaluate the Group's foreign currency exposure and take actions as appropriate to minimise the Group's exposure whenever necessary.

### Pledge of Assets

As at 31 March 2010, buildings with net book value of HK\$148.0 million, plant and machinery of HK\$643.5 million, land use rights with carrying value of HK\$40.8 million, trade receivables of HK\$59.1 million and restricted bank deposits of HK\$9.3 million were pledged as collateral for the Group's borrowings. Borrowings totalling HK\$259.1 million (2009: HK\$212.2 million) were secured by personal guarantees provided by a Director and corporate guarantees by certain subsidiaries as of 31 March 2010. As at the date of this report, the Group has obtained an agreement in principle from the relevant financial institution to replace the personal guarantees provided by a Director with corporate guarantees from the Company.

### 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 2002/03, demanding additional profits tax payment in the aggregate amount of HK\$3.8 million. 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 2002/03 tax year technically open in view of the statutory time-bar.

### 外匯風險

本集團主要生產設施在中國，其大部分銷售額以人民幣、美元及港元計值。大部分原材料採購以人民幣及港元計值。此外，本集團大部分貨幣資產與負債以人民幣、美元及港元計值。

因此，管理層知悉可來自美元、港元及人民幣之間的匯率波動的潛在外幣風險。

儘管外匯風險不視為重大，管理層將繼續評估本集團的外幣風險，並於需要時採取適當行動減低本集團的風險。

### 資產抵押

於二零一零年三月三十一日，賬面淨值分別為148.0百萬港元及643.5百萬港元的樓宇及廠房及機器、賬面值分別40.8百萬港元、59.1百萬港元及9.3百萬港元的土地使用權、應收貿易賬款及受限制現金質押作抵押品，讓本集團獲得借貸。於二零一零年三月三十一日，由一名董事提供個人擔保及若干附屬公司提供企業擔保而獲得的借貸合共為259.1百萬港元(二零零九年：212.2百萬港元)。於本報告日期，本集團已取得相關金融機構原則上同意，以本公司的企業擔保取代由董事提供之個人擔保。

### 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3.8百萬港元。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



# Management Discussion and Analysis

## 管理層討論及分析

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\$7.7 million. 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 2003/04 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 announcement.

In April 2010, the Group received a notice from the IRD that, in respect of the additional assessment for the year of assessment 2003/2004, HK\$6.7 million could be held over unconditionally and the remaining HK\$1.0 million 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\$1.0 million in April 2010.

The Founders 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.

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7.7百萬港元。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，以按照法例保留二零零三／零四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)。

於二零一零年四月，本集團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6.7百萬港元，而餘下的1.0百萬港元，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1.0百萬港元的儲稅券。

創辦人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稅務評估的現金付款，以及本集團任何成員公司於二零零九／二零一零年課稅年度內可能接獲截至二零零三／二零零四年課稅年度(包括當年)的任何補加評稅通知書，共同及個別作出彌償。



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

The Company was successfully listed on the Main Board of the Stock Exchange on 31 March 2010, raising gross proceeds of HK\$1,363.9 million (including proceeds from exercise of the over-allotment option). At as 31 March 2010, HK\$70.0 million have been used to repay bank borrowings. The remaining net proceeds will be applied in the manner as stated in the Prospectus.

### EMPLOYEES

At 31 March 2010, the Group had 1,964 employees, of which 173 were employed in Hong Kong and 1,791 were employed in the PRC. Employee costs, excluding directors' emoluments, totalled HK\$58.3 million for the year (FY 09: HK\$64.6 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 year, 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.

### PROSPECTS

The gradual economic recovery worldwide provides a favourable backdrop for the waste paper and recycled tissue paper industries. Especially in China, the major market of the Group, the recycled paper manufacturing and waste paper management industries are expected to be spurred on further by the increasing per capita disposable income and increasing environmental protection awareness in the country.

### 本公司首次公開發售所得款項淨額的使用情況

本公司於二零一零年三月三十一日成功在聯交所主板上市，籌得所得款項總額1,363,900,000港元(包括來自行使超額配股權的所得款項)。於二零一零年三月三十一日，70,000,000港元已用作償還銀行貸款。餘下所得款項淨額將按招股章程所述用途運用。

### 僱員

於二零一零年三月三十一日，本集團有1,964名僱員，當中173名在香港僱用及1,791名在中國僱用。本年度的僱員成本(不包括董事酬金)合共58.3百萬港元(二零零九年財政年度：64.6百萬港元)。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。年內，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。

### 前景

全球經濟的逐漸復甦，為廢紙及環保生活用紙業提供有利環境。尤其是本集團主要市場中國，國內人均可用收入上升及環保意識提高，預期可進一步促進再造紙生產及廢紙管理產業發展。

# Management Discussion and Analysis

## 管理層討論及分析

The successful listing of the Group on the Stock Exchange in March 2010 has laid a solid foundation for the Group's future development. With the goal to be one of the major players with a global brand name in China's green paper industry, the Group aims to expand its market share in existing markets, strengthen its leading position in waste paper management and confidential materials destruction services and increase its production capacity to grasp rapidly emerging business opportunities.

The Group is actively expanding its recycled paper products manufacturing business which brings in higher profit margin for the Group. Moreover, the Group sees strong potential for its own-branded recycled tissue products in China as recycled paper and environmental protection concepts gain greater market awareness. The Group will endeavour to promote its own tissue brands through promotion campaigns to boost the contribution of its branded-products.

To meet the growing demand for recovered paper, the Group plans to strengthen its collection volume by increasing the number of packing stations, enlarging sorting manpower in the Huizhou production base and enhancing waste paper sourcing from existing and new waste paper suppliers in Hong Kong and China. The Group is establishing new packing machines in the China Region for waste paper management services, which are expected to increase waste paper collection capacity by a total of approximately 500,000 tonnes by the end of 2013. It also intends to purchase more shredding machines, and acquire waste paper recycling businesses in China should suitable opportunities arise, in order to increase waste paper processing capacity.

With the macroeconomic environment showing signs of recovery that are favourable to the consumer market and the growing awareness of environmental protection, the Group is confident that with the successful step-by-step execution of its strategies based on its business strengths and competitiveness, it will maintain its leadership in the market.

本集團成功於二零一零年三月在聯交所上市，為本集團未來發展奠定堅實基礎。本集團以成為中國環保紙產業的主要參考者，將品牌名稱推向國際為目標，本集團計劃擴大在現有市場的市場份額，鞏固在廢紙管理及機密材料銷毀服務的領先地位，並增加產能，以抓緊迅速冒起的商機。

本集團積極擴展毛利較高的再造紙品製造業務。此外，由於再造紙及環保概念在市場的認知度上升，本集團預期自身品牌環保生活用紙有龐大潛力。本集團將透過推廣計劃，致力推廣本集團的生活用紙品牌，提升自身品牌產品的貢獻。

為應付回收紙日益上升的需求，本集團計劃增加打包工場數目以提高回收量，增加惠州生產基地的分選人手，以及增加從香港及中國現有及全新廢紙供應商採購廢紙。本集團現正於中國地區裝設廢紙管理服務的新打包機，預期可於二零一三年底前增加廢紙回收能力至合共約500,000噸。本集團亦計劃購買更多碎塊機，並於合適機會出現時在中國收購廢紙循環再用業務，以提升其廢紙加工能力。

宏觀經濟有復甦跡象，有利於消費市場，加上環保意識不斷提高，本集團深信可在其業務實力及競爭力的基礎上逐步成功實現策略，在未來維持市場領導地位。

# Directors and Senior Management

## 董事及高級管理層

### DIRECTORS

#### Chairman, Chief Executive Officer and Executive Director

**Mr. Leung Kai Kuen (梁契權)**, aged 66, is an executive director of the Company, one of the Founders, the chairman and the chief executive officer of the Company. He is also the chairman of each of the executive committee (the “Executive Committee”) and the remuneration committee (the “Remuneration Committee”), a member of the nomination committee (“Nomination Committee”) and a director of certain subsidiaries of the Company. Besides, he is the director and shareholder of City Legend International Limited (“City Legend”), a substantial shareholder of the Company. Mr. Leung Kai Kuen has been involved in the corporate development and strategic planning of the Group. He has over 40 years of experience in the waste paper management industry and over 10 years of experience in the recycled paper manufacturing industry. Mr. Leung Kai Kuen concurrently serves as the founding president of Hong Kong Waste Paper Trade Association Limited, the vice chairman of Hong Kong Federation of Huichow Associations Limited, the vice chairman of the Huizhou Overseas Friendship Association, an honorary President of Tai Po District Junior Police Call and is a member of Fanling District Rural Committee. Mr. Leung Kai Kuen is also an honorary citizen of Huizhou, Guangdong Province, the PRC. Mr. Leung Kai Kuen was a member of the Ninth Political Consultative Committee of Huizhou, Guangdong Province and the President of The New Territories North District Manufacturers’ Association of Hong Kong from 2002 to 2006. Mr. Leung Kai Kuen is the elder brother of Mr. Leung Tat Piu (an executive director of the Company) and the father-in-law of Ms. Cheung Nga Lai, Carol (a non-executive director of the Company).

#### Executive Director, Development Manager and Head of Waste Paper Business Unit

**Mr. Leung Tat Piu (梁達標)**, aged 47, is an executive director of the Company and the development manager and head of the waste paper business unit of the Group. He is also a member of the Executive Committee and a director of certain subsidiaries of the Company. Mr. Leung Tat Piu joined the Group in May 1985 and has over 24 years of experience in waste paper management service industry. As the head of the waste paper business unit, Mr. Leung Tat Piu is in charge of the collection, purchase and sales of waste paper as well as expansion of the waste paper collection business in the PRC and the daily operations and quality control of the waste paper collection facilities in Hong Kong. Mr. Leung Tat Piu is the younger brother of Mr. Leung Kai Kuen (the chairman and an executive director of the Company).

### 董事

#### 主席、行政總裁及執行董事

梁契權先生，66歲，為本公司執行董事、創辦人之一、主席兼行政總裁。彼亦分別為本公司執行委員會（「執行委員會」）及薪酬委員會（「薪酬委員會」）主席、提名委員會（「提名委員會」）成員及若干附屬公司董事。此外，彼亦為本公司主要股東滙駿國際有限公司（「滙駿」）的董事。梁契權先生一直負責本集團的企業發展及策略規劃。彼從事廢紙管理行業40多年，在再造紙製造業亦具有10多年經驗。梁契權先生同時擔任香港廢紙商會有限公司創會會長、香港惠州社團聯合總會副主席、惠州海外聯誼會副主席、香港大埔區少年警訊名譽會長及香港粉嶺區鄉事委員會成員。梁契權先生亦為中國廣東省惠州市榮譽市民。自二零零二年至二零零六年，梁契權先生為廣東省惠州市第九屆政協委員會委員及香港新界北區廠商會會長。梁契權先生為梁達標先生（本公司執行董事）的胞兄並為張雅麗女士（本公司非執行董事）的家翁。

#### 執行董事、發展經理及廢紙業務單位主管

梁達標先生，47歲，為本公司執行董事、本集團發展經理及廢紙業務單位主管。彼亦為執行委員會成員及本公司若干附屬公司的董事。梁達標先生於一九八五年五月加盟本集團，於廢紙管理服務行業擁有逾24年經驗。身為廢紙業務單位主管，梁達標先生負責回收及買賣廢紙，以及拓展中國廢紙回收業務及香港廢紙回收設施的日常營運及質量控制。梁達標先生為梁契權先生（本公司主席兼執行董事）的胞弟。

# Directors and Senior Management

## 董事及高級管理層

### Executive Director, Deputy General Manager and Head of Recycled Paper Business

**Mr. Cheng Chun Keung, Thomas (鄭振強)**, aged 45, is an executive director of the Company and the deputy general manager and head of recycled paper business of the Group. He is also a member of the Executive Committee. Mr. Cheng joined the Group in February 2005 as the head of recycled paper business and is responsible for the overall production management, management improvement and expansion of the sales network in the PRC and overseas. Mr. Cheng has 13 years of experience in finance and daily operations management at well-known hotel groups, including Peninsula Hotels Group, Shangri-La Hotels Group and Kempinski Group (Lufthansa Airlines). Prior to joining the Group, Mr. Cheng served as the general manager of the operations of Guangdong Josco Disposable Product Limited.

### Non-executive Director

**Ms. Cheung Nga Lai, Carol (張雅麗)**, aged 34, is a non-executive director of the Company. She joined the Group on 11 March 2010. Ms. Cheung obtained a bachelor's degree in arts and a master's degree in arts from University of Cambridge in June 1999 and March 2003, respectively. Ms. Cheung worked as an analyst in the global investment research division of Goldman Sachs (Asia) L.L.C. in Hong Kong from 1999 to 2002. She then joined EF Education Limited in 2002 and currently is an executive vice president of EF Education Limited responsible for business development, marketing, human resources, strategic development and enterprise communication. Ms. Cheung is the daughter-in-law of Mr. Leung Kai Kuen (the chairman and an executive director of the Company) and the younger sister of Ms. Cheung Nga Shuen, Candy (the head of administration, human resources and purchasing of the Group).

### 執行董事、副總經理及再造紙業務主管

**鄭振強先生**，45歲，為本公司執行董事、本集團副總經理及再造紙業務主管。彼亦為執行委員會成員。鄭先生於二零零五年二月加盟本集團，擔任再造紙業務主管，負責整體生產管理、管理改善及拓展中國及海外的銷售網絡。鄭先生於著名酒店集團（包括半島酒店集團、香格里拉酒店集團及凱賓斯基集團（漢莎航空）的財務與日常營運管理方面擁有13年經驗。加盟本集團前，鄭先生曾擔任廣東約瑟紙塑有限公司的營運總經理。

### 非執行董事

**張雅麗女士**，34歲，為本公司非執行董事。彼於二零一零年三月十一日加入本集團。張女士分別於一九九九年六月及二零零三年三月取得劍橋大學文學學士及碩士學位。張女士曾於一九九九年至二零零二年期間在香港效力高盛（亞洲）有限責任公司，擔任全球投資研究部分析師。其後，彼於二零零二年加盟英孚教育有限公司，現為英孚教育有限公司的執行副總裁，專責業務發展、市場推廣、人力資源、策略發展及企業傳訊。張女士是梁契權先生（本公司主席兼執行董事）兒媳及張雅璇女士（本集團行政、人力資源及採購主管）妹妹。

# Directors and Senior Management

## 董事及高級管理層

### Independent Non-executive Directors

**Mr. Chung Wai Kwok, Jimmy (鍾維國)**, aged 60, is an independent non-executive director of the Company and the Chairman of the audit committee of the Company (the “Audit Committee”). He joined the Group on 11 March 2010. Mr. Chung has over 20 years of experience in financial advisory services, taxation and management. He was a partner of PricewaterhouseCoopers until he retired in June 2005. In October 2005, he joined Russell Bedford Hong Kong Limited, a professional consulting firm, as a director in the tax and business advisory unit. Mr. Chung is a member of the Hong Kong Institute of Certified Public Accountants, the Taxation Institution of Hong Kong and the Association of Chartered Certified Accountants (ACCA). He was the President of the Hong Kong branch of ACCA for the year 2005/06. He is currently an independent non-executive director of Fitted International Group Limited (stock code: 2662), Lee Kee Holdings Limited (stock code: 637) and Tradelink Electronic Commerce Limited (stock code: 536), all of which are listed on the Main Board of the Stock Exchange.

**Mr. Chan Kong (陳剛)**, aged 46, is an independent non-executive director of the Company, the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee of the Company. He joined the Group on 11 March 2010. Mr. Chan was graduated from the Chinese University of Hong Kong with a major in Mathematics in May 1987. Mr. Chan has more than 7 years of management experience. Mr. Chan is currently the vice-chairman of Jimei Investment Holdings Limited. He was also a director of Hontec International Limited, a company engaged in the trading and marketing of photographic production machines and other related accessories in China and Japan. Mr. Chan is a co-founder of Bio-Treat Technology Limited, a company listed on the main board of the Singapore Stock Exchange Ltd. since 2004.

### 獨立非執行董事

**鍾維國先生**，60歲，為本公司獨立非執行董事及審核委員會（「審核委員會」）主席。彼於二零一零年三月十一日加入本集團。鍾先生於財務顧問服務、稅務及管理方面擁有逾20年經驗。鍾先生曾為羅兵咸永道會計師事務所合夥人，於二零零五年六月退任。於二零零五年十月，鍾先生加盟專業顧問公司羅瑞貝德香港有限公司，出任稅務及業務顧問總監。鍾先生為香港會計師公會、香港稅務學會及英國特許公認會計師公會會員。鍾先生於二零零五／零六年度擔任英國特許公認會計師公會香港分會主席。鍾先生現時是聯交所主板上市公司奕達國際集團有限公司（股份代號：2662）、利記控股有限公司（股份代號：637）及貿易通電子貿易有限公司（股份代號：536）的獨立非執行董事。

**陳剛先生**，46歲，為本公司獨立非執行董事、提名委員會主席及審核委員會及薪酬委員會成員。彼於二零一零年三月十一日加入本集團。陳先生於一九八七年五月畢業於香港中文大學，主修數學。陳先生於管理方面擁有逾7年經驗。陳先生現時為集美投資控股有限公司的副主席。彼亦為康泰國際有限公司的董事，康泰國際有限公司為一家於中國及日本從事攝影生產機器及其他相關配件貿易及營銷的公司。陳先生為 Bio-Treat Technology Limited 的共同創辦人，該公司自二零零四年起於新加坡證券交易所有限公司上市。

# Directors and Senior Management

## 董事及高級管理層

**Mr. Lee Kwok Chung**, aged 46, is an independent non-executive director of the Company and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. He joined the Group on 21 June 2010. Mr. Lee obtained a bachelor's degree in science from The Chinese University of Hong Kong in 1986 and a bachelor's degree in law from The University of London in 1993. From August 1986 to April 1995, Mr. Lee worked as a unit manager of The Prudential Assurance Company Limited and was mainly responsible for sales and marketing. Mr. Lee joined Messrs. Weir & Associates as a trainee solicitor in April 1995. He was admitted as a solicitor of the High Court of the Hong Kong Special Administrative Region in April 1997 and worked with Messrs. Weir & Associates, Solicitors and Notaries between April 1997 and January 2008. Since January 2008, Mr. Lee has been a partner in Messrs. Lee & So, Solicitors. Mr. Lee is also appointed a civil celebrant of marriages for the period from 23 June 2006 to 22 June 2011. From September 2006 to August 2007, Mr. Lee was the president of The Federation of Alumni Associations of The Chinese University of Hong Kong. Since 2002, he has been the chairman and a director of The Alumni Association of the United College of The Chinese University of Hong Kong Limited.

## SENIOR MANAGEMENT

### Chief Operating Officer

**Mr. Cheung Wai Hung, Boswell (張偉雄)**, aged 39, is the chief operating officer of the Company. He joined the Group in October 2009 and is responsible for overseeing operations of the Group. Mr. Cheung has over 14 years of experience in auditing, accounting and management. Prior to joining the Group, Mr. Cheung held audit posts in international audit firms, served as an executive director of Bright International Group Limited which is listed on the Main Board of the Stock Exchange, and the Senior Financial Strategy Adviser of China Pacific Insurance (Group) Company Limited which is listed on both the Stock Exchange and the Shanghai Stock Exchange. Mr. Cheung was graduated from Abertay Dundee University in Scotland with a Bachelor of Arts in Accounting in November 1992 and obtained a master's degree in business administration from the University of Leicester in England in July 1995 and a master's degree in Professional Accounting from the Southern Cross University in Australia in September 2007. Mr. Cheung is also a Chartered Marketer of the Chartered Institute of Marketing in the United Kingdom, a non-practicing member of the HKICPA and a qualified accountant of CPA Australia.

**李國忠先生**，46歲，為本公司獨立非執行董事及審核委員會、薪酬委員會及提名委員會成員。彼於二零一零年六月二十一日加入本集團。李先生於一九八六年獲香港中文大學頒發理學士學位，並於一九九三年獲倫敦大學頒發法律學士學位。自一九八六年八月至一九九五年四月，李先生為英國保誠保險有限公司的組別經理，主要負責銷售及營銷。李先生於一九九五年四月加入韋雅成律師行擔任實習律師。於一九九七年四月，李先生獲委任為香港特別行政區高等法院律師，並於一九九七年四月至二零零八年一月期間，在韋雅成律師行工作。自二零零八年一月起，李先生一直擔任李國忠蘇全富律師行的合伙人。自二零零六年六月二十三日至二零一一年六月二十二日，李先生亦獲委任為婚姻監禮人。於二零零六年九月至二零零七年八月，李先生為香港中文大學校友會聯會會長。自二零零二年起，李先生一直為香港中文大學聯合書院校友會有限公司主席兼董事。

## 高級管理層

### 營運總監

**張偉雄先生**，39歲，為本公司營運總監。彼於二零零九年十月加盟本集團，負責監察本集團的營運。張先生於審核、會計及管理方面擁有逾14年經驗。加盟本集團前，張先生曾任職多家國際核數公司的核數職位，亦擔任瑩輝集團有限公司（一家於香港聯交所主板上市的公司）的執行董事、中國太平洋保險（集團）股份有限公司（一家於聯交所及上海證券交易所上市的公司）的高級財務策略顧問。張先生於一九九二年十一月畢業於蘇格蘭亞伯丹迪大學，持有會計學士學位，並分別於一九九五年七月及二零零七年九月在英國萊斯特大學及澳洲南十字星大學取得工商管理碩士學位及專業會計碩士學位。張先生亦為英國市場事務特許公會的特許市務師、香港會計師公會的非執業會員及澳洲會計師公會的合資格會計師。



# Directors and Senior Management

## 董事及高級管理層

### Chief Financial Officer

**Ms. Mak Sau Ling (麥秀玲)**, aged 38, is the chief financial officer of our Group. Ms. Mak joined our Group in August 2007 and is responsible for the financial matters of the Group. Prior to joining the Group, Ms. Mak worked with several international audit firms and has over 10 years of experience in auditing and accounting. Ms. Mak obtained a bachelor's degree in accountancy from the Hong Kong Polytechnic University in November 1997. She is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and a non-practicing member of the HKICPA.

### Head of the Confidential Materials Destruction Services Business Unit

**Mr. Wong Pak Lun, Rudy (王百麟)**, aged 47, is the head of the confidential materials destruction services business unit of the Group and is responsible for the overall operation, sales and marketing and customer relationship management of the unit as well as monitoring the Group's security system, especially the security of confidential materials collection and destruction services. Mr. Wong joined the Group in October 2009. He has over 15 years of experience in accounting and financial management. Prior to joining the Group, Mr. Wong served as the finance and administrative manager of Electric Sekki Limited and senior accountant and administrative manager for JJ Printing Limited. Mr. Wong was graduated from Lancashire Polytechnic in the United Kingdom (now known as the University of Central Lancashire) with a bachelor's degree in Art with honours majored in accounting in July 1991 and attended the Certificate Programme on Warehousing Management provided by The Hong Kong Management Association in July 2000.

### 財務總監

**麥秀玲女士**，38歲，為本集團財務總監。麥女士於二零零七年八月加盟本集團，負責處理本集團的財務事宜。加盟本集團前，麥女士曾於多家國際核數公司工作，於核數及會計方面擁有逾10年經驗。麥女士於一九九七年十一月取得香港理工大學的會計學士學位。彼為英國特許公認會計師公會資深會員及香港會計師公會的非執業會員。

### 機密材料處理服務業務單位主管

**王百麟先生**，47歲，為本集團機密材料處理服務業務單位主管，專責整體營運、銷售與營銷及單位的客戶關係管理，以及監察本集團保安系統，特別是機密材料回收及銷毀服務之保安。王先生於二零零九年十月加盟本集團。彼於會計及財務管理方面擁有逾15年經驗。加盟本集團前，王先生曾任 Electric Sekki Limited 的財務行政經理及 JJ Printing Limited 的高級會計行政經理。王先生於一九九一年七月畢業於英國蘭開斯特理工學院（現為中蘭開斯特大學），取得榮譽文學士學位，主修會計，並於二零零零年七月修畢香港管理專業協會開辦的貨倉管理證書課程。



# Directors and Senior Management

## 董事及高級管理層

### Head of Administration, Human Resources and Purchasing

**Ms. Cheung Nga Shuen, Candy (張雅璇)**, aged 40, is the head of administration, human resources and purchasing. Ms. Cheung joined the Group in February 2003 and is currently in charge of the Group's administration and human resources. Prior to joining the Group, Ms. Cheung had over 17 years of experience in human resources and administration. She worked in House18.com InformAsia Holdings Limited, The Chinese General Chamber of Commerce, San Miguel Brewing International Limited, Finarts Trading Company Limited and Fancy Talent Limited. Ms. Cheung was graduated from the Monash University with a bachelor's degree in Business in September 1998. Ms. Cheung is the sister of Ms. Cheung Nga Lai, Carol, our non-executive director.

**Mr. Zhuo Yong Xin (卓永新)**, aged 62, is the chief engineer of the Group and is responsible for the research, development and production of paper products. Mr. Zhuo has over 40 years of experience in papermaking. Mr. Zhuo joined the Group in March 1998 and is currently in charge of the construction of our manufacturing base in Huizhou, the PRC. Prior to joining the Group, Mr. Zhuo served as the deputy factory manager of technology in the Chongqing Qijiang Paper Factory. Mr. Zhuo holds certification as a senior engineer of pulp and papermaking and is a member of the China Technical Association of Paper Industry, a supervisor of the Guangdong Paper Association.

### COMPANY SECRETARY

**Mr. Cheung Wai Hung, Boswell (張偉雄)**, our chief operating officer, is also our company secretary and works for us on a full-time basis. For additional details regarding Mr. Cheung's background, see the section headed "Senior Management" above.

### 行政、人力資源及採購主管

**張雅璇女士**，40歲，為行政、人力資源及採購主管。張女士於二零零三年二月加盟本集團，現時主管本集團的行政及人力資源部門。加盟本集團前，張女士於人力資源及行政方面擁有逾17年經驗。彼曾任職於 House18.com InformAsia Holdings Limited、香港中華總商會、生力啤酒國際有限公司、精藝貿易有限公司及零食物語有限公司。張女士於一九九八年九月畢業於蒙那許大學，取得商業學士學位。張女士為本公司非執行董事張雅麗女士的胞姊。

**卓永新先生**，62歲，為本集團總工程師，負責紙品的研發與生產。卓先生於造紙方面擁有逾40年經驗。卓先生於一九九八年三月加盟本集團，現負責於中國惠州建設製造基地。加盟本集團前，卓先生擔任重慶綦江造紙廠的副工廠技術經理。卓先生持有製漿造紙高級工程師證書，並為中國造紙學會的成員及廣東省造紙協會的監事。

### 公司秘書

**張偉雄先生**，為本公司營運總監兼本公司的公司秘書，全職於本公司任職。有關張先生背景的其他詳情，請見上文「高級管理層」一節。

# Report of the Directors

## 董事會報告

The board of directors of the Company (the “Board”) has pleasure in submitting their first annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2010.

### CORPORATE REORGANISATION

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. Pursuant to a reorganisation scheme to rationalise the corporate structure of the Group in preparation for the listing of the Company’s shares (the “Shares”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Company acquired the equity interests of the companies under common control and became the holding company of the companies now comprising the Group. Further details of the corporate reorganisation are set out in the prospectus of the Company dated 19 March 2010 (the “Prospectus”).

The Company’s shares have been listed on the Stock Exchange since 31 March 2010 (the “Listing Date”).

### PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Company is investment holding. The principal activities of the Company’s subsidiaries as at 31 March 2010 are set out in note 28 to the financial statements.

An analysis of the Group’s performance for the year by operating segments is set out in note 5 to the financial statements.

本公司董事會(「董事會」)欣然提呈其首份年報，以及本公司及其附屬公司(統稱「本集團」)於截至二零一零年三月三十一日止年度的經審核綜合財務報表。

### 企業重組

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。本公司進行了一項重組計劃，以理順本集團的企業架構，為本公司股份(「股份」)於香港聯合交易所有限公司(「聯交所」)主板上市作出準備，據此，本公司已收購受其共同控制公司的股本權益，並成為本集團現時組成公司的控股公司。企業重組的進一步詳情載於本公司日期為二零一零年三月十九日的招股章程(「招股章程」)。

本公司股份自二零一零年三月三十一日(「上市日期」)起於聯交所上市。

### 主要業務及營運地區分析

本公司的主要業務為投資控股。本公司的附屬公司於二零一零年三月三十一日的主要業務載於財務報表附註28。

年內按業務分部劃分的本集團表現分析載於財務報表附註5。

### RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 57.

### RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 60 and in note 27 to the financial statements.

### DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately HK\$2,713,000 (2009: HK\$3,164,000).

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 16 to the financial statements.

### SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 26 to the financial statements.

### DISTRIBUTABLE RESERVES

The Company's reserves available for distribution comprise the share premium account less accumulated losses. At 31 March 2010, the reserves of the Company available for distribution to shareholders amounted to approximately HK\$1,914,692,000.

### DIVIDEND

The Board does not recommend the payment of the final dividend for the year ended 31 March 2010.

### 業績及分派

本集團年內的業績載於第57頁的綜合損益表。

### 儲備

本集團及本公司年內的儲備變動詳情載於第60頁的綜合權益變動表及財務報表附註27。

### 捐款

本集團年內作出的慈善及其他捐款約為2,713,000港元(二零零九年: 3,164,000港元)。

### 物業、廠房及設備

本集團的物業、廠房及設備變動的詳情載於財務報表附註16。

### 股本

本公司股本的變動詳情載於財務報表附註26。

### 可分派儲備

本公司可供分派的儲備包括股份溢價賬減累計虧損。於二零一零年三月三十一日,本公司可分派予股東的儲備約為1,914,692,000港元。

### 股息

董事會不建議派發截至二零一零年三月三十一日止年度的末期股息。

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association (the "Articles of Association") or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## FOUR YEAR FINANCIAL SUMMARY

A summary of the results of the Group and of the assets and liabilities of the Group for the last four financial years is set out on page 152.

## PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares from the Listing Date to the date of this report.

## DIRECTORS

The directors of the Company (the "Directors") during the year and up to the date of this report were:

### Executive Directors

Mr. Leung Kai Kuen (*Chairman*)  
(appointed on 11 November 2009)  
Mr. Leung Tat Piu  
(appointed on 3 December 2009)  
Mr. Cheng Chun Keung, Thomas  
(appointed on 11 March 2010)

### Non-executive Director

Ms. Cheung Nga Lai, Carol  
(appointed on 11 March 2010)

## 優先認購權

本公司的組織章程細則(「章程細則」)或開曼群島法例並無有關優先認購權的條文，致使本公司須按比例向現有股東發售新股份。

## 四年財務概要

本集團過去四年的業績及本集團的資產及負債的概要載於第 152 頁。

## 購買、出售或贖回股份

於上市日期至本報告日期，本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何股份。

## 董事

年內及截至本報告日期的本公司董事(「董事」)如下：

### 執行董事

梁契權先生(主席)  
(於二零零九年十一月十一日獲委任)  
梁達標先生  
(於二零零九年十二月三日獲委任)  
鄭振強先生  
(於二零一零年三月十一日獲委任)

### 非執行董事

張雅麗女士  
(於二零一零年三月十一日獲委任)

# Report of the Directors

## 董事會報告

### Independent non-executive Directors

Mr. Chung Wai Kwok, Jimmy

(appointed on 11 March 2010)

Mr. Chan Kong

(appointed on 11 March 2010)

Mr. Cheng Yu Hong

(appointed on 11 March 2010 and resigned on 21 June 2010)

Mr. Lee Kwok Chung

(appointed on 21 June 2010)

In accordance with the Articles of Association, all existing Directors will retire and, being eligible, offer themselves for re-election, at the forthcoming annual general meeting of the Company.

### DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years from their respective date of appointment, which may be terminated by not less than three months' notice in writing served by either party.

The non-executive Director and each of the Independent non-executive Directors were appointed for a term of three years with effect from their respective date of appointment. The service contract/letters of appointment of Ms. Cheung Nga Lai, Carol, Mr. Chung Wai Kwok, Jimmy and Mr. Chan Kong shall expire on 11 March 2013 while the letter of appointment of Mr. Lee Kwok Chung shall expire on 21 June 2013.

None of the Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company, which is determinable by the Company within one year without payment of compensation, other than statutory compensation.

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management are set out on pages 17 to 22.

### 獨立非執行董事

鍾維國先生

(於二零一零年三月十一日獲委任)

陳剛先生

(於二零一零年三月十一日獲委任)

鄭宇航先生

(於二零一零年三月十一日獲委任及

於二零一零年六月二十一日辭任)

李國忠先生

(於二零一零年六月二十一日獲委任)

根據章程細則，所有現任董事將於本公司應屆股東週年大會上告退及合資格膺選連任。

### 董事服務合約

各執行董事與本公司訂立服務合約，初步由其各自的委任日期起計為期三年，除非其中一方發出不少於三個月的書面通知終止有關合約。

非執行董事及各獨立非執行董事的任期由其各自的委任日期起計為三年。張雅麗女士、鍾維國先生及陳剛先生的服務合約／聘書於二零一三年三月十一日到期，而李國忠先生的聘書則於二零一三年六月二十一日到期。

擬於應屆股東週年大會上重選的董事，概無與本公司訂立可於一年內終止而無須支付補償(法定補償除外)的服務合約。

### 董事及高級管理層履歷詳情

董事及高級管理層履歷詳情載於第17頁至第22頁。

## REMUNERATION POLICY

The remuneration policy for the Directors and senior management members of the Group was based on their experience, level of responsibility and general market conditions. Any discretionary bonus and other merit payments are linked to the profit performance of the Group and the individual performance of the Directors and senior management members of the Group. Details of the remuneration of the Directors are set out in note 15 to the consolidated financial statements contained in this report.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in note 36 to the financial statements about the Company's share option scheme, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

## DIRECTORS' INTEREST IN CONTRACTS

Save as disclosed under the section headed "Connected Transactions" below, no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## 薪酬政策

董事及本集團高級管理層成員的薪酬政策乃根據彼等經驗、所負責任及一般市場條件釐定。任何酌情花紅及其他獎勵金均與本集團利潤表現及董事及本集團高級管理層成員個人表現掛鉤。董事薪酬詳情載於本報告綜合財務報表附註15。

## 董事購買股份或債券之權利

除於財務報表附註36就本公司購股權計劃所披露者外，於年內任何時間，各董事或彼等各自之配偶或未成年子女並無獲授或行使可藉收購本公司股份或債券而獲利之權利，且本公司或其任何控股公司、附屬公司或同系附屬公司亦無訂立任何安排而使董事可收購任何其他法人團體之權利。

## 董事於合約的權益

除下文「關連交易」一節所披露者外，本公司及其任何附屬公司於本年度結束時或於年內任何時間概無就本集團業務訂立任何本公司董事直接或間接擁有重大利益的重要合約。

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 March 2010, the interests and short positions of each Director and chief executives of the Company in the shares of the Company which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of 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 Listing Rules were as follows:

Name of Director 董事姓名	Capacity 身份	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
Mr. Leung Kai Kuen 梁契權先生	Interest in a controlled corporation 於控制法團的權益	475,050,000(L) 168,750,000(S) (Note) (附註)	23.75% 8.44%

\* 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, 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

於二零一零年三月三十一日，本公司董事及主要行政人員於本公司股份中擁有根據證券及期貨條例第XV部第7及8部分須知會本公司及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 31 March 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 year ended 31 March 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”). During the period from 11 March 2010 to 31 March 2010, no share option had been granted under the Share Option Scheme.

As at the date of this annual report, the total number of Shares available for issue under the Share Option Scheme was 200,000,000 Shares, which represented approximately 9.56% of the Shares in issue as at that date.

Particulars of the Share Option Scheme are set out in note 36 to the consolidated financial statements.

除上文所披露者外，於二零一零年三月三十一日，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三月三十一日止年度內，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」）。自二零一零年三月十一日起至二零一零年三月三十一日止期間，概無根據購股權計劃授出購股權。

於本年報日期，根據購股權計劃可予發行的股份總數為200,000,000股股份，佔該日已發行股份約9.56%。

有關本公司購股權計劃的詳情載於綜合財務報表附註36。

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 March 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 股東名稱	Notes 附註	Capacity 身份	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
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)	39.25%
			93,000,000(S)	4.65%
Trump Max 凱卓	1	Beneficial owner 實益擁有人	785,100,000(L)	39.25%
			93,000,000(S)	4.65%
City Legend 滙駿	2	Beneficial owner 實益擁有人	475,050,000(L)	23.75%
			168,750,000(S)	8.44%
UBS AG	3	Beneficial owner 實益擁有人	93,000,000(L)	4.65%
			93,000,000(S)	4.65%
		Person having a security interest in Shares 於股份擁有抵押權益的人士	33,696,000(L)	1.68%

\* 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".
- (3) UBS AG as the stabilizing manager borrowed 93,000,000 Shares from Trump Max to cover over-allocations in connection with the Global Offering (as defined in the Prospectus) and details of which are set out in the Prospectus.

Save as disclosed above, as at 31 March 2010, no person, other than the Director 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

於二零一零年三月三十一日，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：

\* 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) 譚鳴鸞女士被視為為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。
- (3) 瑞士銀行作為穩定價格經辦人向凱卓借入93,000,000股股份以補足全球發售（定義見招股章程）的超額分配，詳情載於招股章程。

除上文所披露者外，於二零一零年三月三十一日，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。

## CONNECTED TRANSACTIONS

Details of the Group's related party transactions for the year ended 31 March 2010 are set out in note 35 to the consolidated financial statements, some of which also constituted connected transactions under Chapter 14A of the Listing Rules, details of which are as follows:

**A. Continuing connected transactions which are exempted from the independent shareholders' approval requirement, reporting and announcement requirements under Rule 14A.33(3) of the Listing Rules**

**(i) Tenancy Agreement**

The Group has leased the premises situated at Flat A, 32nd Floor, Block 2, Parc Palais, 18 Wylie Road, King's Park, Kowloon with a gross floor area of 2,537 sq.ft. since 1 September 2004 for residential use as the Group's staff quarters. On 31 August 2009, Fook Woo Waste Paper Company Limited, a member of the Group, entered into a tenancy agreement with China Gold Industries Limited, which is owned as to approximately 99.99% by Ms. Tam Ming Luen and 0.01% by Mr. Leung Ting Yu, the son of Mr. Leung Kai Kuen, for a term of three years at a monthly rental of HK\$82,000 (exclusive of management fees and government rates).

Details of such transaction were disclosed in the Prospectus under the section headed "Connected Transactions".

**(ii) Provision of services by Fook Woo Waste Paper Company**

On 11 March 2010, the Company entered into a service agreement with Fook Woo Waste Paper Company, a sole proprietorship, pursuant to which Fook Woo Waste Paper Company will provide waste paper management services to the Company at the site of Dai Kwai Street, Tai Po, New Territories at a monthly service fee of HK\$80,000 for a term of three years. Pursuant to the terms of the service agreement, Fook Woo Waste Paper Company agreed to provide such services to the Company exclusively during the

## 關連交易

本集團於截至二零一零年三月三十一日止年度關連交易的詳情載於綜合財務報表附註35，部份該等交易亦根據上市規則第14A章構成關連交易，其詳情如下：

**A. 獲豁免遵守上市規則第14A.33(3)條的獨立股東批准規定、申報及公告規定的持續關連交易**

**(i) 租賃協議**

本集團自二零零四年九月一日起租賃位於九龍京士柏衛理道18號君頤峰第2座32樓A室的物業，總樓面面積為2,537平方呎，作為本集團員工宿舍。二零零九年八月三十一日，本集團成員公司福和廢紙有限公司與中金實業有限公司訂立租賃協議，為期三年，月租為82,000港元（不包括管理費及政府差餉）。譚鳴鸞女士及梁定宇先生（梁契權先生之兒子）分別擁有中金實業有限公司約99.99%及0.01%的權益。

該交易的詳情載於招股章程「關連交易」一節。

**(ii) 福和廢紙公司提供服務**

於二零一零年三月十一日，本公司與獨資經營公司福和廢紙公司訂立服務協議，據此，福和廢紙公司將於新界大埔大貴街場地向本公司提供廢紙管理服務，每月服務費為80,000港元，為期三年。根據服務協議的條款，福和廢紙公司同意於服務協議期間，獨家向本公司提供有關服務。由於執行董事梁達標先

term of the service agreement. Fook Woo Waste Paper Company is wholly-owned by Mr. Leung Tat Piu, an executive Director, and is therefore an associate of Mr. Leung Tat Piu and a connected person of the Company.

Details of such transaction were disclosed in the Prospectus under the section headed “Connected Transactions”.

### **(iii) Provision of services by Lai Wah Shipping Company**

On 11 March 2010, the Company entered into a service agreement with Lai Wah Shipping Company pursuant to which Lai Wah Shipping Company will provide waste loading services to the Company at the site of Berth No. KT-5 of Kwun Tong Pier at a monthly service fee of HK\$82,000 for a term of three years. Pursuant to the terms of the service agreement, Lai Wah Shipping Company agreed to provide such services to the Company exclusively during the term of the service agreement. Lai Wah Shipping Company is wholly-owned by Mr. Leung Kai Kuen, an executive Director and one of the controlling shareholder of the Company, and is therefore an associate of Mr. Leung Kai Kuen and a connected person of the Company.

Details of such transaction were disclosed in the Prospectus under the section headed “Connected Transactions”.

### **(iv) Service Agreements with Relevant Employees**

The Company has entered into service agreements with several employees (the Relevant Employees) who are connected persons of the Company to perform the services as specified in the Prospectus for a term of not more than three years.

Details of such transactions were disclosed in the Prospectus under the section headed “Connected Transactions”.

生全資擁有福和廢紙公司，故福和廢紙公司為梁達標先生的聯繫人及本公司的關連人士。

該交易的詳情載於招股章程「關連交易」一節。

### **(iii) 勵華運輸公司提供服務**

於二零一零年三月十一日，本公司與勵華運輸公司訂立服務協議，據此，勵華運輸公司將於觀塘碼頭第KT-5號泊位向本公司提供廢物裝卸服務，每月服務費為82,000港元，為期三年。根據服務協議的條款，勵華運輸公司同意於服務協議期間，獨家向本公司提供有關服務。由於執行董事及本公司控股股東之一的梁契權先生全資擁有勵華運輸公司，故勵華運輸公司為梁契權先生的聯繫人及本公司的關連人士。

該交易的詳情載於招股章程「關連交易」一節。

### **(iv) 與相關僱員的服務協議**

本公司與多名屬本公司關連人士的僱員（相關僱員）訂立服務協議，以提供招股章程訂明的服務，年期不超過三年。

該等交易的詳情載於招股章程「關連交易」一節。

**B. Continuing connected transaction which is exempted from the independent shareholders' approval requirement, but subject to the reporting and announcement requirements under Rule 14A.34 of the Listing Rules**

The Group has leased the premises situated at 3 Kui Sik Street, Fanling, New Territories (the "Fanling Property") for industrial and ancillary accommodation purposes and as the Group's headquarters in Hong Kong from E&I since 1 April 2009. The Fanling Property has a gross floor area of 4,369 sq.m. On 18 March 2009, Fook Woo Waste Paper Company Limited, a member of the Group, entered into a tenancy agreement with E&I for a term of three years commencing from 1 April 2009 at a monthly rental of HK\$250,000 (exclusive of management fees and government rates). E&I is owned as to 50% by Astoria Group Ltd. ("Astoria") and 50% by Inter-Oriental Investments Ltd. ("Inter-Oriental"), both of which hold the issued shares in E&I on trust for Mr. Leung Ting Yu (in the case of Astoria) and Ms. Leung Hoi Ying (in the case of Inter-Oriental), respectively. As Mr. Leung Ting Yu and Ms. Leung Hoi Ying are the son and the daughter of Mr. Leung Kai Kuen, an executive Director and one of the controlling shareholder of the Company, they are therefore connected persons of the Company.

Details of such transaction were disclosed in the Prospectus under the section headed "Connected Transactions".

The independent non-executive Directors have reviewed the above continuing connected transaction and confirmed that the transaction has been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms; and
- (3) in accordance with the relevant agreement governing such transaction on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

**B. 獲豁免遵守上市規則第14A.34條的獨立股東批准規定但須遵守申報及公告規定的持續關連交易**

本集團自二零零九年四月一日起向益佳租賃位於新界粉嶺居適街3號的物業(「粉嶺物業」)作工業及附屬住宿用途，並作為本公司的香港總部。粉嶺物業的總樓面面積為4,369平方米。二零零九年三月十八日，本集團成員公司福和廢紙有限公司與益佳訂立租賃協議，由二零零九年四月一日起，為期三年，月租為250,000港元(不包括管理費及政府差餉)。Astoria Group Ltd. (「Astoria」)及Inter-Oriental Investments Ltd. (「Inter-Oriental」)各擁有益佳50%的權益，該兩家公司分別為梁定宇先生(就Astoria而言)及梁凱盈女士(就Inter-Oriental而言)以信託方式持有益佳已發行股份。由於梁定宇先生及梁凱盈女士為執行董事及本公司控股股東之一的梁契權先生之子女，故彼等為本公司的關連人士。

該交易的詳情載於招股章程「關連交易」一節。

獨立非執行董事已審閱上述持續關連交易，並確認該等交易：

- (1) 乃於本集團一般及日常業務過程中訂立；
- (2) 按正常商業條款訂立；及
- (3) 按規管交易的有關協議訂立，其條款屬公平合理，且符合本公司股東的整體利益。

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, save as disclosed below, none of the Directors is considered to have interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

On 11 March 2010, each of the controlling shareholders of the Company including City Legend, Trump Max, Mr. Leung Kai Kuen and Ms. Tam Ming Luen (the "Controlling Shareholders"), entered into a deed of non-competition (the "Deed of Non-Competition") with the Company pursuant to which each of the Controlling Shareholders has individually, jointly, unconditionally and irrevocably undertaken and represented to the Company and each member of the Group that, among other things, he/she/it will not and will procure that his/her/its associates will not to engage, directly or indirectly, in businesses which will or may compete with the business carried on or to be carried on by the Group. Details of the Deed of Non-Competition were disclosed in the Prospectus under the section headed "Relationship with Our Controlling Shareholders".

Each of the Controlling Shareholders has provided an annual declaration on his/her/its compliance with the undertakings contained in the Deed of Non-Competition undertaken by them.

The independent non-executive Directors have reviewed and were satisfied that each of the Controlling Shareholders, has complied with the Deed of Non-Competition for the year ended 31 March 2010.

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

### 董事於競爭業務的權益

年內，除下文所述者外，董事概無於與本集團業務構成或可能構成直接或間接競爭的任何業務中擁有權益。

於二零一零年三月十一日，本公司各控股股東（包括滙駿、凱卓、梁契權先生及譚鳴鸞女士）與本公司訂立不競爭契據（「不競爭契據」），據此，各控股股東個別及共同向本公司及本集團每一成員公司無條件及不可撤回地承諾及聲明（其中包括），彼不會並將促使其聯繫人不會直接或間接從事將會或可能會與本公司進行或將進行的業務構成競爭的任何業務。有關不競爭契據的詳情載於招股章程「與控股股東的關係」一節。

各控股股東已就彼遵守不競爭契據所載承諾的情況提供年度聲明。

獨立非執行董事已審閱並信納各控股股東於截至二零一零年三月三十一日止年度已遵守不競爭契據。

### 管理合約

年內，本公司並無就整體業務或任何重要業務之管理或行政工作簽訂或存有任何合約。



## MAJOR SUPPLIERS AND CUSTOMERS

The percentage of purchases for the year attributable to the Group's five largest suppliers is less than 30%.

The percentages of sales for the year attributable to the Group's major customers are as follows:

the largest customers	11%
five largest customers in aggregate	32%

None of the directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in these major customers.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares as at the latest practicable date prior to the issue of this report.

## SUBSEQUENT EVENTS

Details of significant events which have been taken place subsequent to the balance sheet date are set out in note 37 to the consolidated financial statements contained in this report.

## AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming 2010 annual general meeting of the Company.

On behalf of the Board

**Leung Kai Kuen**

*Chairman*

Hong Kong, 22 July 2010

## 主要供應商及客戶

本集團五大供應商所佔年內採購的百分比少於30%。

本集團的主要客戶佔銷售的百分比如下：

最大客戶	11%
五大客戶合計	32%

概無任何董事、其聯繫人或任何股東(根據董事所知，擁有本公司5%或以上的股本)擁有該等主要客戶的權益。

## 公眾持股量的足夠性

根據本公司公開所得的資料以及就董事所知，於本報告發行前最後實際可行日期，董事確認有佔本公司已發行股份超過25%的足夠公眾持股量。

## 結算日後事項

於結算日發生的重大事項的詳情載於本報告綜合財務報表附註37。

## 核數師

財務報表已經羅兵咸永道會計師事務所審核，該核數師已任滿告退，但表示願意於本公司應屆二零一零年股東週年大會上應聘連任。

代表董事會

**梁契權**

*主席*

香港，二零一零年七月二十二日

# Corporate Governance Report

## 企業管治報告

The Board is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31 March 2010.

### CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Company has applied the principles set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Listing Rules since the Listing Date. In the opinion of the Board, the Company has complied with all the code provisions set out in the CG Code throughout the period from the Listing Date to the date of this report with the exception of (i) the code provision A.2.1 of the CG Code which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual; and (ii) the code provision A.5.4 of the CG Code which requires the Board to establish written guidelines for the relevant employees on no less exacting terms than the Model Code. With effect from 8 July 2010, however, the Company has complied with the code provision A.5.4. Key corporate governance principles and practices of the Company as well as details relating to the foregoing deviations are summarized below.

The Company will continue to enhance its corporate governance practices that are appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the increasingly tightened regulatory requirements and to meet the expectations of shareholders and investors.

董事會於本集團截至二零一零年三月三十一日止年度的年報中欣然呈報本企業管治報告。

### 企業管治常規

本集團致力於達致高標準的企業管治，以保障其股東權益及提升其企業價值及問責性。

本公司自上市日期以來，已採用上市規則附錄14所載之企業管治常規守則（「企業管治守則」）訂明的原則。董事會認為，本公司於上市日期至本報告日期期間一直遵守載於企業管治守則的所有守則條文，惟以下守則條文除外：(i) 企業管治守則守則條文第A.2.1條（該條文規定主席與行政總裁的職能須分立且不應由同一人出任）；及(ii) 企業管治守則守則條文第A.5.4條（該條文規定董事會須就有關僱員制訂嚴格程度不低於標準守則的書面指引）。然而，自二零一零年七月八日起，本公司已遵守守則條文第A.5.4條。本公司的主要企業管治原則及常規及有關偏離上述條文的詳情概述如下。

董事會將繼續提升適用於本公司業務進程及發展的企業管治常規，亦會不時審閱其企業管治常規，以確保其遵守日漸收緊的規定及達致股東及投資者日漸提升的期望。

## A. THE BOARD

### A.1 RESPONSIBILITIES AND DELEGATION

The Board, led by the chairman of the Company, is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. The Board has delegated to the senior management the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. All Directors have carried out their duties in good faith, in compliance with applicable laws and regulations and in the interests of the Company and its shareholders at all times.

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

The Board has delegated a schedule of responsibilities to the senior management of the Company. These responsibilities include implementing decisions of the Board, directing and coordinating day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board, formulating and monitoring the operating and production plans and budgets, and supervising and monitoring the control systems.

## A. 董事會

### A.1 責任及職權委託

董事會由本公司主席領導，負責領導及控制本公司及監控本集團的業務、戰略決策及表現。董事會授予高級管理層權力及責任進行本集團的日常管理及經營。此外，董事會已成立董事會委員會並授予該等董事會委員會各項責任，詳情載於其各自之職權範圍。所有董事均真誠地履行職責及遵守適用法律及法規之標準，於任何時候均符合本公司及其股東的利益。

董事會保留本公司所有重要事項的決策權，包括批准及監察所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（特別是涉及利益衝突的交易）、財務資料、委任董事及其他重要財務及營運事宜。

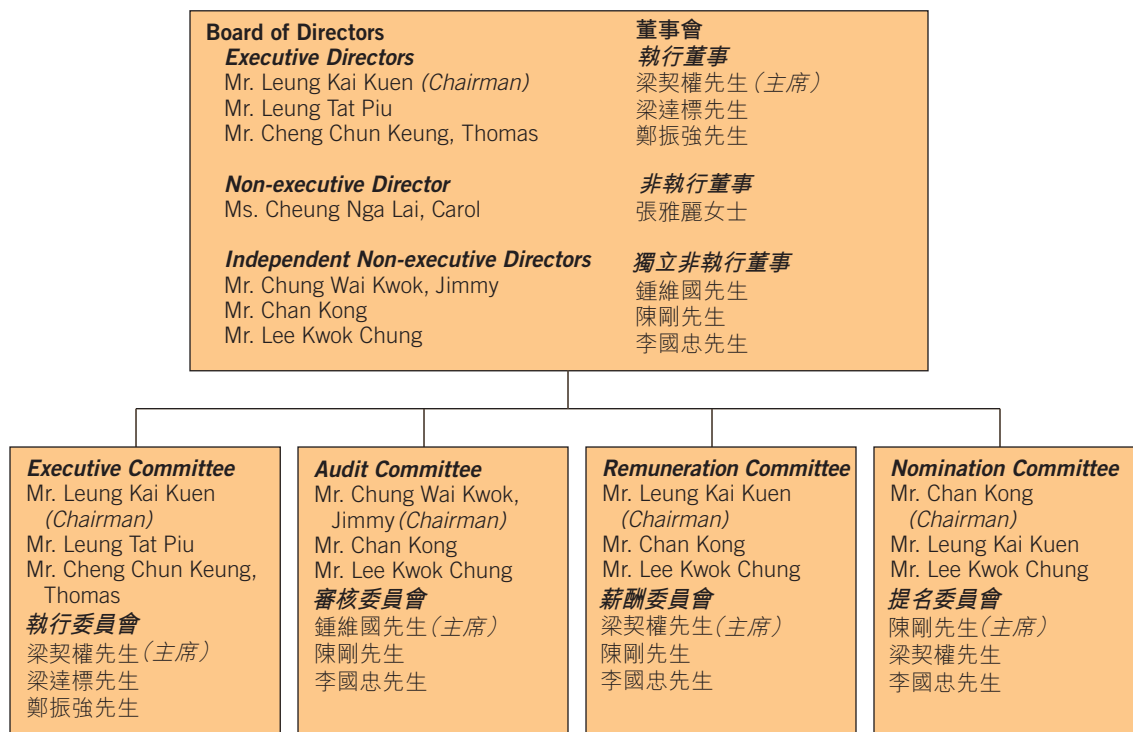
董事會向本公司高級管理人員委以各自特定的職責。該等責任包括執行董事會的決定；根據董事會所批准的管理策略及計劃指示及協調本公司之日常營運和管理；制定及監察營運及生產計劃及預算；以及監督和監察監控系統。

## A.2 BOARD COMPOSITION

The following chart illustrates the structure and membership of the Board and the Board Committees as at the date of this report:

## A.2 董事會組成

下表說明董事會及董事會委員會的架構及成員組成：



Each of the non-executive Director and the independent non-executive Directors possesses different business experience, knowledge and professional background. The Board has at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise. The Board has received a written annual confirmation from each independent non-executive Director of independence pursuant to Rule 3.13 of the Listing Rules and the Board continues to regard each of them as independent up to the date of this report.

各非執行董事及獨立非執行董事擁有不同的業務經驗、知識及專業背景。董事會於所有時候均已遵守上市規則有關委任最少三名獨立非執行董事的規定，其中最少一名擁有合適的專業資格或為會計或相關財務管理專家。董事會已收到各獨立非執行董事根據上市規則第3.13條作出的獨立性年度書面確認，而董事會於截至本報告日期仍視其各人為獨立人士。

The Company has also adopted the recommended best practice under the CG Code for having at least one-third of its Board members being independent non-executive Directors. Independent non-executive Directors have been invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee. Through participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all independent non-executive Directors make various contributions to the effective direction of the Company.

The list of Directors (by category) is set out under the section headed “Corporate Information” in this annual report and is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The biographical details of the directors and the relationships among the members of the Board are disclosed under the section headed “Directors and Senior Management” in this annual report.

## A.3 BOARD MEETINGS

### A.3.1 Board Practices and Conduct of Meeting

Schedules for regular Board meetings are normally agreed with directors in advance to facilitate their attendance. In addition, notice of at least 14 days is given for a regular Board meeting. For other Board meetings, reasonable notice is generally given. Draft agenda of each Board meeting is usually sent to all Directors together with the notice of meeting in order to give them an opportunity to include any other matters in the agenda for discussion in the meeting. Board papers together with the related information are sent to Directors at least 3 days before each Board meeting. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors’ inspection. The company secretary of the Company is responsible for keeping minutes of all Board and committee meetings.

本公司亦已採納企業管治守則下的建議最佳常規，其董事會成員中最少三分之一為獨立非執行董事。獨立非執行董事獲邀加入本公司之審核委員會、薪酬委員會及提名委員會。透過參與董事會會議，率先管理有潛在利益衝突事務及於董事會轄下委員會服務，全體獨立非執行董事對本公司之有效指導均作出多項貢獻。

董事名單（按類別排列）載於本年報「公司資料」一節，有關名單亦不時根據上市規則披露於本公司發出的所有企業通訊中。獨立非執行董事亦已根據上市規則於所有企業通訊中明確識別。

董事的履歷詳情及董事會成員的關係亦已於本年報「董事及高級管理層」一節披露。

## A.3 董事會會議

### A.3.1 董事會會議常規及進程

定期董事會會議的時間表一般都會事先與董事協議以確保其出席。此外，定期董事會會議的通告，會於會議舉行前最少14天向全體董事發出。而其他董事會會議則一般會發出合理通知。每次董事會會議的議程初稿，連同會議通告一般會寄發予所有董事，讓彼等有機會在議程上加入任何其他將在會議上討論之事宜。董事會文件連同所有有關資料會於每次董事會會議舉行前最少3天寄送予董事。會議紀錄初稿一般會於每次會議後一段合理時間內向董事傳閱，而最終本會供董事公開查閱。本公司的公司秘書負責存置所有董事會會議及委員會會議的會議紀錄。

# Corporate Governance Report

## 企業管治報告

The chairman, the company secretary and chief financial officer and other relevant senior management members normally attend regular Board meetings and, where necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Group. The Board and each Director also have separate and independent access to the senior management whenever necessary. Where appropriate, the Directors can obtain independent professional advice at the expense of the Company.

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting. The Articles of Association contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

主席、公司秘書及財務總監及其他相關高級管理層成員一般會出席定期董事會會議，並於有需要時出席其他董事會及委員會會議，以就業務發展、財務及會計事宜、遵守法規事宜、企業管治及本集團其他主要方面提供意見。董事會及各董事亦可於有需要時個別及獨立地聯絡高級管理層。董事亦可在適當情況下尋求獨立專業意見，費用由本公司負責。

根據董事會現行常規，凡有任何重大交易涉及主要股東或董事之利益衝突，將由董事會正式召開會議審議及處理。組織章程細則亦載有條文規定董事就批准有關該等董事或彼等任何聯繫人於當中有重大利益之交易時放棄投票及不計算在會議之法定人數內。



### A.3.2 Directors' Attendance Records at Board Meetings

The Board meets regularly for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved. During the period from the Listing Date to the date of this annual report, the Board held two meetings and the attendance records of each director at these Board meetings are set out below:-

Name of Director	Attendance/ Number of Board Meetings
<i>Executive Directors</i>	
Mr. Leung Kai Kuen	2/2
Mr. Leung Tat Piu	2/2
Mr. Cheng Chun Keung, Thomas	2/2
<i>Non-executive Director</i>	
Ms. Cheung Nga Lai, Carol	2/2
<i>Independent Non-executive Directors</i>	
Mr. Chung Wai Kwok, Jimmy	2/2
Mr. Chan Kong	2/2
Mr. Cheng Yu Hong (Note 1)	0/1
Mr. Lee Kwok Chung (Note 2)	1/1

*Notes:*

- (1) Mr. Cheng Yu Hong resigned as an independent non-executive Director on 21 June 2010. One Board meeting was held from the Listing Date to the date of his resignation.
- (2) Mr. Lee Kwok Chung was appointed as an independent non-executive Director on 21 June 2010. One Board meeting was held after his appointment and up to the date of this annual report.

### A.3.2 董事出席董事會會議的記錄

董事會定期舉行會議，以檢討及批准財務及營運表現，以及審閱及批准本公司整體策略及政策。如有重大事件或重要事項須討論及議決，則會舉行額外會議。於上市日期至本年報日期期間，董事會舉行了兩次會議，各董事的出席情況如下：

董事姓名	出席次數/ 董事會會議數目
<i>執行董事</i>	
梁契權先生	2/2
梁達標先生	2/2
鄭振強先生	2/2
<i>非執行董事</i>	
張雅麗女士	2/2
<i>獨立非執行董事</i>	
鍾維國先生	2/2
陳剛先生	2/2
鄭宇航先生(附註1)	0/1
李國忠先生(附註2)	1/1

*附註：*

- (1) 鄭宇航先生於二零一零年六月二十一日辭任獨立非執行董事。由上市日期至其辭任日期舉行了一次董事會會議。
- (2) 李國忠先生於二零一零年六月二十一日獲委任為本公司獨立非執行董事。自其委任至本年報日期舉行了一次董事會會議。

### A.4 CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 of the CG Code stipulates that the roles of the chairman and the chief executive officer of the Company should be separate and should not be performed by the same individual.

Mr. Leung Kai Kuen is the chairman of the Board and the chief executive officer of the Company. As Mr. Leung is one of the Founders of the Group and has extensive experience in the 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 and business development of the Group.

The Board considers that the current structure of vesting the roles of the chairman and chief executive officer of the Company in the same person will not impair the balance of power and authority between the Board and the management of the Company.

### A.5 APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors, non-executive Director and independent non-executive Directors is engaged for a term of three years commencing from their respective dates of appointment and is subject to retirement by rotation and re-election pursuant to the Articles of Association.

According to the Articles of Association, all Directors are subject to retirement by rotation at least once every three years. Besides, any new Director appointed by the Board to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting and any new Director appointed by the Board as an addition to the Board shall submit himself/herself for re-election by shareholders at the next following annual general meeting.

### A.4 主席及行政總裁

企業管治守則守則條文第A.2.1條規定本公司主席與行政總裁的職能須分立且不應由同一人出任。

梁契權先生為本公司的董事會主席兼行政總裁。由於梁先生為集團創辦人之一，於廢紙管理行業及再做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及業務發展。

董事會認為，現時由同一人擔任本公司主席及行政總裁兩個角色的架構，將不會損害本公司董事會及管理層之間的權力及職權平衡。

### A.5 委任及重選董事

各執行董事、非執行董事及獨立非執行董事的任期均由其各自的委任日期起計為三年，並須根據組織章程細則輪席告退及重選。

根據組織章程細則，所有董事均須最少每三年輪席告退。此外，任何由董事會委任以填補空缺的新任董事，須於首個股東大會上接受股東重選；而作為董事會新增成員的新任董事，須於來屆股東週年大會上接受股東重選。

Pursuant to the aforesaid provisions of the Articles of Association, all Directors shall retire at the forthcoming 2010 annual general meeting of the Company and, being eligible, will offer themselves for re-election at the meeting. The Company's circular, sent together with this annual report, contains detailed information of all retiring Directors pursuant to the Listing Rules.

The procedures and process of appointment, re-election and removal of directors are laid down in the Articles of Association. The Nomination Committee is responsible for reviewing Board composition, developing and formulating procedures for nomination and appointment of directors, and assessing the independence of independent non-executive directors. Details of the Nomination Committee and its work performed are set out in the "Board Committees" section below.

### A.6 INDUCTION AND CONTINUING DEVELOPMENT OF DIRECTORS

All the Directors received an induction on appointment to ensure appropriate understanding of the business and operation of the Group and full awareness of director responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Such induction is normally supplemented with visits to the Group's key business sites and/or meetings with the senior management of the Company.

The existing Directors are updated with legal and regulatory developments and changes in the business and the market to facilitate the discharge of their responsibilities. Continuing briefings and professional development to Directors will be arranged whenever necessary.

根據上述條文及組織章程細則，全體董事均須於本公司即將舉行的二零一零年股東週年大會上告退，並合資格及願意於大會上膺選連任。一份本公司通函將會連同本年報一併刊發，當中根據上市規則載有所有退任董事的詳細資料。

委任、重選及罷免董事之手續及程序已載於章程細則內。提名委員會負責檢討董事會組成、發展及制定董事提名及委任程序，以及評估獨立非執行董事的獨立性。提名委員會的詳情及其工作表現載於下文「董事會委員會」一節。

### A.6 董事就任介紹及持續發展

全體董事均會接受就職介紹，確保其對本集團業務及營運有適當瞭解，且充份明白其於上市規則及有關監管規定項下的職責及責任。有關就職介紹一般以參觀本集團的主要營業地點及／或與本公司高級管理層會面作補充。

現任董事會獲告知法律及監管發展，以及業務及市場變動的最新情況，以便履行其責任，並會於有需要時，為董事安排持續簡介及專業發展。

### A.7 MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct governing the Directors' dealings in the Company's securities. Specific enquiry has been made of all the Directors and all of them have confirmed that they have complied with the required standards set out in the Model Code throughout the period from the Listing Date to the date of this annual report.

Code provision A.5.4 of the CG Code requires the Board to establish written guidelines on no less exacting terms than the Model Code for relevant employees, who are likely to be in possession of unpublished price-sensitive information in relation to the Company and its securities, in respect of their dealings in the securities of the Company. To conform with this code provision, the Company has adopted such written guidelines for the Company's relevant employees on 8 July 2010.

### B. BOARD COMMITTEES

The Board has established four Board committees, namely, the Executive Committee, the Remuneration Committee, the Audit Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference, which are available to shareholders upon request. All Board committees report to the Board on their decisions or recommendations made.

The practices, procedures and arrangements in conducting meetings of Board committees follow in line with, so far as practicable, those of the Board meetings set out in section A.3.1 above.

All Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

### A.7 董事進行證券交易的標準守則

本公司已採納標準守則，作為規管董事買賣本公司證券之行為守則。本公司已向全體董事作出特定查詢，而彼等已確認由上市日期起至本報告日期期間一直遵守標準守則所載的規定標準。

守則條文第A.5.4條規定董事會須就相關僱員(彼有可能掌握本公司及其證券未公佈的股價敏感資料)買賣本公司證券制訂嚴格程度不低於標準守則的書面指引。為遵守此守則條文，本公司已於二零一零年七月八日就本公司相關僱員採納有關書面指引。

### B. 董事會委員會

董事會已成立四個董事會委員會，即執行委員會、薪酬委員會、審核委員會及提名委員會，以監察本公司特定範疇的事務。所有董事會委員會均具有明文的職權範圍，可應要求提供予股東查閱。所有董事會委員會均向董事會匯報其決定或推薦意見。

董事會委員會進行會議之慣例、程序及安排，在可行範圍內盡量與上文A.3.1節所述之董事會會議相同。

所有董事會委員會均獲提供充裕資源以履行其職責，並可合理要求在適當情況下諮詢獨立專業意見，費用由本公司承擔。

## B.1 EXECUTIVE COMMITTEE

The Executive Committee comprises all the executive Directors with the chairman of the Board, Mr. Leung Kai Kuen, acting as the chairman of such Committee. The Executive Committee operates as a general management committee under the direct authority of the Board to increase the efficiency for the business decision. It monitors the execution of the Company's strategic plans and operations of all business units of the Group and discusses and makes decisions on matters relating to the management and day-to-day operations of the Group.

## B.2 REMUNERATION COMMITTEE

The Remuneration Committee comprises three members, namely, Mr. Leung Kai Kuen, Mr. Chan Kong and Mr. Lee Kwok Chung, the latter two being independent non-executive Directors. Mr. Leung Kai Kuen is the chairman of the Remuneration Committee.

The principal duties of the Remuneration Committee are to (i) make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) make recommendations on the remuneration packages of executive directors and senior management; and (iii) review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration.

Details of the remuneration of each Director for the year ended 31 March 2010 are set out in note 15 to the financial statements contained in this annual report.

## B.1 執行委員會

執行委員會由全體執行董事組成，由董事會主席梁契權先生出任該委員會主席。執行委員會以董事會轄下直接授權的整體管理委員會形式運作，以提高業務決策之效率。執行委員會監管本公司策略性計劃之執行及本集團所有業務單位之營運，並就有關本集團管理及日常營運之事宜進行討論及決策。

## B.2 薪酬委員會

薪酬委員會由三名成員組成，即梁契權先生、陳剛先生及李國忠先生，其中陳剛先生及李國忠先生為獨立非執行董事。梁契權先生為薪酬委員會的主席。

薪酬委員會的主要職務為(i)向董事會提供以下範疇的建議：本公司董事及高級管理層所有薪酬的政策及架構，及為發展該等薪酬政策而確立正式及具透明度的程序；(ii)就執行董事及高級管理層的薪酬方案提供建議；及(iii)參考董事會不時決議的公司目的及目標，檢討及批准以表現為本的薪酬。

人力資源部負責收集及管理人力資源數據，並向薪酬委員會提出建議以供考慮。

截至二零一零年三月三十一日止年度的各董事薪酬詳情，載於本年報所載財務報表附註15。

A meeting of the Remuneration Committee was held on 8 July 2010 with the presence of Mr. Leung Kai Kuen, Mr. Chan Kong and Mr. Lee Kwok Chung. Up to the date of this annual report, the Remuneration Committee has performed the following major tasks:

- Made recommendations on the remuneration package of Mr. Lee Kwok Chung who was appointed as an independent non-executive Director; and
- Reviewed remuneration packages of Directors and senior management of the Company.

### B.3 AUDIT COMMITTEE

The Audit Committee comprises three members, namely, Mr. Chung Wai Kwok, Jimmy, Mr. Chan Kong and Mr. Lee Kwok Chung, all of them are independent non-executive Directors. Mr. Chung Wai Kwok, Jimmy is the chairman of the Audit Committee and he possesses relevant accounting and financial management expertise. Mr. Chung was a former partner of PricewaterhouseCoopers until he retired in June 2005. Apart from the aforesaid, none of the other members of the Audit Committee is a former partner of the Company's existing external auditor.

The principal duties of the Audit Committee are to (i) review the financial statements and reports and consider any significant or unusual items raised by the staff responsible for the accounting and financial reporting function or external auditor before submission to the Board; (ii) review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor; and (iii) review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

薪酬委員會於二零一零年七月八日舉行了會議，出席者包括梁契權先生、陳剛先生及李國忠先生。截至本報告日期，薪酬委員會已進行了下列主要工作：

- 就獲委任為獨立非執行董事的李國忠先生的薪酬及薪酬組合作出建議；及
- 審閱本公司董事及高級管理層的薪酬組合。

### B.3 審核委員會

審核委員會合共由三名成員組成，即鍾維國先生、陳剛先生及李國忠先生，彼等均為獨立非執行董事。鍾維國先生為審核委員會主席，彼具備相關會計及財務管理專業知識。於二零零五年六月退休前，鍾維國先生為羅兵咸永道會計師事務所的前任合夥人。除上文所述者外，審核委員會成員概非本公司現時外部核數師的前任合夥人。

審核委員會的主要職務為(i)於提交董事會前審閱財務報表及報告，以及考慮任何負責會計及財務申報職能的員工或外部核數師提出的重大或不尋常項目；(ii)經參考核數師進行之工作、其費用及聘用條款後，檢討與外部核數師之關係，並就委任、續聘及罷免外部核數師向董事會提出推薦意見；及(iii)檢討本公司財務申報制度、內部監控制度及風險管理制度與相關程序是否充足及有效。

The Audit Committee held a meeting on 7 July 2010 with the presence of Mr. Chung Wai Kwok, Jimmy, Mr. Chan Kong and Mr. Lee Kwok Chung together with the Company's external auditor and the senior management and performed the following major tasks:

- Reviewed the scope of audit work, auditor's fees and terms of engagement for the year ended 31 March 2010; and
- Reviewed and discussed the financial statements, results announcement and report for the year ended 31 March 2010, the related accounting principles and practices adopted by the Group and the relevant audit findings.

### B.4 NOMINATION COMMITTEE

Pursuant to the recommended best practice of the CG Code, the Company has established the Nomination Committee. The Nomination Committee comprises three members, namely, Mr. Chan Kong, Mr. Leung Kai Kuen and Mr. Lee Kwok Chung, the majority of which are independent non-executive Directors. Mr. Chan Kong is the chairman of the Nomination Committee.

The principal duties of the Nomination Committee are to (i) review the Board composition; (ii) develop and formulate relevant procedures for the nomination and appointment of directors; (iii) identify qualified individuals to become members of the Board; (iv) monitor the appointment and succession planning of directors; and (iv) assess the independence of independent non-executive Directors.

審核委員會於二零一零年七月七日舉行了會議，出席者包括鍾維國先生、陳剛先生及李國忠先生，以及本公司外部核數師及高級管理層，並處理了下列主要工作：

- 檢討截至二零一零年三月三十一日止年度的審核工作範圍、核數師費用及聘用條款；及
- 審核及討論截至二零一零年三月三十一日止年度財務報表、業績公佈及報告、本集團採納的相關會計原則及規例，以及相關審核結果。

### B.4 提名委員會

根據企業管治守則的建議最佳常規，本公司已成立提名委員會。提名委員會由三名成員組成，即陳剛先生、梁契權先生及李國忠先生，其大多數成員為獨立非執行董事。陳剛先生為提名委員會主席。

提名委員會的主要職務為(i)檢討董事會的組成；(ii)發展及制定有關董事提名及委任的程序；(iii)物色合資格人士擔任董事會成員；(iv)監察董事的委任及接任計劃；及(iv)評核獨立非執行董事的獨立性。



A meeting of the Nomination Committee was held on 8 July 2010 with the presence of Mr. Chan Kong, Mr. Leung Kai Kuen and Mr. Lee Kwok Chung. Up to the date of this annual report, the Nomination Committee has performed the following major tasks:

- Made recommendation on the appointment of Mr. Lee Kwok Chung as an independent non-executive Director;
- Reviewed and discussed the existing structure, size and composition of the Board to ensure that it has a balance of expertise, skill and experience appropriate to the requirements for the business of the Group;
- Assessed the independence of the existing independent non-executive Directors; and
- Made recommendation on the re-appointment of all the existing Directors who shall retire at the forthcoming 2010 annual general meeting of the Company pursuant to the Articles of Association.

### C. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and that relevant statutory and regulatory requirements and applicable accounting standards are complied with. The Board has received from the senior management the management accounts and such accompanying explanation and information as are necessary to enable the Board to make an informed assessment for approving the financial statements.

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the year ended 31 March 2010.

提名委員會於二零一零年七月八日舉行了會議，出席者包括陳剛先生、梁契權先生及李國忠先生。截至本報告日期，提名委員會已處理了下列主要工作：

- 就委任李國忠先生為獨立非執行董事作出建議；
- 檢討及討論董事會的現有架構、規模及組成，以確保其於適用於本集團業務規定的專家、技術及經驗方面取得平衡；
- 評估現有獨立非執行董事的獨立性；及
- 就根據章程細則重新委任所有將於本公司即將舉行的二零一零年股東週年大會上退任的現任董事作出建議。

### C. 董事就財務報表的財務報告責任

董事負責監督本公司財務報表的編製，以確保該等財務報表能夠真實和公平地反映本集團的狀況，以及確保其根據相關法規及適用會計準則編製。董事會已收到高級管理層提供的管理賬目和所需的附隨解釋及資料，以便就批准財務報表作出知情評審。

董事確認其編製截至二零一零年三月三十一日止年度本公司財務報表的責任。

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

## D. INTERNAL CONTROLS

The Board acknowledges its responsibility for maintaining an effective internal control system to safeguard shareholder investments and the Group's assets and for reviewing the effectiveness of such system on an annual basis. The senior management reviews and evaluates the control process, monitors any risk factors on a regular basis and reports to the Audit Committee on any findings and measures to address the variances and identified risks.

During the year under review, the Board conducted a review of the effectiveness of the internal control system of the Company including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

## E. EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the auditor of the Company about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 52 to 53.

For the year ended 31 March 2010, the remuneration paid and payable to PricewaterhouseCoopers, the Company's external auditor, for audit services to the Group in relation to the Global Offering and annual audit amounted to HK\$21.6 million and HK\$1.7 million respectively; and for non-audit services, comprising professional services for internal control review and tax services, amounted to HK\$1.4 million.

概無任何可對本公司持續經營能力構成重大疑慮的事件或情況方面的任何重大不明朗因素。

## D. 內部監控

董事會確認其維持充足的內部監控制度，以保障股東投資及本集團資產的責任，並會每年檢討有關制度的效用。高級管理層檢討及評估監控過程，定期監察任何風險因素，並向審核委員會匯報任何發現及處理差異性及已識別風險的措施。

於回顧年內，董事會已檢討本集團內部監控制度的效能，包括資源的足夠性、本公司負責會計及財務申報職能的員工的資歷及經驗，以及彼等的培訓計劃及預算。

## E. 外部核數師及核數師薪酬

本公司核數師對其就本集團財務報表報告責任的聲明載於第52頁至53頁的獨立核數師報告。

截至二零一零年三月三十一日止年度，就本公司外部核數師羅兵咸永道會計師事務所就全球發售及年度審核向本集團提供的審核服務，已向其支付及應付的酬金分別為21,600,000港元及1,700,000港元，而就非審核服務（包括內部監控審閱及稅務服務的專業服務），已向其支付及應付的酬金為1,400,000港元。

## F. RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

The Company has received, from each of the Controlling Shareholders, an annual declaration on his/her/its compliance with the undertakings contained in the Deed of Non-Competition entered into by each of them in favour of the Company pursuant to which each of the Controlling Shareholders has individually, jointly, unconditionally and irrevocably undertaken and represented to the Company and each member of the Group that, among other things, he/she/it will not and will procure that his/her/its associates will not to engage, directly or indirectly, in businesses which will or may compete with the business carried on or to be carried on by the Group. Details of the Deed of Non-Competition were disclosed in the Prospectus under the section headed “Relationship with Our Controlling Shareholders”.

The independent non-executive Directors have reviewed and were satisfied that each of the Controlling Shareholders, has complied with the Deed of Non-Competition for the year ended 31 March 2010.

## G. COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Board believes that effective communication with shareholders is essential for enhancing investor relations and investor’s understanding of the Group’s business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The Company maintains a website at “www.fookwoo.com” as a communication platform for shareholders and investors, where information and updates on the Group’s business developments and operations, financial information and other information are available for public access. Shareholders and investors may write directly to the Company’s principal place of business in Hong Kong for any inquiries.

## F. 與控股股東的關係

本公司已收到各控股股東就彼遵守不競爭契據所載承諾的情況提供的年度聲明，不競爭契據由各控股股東以本公司為受益人而訂立，據此，各控股股東個別及共同向本公司及本集團每一成員公司無條件及不可撤回地承諾及聲明(其中包括))，彼不會並將促使使其聯繫人不會直接或間接從事將會或可能會與本公司進行或將進行的業務構成競爭的任何業務。有關不競爭契據的詳情載於招股章程「與控股股東的關係」一節。

獨立非執行董事已審閱並信納各控股股東於截至二零一零年三月三十一日止年度已遵守不競爭契據。

## G. 與股東及投資者溝通

本公司相信，與股東有效溝通是加強投資者關係及加深投資者對本集團業務表現及策略的瞭解的關鍵。本公司亦認同保持透明度與及時披露公司資料的重要性，其可讓股東及投資者作出最佳的投資決策。

本公司設有網站「www.fookwoo.com」作為股東及投資者的溝通平台，其登載有關本集團業務發展及營運的資料及更新、財務資料及其他資料供公眾查閱。股東及投資者可直接致函本公司的香港主要營業地點查詢。

The Board considers that general meetings of the Company provide an important channel for shareholders to exchange views with the Board. The chairman of the Board as well as the chairmen and/or other members of the Board Committees will endeavor to be available to answer questions raised by the shareholders.

The Company continues to enhance communication and relationship with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them informed of the Group's developments.

## H. SHAREHOLDER RIGHTS

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at shareholder meetings, including the election of individual Directors.

All resolutions put forward at shareholder meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholder meeting.

董事會認為，本公司股東大會為股東與董事會交換意見的重要途徑。董事會主席及其他董事會委員會主席及／或成員將盡可能回答股東的提問。

本公司不斷加強與投資者的溝通及關係。指定的高級管理層定期與機構投資者及分析員進行對話，讓彼等瞭解本集團的發展情況。

## H. 股東權利

為保障股東的利益及權利，本公司會就各重大獨立事項(包括個別董事的選任)於股東大會提呈獨立決議案。

根據上市規則，所有於股東大會上提呈的決議案均須以投票方式表決，投票結果將於各股東大會舉行後在本公司及聯交所網站上刊登。

# Independent Auditor's Report

## 獨立核數師報告

### TO THE SHAREHOLDERS OF FOOK WOO GROUP HOLDINGS LIMITED

*(incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of Fook Woo Group Holdings Limited (“the Company”) and its subsidiaries (together, the “Group”) set out on pages 54 to 151, which comprise the consolidated and Company balance sheets as of 31 March 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

### 致福和集團控股有限公司股東

*(於開曼群島註冊成立的有限公司)*

本核數師已審核列載於第54至151頁福和集團控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，包括於二零一零年三月三十一日的綜合及本公司資產負債表，與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他解釋附註。

### 董事就財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及按照香港《公司條例》的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況作出合理的會計估計。

### 核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，我們按照國際審計準則進行審核。該等準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

# Independent Auditor's Report

## 獨立核數師報告

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 March 2010, and of the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

### OTHER MATTERS

This report, including the opinion, has been prepared for and only for you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 22 July 2010

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

我們相信，我們已獲得充足的審核憑證以適當地為我們的審核意見提供基礎。

### 意見

我們認為，該等綜合財務報表已根據國際財務報告準則真實而公平地反映 貴公司及 貴集團於二零一零年三月三十一日的財務狀況及 貴集團截至該日止年度的財務表現及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

### 其他事項

本報告(包括意見)僅為整體股東編製，除此之外本報告別無其他目的。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。

**羅兵咸永道會計師事務所**  
*執業會計師*

香港，二零一零年七月二十二日

# Consolidated Balance Sheet

## 綜合資產負債表

As at 31 March 2010  
於二零一零年三月三十一日

		As at 31 March 於三月三十一日	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
		Notes 附註	
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	16	1,032,993
Land use rights	土地使用權	17	40,835
Prepayments	預付賬款	21	66,554
Deferred income tax assets	遞延所得稅資產	18	258
			<hr/>
Total non-current assets	總非流動資產		1,140,640
			<hr style="border-top: 1px dashed black;"/>
<b>Current assets</b>	<b>流動資產</b>		
Inventories	存貨	19	62,438
Trade and bills receivables	應收貿易賬款及應收票據	20	350,324
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	21	59,879
Amounts due from related companies	應收有關連公司款項	35(b)	705
Amount due from a shareholder	應收一名股東款項	35(b)	14,110
Tax recoverable	可收回稅項		488
Cash and cash equivalents	現金及現金等價物	22	1,079,216
Restricted bank deposits	受限制銀行存款	22	9,294
			<hr/>
Total current assets	總流動資產		1,576,454
			<hr style="border-top: 1px dashed black;"/>
<b>Total assets</b>	<b>總資產</b>		2,717,094
			<hr/>
<b>EQUITY</b>	<b>權益</b>		
<b>Capital and reserves attributable to equity holders of the Company</b>	<b>本公司權益持有人應佔資本及儲備</b>		
Share capital	股本	26	200,000
Share premium	股份溢價		1,923,706
Capital reserve	資本儲備	27	(964,044)
Other reserves	其他儲備	27	1,036,150
			<hr/>
<b>Total equity</b>	<b>總權益</b>		2,195,812
			<hr style="border-top: 1px dashed black;"/>

continued 續/...



# Consolidated Balance Sheet

## 綜合資產負債表

As at 31 March 2010  
於二零一零年三月三十一日

		As at 31 March 於三月三十一日	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	Notes 附註		
<b>LIABILITIES</b>	<b>負債</b>		
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Long-term borrowings	長期借貸	23	125,332
Deferred income tax liabilities	遞延所得稅負債	18	360
Total non-current liabilities	總非流動負債		125,692
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	應付貿易賬款及其他應付款	25	223,130
Short-term bank borrowings	短期銀行借貸	24	108,905
Current portion of long-term borrowings	長期借款的即期部分	23	45,395
Amounts due to related companies	應付有關連公司款項	35(b)	27
Amount due to a Director	應付一名董事款項	35(b)	-
Current income tax liabilities	即期所得稅負債		18,133
Total current liabilities	總流動負債		395,590
<b>Total liabilities</b>	<b>總負債</b>		521,282
<b>Total equity and liabilities</b>	<b>總權益及負債</b>		2,717,094
<b>Net current assets</b>	<b>流動資產淨額</b>		1,180,864
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		2,321,504

On behalf of the Board

代表董事會

**Mr. Leung Kai Kuen**  
梁契權先生  
Chairman  
主席

**Mr. Leung Tat Piu**  
梁達標先生  
Director  
董事

The notes on pages 62 to 151 are an integral part of these consolidated financial statements.

載於第62頁至151頁的附註乃構成本綜合財務報表的一部分。

# Balance Sheet

## 資產負債表

As at 31 March 2010  
於二零一零年三月三十一日

		Notes 附註	As at 31 March 2010 於二零一零年 三月三十一日 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Interests in subsidiaries	附屬公司權益	28	<b>1,199,366</b>
<b>Current assets</b>	<b>流動資產</b>		
Amount due from a shareholder	應收一名股東款項	35(b)	<b>14,110</b>
Other receivable	其他應收款項		<b>390</b>
Cash and cash equivalents	現金及現金等價物	22	<b>964,585</b>
Total current assets	總流動資產		<b>979,085</b>
<b>Total assets</b>	<b>總資產</b>		<b>2,178,451</b>
<b>EQUITY</b>	<b>權益</b>		
<b>Capital and reserves attributable to equity owners of the Company</b>	<b>本公司權益持有人應佔資本及儲備</b>		
Share capital	股本	26	<b>200,000</b>
Share premium	股份溢價	27	<b>1,923,706</b>
Accumulated losses	累計虧損	27	<b>(9,014)</b>
<b>Total equity</b>	<b>總權益</b>		<b>2,114,692</b>
<b>LIABILITIES</b>	<b>負債</b>		
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables	其他應付款項		<b>61,936</b>
Amounts due to subsidiaries	應付附屬公司款項	28	<b>1,823</b>
Total current liabilities	總流動負債		<b>63,759</b>
<b>Total liabilities</b>	<b>總負債</b>		<b>63,759</b>
<b>Total equity and liabilities</b>	<b>總權益及負債</b>		<b>2,178,451</b>
<b>Net current assets</b>	<b>流動資產淨額</b>		<b>915,326</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>2,114,692</b>

On behalf of the Board

代表董事會

**Mr. Leung Kai Kuen**  
梁契權先生  
Chairman  
主席

**Mr. Leung Tat Piu**  
梁達標先生  
Director  
董事

The notes on pages 62 to 151 are an integral part of these consolidated financial statements.

載於第62頁至151頁的附註乃構成本綜合財務報表的一部分。

# Consolidated Income Statement

## 綜合損益表

For the year ended 31 March 2010  
截至二零一零年三月三十一日止年度

		Year ended 31 March		
		截至三月三十一日止年度		
		2010	2009	
		二零一零年	二零零九年	
		HK\$'000	HK\$'000	
		千港元	千港元	
		Notes		
		附註		
Revenue	收益	5	1,422,556	1,098,549
Cost of sales	銷售成本	8	(909,549)	(715,462)
Gross profit	毛利		513,007	383,087
Other income	其他收入	6	3,716	3,324
Other loss, net	其他虧損淨額	7	(4,044)	(10,132)
Administrative expenses	行政開支	8	(119,197)	(116,199)
Selling expenses	銷售開支	8	(43,743)	(50,564)
Operating profit	經營利潤		349,739	209,516
Finance income	融資收入	9	1,147	1,927
Finance costs	融資成本	9	(13,102)	(11,116)
Profit before income tax	除所得稅前利潤		337,784	200,327
Income tax expense	所得稅開支	10	(46,445)	(27,737)
Profit for the year attributable to equity holders of the Company	本公司權益持有人應佔年度利潤		291,339	172,590
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	13	HK\$0.19 港元	HK\$0.12 港元
Dividends	股息	12	—	—

The notes on pages 62 to 151 are an integral part of these consolidated financial statements.

載於第62頁至151頁的附註乃構成本綜合財務報表的一部分。

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

For the year ended 31 March 2010  
截至二零一零年三月三十一日止年度

		Year ended 31 March 截至三月三十一日止年度	
		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 year	年度利潤	291,339	172,590
Other comprehensive income:	其他全面收益：		
Exchange translation differences	滙兌差額	8,893	4,978
Total other comprehensive income for the year, net of tax	經扣除稅項後的年度 其他全面總收益	8,893	4,978
Total comprehensive income for the year attributable to equity holders of the Company	本公司權益持有人 應佔年度全面 總收益	300,232	177,568

The notes on pages 62 to 151 are an integral part of these consolidated financial statements.

載於第62頁至151頁的附註乃構成本綜合財務報表的一部分。

# Consolidated Statement of Changes in Equity

## 綜合權益變動結算表

For the year ended 31 March 2010  
截至二零一零年三月三十一日止年度

		Share capital 股本 (Note 26) (附註26) HK\$'000 千港元	Share premium 股份溢價 (Note 27) (附註27) HK\$'000 千港元	Capital reserve 資本儲備 (Note 27) (附註27) HK\$'000 千港元	Statutory reserve 法定儲備 (Note 27) (附註27) HK\$'000 千港元	Exchange reserve 滙兌儲備 (Note 27) (附註27) HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Balance as at 1 April 2008</b>	於二零零八年四月一日的結餘	-	-	2,510	43,323	56,592	458,435	560,860
Profit for the year	年度利潤	-	-	-	-	-	172,590	172,590
Other comprehensive income:	其他全面收益：							
Currency translation differences	貨幣滙兌差額	-	-	-	-	4,978	-	4,978
<b>Total comprehensive income for the year ended 31 March 2009</b>	截至二零零九年三月 三十一日止年度全面 總收益	-	-	-	-	4,978	172,590	177,568
Costs incurred for proposed issuance of new shares	建議發行新股份招致 的成本	-	-	(4,784)	-	-	-	(4,784)
Transfer to statutory reserve	撥入法定儲備	-	-	-	6,677	-	(6,677)	-
<b>Balance as at 31 March 2009</b>	於二零零九年三月三十一日 的結餘	-	-	(2,274)	50,000	61,570	624,348	733,644

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# Consolidated Statement of Changes in Equity

## 綜合權益變動結算表

For the year ended 31 March 2010  
截至二零一零年三月三十一日止年度

		Share capital 股本 (Note 26) (附註26) HK\$'000 千港元	Share premium 股份溢價 (Note 27) (附註27) HK\$'000 千港元	Capital reserve 資本儲備 (Note 27) (附註27) HK\$'000 千港元	Statutory reserve 法定儲備 (Note 27) (附註27) HK\$'000 千港元	Exchange reserve 滙兌儲備 (Note 27) (附註27) 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 at 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 year	年度利潤	-	-	-	-	-	291,339	291,339
Other comprehensive income:	其他全面收益：							
Currency translation differences	貨幣滙兌差額	-	-	-	-	8,893	-	8,893
Total comprehensive income for the year ended 31 March 2010	截至二零一零年三月三十一日止年度全面總收益	-	-	-	-	8,893	291,339	300,232
Allotment of shares pursuant to the Reorganisation (Notes 1.1(g) and 26(b)(i))	根據重組配發股份 (附註1.1(g) 及26(b)(i))	1	967,943	-	-	-	-	967,944
Allotment of shares for settlement of shareholder's loan (Notes 1.1(f) and 26(b)(ii))	配發股份以清償股東貸款 (附註1.1(f) 及26(b)(ii))	-	100,000	-	-	-	-	100,000
Shares issued pursuant to the Global Offering (Notes 1 and 26(b)(iii))	根據全球發售已發行股份 (附註1及26(b)(iii))	50,000	1,100,000	-	-	-	-	1,150,000
Shares issued under the capitalisation issue (Notes 26(b)(iv))	資本化發行項下已發行股份 (附註26(b)(iv))	149,999	(149,999)	-	-	-	-	-
Share issuance costs incurred in prior year	往年度招致的股份發行成本	-	(4,784)	4,784	-	-	-	-
Share issuance costs incurred in current year	本年度招致的股份發行成本	-	(89,454)	-	-	-	-	(89,454)
Capital reserve arising from Reorganisation (Note 27(ii))	重組產生的資本儲備 (附註27(ii))	-	-	(966,554)	-	-	-	(966,554)
Balance as at 31 March 2010	於二零一零年三月三十一日的結餘	200,000	1,923,706	(964,044)	50,000	70,463	915,687	2,195,812

The notes on pages 62 to 151 are an integral part of these consolidated financial statements.

載於第62頁至151頁的附註乃構成本綜合財務報表的一部分。

# Consolidated Cash Flow Statements

## 綜合現金流量表

For the year ended 31 March 2010  
截至二零一零年三月三十一日止年度

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	Notes 附註		
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	29	340,964
Interest paid	已付利息		(779)
Income tax paid	已付所得稅		(36,892)
Income tax refunded	退回所得稅		13
Net cash generated from operating activities	經營活動所產生的現金淨額		303,306
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		2,139
Purchase of property, plant and equipment	收購物業、廠房及設備		(312,303)
Purchase of land use rights	購買土地使用權		(20,635)
Prepayments for purchase of property, plant and equipment	收購物業、廠房及設備預付款項		(89,747)
Interest received	已收利息		183
Net cash used in investing activities	投資活動所用現金淨額		(420,363)
Cash flows from financing activities	來自融資活動的現金流量		
Proceeds from new bank borrowings	銀行借貸所得款項		151,815
Repayments of bank borrowings	償還銀行借貸		(97,273)
Interest paid on bank borrowings	已付銀行借貸利息		(11,360)
Proceeds from issuance of ordinary shares pursuant to the Global Offering	根據全球發售發行普通股所得款項		1,150,000
Payments for share issuance costs	支付股份發行成本		(49,446)
Increase in restricted bank deposits	受限制銀行存款增加		(9,294)
Net cash generated from financing activities	融資活動所產生的現金淨額		1,134,442
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額		1,017,385
Cash and cash equivalents, net of bank overdrafts at the beginning of the year	年初扣除銀行透支後的現金及現金等價物		50,348
Exchange difference on cash and cash equivalents	現金及現金等價物的滙兌差額		252
Cash and cash equivalents, net of bank overdrafts at the end of the year	年末扣除銀行透支後的現金及現金等價物	22	1,067,985

The notes on pages 62 to 151 are an integral part of these consolidated financial statements.

載於第62頁至151頁的附註乃構成本綜合財務報表的一部分。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 1 GENERAL INFORMATION AND GROUP REORGANISATION

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.

On 19 March 2010, the Company issued a prospectus (the “Prospectus”) and launched a global offering of 620,000,000 ordinary shares, comprising 500,000,000 new shares issued by the Company and 120,000,000 shares offered by one of the Founders (as defined in Note 1.1 below) (“the Global Offering”), at an offer price of HK\$2.30 per share (the “Offer Price”). On 1 April 2010, the over-allotment option as detailed in the Prospectus was fully exercised and the Company was required to allot and issue an aggregate of 93,000,000 additional shares at the Offer Price. Gross proceeds received by the Company from the Global Offering (including proceeds from the exercise of the over-allotment option) amounted to HK\$1.36 billion in aggregate, of which HK\$1.15 billion was received by the Company on 31 March 2010 and HK\$213.9 million was received by the Company on 9 April 2010.

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.

These consolidated financial statements are presented in thousands of units of HK dollars (HK\$'000), unless otherwise stated.

### 1 一般資料及集團重組

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。

於二零一零年三月十九日，本公司刊發招股章程(「招股章程」)，以每股2.30港元之發售價(「發售價」)全球發售620,000,000股普通股股份，包括500,000,000股由本公司發行之新股份及120,000,000股由其中一名創辦人(定義見以下附註1.1)發售之股份(「全球發售」)。於二零一零年四月一日，招股章程內詳述之超額配股權獲悉數行使，要求本公司以發售價配發及發行總共93,000,000股額外股份。本公司收取來自全球發售款項總額(包括來自行使超額配股權的所得款項)為1,360,000,000港元，其中本公司於二零一零年三月三十一日收取1,150,000,000港元，於二零一零年四月九日收取213,900,000港元。

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，本綜合財務報表以千港元為計算單位。

## 1 GENERAL INFORMATION AND GROUP REORGANISATION (Continued)

### 1.1 Reorganisation

Mr. Leung Kai Kuen and Ms. Tam Ming Luen (hereinafter collectively referred to as the “Founders”) established various companies in Hong Kong and the People’s Republic of China (“PRC”) principally engaging in the trading and manufacturing of tissue paper products and recycled greyboard, trading of recovered paper and provision of confidential materials destruction services. In preparation for the listing on the Stock Exchange, the Company underwent a reorganisation (the “Reorganisation”) to acquire all the subsidiaries carrying on the business of trading and manufacturing of tissue paper products and recycled greyboard, trading of recovered paper and provision of confidential materials destruction services (the “Core Business Entities”) from the Founders and to dispose of certain companies which are inactive or carry on other businesses (the “Non-core Business Entities”). The Reorganisation principally involved:

- (a) the incorporation of Fook Woo International Limited (“FW Int”), a limited liability company incorporated in the British Virgin Islands (the “BVI”) on 16 March 2007, by the Founders;
- (b) the incorporation of various intermediate holding companies in the BVI (the “BVI Intermediate Holding Companies”) by FW Int on 23 March 2009, which are established to act as the immediate holding companies of the Core Business Entities;

## 1 一般資料及集團重組(續)

### 1.1 重組

梁契權先生及譚鳴鸞女士(以下統稱「創辦人」)在香港及中華人民共和國(「中國」)成立多家公司，主營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。為籌備於聯交所上市，本公司進行了重組(「重組」)，向創辦人收購所有從事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的附屬公司(「核心商業實體」)，同時出售非經營或從事其他業務的若干公司(「非核心商業實體」)。重組主要涉及：

- (a) 創辦人於二零零七年三月十六日在英屬維爾京群島註冊成立一家有限責任公司福和國際有限公司(「福和國際」)；
- (b) 福和國際於二零零九年三月二十三日在英屬維爾京群島註冊成立多家居間控股公司(「英屬維爾京群島居間控股公司」)，該等公司之成立目的是擔任核心商業實體的直屬控股公司；

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 1 GENERAL INFORMATION AND GROUP REORGANISATION (Continued)

#### 1.1 Reorganisation (Continued)

- (c) the transfers of the equity interests in the Core Business Entities from the Founders to the BVI Intermediate Holding Companies at a consideration which is determined with reference to the net asset value of the Core Business Entities as of the date of the respective acquisitions by their existing immediate holding companies by way of the issuance of shares by FW Int to the Founders;
- (d) the disposals of the equity interests in the Non-core Business Entities by the Founders on 5 August 2009. The Non-core Business Entities consist of 100% equity interest in Hoi On Confidential Waste Management Limited, an inactive company which is disposed to one of the Founders of the Group, and 24% equity interest in Takco Limited, a company that is principally engaged in the provision of management services which is disposed to an independent third party. The Non-core Business Entities do not have a material effect on the Group's financial position or operating results;
- (e) the incorporation of the Company on 11 November 2009;
- (f) the shareholder's loan payable of HK\$100,000,000 owed by Golddoor Company Limited ("Golddoor"), a subsidiary of the Group, to Mr. Leung Kai Kuen was transferred from Golddoor to the Company. Subsequently, this shareholder's loan payable was capitalized by the Company by the issuance of 1,125 shares on 21 February 2010;

### 1 一般資料及集團重組(續)

#### 1.1 集團重組(續)

- (c) 創辦人通過福和國際向其發行股份之方式，將核心商業實體的股權轉讓予英屬維爾京群島居間控股公司，代價是參照核心商業實體於現有直屬控股公司進行各項收購日期的資產淨值予以釐定；
- (d) 創辦人於二零零九年八月五日出售非核心商業實體的股權。非核心商業實體包括海安機密文件處理有限公司(一家出售予本集團其中一名創辦人的非經營公司)之100%股權、達巨有限公司(一家出售予一名獨立第三方並主要提供管理服務的公司)之24%股權。非核心商業實體對本集團財務狀況或經營業績並無構成重大影響；
- (e) 本公司於二零零九年十一月十一日註冊成立；
- (f) 金益多有限公司(「金益多」，乃本集團一家附屬公司)將其欠負梁契權先生的股東貸款100,000,000港元轉讓予本公司。其後，本公司通過於二零一零年二月二十一日發行1,125股股份，將該筆應付股東貸款資本化；

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 1 GENERAL INFORMATION AND GROUP REORGANISATION (Continued)

#### 1.1 Reorganisation (Continued)

- (g) in consideration of shares issued by the Company to the Founders, the entire equity interest in FW Int was transferred to the Company by the Founders on 21 February 2010. Thereafter, the Company became the holding company of the Core Business Entities.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

Pursuant to the Reorganisation as described in Note 1.1, the Reorganisation was accounted for as a reorganisation of businesses under common control, in a manner similar to a pooling-of-interest. The assets and liabilities transferred to the Group have been stated at historical carrying amounts. The consolidated financial statements have been prepared as if the Company and the current corporate structure had been in existence as at all dates and during the years presented.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The consolidated financial statements have been prepared under the historical cost convention.

### 1 一般資料及集團重組(續)

#### 1.1 集團重組(續)

- (g) 鑒於本公司向創辦人發行股份作為代價，創辦人於二零一零年二月二十一日將福和國際全部股權轉讓予本公司。其後，本公司成為核心商業實體之控股公司。

### 2 重大會計政策概要

#### 2.1 編製基準

根據附註 1.1 所述的重組，重組為按共同控制下近似股權集合之業務重組方式列賬。轉移至本公司之資產及負債按歷史賬面值列賬。綜合財務報表的編製，猶如本公司及現有企業架構於所有呈列的日期及年度內一直存在。

編製綜合財務報表所應用的主要會計政策列載如下。除另有說明外，於所有呈列之年度內一直貫徹應用該等政策。

本公司綜合財務報表遵照國際財務報告準則及聯交所證券上市規則(「上市規則」)附註 16 之披露要求編製。綜合財務報表按歷史成本法編製。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The following new standards and amendments to standards are mandatory and relevant to the Group for the financial year beginning 1 April 2009:

IFRSs (Amendments)	Improvements to IFRSs
IAS 1 (Revised)	Presentation of Financial Statements
IFRS 7 (Amendment)	Improving Disclosures about Financial Instruments – Fair Value Measurements and Liquidity Risk of Financial Instruments
IFRS 8	Operating Segments

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

The Group early adopted the Improvement to IFRSs 2009 – Amendment to IFRS 8 Operating Segments (effective for annual periods beginning on or after 1 January 2010). The revised standard requires that measure of segment assets should only be disclosed when such information is regularly provided to the chief operating decision maker.

## 2 重大會計政策概要(續)

### 2.1 編製基準(續)

編製與國際財務報告準則一致之綜合財務報表，須作出若干關鍵會計估計，管理層亦須於應用本集團會計政策時作出判斷。涉及較高程度判斷或較複雜範圍或對綜合財務報表屬重大的假設及估計範圍，已於附註4披露。

下列新準則及準則之修訂於二零零九年四月一日起之財政年度強制實行並與本集團相關：

國際財務報告準則(修訂)	國際財務報告準則之改進
國際會計準則第1號(經修訂)	財務報表的呈列
國際財務報告準則第7號(修訂)	改進關於金融工具之披露－公平價值衡量及金融工具清盤風險
國際財務報告準則第8號	營運分部

上述準則及修訂之實施導致若干關於披露本集團財務報表之變動，而業績及財務狀況不受影響。

本集團提早採用了二零零九年國際財務報告準則之改進－國際財務報告準則第8號修訂－營運分部(於二零一零年一月一日或之後開始的年度期間生效)。經修訂準則規定，分部資產計量資料如非定期提交給主要營運決策者，則不應披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following new/revised standards, amendments and interpretations to existing standards have been published but are not yet effective for the year ended 31 March 2010 and which the Group has not early adopted:

IAS 24 (Revised)	Related Party Disclosures (effective for annual periods beginning on or after 1 January 2011)
IAS 27 (Revised)	Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009)
IAS 32 (Amendment)	Financial Instruments: Presentation on Classification of Rights Issue (effective for annual periods beginning on or after 1 February 2010)
IAS 39 (Amendment)	Financial Instruments: Recognition and Measurement (effective for annual periods beginning on or after 1 July 2009)
IFRS 1 (Revised)	First-time Adoption of IFRS (effective for annual periods beginning on or after 1 July 2009)

## 2 重大會計政策概要(續)

### 2.1 編製基準(續)

#### 尚未生效而本集團亦未提早採用的準則及現有準則的修訂及詮釋

以下新訂／經修訂準則及現有準則的修訂及詮釋已經頒佈，但於截至二零一零年三月三十一日止年度尚未生效，而本集團並未提早採用：

國際會計準則第 24號(經修訂)	關連方披露(於二零一一年一月一日或之後開始的年度期間生效)
國際會計準則第 27號(經修訂)	綜合及獨立財務報表(於二零零九年七月一日或之後開始的年度期間生效)
國際會計準則第 32號(修訂)	金融工具：供股分類呈列(於二零一零年二月一日或之後開始的年度期間生效)
國際會計準則第 39號(修訂)	金融工具：確認與計量(於二零零九年七月一日或之後開始的年度期間生效)
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(於二零零九年七月一日或之後開始的年度期間生效)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

IFRS 1 (Amendment)	Additional Exemptions for First-time Adopters (effective for annual periods beginning on or after 1 January 2010)
IFRS 2 (Amendment)	Share-based Payments – Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2010)
IFRS 3 (Revised)	Business Combinations (effective for annual periods beginning on or after 1 July 2009)
IFRS 9	Financial Instruments (effective for annual periods beginning on or after 1 January 2013)
IFRIC 14 (Amendment)	Prepayment of a Minimum Funding Requirement (effective for annual periods beginning on or after 1 January 2011)
IFRIC 17	Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009)
IFRIC 18	Transfers of Assets from Customers (effective for annual periods beginning on or after 1 July 2009)
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after 1 July 2010)

### 2 重大會計政策概要(續)

#### 2.1 編製基準(續)

國際財務報告準則第1號(修訂)	首次採納人士之額外豁免(於二零一零年一月一日或之後開始的年度期間生效)
國際財務報告準則第2號(修訂)	以股份為基礎付款—集團以現金結算的以股份為基礎付款交易(於二零一零年一月一日或之後開始的年度期間生效)
國際財務報告準則第3號(經修訂)	業務合併(於二零零九年七月一日或之後開始的年度期間生效)
國際財務報告準則第9號	金融工具(於二零一三年一月一日或之後開始的年度期間生效)
國際財務報告詮釋委員會—詮釋第14號(修訂)	最低資金預付款項規定(於二零一一年一月一日或之後開始的年度期間生效)
國際財務報告詮釋委員會—詮釋第17號	向所有者分配非現金資產(於二零零九年七月一日或之後開始的年度期間生效)
國際財務報告詮釋委員會—詮釋第18號	客戶轉讓資產(於二零零九年七月一日或之後開始的年度期間生效)
國際財務報告詮釋委員會—詮釋第19號	以權益工具抵銷財務負債(於二零一零年七月一日或之後開始的年度期間生效)



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2 重大會計政策概要(續)

#### 2.1 Basis of preparation (Continued)

Improvements to IFRS 2009 – Amendments to:

IAS 1	Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2010)
IAS 7	Statement of Cash Flows (effective for annual periods beginning on or after 1 January 2010)
IAS 17	Leases (effective for annual periods beginning on or after 1 January 2010)
IAS 18	Revenue (effective for annual periods beginning on or after 1 January 2010)
IAS 36	Impairment of Assets (effective for annual periods beginning on or after 1 January 2010)
IAS 38	Intangible Assets (effective for annual periods beginning on or after 1 July 2009)
IAS 39	Financial Instruments: Recognition and Measurement (effective for annual periods beginning on or after 1 January 2010)
IFRS 2	Share-based Payment (effective for annual periods beginning on or after 1 July 2009)

#### 2.1 編製基準(續)

二零零九年國際財務報告準則改進 – 以下各項的修訂：

國際會計準則第 1 號	財務報表的呈列(於二零一零年一月一日或之後開始的年度期間生效)
國際會計準則第 7 號	現金流量報表(於二零一零年一月一日或之後開始的年度期間生效)
國際會計準則第 17 號	租賃(於二零一零年一月一日或之後開始的年度期間生效)
國際會計準則第 18 號	收入(於二零一零年一月一日或之後開始的年度期間生效)
國際會計準則第 36 號	資產減值(於二零一零年一月一日或之後開始的年度期間生效)
國際會計準則第 38 號	無形資產(於二零零九年七月一日或之後開始的年度期間生效)
國際會計準則第 39 號	金融工具：確認與計量(於二零一零年一月一日或之後開始的年度期間生效)
國際財務報告準則第 2 號	以股份為基礎的付款(於二零零九年七月一日或之後開始的年度期間生效)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2 重大會計政策概要(續)

#### 2.1 Basis of preparation (Continued)

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations (First and second amendments to be effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, respectively)
IFRIC 9 and IFRS 3 (Revised)	Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 July 2009)
IFRIC 16	Hedges of a Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 July 2009)
Improvements to IFRS 2010 – Amendments to:	
IFRS 1	First-time Adoption of International Financial Reporting Standards (effective for annual periods beginning on or after 1 January 2011)
IFRS 3	Business Combinations (effective for annual periods beginning on or after 1 July 2010)
IFRS 7	Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2011)
IAS 1	Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2011)

#### 2.1 編製基準(續)

國際財務報告準則第5號	持有待售非流動資產及停止經營業務(第一次及第二次修訂分別於二零零九年七月一日及二零一零年一月一日或之後開始的年度期間生效)
國際財務報告詮釋委員會—詮釋第9號及國際財務報告準則第3號(經修訂)	嵌入衍生工具的重估(於二零零九年七月一日或之後開始的年度期間生效)
國際財務報告詮釋委員會—詮釋第16號	海外業務淨投資的對沖(於二零零九年七月一日或之後開始的年度期間生效)
二零一零年國際財務報告準則改進—以下各項的修訂：	
國際財務報告準則第1號	首次採納國際財務報告準則(於二零一一年一月一日或之後開始的年度期間生效)
國際財務報告準則第3號	業務合併(於二零一零年七月一日或之後開始的年度期間生效)
國際財務報告準則第7號	金融工具：披露(於二零一一年一月一日或之後開始的年度期間生效)
國際會計準則第1號	財務報表的呈列(於二零一一年一月一日或之後開始的年度期間生效)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

IAS 27	Transition requirements for amendments arising as a result of IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 January 2011)
IAS 34	IAS 34 Interim Financial Reporting (effective for annual periods beginning on or after 1 January 2011)
IFRIC 13	Customer Loyalty Programmes (effective for annual periods beginning on or after 1 January 2011)

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

### 2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 March.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

## 2 重大會計政策概要(續)

### 2.1 編製基準(續)

國際會計準則第 27 號	由香港會計準則第 27 號綜合及獨立財務報表導致之修訂之過渡性規定(於二零一一年一月一日或之後開始的年度期間生效)
國際會計準則第 34 號	香港會計準則第 34 號中期財務報告(於二零一一年一月一日或之後開始的年度期間生效)
國際財務報告詮釋委員會—詮釋第 13 號	客戶忠誠度計劃(於二零一一年一月一日或之後開始的年度期間生效)

本集團已就上述新訂國際財務報告準則的影響展開評估，但暫時未能確定，該等新訂國際財務報告準則會否對其經營業績及財務狀況產生重大影響。

### 2.2 綜合賬目

綜合財務報表包括本公司及其所有附屬公司截至三月三十一日止編製之財務報表。

附屬公司指本集團有權管理其財務及經營政策的所有實體(包括特殊目的實體)，一般擁有過半數投票權。在評定本集團是否控制另一實體時，會考慮現時有否可行使或可轉換的潛在投票權及相關影響。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Consolidation (Continued)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

#### (i) Purchase method of accounting

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

#### (ii) Business combinations under common control

The consolidated financial statements incorporate the financial statement items of the combining entities or businesses as if they had been consolidated from the date when the combining entities or businesses first came under control of the controlling party.

## 2 重大會計政策概要(續)

### 2.2 綜合賬目(續)

附屬公司在控制權轉移至本集團之日起全面綜合入賬，在控制權終止之日起終止綜合入賬。

#### (i) 收購會計法

本集團採用收購會計法為本集團所收購之附屬公司列賬。收購成本為於交易當日所獲資產之公平價值、所發行之股本工具及所產生或承擔之負債，加上直接歸屬予收購事項之成本。在業務綜合過程中所收購之可識別資產、所承擔之負債及或然負債，均於收購當日按其公平價值作出初步計量，而毋須計及任何少數股東權益。收購成本超出本集團應佔所收購之可識別淨資產公平價值之差額乃列作商譽。倘收購成本低於所收購附屬公司淨資產之公平價值，則有關差額將直接在綜合損益表內確認。

#### (ii) 共同控制下之業務綜合

綜合財務報表列載所綜合的實體或業務的財務報表項目，猶如該等項目自該等綜合實體或業務首次受有關控制方控制當日起已綜合處理。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Consolidation (Continued)

#### (ii) Business combinations under common control (Continued)

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspectives. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost at the time of common combination, to the extent of the contribution of the controlling party's interest. All differences between the cost of acquisition (fair value of consideration paid) and the aggregate of the share capital and share premium of the entities transferred to the Group pursuant to the Reorganisation have been recognised directly in equity as part of the capital reserve.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or business first came under common control; where this is a shorter period, the date of the common control combination is disregarded.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been consolidated at the earliest balance sheet date presented or when they first came under common control, whichever is the later.

## 2 重大會計政策概要(續)

### 2.2 綜合賬目(續)

#### (ii) 共同控制下之業務綜合(續)

綜合實體或業務的資產淨值乃從控制方角度按現有賬面值進行綜合。若控制方繼續保持權益，則不會確認商譽或收購方於被收購公司可識別資產、負債及或然負債公平淨值的權益超出共同控制綜合當時的投資成本之數。收購成本(已付代價的公平值)與根據重組轉移至本集團之實體之股本及股份溢利合計之差額，乃直接在權益中確認，作為資本儲備的一部分。

綜合損益表包括各綜合實體或業務自所呈列的最早日期或該等綜合實體或業務首次受共同控制當日起(以較短期間為準)的業績，不以共同控制綜合日期為準。

綜合財務報表呈列比較金額的方式，乃假設實體及業務已於最早的結算日或業務首次受共同控制當日(以較後者為準)綜合列賬。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Consolidation (Continued)

#### (ii) Business combinations under common control (Continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses (Note 2.7). The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

### 2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

### 2.4 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Group's presentation currency, as the directors of the Company are of the view that HK\$ is more relevant to the shareholders of the Company. The functional currency of the Company is Renminbi ("RMB").

## 2 重大會計政策概要(續)

### 2.2 綜合賬目(續)

#### (ii) 共同控制下之業務綜合(續)

集團內公司間之交易、結餘及未變現交易收益已於綜合財務報表內對銷。未變現虧損也會同時對銷。

在本公司之資產負債表內，於附屬公司的投資乃按其成本值減除減值虧損準備列賬(附註2.7)。本公司將附屬公司之業績按已收及應收股息入賬。

### 2.3 分部報告

營運分部按照與向主要營運決策者提供的內部報告一致的方式報告。本公司董事會作為主要營運決策者負責分配資源及評估營運分部的績效，作出戰略決策。

### 2.4 外幣換算

#### (a) 功能貨幣與呈列貨幣

現組成本集團各公司的財務報表內的項目，乃以本公司營運所在的基本經濟環境的貨幣(「功能貨幣」)伸算。綜合財務報表以本集團的呈列貨幣港元呈列，因本公司董事認為，港元對本公司股東的相關性較高。本公司功能貨幣為人民幣(「人民幣」)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Foreign currency translation (Continued)

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within finance income or costs. All other foreign exchange gains and losses are presented in the consolidated income statements within other gains/(losses) – net.

#### (c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

## 2 重大會計政策概要(續)

### 2.4 外幣換算(續)

#### (b) 交易與結餘

外幣交易按交易當日的滙率換算為功能貨幣。結算該等交易產生的滙兌盈虧以及將外幣計值的貨幣資產和負債以年終滙率換算產生的滙兌盈虧在綜合損益表確認。

有關借貸和現金及現金等價物的滙兌盈虧計入綜合損益表「融資收入或成本」項。所有其他滙兌盈虧計入綜合損益表「其他收益／(虧損)－淨額」項。

#### (c) 集團公司

現時組成集團之所有公司功能貨幣與呈列貨幣不同者(當中並無嚴重通脹貨幣)的業績和財務狀況，按以下方法換算為呈列貨幣：

- (i) 現組成本集團各公司每份資產負債表內的資產和負債按該資產負債表日期的收市滙率換算；



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Foreign currency translation (Continued)

#### (c) Group companies (Continued)

- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings are recognised in other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in other comprehensive income are recognised in the consolidated income statement as part of the gain or loss on sale.

### 2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

## 2 重大會計政策概要(續)

### 2.4 外幣換算(續)

#### (c) 集團公司(續)

- (ii) 現組成本集團各公司每份損益表內之收入和費用按平均滙率換算，惟該滙率並不代表交易日期滙率的累計影響的合理約數除外；在此情況下，收支項目按交易當日之滙率換算；及
- (iii) 所有由此產生的滙兌差額確認為權益之獨立部分。

綜合賬目時，換算海外業務淨投資及借貸產生的滙兌差額列入其他全面收益。當海外業務部分售出及出賣時，原記錄於其他全面收益中與之相關的滙兌差額，於綜合損益表中確認為銷售損益一部分。

### 2.5 物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊及減值虧損後列賬。歷史成本包括收購該等項目直接應佔開支。

其後成本僅在與該項目有關之未來經濟利益有可能流入本集團，而該項目之成本能可靠計量時，方計入資產之賬面值或確認為獨立資產(以適用者為準)。所有其他維修及保養開支在其產生的財政期間內於綜合損益表支銷。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.5 Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	4.5%
Leasehold improvements	20% or unexpired lease term, whichever is shorter
Plant and machinery	9%-30%
Furniture, fixtures and equipment	18%-30%
Motor vehicles	18%-30%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

All asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other gains/(losses) – net in the consolidated income statement.

Construction in progress is stated at historical cost less impairment losses. Historical cost includes expenditure that is directly attributable to the construction and comprises construction costs and applicable borrowing costs incurred during the construction period. On completion, the construction in progress is transferred to other categories within property, plant and equipment.

No depreciation is provided for construction in progress. The carrying amount of construction in progress is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

## 2 重大會計政策概要(續)

### 2.5 物業、廠房及設備(續)

物業、廠房及設備以直線法計算折舊，於估計可使用年限內將成本攤分至剩餘價值如下：

樓宇	4.5%
租賃裝修	20% 或尚餘租約期限，取其較短者
廠房及機器	9%-30%
傢俬、裝置及設備	18%-30%
汽車	18%-30%

於各結算日，本集團會對資產剩餘價值及可使用年期進行覆核，並作出適當的調整。

如資產的賬面值高於其預計可收回款額，則資產之賬面值則即時撇減至其可收回款額。

出售盈虧根據出售所得款項與賬面值的差異釐定，並在綜合損益表內其他收益／(虧損)淨額項確認。

在建工程按歷史成本扣除減值虧損列賬。歷史成本包括直接與建造相關開支，包括建造成本及施工期內產生之適用借貸成本。工程完成後，在建工程轉撥至物業、廠房及設備內其他類別。

在建工程不計提折舊。倘若資產賬面值高於估計可收回金額，在建工程的賬面值即時撇減至可收回金額(附註2.7)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.6 Land use rights

Land use rights are up-front payments to acquire long-term interest in leasehold land, which are stated at cost less accumulated amortisation and accumulated impairment losses. Cost represents consideration paid for the rights to use the land from the date when the respective rights were granted. Amortisation of land use rights is calculated on a straight-line basis over the period of the lease and is recognised in the consolidated income statement within administrative expenses.

### 2.7 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units"). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.8 Financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

## 2 重大會計政策概要(續)

### 2.6 土地使用權

土地使用權為取得租賃物業之長期權益的預付款，按成本值減累計攤銷及累計減值虧損列賬。成本指為自各項權利授出日期起生效之土地使用權所支付之代價。土地使用權以直線法於租賃期內計算攤銷，計入綜合損益表「行政開支」項。

### 2.7 非金融資產減值

每當事件或情況變動顯示賬面值或不可收回，則會作出資產減值檢討。資產賬面值高出其可收回金額之數額，確認為減值虧損。可收回金額為資產公平價值減銷售成本與使用價值兩者之較高者。就評估減值而言，資產按可分開識別現金流量（「現金產生單位」）者之最低級別分組。倘非金融資產出現減值，則會於各報告日檢討減值是否可予撥回。

### 2.8 金融資產

本集團之金融資產分為貸款及應收款項。分類乃按購入金融資產之目的劃分。管理層於首次確認時釐定金融資產之分類。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.8 Financial assets (Continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and bills receivables', 'other receivables', 'amounts due from related companies', 'amount due from a shareholder', 'cash and cash equivalents' and 'restricted bank deposits' in the consolidated balance sheet.

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Impairment testing of trade and other receivables is described in note 2.10.

## 2 重大會計政策概要(續)

### 2.8 金融資產(續)

貸款及應收款項為沒有在活躍市場報價且具備固定或可釐定付款的非衍生金融資產。此等款項計入流動資產，惟不包括到期日為結算日起計十二個月後者。該等款項會列作非流動資產。本集團列於綜合資產負債表之貸款及應收款項包括「應收貿易賬款及應收票據」、「其他應收款項」、「應收有關連公司款項」、「應收一名股東款項」、「現金及現金等價物」及「受限制銀行存款」。

正常金融資產買賣於交易日(本集團承諾買賣資產的日期)確認。從該等投資收取現金流量的權利已到期或已轉讓，且本集團實際上已轉移擁有權所有風險及回報時，則會終止確認金融資產。貸款及應收款項乃使用實際利率法按攤銷成本列賬。

本集團會於各結算日評估是否存在客觀證據顯示個別金融資產或某組金融資產出現減值。如個別金融資產或某組金融資產出現減值，僅會於首次確認資產後發生一個或多個事件(「虧損事件」)導致減值之客觀證據存在且該(等)虧損事件影響可以可靠估計金融資產或一組金融資產之預計未來現金流量時方產生減值虧損。應收貿易賬款及其他應收款項的減值測試載於附註 2.10。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), and where appropriate, subcontracting charges. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### 2.10 Trade and other receivables

Trade receivables are amount due from customers in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated income statement within administrative expenses. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the consolidated income statement.

## 2 重大會計政策概要(續)

### 2.9 存貨

存貨按成本或可變現淨值之較低者列賬。成本以加權平均法釐定。成品成本包括原材料、直接勞工、其他直接成本及有關生產的間接費用(按正常營運能力計算)，若適用亦包括分包費用，惟不包括借貸成本。可變現淨值為日常業務過程中之估計售價減適當可變銷售開支。

### 2.10 應收貿易賬款及其他應收款項

應收貿易賬款為日常業務過程中的客戶欠款。如果應收貿易賬款及其他應收款項預計將在一年或一年內收回(若更長時間則在業務正常營運週期內)，則列為流動資產。否則在非流動資產中列報。

應收貿易賬款及其他應收款項初步按公平價值確認，其後以實際利率法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法根據應收款項之原有條款收回所有到期款項時，會確立應收貿易賬款及其他應收款項之減值撥備。債務人出現重大財務困難、很可能破產或進行財務重組及拒絕履行或不履行付款責任等，均視為應收貿易賬款已減值跡象。撥備金額是資產賬面值與估計未來現金流量按原實際利率折現計算現值之間之差額。資產之賬面值透過使用備付賬削減，而有關之虧損數額則在綜合損益表「行政開支」項中確認。如一項應收貿易賬款無法收回，則會於應收貿易賬款備付賬撤銷。如其後收回先前撤銷的款項，將於綜合損益表「行政開支」項撥回。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the consolidated balance sheet.

### 2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### 2.13 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### 2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

## 2 重大會計政策概要(續)

### 2.11 現金及現金等價物

現金及現金等價物包括手頭現金、銀行活期存款及其他原有效期為三個月或以內之高流通性短期投資。銀行透支在綜合資產負債表流動負債「借貸」項中列賬。

### 2.12 股本

普通股列為權益。直接歸屬於發行新股之新增成本在權益中列為所得款項之減少(扣除稅項)。

### 2.13 應付貿易賬款及其他應付款項

應付貿易賬款是在日常業務過程中獲得供應商的商品或服務而付款的義務。賬齡在一年或一年內(若更長期間則在業務正常營運週期內)之應付賬款在流動負債中列示。否則，在非流動負債中列報。

應付款項初步以公平價值確認，其後使用實際利息法按攤銷成本計量。

### 2.14 借貸

借貸初步按公平價值扣除產生之交易成本確認。借貸其後按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值之任何差額，使用實際利息法於借貸期間在綜合損益表確認。

除非本集團有權無條件將償還負債期限延遲至結算日後最少十二個月，否則貸款一概歸類為流動負債。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.15 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised directly in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## 2 重大會計政策概要(續)

### 2.15 即期及遞延所得稅

有關期間之稅項支出包括即期及遞延稅項。除有關直接在其他全面收益或在權益內確認之項目的稅項亦直接在其他全面收入或權益內確認之外，稅項均在綜合損益表確認。

即期所得稅乃按結算日於本公司及其附屬公司經營及產生應課稅收入的國家所頒佈或實質頒佈之稅法計算。管理層定期評估在適用稅務法規需予詮釋之情況下有關報稅表之狀況，並在適當情況下以預期應付予稅務機構之款項為基準計提撥備。

資產和負債之稅基與綜合財務報表所列資產和負債賬面值之間之暫時差異，以負債法確認為遞延所得稅。然而，若遞延所得稅來自在交易（不包括業務綜合）中對資產或負債之初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延所得稅乃根據結算日前已頒佈或實質頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率（及稅法）而釐定。

只有在未來很可能產生應課稅利潤抵銷暫時差額時，才會確認遞延所得稅資產。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.15 Current and deferred income tax (Continued)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2.16 Employee benefits

#### (i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

## 2 重大會計政策概要(續)

### 2.15 即期及遞延收入所得稅(續)

投資附屬公司所產生之暫時差異確認為遞延所得稅，惟倘本集團可控制暫時差異之撥回時間，而暫時差異應不會於可見將來撥回則除外。

當由法定權利可將現有稅項資產負債抵銷，而遞延所得稅稅項資產和負債是與同一徵收稅項之機構向打算按淨額結算餘額之任何應繳稅單位或者不同應繳稅單位徵收之課稅收入有關，則可將遞延所得稅資產與負債互相抵銷。

### 2.16 僱員福利

#### (i) 僱員應有假期

僱員應有年假及長期服務假期於僱員可累計享用時確認。本集團已就截至結算日僱員提供服務而應享有之年假及長期服務假期之估計負債作出撥備。

僱員應有病假及產假在僱員放假時方予確認。

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.16 Employee benefits (Continued)**

**(ii) Pension obligations**

The Group participates in defined contribution pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds. A defined contribution plan is a pension plan under which the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions, where applicable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

In addition, pursuant to the relevant regulations of the PRC government, the subsidiary in the PRC participates in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiary in the PRC is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the subsidiary in the PRC. Contributions under the Scheme are charged to the consolidated income statement as incurred.

**2 重大會計政策概要 (續)**

**2.16 僱員福利(續)**

**(ii) 退休金責任**

本集團參與定額供款退休金計劃。有關計劃資金一般來自對保險公司或受託管理基金之付款。對於定額供款計劃，本集團以強制性、合約性或自願性方式向公開或私人管理之退休金保險計劃供款。倘該基金並無足夠資產支付所有僱員就於本期間及過往期間提供之僱員服務所得之福利，本集團並無作出進一步供款之法定或推定責任。

供款於到期時確認為僱員福利開支，並扣減僱員於供款全數歸屬前離職而被沒收之供款(如適用)。預付供款於退回現金或削減未來供款時確認為資產。

此外，根據中國政府之相關法規，中國之附屬公司參與當地市政府之退休福利計劃(「該計劃」)，據此，中國之附屬公司須按其員工基本薪酬之若干百分比就該計劃作出供款，作為員工之退休福利。當地市政府承諾會承擔中國附屬公司之員工之退休福利責任。就該計劃作出之供款於產生時在綜合損益表中扣除。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.16 Employee benefits (Continued)

#### (iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

### 2.17 Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 2 重大會計政策概要(續)

### 2.16 僱員福利(續)

#### (iii) 終止僱用時之權益

本集團在正常退休日期前終止僱用僱員，或僱員接受自願遣散以換取此等福利時，支付終止僱用權益。本集團明確承諾以下事項時，確認終止僱用權益：根據一項不能撤回之詳細正式計劃終止僱用現有僱員；或因為提出鼓勵自願遣散要約而提供終止僱用權益。在結算日後超過12個月支付之福利折現至現值。

### 2.17 撥備與或然負債

如本集團因過往事件而須承擔現有之法定或推定責任，而解決該責任將極有可能引致資源流出，且流出之數額已作出可靠估算，則需確認準備。

倘有多項類似責任，將整體考慮責任類別，以釐定解決責任引致資源流出之可能性。即使相同類別責任中任何一項引致資源流出可能性不大，仍需確認準備。

撥備乃以預期解決責任所需開支之現值計量，所使用的除稅前比率反映金錢時間價值及該責任特定風險之現時市場評估。隨時間增加的撥備確認為利息開支。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.17 Provisions and contingent liabilities (Continued)

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that an outflow is probable, it will then be recognised as a provision.

### 2.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

## 2 重大會計政策概要(續)

### 2.17 撥備與或然負債(續)

或然負債指因已發生之事件而可能產生之責任，該等責任需待某一宗或多宗本集團不能完全控制之事件是否實現後方能確認。或然負債亦指因已發生之事件所產生之現有責任，但由於不大可能流失經濟資源，或責任金額未能可靠地衡量而未有確認。

或然負債不予確認，但在綜合財務報表附註中披露。假若流失資源之可能性改變導致可能流失資源，則將確認或然負債為撥備。

### 2.18 收入確認

收入指本集團於日常業務過程中銷售貨品及提供服務之已收或應收代價之公平價值，並已扣除增值稅、退貨、回扣及折扣，以及對銷本集團旗下公司之間銷售額。

當收入之數額能夠可靠計量且未來經濟利益應會流入有關實體，而本集團各項活動均符合下文所述具體條件時，則本集團將確認收入。除非與銷售有關之所有或然事項均已解決，否則收入之數額不視為能夠可靠計量。本集團根據其過往業績並考慮客戶類別、交易種類和每項安排特點而作出估計。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.18 Revenue recognition (Continued)

#### (a) Sales of goods

Sales of goods are recognised when the Group has delivered the products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted the products in accordance with sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

#### (b) Service income

Revenue is recognised when services are rendered.

#### (c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

### 2.19 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor), including upfront payment made for leasehold land and land use rights, are charged to the consolidated income statement on a straight-line basis over the period of the lease.

## 2 重大會計政策概要(續)

### 2.18 收入確認(續)

#### (a) 貨品銷售額

本集團向客戶交付而客戶已接收產品，且可合理確定可收回相關應收款項時，則確認貨品銷售額。在產品付運至特定地點，陳舊過時及虧損風險已轉移予客戶，及客戶按銷售合約規定已接納產品，或本集團有客觀證據顯示接納之所有條件均已達致時，方確認交付。

#### (b) 服務收入

服務收入於提供服務時予以確認。

#### (c) 利息收入

利息收入以實際利息法按時間比例確認。

### 2.19 租賃

凡擁有權之大部分風險及回報仍歸出租人所有之租賃，皆歸類為經營租賃。根據經營租賃支付之款項(扣除出租人給予之任何優惠)，包括就租賃土地及土地使用權支付之預付款項，於租期內以直線法在綜合損益表中扣除。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

## 2 重大會計政策概要(續)

### 2.20 股息分派

向本公司股東分派之股息，在股息獲本公司股東批准期間之本集團及本公司財務報表內確認為負債。

## 3 FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

The Group's major financial instruments include cash and bank deposits, trade and bills receivables, other receivables, amount due from a shareholder, trade and other payables, amounts due from/to related companies, amount due to a Director and borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### (a) Foreign currency risk

The Group is exposed to foreign currency risk as some of its business transactions, assets and liabilities are denominated in various foreign currencies primarily RMB, HK\$ and United States dollar ("USD").

The majority of assets and liabilities are denominated in RMB, HK\$ and USD, and there are no significant assets and liabilities denominated in other currencies.

## 3 財務風險管理

### 3.1 財務風險因素

本集團主要金融工具包括現金及銀行存款、應收貿易賬款及應收票據、其他應收款項、應收一名股東款項、應付貿易賬款及其他應付款項、應收／應付有關連公司款項、應付一名董事之款項以及借貸。該等金融工具之詳情，於相關附註中披露。與該等金融工具相關之風險及如何減低該等風險之政策載述如下。本集團管理及監控該等風險，以便及時有效實施適切措施。

#### (a) 外匯風險

由於本集團的若干業務交易、資產及負債以多種外幣(主要是人民幣、港元及美元(「美元」))列值，故本集團承受外幣風險。

大部分資產及負債以人民幣、港元及美元列值，以其他貨幣列值之資產及負債之數額不大。

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Foreign currency risk (Continued)

The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in a currency other than HK\$ or RMB, which are the functional currencies of the major operating companies within the Group. The Group currently does not have a foreign currency hedging policy.

Since HK\$ is pegged to USD, management considers that there is no significant foreign currency risk between these two currencies to the Group.

The exchange rate of RMB to HK\$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages its foreign currency risk by closely monitoring the movement of foreign currency rates.

##### **For companies with HK\$ as their functional currency**

As at 31 March 2010, there are no significant assets and liabilities denominated in RMB, and hence there is no significant foreign currency risk between these two currencies to the Group.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 外匯風險(續)

本集團因以港元或人民幣(現組成本集團內主要營運公司之功能貨幣)以外貨幣計值之未來商業交易及已確認資產及負債而承受外匯匯率風險。現時，本集團並無制定外幣對沖政策。

由於港元與美元掛鈎，管理層認為，該兩種貨幣間對本集團概無重大外幣風險。

人民幣兌港元之匯率須遵守中國政府頒佈之外匯管制之規則及規例。本集團密切監察匯率變動，以管理其外幣風險。

##### **以港元作為功能貨幣之公司**

於二零一零年三月三十一日，概無重大資產及負債以人民幣列值，因此，該兩種貨幣間對本集團概無重大外幣風險。



### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Foreign currency risk (Continued)

###### For companies with RMB as their functional currency

As at 31 March 2010, if HK\$ had weakened/strengthened by 5% against RMB with all other variables held constant, pre-tax profit for the year then ended would have been approximately HK\$56,574,000 lower/higher (2009: HK\$3,281,000 higher/lower), mainly as a result of the foreign exchange losses/gains (2009: gains/losses) on translation of HK\$ denominated cash and bank deposits, trade and bills receivables, borrowings as well as the current accounts with related parties.

As at 31 March 2010, if USD had weakened/strengthened by 5% against RMB with all other variables held constant, pre-tax profit would have been approximately HK\$1,307,000 higher/lower (2009: HK\$413,000 lower/higher), mainly as a result of the foreign exchange gains/losses (2009: losses/gains) on translation of USD denominated cash and bank deposits, trade and bills receivables and borrowings.

The Group does not have a foreign currency hedging policy. However, management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### 3 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (a) 外匯風險 (續)

###### 以人民幣作為功能貨幣之公司

於二零一零年三月三十一日，倘港元兌人民幣貶值／升值5%，而所有其他可變因素維持不變，除稅前利潤將分別減少／增加約56,574,000港元(二零零九年：增加／減少3,281,000港元)，主要因換算港元現金及銀行存款、應收貿易賬款及應收票據、借貸以及與有關連人士之往來賬而產生之滙兌虧損／收益(二零零九年：收益／虧損)所致。

於二零一零年三月三十一日，倘美元兌人民幣貶值／升值5%，而所有其他可變因素維持不變，除稅前利潤將分別增加／減少約1,307,000港元(二零零九年：減少／增加413,000港元)，主要因換算美元現金及銀行存款、應收貿易賬款及應收票據及借貸而產生之滙兌收益／虧損(二零零九年：虧損／收益)所致。

本集團並無外幣對沖政策。然而，本集團管理層監察外匯風險，並於有需要時考慮對沖重大外幣風險。

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables, amounts due from related companies and deposits placed with banks. The Group has no significant concentrations of credit risk. Management has policies in place to monitor the exposures to these credit risks on an on-going basis.

For banks and financial institutions, deposits are only placed with reputable banks. For credit exposures to customers, the Group has policies in place to ensure that sales are made to reputable and credit-worthy customers with an appropriate financial strength and credit history. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly recoverable amount of each individual trade and other receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

##### (c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with borrowing covenants, to ensure that it maintains sufficient cash from operating activities and the availability of funding through an adequate amount of committed credit facilities.

Management monitors the Group's liquidity by preparing and reviewing rolling cashflow forecast that covers (i) monthly cash flow forecast for the coming month and (ii) quarterly cash flows forecast for the next three-month period.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險

本集團之信貸風險主要來自其應收貿易賬款及其他應收款項、應收有關連公司款項以及銀行存款。本集團並無高度集中之信貸風險。管理層已制訂適當政策，持續監察該等信貸風險。

就銀行及金融機構而言，存款僅會存放於信譽良好之銀行。就向客戶提供的信貸而言，本集團制定適當政策，確保向信譽良好之客戶進行銷售，其須擁有適當財政能力及信貸記錄。本集團亦制訂其他監察程序，以確保採取跟進措施收回逾期債項。此外，本集團定期審閱各項個別應收貿易賬款及其他應收款項之可收回數額，以確保就無法收回之數額作出足夠之減值虧損。

##### (c) 流動資金風險

本集團政策為定期監察當前及預期流動資金之需要，以及是否符合借貸契諾，以確保本集團維持充足經營業務所得現金及透過已獲得足夠之信貸融通額取得資金。

管理層編製及審閱現金流量預測，包括(i)未來一個月之按月現金流量預測及(ii)未來三個月期間季度現金流量預測，藉以監察本集團流動資金。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3 財務風險管理 (續)

#### 3.1 Financial risk factors (Continued)

#### 3.1 財務風險因素 (續)

##### (c) Liquidity risk (Continued)

##### (c) 流動資金風險 (續)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interest payments computed using contractual rates or, if the contracting rates are floating, based on rates at the balance sheet date). Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

下表分析本集團之金融負債，按照相關到期組別根據由結算日至合約到期日之剩餘期間進行分析。在表內披露之金額為合約未折現現金流量（包括使用合約利率計算之利息付款，或倘合約利率為浮動利率，則按結算日利率計算）。由於折現影響並不重大，故於12個月內到期之結餘相等於其賬面值。

Group	本集團	Less than 1 year 一年內 HK\$'000 千港元	Between	Between	Total 合計 HK\$'000 千港元
			1 and 2 years 一至兩年內 HK\$'000 千港元	2 and 5 years 二至五年內 HK\$'000 千港元	
At 31 March 2009	於二零零九年三月三十一日				
Short-term bank borrowings, including interest payable	短期銀行借貸，包括應付利息	168,070	–	–	168,070
Long-term borrowings, including the current portion and interest payable	長期借貸，包括即期部分 及應付利息	16,278	15,347	27,898	59,523
Trade and other payables	應付貿易賬款及其他應付款項	106,333	–	–	106,333
Amount due to a Director	應付一名董事款項	107,337	–	–	107,337
Amounts due to related companies	應付有關連公司款項	1,568	–	–	1,568
		399,586	15,347	27,898	442,831

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3 財務風險管理(續)

#### 3.1 Financial risk factors (Continued)

#### 3.1 財務風險因素(續)

##### (c) Liquidity risk (Continued)

##### (c) 流動資金風險(續)

Group	本集團	Less than 1 year 一年內 HK\$'000 千港元	Between	Between	Total 合計 HK\$'000 千港元
			1 and 2 years 一至兩年內 HK\$'000 千港元	2 and 5 years 二至五年內 HK\$'000 千港元	
<b>At 31 March 2010</b>	<b>於二零一零年三月三十一日</b>				
Short-term bank borrowings, including interest payable	短期銀行借貸， 包括應付利息	110,067	-	-	110,067
Long-term borrowings, including the current portion and interest payable	長期借貸，包括 即期部分及 應付利息	53,343	46,214	90,651	190,208
Trade and other payables	應付貿易賬款及 其他應付款項	223,130	-	-	223,130
Amount due to a related company	應付有關連公司 款項	27	-	-	27
		<b>386,567</b>	<b>46,214</b>	<b>90,651</b>	<b>523,432</b>
<b>Company</b>	<b>本公司</b>				
Other payables	應付貿易賬款及 其他應付款項	61,936	-	-	61,936
Amounts due to subsidiaries	應付附屬公司款項	1,823	-	-	1,823
		<b>63,759</b>	<b>-</b>	<b>-</b>	<b>63,759</b>

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (d) Interest rate risk

As the Group has no significant assets that bear floating interest rates, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's exposure to interest rate risk arises mainly from its bank deposits and borrowings. Borrowings issued at variable rates exposed the Group to cash flow interest rate risk. Borrowings issued at fixed rates exposed the Group to fair value interest rate risk. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

As at 31 March 2010, if the interest rate on all borrowings had been 100 basis points higher/lower with all other variables held constant, pre-tax profit for the year ended 31 March 2010 would have been HK\$2,796,000 lower/higher (2009: HK\$2,146,000 lower/higher), mainly as a result of higher/lower interest expense on borrowings with floating interest rates.

As at 31 March 2010, if interest rates on all interest-bearing bank and cash deposits had been 100 basis points higher/lower with all other variables held constant, pre-tax profit for the year ended 31 March 2010 would have been HK\$10,878,000 higher/lower (2009: HK\$524,000 higher/lower), mainly as a result of higher/lower interest income earned.

The Group monitors its interest rate exposure on a dynamic basis and will consider the interest rate exposure when entering into any financing, renewal of existing positions and alternative financing transactions.

### 3 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (d) 利率風險

由於本集團並無以浮動利率計息之重大資產，故本集團大部分收入及經營現金流量基本上不受市場利率變動影響。

本集團所承受利率風險主要來自其銀行存款及借貸。以浮動利率作出之借貸使本集團承受現金流量利率風險，而以固定利率作出之借貸則使本集團承受公平價值利率風險。本集團並無利用任何利率掉期對沖其利率風險。

於二零一零年三月三十一日，假設其他所有可變因素維持不變，若所有借貸的利率上升/下降100個基點，則截至二零一零年三月三十一日止年度除稅前利潤將減少/增加2,796,000港元(二零零九年：減少/增加2,146,000)，主要由於浮動利率借貸之利息開支增加/減少。

於二零一零年三月三十一日，假設其他所有可變因素維持不變，若所有計息銀行及現金存款的利率上升/下降100個基點，則截至二零一零年三月三十一日止年度除稅前利潤將增加/減少10,878,000港元(二零零九年：增加/減少524,000)，主要由於所賺取的利息收入增加/減少。

本集團監控利率風險時採取動態分析，並在訂立任何融資、重續現有債務及另類融資交易時，將考慮利率風險。

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.2 Capital risk management

The Group regards its shareholders' equity as capital. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings and amount due to a Director as shown in the consolidated balance sheet) less cash and cash equivalents and restricted bank deposits. Total capital is calculated as 'equity', as shown in the consolidated balance sheet, plus net debt.

### 3 財務風險管理(續)

#### 3.2 資本風險管理

本集團將其股東權益視為資本。本集團之資本管理目標為保障本集團有能力按持續經營基準繼續經營，以為股東帶來回報及為其他權益持有人帶來利益，並維持最佳資本架構以降低資本成本。

為維持或調整資本架構，本集團可能會調整支付予股東的股息金額、向股東退還資本、發行新股或出售資產以降低債務。

本集團利用資本負債比率監控其資本。資本負債比率按淨債項除以總資本計算。淨債項按總借貸(包括綜合資產負債表所示之即期及非即期借貸，以及應付一名董事款項)減去現金及現金等價物及受限制銀行存款計算。總資本按綜合資產負債表所載的「權益」加上淨債項計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.2 Capital risk management (Continued)

During the year, the Group's strategy was to maintain gearing ratio below 40%. The gearing ratios as at 31 March 2010 and 2009 were as follows:

Total borrowings (Note 23 and 24)	總借貸(附註23及24)
Amount due to a Director	應付一名董事款項
Less: Cash and cash equivalents (Note 22)	減：現金及現金等價物 (附註22)
Less: Restricted bank deposits (Note 22)	減：受限制銀行存款 (附註22)
Net debt	淨債項
Total equity	總權益
Total capital	總資本
<b>Gearing ratio</b>	<b>資本負債比率</b>

The decrease in gearing ratio for the year ended 31 March 2010 was resulted primarily from proceeds pursuant to the Global Offering.

### 3 財務風險管理(續)

#### 3.2 資本風險管理(續)

於有關期間，本集團之策略為將資本負債比率維持在40%以下。於二零一零年及二零零九年三月三十一日之資本負債比率如下：

As at 31 March 於三月三十一日	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>279,632</b>	214,615
-	107,337
<b>279,632</b>	321,952
<b>(1,079,216)</b>	(52,721)
<b>(9,294)</b>	-
<b>(808,878)</b>	269,231
<b>2,195,812</b>	733,644
<b>1,386,934</b>	1,002,875
<b>N/A 不適用</b>	27%

截至二零一零年三月三十一日止年度之資本負債比率減少乃主要來自全球發售所得款項。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation

The carrying amounts of the Group's financial assets and liabilities including restricted bank deposits, cash and cash equivalents, trade and bills receivables, other receivables, amount due from a shareholder, trade and other payables, amounts due from/to related companies and a Director approximate their fair values due to their short maturities. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Group for similar financial instruments.

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### 3 財務風險管理(續)

#### 3.3 公平價值估計

由於本集團金融資產及負債(包括受限制銀行存款、現金及現金等價物、應收貿易賬款及應收票據、其他應收款項、應付貿易賬款及其他應付款項、應收/應付有關連公司及一名董事款項)在短期內到期，故其賬面值與公平價值相若。就作出披露而言，金融負債之公平價值乃按本集團就類似金融工具可取得之現行市場利率折現未來合約現金流量而估計得出。

### 4 重要會計估計及判斷

估計及判斷乃基於過往經驗及其他因素(包括預期日後在有關情況下相信合理出現的事件)評估。

本集團對未來作出估計及假設。所得之會計估計按定義甚少與有關之實際結果相同。存在重大風險會導致資產及負債之賬面值於下個財政年度作出重大調整之估計及假設於下文討論。

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### (a) Estimate of useful lives of property, plant and equipment

The Group has significant property, plant and equipment. The Group determines the estimated useful lives and residual values in order to ascertain the amount of depreciation charges for each reporting period. These estimates are based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives or residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

#### (b) Provision for impairment of inventories

The Group reviews the carrying value of its inventories to ensure that they are stated at the lower of cost and net realisable value. In assessing the net realisable value and making appropriate allowances, management identifies, using their judgement, inventories that are slow moving or obsolete, and considering their physical conditions, age, market conditions and market price for similar items.

#### (c) Provision for impairment of receivables

Management determines the provision for impairment of trade and other receivables. This estimate is based on the credit history of its customers and the current market condition. Management reassesses the provision at each balance sheet date.

### 4 重要會計估計及判斷(續)

#### (a) 物業、廠房及設備之估計可使用年期

本集團有大量物業、廠房及設備。本集團釐定估計可使用年期及剩餘價值，以確定各呈報期間之折舊金額。該等估計乃根據性質和功能類似之物業、廠房及設備之過往實際可使用年期及剩餘價值計算。如可使用年期或剩餘價值與之前估計者不同，本集團將調整折舊支出，而本集團亦會撇銷或撇減經已棄置或出售的技術過時或非策略性資產。

#### (b) 存貨減值撥備

本集團檢討其存貨賬面值，以保證其以成本與可變現淨值兩者中之較低者列賬。管理層使用其判斷辨認出滯銷或已陳舊之存貨，並考慮其具體狀況、貨齡、市場狀況及同類項目之市場價格，以評估可變現淨值及作出適當撥備。

#### (c) 應收款項減值撥備

管理層按客戶信貸往績及當時市況釐定應收貿易賬款及其他應收款項之減值撥備。管理層將於每個結算日重新評估撥備。

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)**

**(c) Provision for impairment of receivables (Continued)**

Significant judgement is exercised on the assessment of the collectability of trade receivables from each customer. In making the judgement, management considers a wide range of factors such as results of follow-up procedures performed by sales personnel, customer payment trends including subsequent payments and customers' financial positions. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

**(d) Income taxes**

The Group is subject to income tax in various jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provision in the period in which such determination is made. Details of contingent liabilities in respect of the tax position of certain subsidiaries of the Group are set out in Note 34.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

**4 重要會計估計及判斷(續)**

**(c) 應收款項減值撥備(續)**

於評估每位客戶之應收貿易賬款可收回性時，會行使重要判斷。於進行判斷時，管理層會考慮一系列因素，如銷售人員跟進效果、客戶付款趨勢包括期後還款，以及客戶財務狀況。倘本集團客戶財政狀況轉壞，產生彼等還款能力之減值，則可能需要新增撥備。

**(d) 所得稅**

本集團須繳付多個司法權區之所得稅。釐定全球所得稅撥備時須作出重要判斷。於日常業務，不少交易及最終稅項釐定之計算未能確定。倘該等事項之最終稅務結果與最初記錄金額有差異，該差額將影響作出該等決定期間所得稅及遞延稅項撥備。本集團若干附屬公司稅務狀況的或然負債詳情載於附註34。

倘管理層認為未來應課稅利潤可能被用作抵銷暫時差異或稅項虧損，則確認與若干暫時差異及稅項虧損有關之遞延所得稅資產。其實際使用結果可能不同。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 5 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 PRC and overseas markets, the chief operating decision maker of the Group regularly reviews the consolidated financial statements by business segments to assess performance and make resources allocation decisions.

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

Sales of recovered paper	銷售回收紙
Sales of tissue paper products	銷售生活用紙
Sales of recycled greyboard	銷售再造灰板紙
Provision of confidential materials destruction services	提供機密材料處理服務

### 5 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按業務分部劃分的綜合財務報表，以評估表現及作出分配資源決策。

收入包括銷售回收紙、生活用紙及再造灰板紙，以及提供機密材料處理服務。本集團的收入包括以下各項：

Year ended 31 March	
截至三月三十一日止年度	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
<b>815,241</b>	597,809
<b>575,577</b>	457,662
<b>27,776</b>	39,150
<b>3,962</b>	3,928
<b>1,422,556</b>	1,098,549

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 5 SEGMENT INFORMATION (Continued)

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

Hong Kong	香港
The PRC	中國

Details of the customers accounting for 10% or more of total revenue are as follows:

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

The total of non-current assets other than deferred tax assets located in Hong Kong as of 31 March 2010 was HK\$192,285,000 (2009: HK\$198,467,000), and the total of these non-current assets located in other countries as at 31 March 2010 was HK\$948,097,000 (2009: HK\$569,354,000).

### 5 分部資料(續)

於年度內，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：

Year ended 31 March 截至三月三十一日止年度	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
399,088	335,890
1,023,468	762,659
<b>1,422,556</b>	<b>1,098,549</b>

佔收入總額10%或以上的客戶詳情如下：

Year ended 31 March 截至三月三十一日止年度	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
149,878	128,925

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。

於二零一零年三月三十一日，位於香港的總非流動資產(不計及遞延稅項資產)為192,285,000港元(二零零九年：198,467,000港元)，而於二零一零年三月三十一日，位於其他國家的總非流動資產為948,097,000港元(二零零九年：569,354,000港元)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 5 SEGMENT INFORMATION (Continued)

### 5 分部資料 (續)

The segment results and other segment items included in the profit for the year ended 31 March 2010 are as follows:

以下載列截至二零一零年三月三十一日止年度經已包括於利潤中的分部業績及其他分部項目：

		Recovered paper	Tissue paper products	Recycled greyboard	CMD	Group
		回收紙	生活用紙	再造灰板	機密材料銷毀	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	815,241	575,577	27,776	3,962	1,422,556
Cost of sales	銷售成本	(550,235)	(329,030)	(28,354)	(1,930)	(909,549)
Segment gross profit	分部純利	265,006	246,547	(578)	2,032	513,007
Unallocated operating costs	未分配經營成本					(163,268)
Finance costs, net	融資成本淨額					(11,955)
Profit before income tax	除所得稅前利潤					337,784
Income tax expense	所得稅開支					(46,445)
Profit for the year	年度利潤					291,339

The segment results and other segment items included in the profit for the year ended 31 March 2009 are as follows:

以下載列截至二零零九年三月三十一日止年度經已包括於利潤中的分部業績及其他分部項目：

		Recovered paper	Tissue paper products	Recycled greyboard	CMD	Group
		回收紙	生活用紙	再造灰板	機密材料銷毀	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	597,809	457,662	39,150	3,928	1,098,549
Cost of sales	銷售成本	(398,072)	(282,813)	(32,489)	(2,088)	(715,462)
Segment gross profit	分部純利	199,737	174,849	6,661	1,840	383,087
Unallocated operating costs	未分配經營成本					(173,571)
Finance costs, net	融資成本淨額					(9,189)
Profit before income tax	除所得稅前利潤					200,327
Income tax expense	所得稅開支					(27,737)
Profit for the year	年度利潤					172,590

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 6 OTHER INCOME

### 6 其他收入

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Sales of scrapped materials	銷售廢料	1,849	1,349
Sales of packaging materials	銷售包裝材料	236	420
Service income	服務收入	454	475
Others	其他	1,177	1,080
		<b>3,716</b>	<b>3,324</b>

### 7 OTHER LOSS, NET

### 7 其他虧損淨額

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Foreign exchange loss, net	滙兌虧損淨額	(4,878)	(4,776)
Gain/(loss) on disposals of property, plant and equipment, net	出售物業、廠房及設備的 收益/(虧損)淨額	713	(5,459)
Others	其他	121	103
		<b>(4,044)</b>	<b>(10,132)</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 8 EXPENSES BY NATURE

Expenses included in cost of sales, administrative expenses and selling expenses are analysed as follows:

### 8 按性質劃分的開支

計入銷售成本、行政開支及銷售開支的開支分析如下：

		Year ended 31 March	
		截至三月三十一日止年度	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
Auditor's remuneration	核數師酬金	1,694	1,449
Amortisation of land use rights (Note 17)	土地使用權攤銷(附註17)	532	479
Provision for impairment of trade receivables (Note 20)	應收貿易賬款減值撥備(附註20)	1,906	2,308
Provision for impairment of deposits and prepayments to suppliers	付予供應商的按金及預付款項的減值撥備	–	2,970
Direct write off of trade receivables	直接撤銷應收貿易賬款	–	539
Direct write off of deposits and prepayments to suppliers	直接撤銷向供應商支付按金及預付款項	–	3,895
Cost of inventories sold (Note 19)	已售存貨成本(附註19)	813,327	616,770
Depreciation (Note 16)	折舊(附註16)	54,637	32,751
Operating lease charges in respect of land and buildings	土地及樓宇的經營租賃費用	5,925	5,106
Employee benefit expense (Note 14)	僱員福利開支(附註14)	58,276	64,563
Directors' emoluments (Note 15)	董事酬金(附註15)	3,173	2,689
Transportation costs	運輸成本	55,994	65,021
Donations	捐款	2,713	3,164
Handling charges	手續費	832	945
Expenses incurred in connection with the Global Offering	全球發售所產生的開支	7,819	–
Other expenses	其他開支	65,661	79,576
Total cost of sales, administrative expenses and selling expenses	總銷售成本、行政開支及銷售開支	1,072,489	882,225

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 9 FINANCE INCOME AND COSTS

### 9 融資收入及成本

		Year ended 31 March 截至三月三十一日止年度	
		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	1,147	1,927
<b>Finance costs</b>	<b>融資成本</b>		
Interest expenses on bank borrowings	銀行借貸利息開支	(11,360)	(11,101)
Others	其他	(1,742)	(15)
		<b>(13,102)</b>	<b>(11,116)</b>

### 10 INCOME TAX EXPENSE

### 10 所得稅開支

		Year ended 31 March 截至三月三十一日止年度	
		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	1,244	1,269
– PRC corporate income tax	– 中國企業所得稅	45,087	27,067
Over provisions in prior years	過往年度超額撥備	(26)	(186)
		<b>46,305</b>	<b>28,150</b>
<b>Deferred tax</b>	<b>遞延稅項</b>		
Origination and reversal of temporary differences	暫時差額的產生及撥回	140	(392)
Impact of change in Hong Kong tax rate	香港稅率變動的影響	–	(21)
		<b>140</b>	<b>(413)</b>
Income tax expense	所得稅開支	<b>46,445</b>	<b>27,737</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 10 INCOME TAX EXPENSE (Continued)

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the year ended 31 March 2010 (2009: 16.5%).

Huizhou Fook Woo Paper Company Limited (“FWHZ”), a subsidiary of the Group operating in the PRC, is 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 year ended 31 March 2010 was 12.5% (2009: 12.5%).

The income tax on the Group’s profit before income tax differs from the theoretical amount that would arise using the applicable tax rate of the home countries of the group entities is as follows:

### 10 所得稅開支(續)

截至二零一零年三月三十一日止年度，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。

惠州福和於二零一零年三月三十一日止年度企業所得稅的適用稅率均為12.5%(二零零九年：12.5%)。

本集團按除所得稅前利潤計算的所得稅，與按照現時組成本集團各公司所屬國家所實施稅率計算得出的理論數額之間的差額如下：

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit before income tax	除所得稅前利潤	337,784	200,327
Tax calculated at tax rates applicable to profits in the respective countries	按各國家利潤的適用稅率計算的稅項	84,740	49,445
Tax effects of:	以下各項的稅務影響：		
Effect of preferential tax rates	優惠稅率的影響	(45,087)	(23,936)
Income not subject to tax	毋須課稅收入	(657)	(100)
Expenses not deductible for tax purposes	不可扣稅開支	7,475	2,979
Utilisation of previously unrecognised tax losses	動用過往尚未確認的稅務虧損	–	(444)
Over provisions in prior years	過往年度超額撥備	(26)	(186)
Re-measurement of deferred tax – change in Hong Kong tax rate	遞延稅項重新計量 – 香港稅率變動	–	(21)
Income tax expense	所得稅開支	46,445	27,737

The weighted average applicable tax rate was 25% (2009: 25%).

加權平均適用稅率為25%(二零零九年：25%)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 11 LOSS ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK\$9,014,000.

### 12 DIVIDENDS

No dividends had been paid or declared by the Company during the year (2009: HK\$Nil).

### 13 BASIC AND DILUTED EARNINGS PER SHARE

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

The weighted average number of ordinary shares in issue during the year ended 31 March 2010 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 (Note 26) had been in issue prior to the incorporation of the Company (2009: same).

Profit attributable to the equity holders of the Company 本公司權益持有人應佔溢利

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)

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

### 11 本公司權益持有人應佔虧損

於本公司財務報表內列報本公司權益持有人應佔虧損為9,014,000港元。

### 12 股息

本公司於本年度並沒有支付或宣派股息(二零零九年：無)。

### 13 每股基本及攤薄盈利

每股基本盈利乃以本年度本公司權益持有人應佔溢利除以本年度已發行普通股之加權平均股數計算。

截至二零一零年三月三十一日止年度，用作計算每股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：於資本化發行及重組(附註26)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(二零零九年：相同)。

Year ended 31 March	
截至三月三十一日止年度	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
291,339	172,590
1,501,370	1,500,000
<b>HK\$0.19 港元</b>	<b>HK\$0.12 港元</b>

由於本年度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：同樣)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 14 EMPLOYEE BENEFIT EXPENSE, EXCLUDING DIRECTORS' EMOLUMENTS

### 14 僱員福利開支(不包括董事酬金)

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Wages and salaries	工資及薪金	46,815	53,346
Retirement schemes contributions	退休計劃供款	1,743	2,404
Social security costs	社會保障成本	5,849	7,075
Other allowances and benefits	其他津貼及福利	3,869	1,738
		<b>58,276</b>	<b>64,563</b>

### 15 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

### 15 董事酬金及五名最高薪人士

#### (a) Directors' emoluments

The aggregate amounts of emoluments paid by the Group to the directors of the Company during the year are as follows:

#### (a) 董事酬金

本年度本集團付予本公司董事的總酬金如下：

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Fees	袍金	-	-
Salaries, allowance and benefits in kind	薪金、津貼及實物利益	3,011	2,485
Discretionary bonus	酌情花紅	58	-
Retirement schemes contributions	退休計劃供款	104	204
		<b>3,173</b>	<b>2,689</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 15 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

### 15 董事酬金及五名最高薪人士(續)

#### (a) Directors' emoluments (Continued)

The emoluments of each director of the Company during the year are as follows:

#### (a) 董事酬金(續)

本年度本公司各董事的酬金如下：

		For the year ended 31 March 2010 截至二零一零年三月三十一日止年度				
		Salaries, allowance and benefits in kind	Discretionary bonus	Retirement schemes contributions	Total	
Fees	薪金、津貼 袍金及實物利益		酌情花紅	退休計劃供款	合計	
HK\$'000	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	千港元	
Executive director:	執行董事：					
Mr. Leung Kai Kuen	梁契權先生	-	1,450	-	73	1,523
Mr. Leung Tat Piu	梁達標先生	-	480	40	12	532
Mr. Cheng Chun Keung, Thomas	鄭振強先生	-	841	18	12	871
Non-executive director:	非執行董事：					
Ms. Cheung Nga Lai, Carol	張雅麗女士	-	240	-	7	247
Independent non-executive director:	獨立非執行董事：					
Mr. Chung Wai Kwok, Jimmy	鍾維國先生	-	-	-	-	-
Mr. Cheng Yu Hong	鄭宇航先生	-	-	-	-	-
Mr. Chan Kong, Dennis	陳剛先生	-	-	-	-	-
Mr. Lee Kwok Chung	李國忠先生	-	-	-	-	-
		-	3,011	58	104	3,173

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 15 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

### 15 董事酬金及五名最高薪人士(續)

#### (a) Directors' emoluments (Continued)

The emoluments of each director of the Company during the year are as follows:

#### (a) 董事酬金(續)

本年度本公司各董事的酬金如下：

		For the year ended 31 March 2009 截至二零零九年三月三十一日止年度				
		Salaries, allowance and benefits			Retirement schemes	
		Fees	Discretionary bonus	in kind	contributions	Total
		袍金	薪金、津貼及實物利益	酌情花紅	退休計劃供款	合計
		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
Executive director:	執行董事：					
Mr. Leung Kai Kuen	梁契權先生	–	1,200	–	180	1,380
Mr. Leung Tat Piu	梁達標先生	–	480	–	12	492
Mr. Cheng Chun Keung, Thomas	鄭振強先生	–	805	–	12	817
Non-executive director:	非執行董事：					
Ms. Cheung Nga Lai, Carol	張雅麗女士	–	–	–	–	–
Independent non-executive director:	獨立非執行董事：					
Mr. Chung Wai Kwok, Jimmy	鍾維國先生	–	–	–	–	–
Mr. Cheng Yu Hong	鄭宇航先生	–	–	–	–	–
Mr. Chan Kong, Dennis	陳剛先生	–	–	–	–	–
Mr. Lee Kwok Chung	李國忠先生	–	–	–	–	–
		–	2,485	–	204	2,689

During the year, no director received any emoluments from the Group as an inducement to join or leave the Group or as compensation for loss of office. No director waived or has agreed to waive any emoluments.

年內，本集團概無向董事支付任何酬金，作為促使彼加盟或離開本集團之獎金，或作為離職補償。董事概無放棄或同意放棄任何酬金。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 15 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

### 15 董事酬金及五名最高薪人士(續)

#### (b) Five highest paid individuals

The five individuals whose emoluments were highest in the Group during the year included 2 directors (2009: 2). Their emoluments are reflected in the analysis presented above. The emoluments payable to the remaining 3 (2009: 3) individuals during the year are as follows:

Salaries, allowance and benefits in kind	薪金、津貼及實物利益
Discretionary bonus	酌情花紅
Retirement schemes contributions	退休計劃供款

The emoluments fell within the following bands:

HK\$ Nil to HK\$1,000,000	零港元至 1,000,000 港元
HK\$1,000,001 to HK\$2,000,000	1,000,001 港元至 2,000,000 港元
HK\$2,000,001 to HK\$3,000,000	2,000,001 港元至 3,000,000 港元

#### (b) 五名最高薪人士

年內，本集團五位最高薪人士分別包括2名董事(二零零九年：2名)。該等董事的酬金已反映於上列分析中。年內應付餘下3名人士(二零零九年：3名)的酬金如下：

Year ended 31 March 截至三月三十一日止年度	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
4,728	5,784
48	300
201	645
<b>4,977</b>	<b>6,729</b>

有關酬金介乎下列幅度：

Number of individuals 人數	
Year ended 31 March 截至三月三十一日止年度	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
1	-
1	1
1	2
<b>3</b>	<b>3</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 16 PROPERTY, PLANT AND EQUIPMENT – 16 物業、廠房及設備 – 集團

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃裝修	廠房及機器	傢私、裝置及設備	汽車	在建工程	合計
		HK\$'000	HK\$'000	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	千港元	千港元
At 31 March 2008	於二零零八年三月三十一日							
Cost	成本	101,477	7,133	261,019	9,532	28,959	63,894	472,014
Accumulated depreciation	累計折舊	(33,587)	(5,876)	(148,488)	(7,287)	(20,296)	–	(215,534)
Net book amount	賬面淨值	67,890	1,257	112,531	2,245	8,663	63,894	256,480
Year ended 31 March 2009	截至二零零九年三月三十一日止年度							
Opening net book amount	期初賬面淨值	67,890	1,257	112,531	2,245	8,663	63,894	256,480
Additions	添置	358	636	65,549	1,127	5,401	132,401	205,472
Transfers between categories	類別間轉撥	23,542	–	–	–	–	(23,542)	–
Disposals	出售	–	–	(9,476)	–	(197)	–	(9,673)
Depreciation	折舊	(5,012)	(594)	(23,311)	(752)	(3,082)	–	(32,751)
Exchange differences	滙兌差額	551	–	855	14	55	(505)	970
Closing net book amount	期終賬面淨值	87,329	1,299	146,148	2,634	10,840	172,248	420,498
At 31 March 2009	於二零零九年三月三十一日							
Cost	成本	126,249	7,769	303,157	10,642	31,279	172,248	651,344
Accumulated depreciation	累計折舊	(38,920)	(6,470)	(157,009)	(8,008)	(20,439)	–	(230,846)
Net book amount	賬面淨值	87,329	1,299	146,148	2,634	10,840	172,248	420,498

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 16 PROPERTY, PLANT AND EQUIPMENT – GROUP (Continued)

### 16 物業、廠房及設備－集團(續)

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃裝修	廠房及機器	傢俬、裝置及設備	汽車	在建工程	合計
		HK\$'000	HK\$'000	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	千港元	千港元
Year ended 31 March 2010	截至二零一零年三月三十一日止年度							
Opening net book amount	期初賬面淨值	87,329	1,299	146,148	2,634	10,840	172,248	420,498
Additions	添置	-	20	415,537	507	2,053	245,758	663,875
Transfers between categories	類別間轉撥	206,140	-	122,802	-	-	(328,942)	-
Disposals	出售	-	-	(891)	-	(535)	-	(1,426)
Depreciation	折舊	(9,429)	(429)	(40,625)	(723)	(3,431)	-	(54,637)
Exchange differences	滙兌差額	991	-	1,642	19	74	1,957	4,683
Closing net book amount	期終賬面淨值	285,031	890	644,613	2,437	9,001	91,021	1,032,993
At 31 March 2010	於二零一零年三月三十一日							
Cost	成本	333,822	7,789	836,134	11,192	32,582	91,021	1,312,540
Accumulated depreciation	累計折舊	(48,791)	(6,899)	(191,521)	(8,755)	(23,581)	-	(279,547)
Net book amount	賬面淨值	285,031	890	644,613	2,437	9,001	91,021	1,032,993

As of 31 March 2010, buildings with net book value of approximately HK\$147,975,000 (2009: HK\$87,329,000) were pledged as collateral for the Group's borrowings (Note 30). As of 31 March 2010, plant and machinery with net book value of approximately HK\$643,464,000 (2009: Nil) were pledged as collateral for the Group's borrowings (Note 30).

The buildings are located on the Group's land use rights in the PRC with lease of between 48 to 52 years.

於二零一零年三月三十一日，賬面淨值約147,975,000港元的樓宇(二零零九年：87,329,000港元)作為本集團借貸的抵押品(附註30)。於二零一零年三月三十一日，賬面淨值約643,464,000港元的廠房及機器(二零零九年：零港元)經已作為本集團借貸的抵押品(附註30)。

該等樓宇位於中國，本集團擁有土地使用權，租期介乎48至52年不等。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 16 PROPERTY, PLANT AND EQUIPMENT – GROUP (Continued)

Depreciation of the Group's property, plant and equipment has been charged to the consolidated income statement as follows:

Cost of sales	銷售成本
Administrative expenses	行政開支

### 16 物業、廠房及設備－集團（續）

在綜合損益表扣除的本集團物業、廠房及設備的折舊如下：

Year ended 31 March	
截至三月三十一日止年度	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
40,812	27,556
13,825	5,195
<b>54,637</b>	<b>32,751</b>

### 17 LAND USE RIGHTS – GROUP

The movements of land use rights are as follows:

Opening net book amount	期初賬面淨值
Additions during the year	年內添置
Amortisation	攤銷
Exchange differences	滙兌差額
Closing net book amount	期終賬面淨值

### 17 土地使用權－集團

土地使用權的變動如下：

As at 31 March	
於三月三十一日	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
20,498	20,739
20,635	–
(532)	(479)
234	238
<b>40,835</b>	<b>20,498</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 17 LAND USE RIGHTS – GROUP (Continued)

Amortisation of land use rights has been included in administrative expenses.

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

In the PRC, held on unexpired  
lease terms between 10 to 50 years

在中國按以下租期持有：  
未屆滿租期介乎10至50年不等

As at 31 March 2010, land use rights with carrying values of approximately HK\$40,835,000 (2009: HK\$20,498,000) were pledged as collateral for the Group's borrowings (Note 30).

### 17 土地使用權－集團(續)

土地使用權攤銷計入行政開支。

本集團的土地使用權權益為預付經營租金，預付經營租金賬面淨值分析如下：

As at 31 March	
於三月三十一日	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
<b>40,835</b>	20,498

於二零一零年三月三十一日，賬面值約40,835,000港元(二零零九年：20,498,000港元)的土地使用權經已作為本集團借貸的抵押品(附註30)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 18 DEFERRED INCOME TAX – GROUP

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets against tax liabilities and when the deferred income taxes relate to the same tax authority.

### 18 遞延所得稅－集團

當遞延所得稅與相同稅務機關有關，且具有法律上可強制執行的權利，可把稅項資產抵銷稅項負債，則以遞延所得稅資產抵銷遞延所得稅負債。

		As at 31 March 於三月三十一日	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Deferred income tax assets:	遞延所得稅資產：		
– to be realised after more than 12 months	– 於逾 12 個月後變現	258	462
– to be realised within 12 months	– 於 12 個月內變現	–	–
		<b>258</b>	462
Deferred tax liabilities:	遞延所得稅負債：		
– to be realised after more than 12 months	– 於逾 12 個月後變現	(360)	(424)
– to be realised within 12 months	– 於 12 個月內變現	–	–
		<b>(360)</b>	(424)
Deferred income tax (liabilities)/assets, net	遞延所得稅(負債)/資產淨額	<b>(102)</b>	38

The movement on the deferred income tax account is as follows:

遞延所得稅賬目變動如下：

		As at 31 March 於三月三十一日	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Beginning of the year	年初	38	(375)
Recognised in the consolidated income statement (Note 10)	已於綜合損益表確認 (附註 10)	(140)	413
End of the year	年末	<b>(102)</b>	38

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 18 DEFERRED INCOME TAX – GROUP (Continued)

The movement in deferred income tax assets/(liabilities) during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

		<b>Tax losses</b>	<b>Accelerated tax depreciation</b>	<b>Total</b>
		稅務虧損	加速稅項折舊	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 April 2008	於二零零八年四月一日	–	(375)	(375)
Credited/(charged) to the consolidated income statement	計入/(扣自)綜合損益表	421	(8)	413
At 31 March 2009	於二零零九年三月三十一日	421	(383)	38
(Charged)/credited to the consolidated income statement	(扣自)/計入綜合損益表	(221)	81	(140)
At 31 March 2010	於二零一零年三月三十一日	200	(302)	(102)

Deferred income tax asset are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is profitable. As at 31 March 2010, there were unrecognised tax losses of approximately HK\$1,229,000 to be carried forward to offset against future taxable profits. These losses have no expiry terms.

Deferred income tax liabilities of HK\$27,222,000 (2009: HK\$11,678,000) have not been recognised as of 31 March 2010 for the withholding tax and other taxes that would be payable on the unremitted earnings of a subsidiary. Unremitted earnings totalled HK\$966,728,000 at 31 March 2010 (2009: HK\$658,502,000).

遞延所得稅資產/(負債)於年內的變動如下  
(不計及於相同稅務司法權區中抵銷結餘):

倘相關稅務優惠可通過未來應課稅利潤變現，則可就結轉稅務虧損確認遞延所得稅資產。於二零一零年三月三十一日，未確認稅務虧損1,229,000港元將予結轉，以抵銷未來應課稅利潤。該等虧損並沒有期限。

於二零一零年三月三十一日，並未就一家附屬公司的未匯出盈利應繳納的預扣稅及其他稅項確認遞延所得稅負債27,222,000港元(二零零九年：11,678,000港元)。於二零一零年三月三十一日，未匯出盈利合計為966,728,000港元(二零零九年：658,502,000港元)。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 19 INVENTORIES – GROUP

### 19 存貨－集團

		As at 31 March 於三月三十一日	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Raw materials, at cost	原料成本	39,844	42,511
Finished goods, at cost	成品成本	22,594	16,738
		<b>62,438</b>	<b>59,249</b>

The cost of inventories recognised as an expense and included in “cost of sales” amounted to HK\$813,327,000 for the year ended 31 March 2010 (2009: HK\$616,770,000).

截至二零一零年三月三十一日止年度，確認為開支並計入「銷售成本」的存貨成本為813,327,000港元（二零零九年：616,770,000港元）。

### 20 TRADE AND BILLS RECEIVABLES – GROUP

### 20 應收貿易賬款及票據－集團

		As at 31 March 於三月三十一日	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Trade and bills receivables	應收貿易賬款及票據	356,159	182,245
Less: provision for impairment	減：減值撥備	(5,835)	(4,140)
Trade and bills receivables – net	應收貿易賬款及票據淨額	<b>350,324</b>	<b>178,105</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 20 TRADE AND BILLS RECEIVABLES – GROUP (Continued)

Payment terms granted to customers are mainly cash on delivery and on credit. The average credit period ranges from 10 days to 90 days. The ageing analysis of trade and bills receivables based on due date at the balance sheet date is as follows:

Current	即期
1 – 30 days	1 – 30 日
31 – 60 days	31 – 60 日
61 – 90 days	61 – 90 日
91 – 120 days	91 – 120 日
Over 120 days	逾 120 日
Less: Provision for impairment	減：減值撥備

### 20 應收貿易賬款及票據－集團(續)

客戶享有的付款條款主要分為貨到付現及賒購。一般信貸期介乎10日至90日。於結算日按到期日計的應收貿易賬款及票據賬齡分析如下：

As at 31 March	
於三月三十一日	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
<b>283,316</b>	107,358
<b>36,417</b>	25,623
<b>15,378</b>	15,892
<b>1,304</b>	12,133
<b>2,297</b>	5,757
<b>17,447</b>	15,482
<b>356,159</b>	182,245
<b>(5,835)</b>	(4,140)
<b>350,324</b>	178,105

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 20 TRADE AND BILLS RECEIVABLES – GROUP (Continued)

As of 31 March 2010, trade receivables of approximately HK\$67,008,000 (2009: HK\$70,747,000) were past due but not impaired. These relate to certain customers with no history of credit default and they are in continuous trading with the Group. Based on past experience, management believes that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered as fully recoverable. The ageing analysis of these trade receivables based on due date is as follows:

1 – 30 days	1 – 30 日
31 – 60 days	31 – 60 日
61 – 90 days	61 – 90 日
91 – 120 days	91 – 120 日
Over 120 days	逾 120 日

As of 31 March 2010, trade receivables of approximately HK\$5,835,000 (2009: HK\$4,140,000) were impaired and fully provided for. The individually impaired receivables were mainly related to smaller customers which were in financial difficulties. The ageing analysis of these non-recoverable receivables based on due date is as follows:

Over 120 days	逾 120 日
---------------	---------

### 20 應收貿易賬款及票據－集團（續）

於二零一零年三月三十一日，約67,008,000港元（二零零九年：70,747,000港元）的應收貿易賬款經已逾期，但並未減值。上述款項與並無信貸違約紀錄的若干客戶有關，而彼等持續與本集團交易。根據過去經驗，管理層認為，就上述結餘無須提撥減值撥備，因為信貸質素並無顯著變化，而且上述結餘仍被視為可全數收回。上述應收貿易賬款按到期日計的賬齡分析如下：

As at 31 March 於三月三十一日	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
36,417	25,623
15,378	15,892
1,304	12,133
2,297	5,757
11,612	11,342
<b>67,008</b>	<b>70,747</b>

於二零一零年三月三十一日，約5,835,000港元（二零零九年：4,140,000港元）的應收貿易賬款經已減值並全數撥備。個別減值應收款項主要與陷入財困規模較小的客戶有關。有關未能收回應收款項按到期日計之賬齡分析如下：

As at 31 March 於三月三十一日	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
5,835	4,140

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 20 TRADE AND BILLS RECEIVABLES – GROUP (Continued)

Movement on the provision for impairment of trade receivables is as follows:

		As at 31 March 於三月三十一日	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At beginning of the year	年初	4,140	3,251
Provision recognised in the consolidated income statement	已於綜合損益表確認的撥備	1,906	2,308
Receivables written off during the year as uncollectible	因不可收回而於年內撇銷的應收款項	(177)	(1,450)
Reversal of allowance made	撥回撥備	(36)	(1)
Exchange differences	滙兌差額	2	32
At end of the year	年終	<b>5,835</b>	4,140

The carrying amounts of trade and bills receivables are denominated in the following currencies:

		As at 31 March 於三月三十一日	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
HK\$	港元	42,849	39,323
USD	美元	17,082	6,958
RMB	人民幣	290,393	131,824
		<b>350,324</b>	178,105

The addition and reversal of provision for impaired receivables have been included in administrative expenses in the consolidated income statement (Note 8). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

應收貿易賬款減值撥備的變動如下：

以下列貨幣計值的應收貿易賬款及票據賬面值：

已減值應收款項的新增及撥回撥備已計入綜合損益表的行政開支(附註8)。記錄在備抵賬戶的金額在預期不能收回更多現金時撇銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 20 TRADE AND BILLS RECEIVABLES – GROUP (Continued)

As of 31 March 2010, the fair values of the trade and bills receivables approximate their carrying amounts. The maximum exposure to credit risk at each balance sheet date is the carrying value of the receivables. The Group does not hold any collateral as security.

As of 31 March 2010, trade receivables of approximately HK\$59,063,000 (2009: HK\$39,352,000) were pledged as collateral for the Group's borrowing (Note 30).

### 20 應收貿易賬款及票據－集團（續）

於二零一零年三月三十一日，應收貿易賬款及票據的公平價值與其賬面值相若。於各結算日，應收款項的最高信貸風險為其賬面值。本集團並無持有任何抵押品作為抵押。

於二零一零年三月三十一日，本集團有約59,063,000港元（二零零九年：39,352,000港元）應收貿易賬款質押作抵押品，讓本集團獲得借貸（附註30）。

### 21 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES – GROUP

### 21 預付款項、按金及其他應收款項－集團

		As at 31 March 於三月三十一日	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Non-current portion	非即期部份		
Prepayments for purchase of property, plant and equipment	購買物業、廠房及設備的預付款項	66,554	326,825
Current portion	即期部份		
Deposits placed with suppliers	向供應商付出的按金	30,402	26,202
Prepayments to suppliers	向供應商支付的預付款項	15,327	31,596
Other receivables from third parties (note a)	來自第三方的其他應收款項（附註(a)）	9,552	20,337
Others	其他	4,598	5,923
		<b>59,879</b>	84,058
Total	總計	<b>126,433</b>	410,883

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 21 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES – GROUP (Continued)

As of 31 March 2010, the fair values of the other receivables approximate their carrying amounts. The maximum exposure to credit risk at each balance sheet date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security (2009: same).

Note (a): Other receivables due from third parties are unsecured, interest-free and repayable on demand.

### 21 預付款項、按金及其他應收款項 – 集團 (續)

於二零一零年三月三十一日，其他應收款項的公平價值與其賬面值相若。於各結算日，最高信貸風險為上述各項應收款項的賬面值。本集團並無持有任何抵押品作為抵押（二零零九年：相同）。

附註(a)：其他應收第三方款項為無抵押、免息及須應要求償還。

### 22 CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

### 22 現金及現金等價物及受限制銀行存款

		Group 本集團		Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Cash in hand	手頭現金	737	299	-	-
Cash at bank	銀行現金	1,078,479	52,422	964,585	-
Total cash and cash equivalents	現金及現金等價物總額	1,079,216	52,721	964,585	-
Restricted bank deposits	受限制銀行存款	9,294	-	-	-
		1,088,510	52,721	964,585	-

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 22 CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS (Continued)

### 22 現金及現金等價物及受限制銀行存款(續)

Cash and cash equivalents are denominated in the following currencies:

以下列貨幣計值的現金及現金等價物：

	Group 本集團		Company 本公司	
	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>Cash at bank and in hand</b>	<b>銀行及手頭現金</b>			
RMB				
HK\$				
USD				
EURO				
	<b>36,430</b>	19,628	-	-
	<b>1,044,707</b>	18,460	<b>964,585</b>	-
	<b>7,370</b>	14,558	-	-
	<b>3</b>	75	-	-
	<b>1,088,510</b>	52,721	<b>964,585</b>	-

The restricted bank deposits were denominated in RMB as of 31 March 2010. The balance was pledged as collateral for the Group's borrowings (Note 24).

於二零一零年三月三十一日，受限制銀行存款以人民幣計值，本集團已質押結餘作抵押品，以獲取借貸(附註24)。

	Group 本集團		Company 本公司	
	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Maximum exposure to credit risk on cash and cash equivalents and restricted bank deposits	現金及現金等價物及受限制銀行存款的最高信貸風險			
	<b>1,087,773</b>	52,422	<b>964,585</b>	-

The conversion of RMB denominated balances into foreign currencies and the remittance of such bank balances and cash out of the PRC are subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

換算以人民幣計值結餘為外幣，以及匯出有關銀行結餘及從中國抽調現金，受中國政府頒佈的有關外匯管制規則及規例所規限。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 22 CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS (Continued)

Cash at bank earns interest at floating rates based on prevailing bank deposit rates.

Cash, cash equivalents and bank overdrafts include the following for the purpose of the consolidated cash flow statement:

### 22 現金及現金等價物及受限制銀行存款(續)

銀行現金根據當前銀行存款利率計算的浮息賺取利息。

就綜合現金流量表而言，現金、現金等價物及銀行透支包括如下各項：

		Group 本集團		Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	1,079,216	52,721	964,585	-
Bank overdrafts (Note 24)	銀行透支(附註24)	(11,231)	(2,373)	-	-
		<b>1,067,985</b>	<b>50,348</b>	<b>964,585</b>	<b>-</b>

### 23 BORROWINGS – GROUP

### 23 借貸 – 集團

		As at 31 March 於三月三十一日	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Bank borrowings, secured	有抵押銀行借貸	122,727	53,932
Bank borrowings, unsecured	無抵押銀行借貸	48,000	-
Less: current portion included in current liabilities	減：包括於流動負債的 即期部份	(45,395)	(13,483)
Long-term borrowings	長期借貸	<b>125,332</b>	<b>40,449</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 23 BORROWINGS – GROUP (Continued)

The maturities of the total borrowings at respective balance sheet dates are as follows:

Within 1 year	1年內
Between 1 to 2 years	1至2年
Between 2 to 5 years	2至5年

The bank borrowings are denominated in the following currencies:

HK\$	港元
RMB	人民幣
Total	總計

The bank loans are at floating rates and exposed the Group to cash flow interest rate risk. The effective interest rates was 5.24% per annum as of 31 March 2010 (2009: 7.76% per annum).

The borrowings of HK\$122,727,000 as of 31 March 2010 were secured by land use rights and buildings of FWHZ (Note 30) (2009: HK\$53,932,000).

### 23 借貸－集團（續）

於有關結算日的總借貸到期日如下：

As at 31 March	
於三月三十一日	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
45,395	13,483
40,282	13,483
85,050	26,966
<b>170,727</b>	<b>53,932</b>

銀行借貸以如下貨幣計值：

As at 31 March	
於三月三十一日	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
48,000	–
122,727	53,932
<b>170,727</b>	<b>53,932</b>

銀行貸款以浮息計算，令本集團面對現金流利率風險。於二零一零年三月三十一日，實際利率為每年5.24%（二零零九年：每年7.76%）。

於二零一零年三月三十一日，122,727,000港元的借貸，以惠州福和的土地使用權及樓宇作抵押（附註30）（二零零九年：53,932,000港元）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 23 BORROWINGS – GROUP (Continued)

All the borrowings were secured by personal guarantees provided by a director and corporate guarantees by certain subsidiaries as of 31 March 2010 (2009: same).

The fair values of the borrowings approximate their carrying amounts at the balance sheet date as all the borrowings carry floating rate interests (2009: same).

### 23 借貸－集團(續)

所有貸款均由一名董事提供的個人擔保及若干附屬公司截至二零一零年三月三十一日的企業擔保作抵押(二零零九年：相同)。

由於所有借貸以浮息計算，於各結算日，借貸的公平價值與其賬面值相若(二零零九年：相同)。

### 24 SHORT-TERM BORROWINGS – GROUP

Bank overdrafts	銀行透支
Short-term bank loans, secured	有抵押短期銀行借貸
Total	總計

The short-term bank borrowings are denominated in the following currencies:

HK\$	港元
RMB	人民幣
USD	美元
Total	總計

The fair values of short-term bank borrowings approximate their carrying amounts at each balance sheet date.

### 24 短期借貸－集團

As at 31 March	
於三月三十一日	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
11,231	2,373
97,674	158,310
<b>108,905</b>	<b>160,683</b>

短期銀行借貸以如下貨幣計值：

As at 31 March	
於三月三十一日	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
85,975	147,200
13,636	13,483
9,294	–
<b>108,905</b>	<b>160,683</b>

於各結算日，短期銀行借貸的公平價值與其賬面值相若。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 24 SHORT-TERM BORROWINGS – GROUP (Continued)

At 31 March 2010, short-term bank borrowings of HK\$99,611,000 (2009: HK\$160,683,000) were arranged at floating rates, thus exposed the Group to cash flow interest rate risk. The effective interest rate as at 31 March 2010 was 7.09% per annum (2009: 4.24% per annum).

At 31 March 2009, short-term bank loans amounting to HK\$158,310,000 were secured by trade receivables of certain subsidiaries and land use rights and buildings of FWHZ (Note 30).

At 31 March 2010, short-term bank loans amounting to HK\$97,674,000 were secured by trade receivables and plant and machinery of certain subsidiaries as well as land use rights and buildings of FWHZ and restricted bank deposits (Note 30).

### 24 短期借貸 – 集團(續)

於二零一零年三月三十一日，99,611,000港元的短期銀行借貸(二零零九年：160,683,000港元)以浮息計算，令本集團面對現金流利息風險。於二零一零年三月三十一日，實際利率為每年7.09%(二零零九年：每年4.24%)。

於二零零九年三月三十一日，為數158,310,000港元的短期銀行貸款以若干附屬公司的應收貿易賬款，以及惠州福和的土地使用權及樓宇(附註30)。

於二零一零年三月三十一日，為數97,674,000港元的短期銀行貸款以若干附屬公司的應收貿易賬款，以及廠房及機器，以及惠州福和的土地使用權及樓宇，加上受限制銀行存款作擔保(附註30)。

### 25 TRADE AND OTHER PAYABLES – GROUP

### 25 應付貿易賬款及其他應付款項 – 集團

		As at 31 March 於三月三十一日	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Trade payables	應付貿易賬款	82,030	45,357
Other payables:	其他應付款項：		
– Other PRC taxes payable	– 其他應付中國稅項	33,809	20,499
– Accrued expenses	– 應計開支	83,714	19,259
– Receipts in advance from customers	– 客戶預先墊款	1,983	3,117
– Other payables for construction in progress	– 在建工程其他 應付款項	21,071	16,944
Others	其他	523	1,157
		<b>223,130</b>	<b>106,333</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 25 TRADE AND OTHER PAYABLES – GROUP (Continued)

The aging analysis of trade payables at the balance sheet date is as follows:

		As at 31 March 於三月三十一日	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Current	即期	54,144	22,132
1 – 30 days	1 – 30 日	9,720	6,825
31 – 60 days	31 – 60 日	1,551	5,429
61 – 90 days	61 – 90 日	2,990	1,215
91 – 120 days	91 – 120 日	2,146	3,801
Over 120 days	逾 120 日	11,479	5,955
		<b>82,030</b>	<b>45,357</b>

The carrying amounts of trade payables are denominated in the following currencies:

		Group 本集團		Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
HK\$	港元	8,960	9,554	-	-
USD	美元	-	157	-	-
RMB	人民幣	73,070	35,646	-	-
		<b>82,030</b>	<b>45,357</b>	<b>-</b>	<b>-</b>

As of 31 March 2010, the fair values of the trade and other payables approximate their carrying amounts (2009: same).

### 25 應付貿易賬款及其他應付款項— 集團(續)

於結算日，應付貿易賬款賬齡分析如下：

		As at 31 March 於三月三十一日	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Current	即期	54,144	22,132
1 – 30 days	1 – 30 日	9,720	6,825
31 – 60 days	31 – 60 日	1,551	5,429
61 – 90 days	61 – 90 日	2,990	1,215
91 – 120 days	91 – 120 日	2,146	3,801
Over 120 days	逾 120 日	11,479	5,955
		<b>82,030</b>	<b>45,357</b>

以下列貨幣計值的應付貿易賬款賬面值：

		Group 本集團		Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
HK\$	港元	8,960	9,554	-	-
USD	美元	-	157	-	-
RMB	人民幣	73,070	35,646	-	-
		<b>82,030</b>	<b>45,357</b>	<b>-</b>	<b>-</b>

於二零一零年三月三十一日，應付貿易賬款及其他應付款項的公平價值與其賬面值相若(二零零九年：相同)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 26 SHARE CAPITAL

### 26 股本

#### (a) Authorised share capital of the Company

#### (a) 本公司的法定股本

		Year ended 31 March 2010 截至二零一零年 三月三十一日止年度	
		Number of ordinary shares 普通股股數	Ordinary shares 普通股 HK\$'000 千港元
Authorised:	法定股本：		
On 11 November 2009, date of incorporation	於註冊成立日期二零零九年 十一月十一日	3,800,000	380
Increase in authorised share capital	法定股本的增加	4,996,200,000	499,620
At 31 March 2010	於二零一零年三月三十一日	<b>5,000,000,000</b>	<b>500,000</b>

As of the date of incorporation, the initial authorised share capital of the Company was HK\$380,000 divided into 3,800,000 ordinary shares of HK\$0.10 each.

於註冊成立日期，本公司初步的法定股本為380,000港元，分為每股面值0.10港元的3,800,000股普通股。

On 11 March 2010, the authorised share capital was increased from HK\$380,000 to HK\$500,000,000 divided into 5,000,000,000 ordinary shares of HK\$0.10 each in preparation for the Global Offering.

於二零一零年三月十一日，為準備全球發售，法定股本由380,000港元增加至500,000,000港元，分為每股面值0.10港元的5,000,000,000股普通股。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 26 SHARE CAPITAL (Continued)

### 26 股本(續)

#### (b) Issued share capital of the Company

#### (b) 本公司的已發行股本

		Year ended 31 March 2010 截至二零一零年 三月三十一日止年度	
		Number of ordinary shares 普通股股數	Ordinary shares 普通股 HK\$ 港元
		Note 附註	
Issued and fully paid:	已發行及繳足：		
On 11 November 2009, date of incorporation	於註冊成立日期二零零九年 十一月十一日		500      50
Allotment of shares pursuant to the Reorganisation	根據重組配發股份	(i)	8,375      838
Allotment of shares for settlement of shareholder's loan	為償還股東貸款而配發 股份	(ii)	1,125      112
Shares issued pursuant to the Global Offering	根據全球發售的已發行 股份	(iii)	500,000,000      50,000,000
Shares issued under the capitalisation issue	根據資本化發行的已發行 股份	(iv)	1,499,990,000      149,999,000
			<b>2,000,000,000      200,000,000</b>
(i)	The Company acquired the entire issued share capital of its subsidiaries by allotting and issuing a total of 8,375 shares of HK\$0.1 each to the Founders of the Company.	(i)	本公司透過向本公司創辦人配發及發行合共8,375股每股面值0.1港元的股份，收購其附屬公司的全部已發行股本。
(ii)	On 21 February 2010, Mr. Leung Kai Kuen, one of the Founders, transferred a loan due to him by Golddoor Company Limited, a subsidiary of the Group, to the Company. On the same date, the Company issued and allotted 1,125 ordinary shares of the Company to Mr. Leung Kai Kuen in settlement of the loan.	(ii)	於二零一零年二月二十一日，梁契權先生(本公司創辦人之一)向本公司轉讓金益多有限公司結欠其的貸款。於同日，本公司已向梁契權先生發行及配發1,125股股份，以清償貸款。
(iii)	On 31 March 2010, the Company issued 500,000,000 ordinary shares of HK\$0.1 each pursuant to the Global Offering as disclosed in Note 1.1. The excess of issue price over the par value of the ordinary shares were credited to share premium.	(iii)	於二零一零年三月三十一日，本公司根據全球發售發行500,000,000股每股面值0.1港元的普通股(如附註1.1所披露)。普通股發行價高於其面值的價格計入股份溢價。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 26 SHARE CAPITAL (Continued)

#### (b) Issued share capital of the Company (Continued)

- (iv) 1,499,990,000 ordinary shares were issued at par via the capitalisation issue of 1,449,990,000 shares in the Company, through the application of HK\$149,999,000 of the share premium received upon the issuance of shares referred to in (iii) above, to pay up the aggregate par value of the capitalisation shares.

### 26 股本(續)

#### (b) 本公司的已發行股本(續)

- (iv) 藉發行上文(iii)所提述的股份時利用已收取149,999,000港元的股份溢價繳付資本化股份的總面值，經資本化發行本公司1,449,990,000股股份，按面值發行1,449,990,000股普通股。

### 27 RESERVES

#### (a) Group

##### (i) Capital reserve as of 31 March 2009

The Company was incorporated on 11 November 2009 and the Reorganisation was not completed prior to 31 March 2009. For the purpose of the consolidated financial statements, the capital reserve in the consolidated balance sheet as of 31 March 2009 represented the combined share capital and share premium of the companies now comprising the Group, net of costs incurred for proposed issuance of new shares.

##### (ii) Capital reserve as of 31 March 2010

Capital reserve as of 31 March 2010 represented the difference between (i) the aggregate of the consideration for the acquisitions under common control upon the Reorganisation as detailed in Note 1.1; and (ii) the aggregate of the share capital and share premium of the entities transferred to the Group pursuant to the Reorganisation.

### 27 儲備

#### (a) 本集團

##### (i) 於二零零九年三月三十一日的資本儲備

本公司於二零零九年十一月十一日註冊成立，於二零零九年三月三十一日前，重組並未完成。就綜合財務報表而言，於二零零九年三月三十一日，綜合資產負債表的資本儲備代表現時組成本集團的公司的綜合股本及股份溢價，扣除建議發行新股的成本。

##### (ii) 於二零一零年三月三十一日的資本儲備

於二零一零年三月三十一日的資本儲備為以下兩者的差額組成(i)在同一控制架構下進行重組的收購總代價(詳情見附註1.1);及(ii)根據重組撥入本集團的實體股本及股份溢價。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 27 RESERVES (Continued)

#### (a) Group (Continued)

##### (iii) Exchange reserve

The exchange reserve represents the foreign exchange differences arising from the translation of the financial statements of the Company and FWHZ, a subsidiary in the PRC. The reserve is dealt with in accordance with the accounting policies set out in Note 2.

##### (iv) Statutory reserve

In accordance with the relevant regulations and the articles of association, a subsidiary of the Group incorporated in the PRC, FWHZ is required to allocate at least 10% of its after-tax profit according to PRC accounting standards and regulations to the statutory reserve until such reserve has reached 50% of registered capital. Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the board of directors of FWHZ. These reserves can only be used for specific purposes and are not distributable or transferable in the form of loans, advances, or cash dividends. During the year ended 31 March 2010, no appropriations were made to the statutory reserve as such reserve has reached 50% of the registered capital of FWHZ.

### 27 儲備(續)

#### (a) 本集團(續)

##### (iii) 換算儲備

換算儲備由折算在本公司及一家中國附屬公司惠州福和的財務報表所產生的全部外匯換算差額組成。該儲備按照附註2載列的會計政策處理。

##### (iv) 法定儲備

根據有關法規及組織章程細則，在中國註冊成立的本集團附屬公司惠州福和須按照中國會計標準及法規，分配其至少10%稅後利潤至法定儲備，直至該儲備達致註冊資本的50%。惠州福和董事會可酌情將資金調配至企業擴張基金及員工福利與紅利基金，有關儲備僅可作特定用途，不得以貸款、墊款或現金紅利的方式分派或轉讓。於二零一零年三月三十一日止年度，由於該儲備已達到惠州福和註冊資本的50%，故並無資金調配至法定儲備。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 27 RESERVES (Continued)

### 27 儲備(續)

(b) Company		(b) 本公司			
		Company			
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>Balance as at 11 November 2009 (date of incorporation)</b>	於二零零九年十一月十一日 (註冊成立日期)的結餘	-	-	-	-
Loss for the year	年度虧損	-	-	(9,014)	(9,014)
Issue of ordinary shares pursuant to the Global Offering (Note 26(iii))	根據全球發售而發行 的普通股 (附註26(iii))	50,000	1,100,000	-	1,150,000
Allotment of shares pursuant to the Reorganisation (Notes 1.1(g) and 26(i))	根據重組而配發 的股份(附註1.1(g) 及26(i))	1	967,943	-	967,944
Allotment of shares for settlement of shareholder's loan (Notes 1.1(f) and 26(ii))	為清償股東貸款而配發 的股份(附註1.1(f) 及26(ii))	-	100,000	-	100,000
Share issuance costs	股份發行成本	-	(94,238)	-	(94,238)
Shares issued under the capitalisation issue (Note 26(iv))	按資本化發行而發行的股份 (附註26(iv))	149,999	(149,999)	-	-
<b>Balance as at 31 March 2010</b>	於二零一零年三月三十一日 的結餘	200,000	1,923,706	(9,014)	2,114,692

The Company's reserves available for distribution calculated under Companies Law of the Cayman Islands comprise the share premium account less accumulated losses totalling HK\$1,914,692,000.

根據開曼群島公司法計算的本集團可供分派儲備包括股份溢價賬減合共1,914,692,000港元的累計虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 28 INVESTMENTS IN SUBSIDIARIES AND DUE FROM/(TO) SUBSIDIARIES

### 28 於附屬公司的投資及應收／(應付)附屬公司款項

		As at 31 March 於三月三十一日	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Investments at cost, unlisted shares	按成本計算投資，非上市股份	967,944	–
Due from a subsidiary	應收附屬公司款項	231,422	–
		<b>1,199,366</b>	–
Due to subsidiaries	應付附屬公司款項	<b>(1,823)</b>	–

Note: The balances with subsidiaries are unsecured, interest-free, and repayable on demand.

附註：附屬公司的結餘為無抵押、免息及須應要求償還。

The following is a list of the principal subsidiaries at 31 March 2010:

於二零一零年三月三十一日的主要附屬公司如下表呈列：

Name 名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Particulars of issued paid-in capital 已發行繳足股本	Effective interest held 所持實益權益	Principal activities and place of operation 主營業務及 經營地點
Directly held: 直接持有：				
Fook Woo International Limited 福和國際有限公司	The BVI/ 16 March 2007 英屬維爾京群島/ 二零零七年三月十六日	Ordinary US\$50,030 普通股 50,030 美元	100% 100%	Investment holding/Hong Kong 投資控股/香港
Indirectly held: 間接持有：				
Fook Woo Wastepaper (BVI) Company Limited 福和廢紙(維爾京群島)有限公司	The BVI/ 23 March 2009 英屬維爾京群島/ 二零零九年三月二十三日	Ordinary US\$1 普通股 1 美元	100% 100%	Investment holding/Hong Kong 投資控股/香港

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 28 INVESTMENTS IN SUBSIDIARIES AND DUE FROM/(TO) SUBSIDIARIES (Continued)

### 28 於附屬公司的投資及應收／(應付)附屬公司的投資(續)

The following is a list of the principal subsidiaries at 31 March 2010: (Continued)

於二零一零年三月三十一日的主要附屬公司如下表呈列：(續)

Name 名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Particulars of issued paid-in capital 已發行繳足股本	Effective interest held 所持實益權益	Principal activities and place of operation 主營業務及 經營地點
Fook Woo Assorted Paper (BVI) Company Limited 福和紙業世界(維爾京群島)有限公司	The BVI/ 23 March 2009 英屬維爾京群島/ 二零零九年三月二十三日	Ordinary US\$1 普通股 1 美元	100% 100%	Investment holding/Hong Kong 投資控股/香港
Fook Woo Environmental Technologies (BVI) Company Limited 福和環保科技(維爾京群島)有限公司	The BVI/ 23 March 2009 英屬維爾京群島/ 二零零九年三月二十三日	Ordinary US\$1 普通股 1 美元	100% 100%	Investment holding/Hong Kong 投資控股/香港
Fook Woo Paper (BVI) Company Limited 福和造紙(維爾京群島)有限公司	The BVI/ 23 March 2009 英屬維爾京群島/ 二零零九年三月二十三日	Ordinary US\$1 普通股 1 美元	100% 100%	Investment holding/Hong Kong 投資控股/香港
Fook Woo CMDS (BVI) Company Limited 福和密件處理服務(維爾京群島)有限公司	The BVI/ 23 March 2009 英屬維爾京群島/ 二零零九年三月二十三日	Ordinary US\$1 普通股 1 美元	100% 100%	Investment holding/Hong Kong 投資控股/香港
Fook Woo Waste Paper Company Limited 福和廢紙有限公司	Hong Kong/ 28 September 1993 香港/一九九三年九月二十八日	HK\$1,000,000 1,000,000 港元	100% 100%	Sales of recovered paper/Hong Kong 銷售收回紙/香港
Fook Woo Assorted Paper Company Limited 福和紙業世界有限公司	Hong Kong/ 15 December 1997 香港/一九九七年十二月十五日	HK\$1,000,000 1,000,000 港元	100% 100%	Sales of tissue paper products and recycled greyboard/Hong Kong 銷售生活用紙及再造灰板紙/香港
Confidential Materials Destruction Service Limited 密件處理服務有限公司	Hong Kong/ 22 June 1979 香港/一九七九年六月二十二日	HK\$10,000 10,000 港元	100% 100%	Provision of confidential materials destruction service/Hong Kong 提供機密材料處理服務/香港

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 28 INVESTMENTS IN SUBSIDIARIES AND DUE FROM/(TO) SUBSIDIARIES (Continued)

### 28 於附屬公司的投資及應收／(應付)附屬公司的投資(續)

The following is a list of the principal subsidiaries at 31 March 2010: (Continued)

於二零一零年三月三十一日的主要附屬公司如下表呈列：(續)

Name 名稱	Place and date of incorporation/ 註冊成立/ 成立地點及日期	Particulars of issued paid-in capital 已發行繳足股本	Effective interest held 所持實益權益	Principal activities and place of operation 主營業務及經營地點
Fook Woo Environmental Technologies Limited 福和環保科技有限公司	Hong Kong/ 13 December 2002 香港/二零零二年十二月十三日	HK\$1,000,000 1,000,000港元	100% 100%	Procurement of waste paper/Hong Kong 採購廢紙/香港
Golddoor Company Limited 金益多有限公司	Hong Kong/ 29 April 1981 香港/一九八一年四月二十九日	HK\$500,000 500,000港元	100% 100%	Investment holding/Hong Kong 投資控股/香港
間接持有：				
惠州福和紙業有限公司# (Huizhou Fook Woo Paper Company Limited) ("FWHZ") 惠州福和紙業有限公司 (「惠州福和」)	PRC/ 26 March 1996 中國/一九九六年三月二十六日	HK\$74,702,492 74,702,492港元	100% 100%	Manufacturing and sales of tissue paper products and recycled greyboard and sales of recovered paper/PRC 產銷生活用紙及再造灰板紙以及銷售回收紙/中國
惠州福和紙業有限公司 (Huizhou Fook Woo Paper (HK) Company Limited) 惠州福和紙業有限公司	Hong Kong/ 4 December 2007 香港/二零零七年十二月四日	HK\$1 1港元	100% 100%	Inactive 非營業

# The company is a wholly foreign-owned enterprise.

# 該公司為外商獨資企業。

The English names of certain subsidiaries represented the best effort by management of the Company in translating their Chinese names as they do not have official English names.

由於若干附屬公司無正式英文譯名，故有關英文名稱代表本公司管理層對其中文名稱的英文翻譯。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 29 NOTE TO THE CONSOLIDATED CASH FLOW STATEMENTS

### 29 綜合現金流量表附註

Reconciliation of profit before income tax to net cash generated from operations

除所得稅前利潤與經營業務所得現金淨額的對賬

		Year ended 31 March	
		截至三月三十一日止年度	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
<b>Profit before income tax</b>	<b>除所得稅前利潤</b>	<b>337,784</b>	200,327
<b>Adjustments for:</b>	<b>就以下項目調整：</b>		
– (Gain)/loss on disposals of property, plant and equipment	– 出售物業、廠房及設備的(收益)/虧損	(713)	5,459
– Amortisation of land use rights	– 土地使用權攤銷	532	479
– Share issuance costs pursuant to the Global Offering	– 進行全球發售的股份發行成本	7,819	–
– Depreciation of property, plant and equipment	– 物業、廠房及設備折舊	54,637	32,751
– Provision for impairment of trade receivables	– 應收貿易賬款減值撥備	1,906	2,308
– Provision for impairment of deposits and prepayments to suppliers	– 向供應商支付按金及預付款項減值撥備	–	2,970
– Direct write off of trade receivables	– 直接撇銷應收貿易賬款	–	539
– Direct write off of deposits and prepayments to suppliers	– 直接撇銷向供應商支付按金及預付款項	–	3,895
– Finance costs	– 融資成本	13,102	11,116
– Interest income	– 利息收入	(1,147)	(1,927)
<b>Operating profit before working capital changes</b>	<b>營運資本變動前經營利潤</b>	<b>413,920</b>	257,917
– Inventories	– 存貨	(2,494)	(9,639)
– Trade and bills receivables	– 應收貿易賬款及票據	(172,548)	41,058
– Prepayments, deposits and other receivables	– 預付款項、按金及其他應收款項	26,438	(29,246)
– Amounts due from related companies	– 應收關連公司款項	29,167	(15,512)
– Trade and other payables	– 應付貿易賬款及其他應付款項	55,011	(2,195)
– Amount due to a Director	– 應付一名董事款項	(6,988)	(6,907)
– Amounts due to related companies	– 應付關連公司款項	(1,542)	(6,077)
Cash generated from operations	經營業務所得現金	<b>340,964</b>	229,399

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 30 PLEDGE OF ASSETS

During the year, the Group had the following pledge of assets as collateral to secure the Group's borrowings:

At net book value:	按賬面淨值：
Land use rights (Note 17)	土地使用權(附註17)
Buildings in the PRC (Note 16)	在中國的樓宇(附註16)
Plant and machinery (Note 16)	廠房及機器(附註16)
Trade receivables (Note 20)	應收貿易賬款(附註20)
Restricted bank deposits (Note 22)	受限制銀行存款(附註22)

Borrowings totalling HK\$259,108,000 (2009: HK\$212,242,000) were secured by personal guarantees provided by a Director and corporate guarantees by certain subsidiaries as of 31 March 2010. The personal guarantees provided by a Director has been subsequently released and replaced by corporate guarantees from the Company.

### 30 資產質押

年內，本集團質押如下資產作為抵押品，以獲取對本集團的借貸：

As at 31 March	
於三月三十一日	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
40,835	20,498
147,975	87,329
643,464	–
59,063	39,352
9,294	–
<b>900,631</b>	<b>147,179</b>

於二零一零年三月三十一日，由一名董事提供個人擔保及若干附屬公司提供企業擔保而獲得的借貸合共為259,108,000港元(二零零九年：212,242,000港元)。由一名董事提供的個人擔保已於其後解除，並以本公司的企業擔保代替。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 31 FINANCIAL INSTRUMENTS BY CATEGORY

### 31 各類金融工具

Group			本集團	
			<b>Loans and receivables</b>	
			貸款及應收款項	
			<b>As at 31 March</b>	
			於三月三十一日	
			2010	2009
			二零一零年	二零零九年
			HK\$'000	HK\$'000
			千港元	千港元
		Note		
		附註		
<b>Assets per consolidated balance sheet</b>	<b>綜合資產負債表項下的資產</b>			
Trade and bills receivables	應收貿易賬款及票據	20	350,324	178,105
Other receivables	其他應收款項	21	9,552	20,337
Amounts due from related companies	應收關連公司款項	35(b)	705	29,637
Amount due from a shareholder	應收一名股東款項		14,110	–
Cash and cash equivalents	現金及現金等價物	22	1,079,216	52,721
Restricted bank deposits	受限制銀行存款	22	9,294	–
Total	總計		<b>1,463,201</b>	<b>280,800</b>
			<b>Other financial liabilities</b>	
			其他金融負債	
			<b>As at 31 March</b>	
			於三月三十一日	
			2010	2009
			二零一零年	二零零九年
			HK\$'000	HK\$'000
			千港元	千港元
		Note		
		附註		
<b>Liabilities per consolidated balance sheet</b>	<b>綜合資產負債表項下的負債</b>			
Trade and other payables	應付貿易賬款及其他應付款項	25	139,416	87,074
Short-term bank borrowings	短期銀行借貸	24	108,905	160,683
Long-term borrowings	長期借貸	23	170,727	53,932
Amounts due to related companies	應付關連公司款項	35(b)	27	1,568
Amount due to a Director	應付一名董事款項	35(b)	–	107,337
Total	總計		<b>419,075</b>	<b>410,594</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 31 FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

### 31 各類金融工具(續)

Company		本公司		Loans and receivables 貸款及應收款項 As at 31 March 於三月三十一日	
		Note 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	
<b>Assets per balance sheet</b>		<b>資產負債表項下的資產</b>			
Amount due from a subsidiary	應收附屬公司款項	28	231,422	-	
Amount due from a shareholder	應收一名股東款項		14,110	-	
Other receivable	其他應收款項		390	-	
Cash and cash equivalents	現金及現金等價物	22	964,585	-	
Total	總計		<b>1,210,507</b>	-	
				<b>Other financial liabilities 其他金融負債 As at 31 March 於三月三十一日</b>	
		Note 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	
<b>Liabilities per balance sheet</b>		<b>資產負債表項下的負債</b>			
Amounts due to subsidiaries	應付附屬公司款項	28	1,823	-	
Total	總計		<b>1,823</b>	-	



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 32 OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

Not later than one year	不多於一年
Later than one year and not later than five years	多於一年， 但在五年內
Later than five years	多於五年

### 32 經營租賃承擔

就土地及樓宇根據不可撤銷經營租賃支付的未來最低總租金如下：

As at 31 March 於三月三十一日	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
4,856	4,613
4,763	7,662
1,183	1,390
<b>10,802</b>	<b>13,665</b>

### 33 CAPITAL COMMITMENTS

Contracted but not provided for: – Property, plant and equipment	已訂約但未撥備： – 物業、廠房及設備
Authorised but not contracted for	法定但未訂約

### 33 資本承擔

As at 31 March 於三月三十一日	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
175,467	67,960
–	–

### 34 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 2002/03, 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 2002/03 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 2003/04 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.

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.

The Founders 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.

### 34 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」）就二零零二／零三年課稅年度發出日期為二零零九年三月三十日的補加評稅通知書，要求支付額外利得稅款項總額3,840,000港元。本公司已提呈反對通知書，而稅務局就索取的全數額外利得稅，已授出無條件緩繳稅款命令。本集團得悉，有見及法定時限，補加評稅屬保障性質，以按照法例保留二零零二／零三年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二零零三／零四年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，有見及法定時限，補加評稅屬保障性質，以按照法例保留二零零三／零四年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報告日期的潛在負債（如有），包括有關罰款及利息（如有）。

於二零一零年四月，本集團若干附屬公司接獲稅務局就二零零三／零四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。

創辦人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稅務評估的現金付款，以及本集團任何成員公司於二零零九／二零一零年稅務年度內可能接獲截至二零零三／二零零四年稅務年度（包括當年）的任何額外評估通知，共同及個別作出彌償。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 35 RELATED PARTY TRANSACTIONS

### 35 有關連人士交易

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

(a) 以下為年內與有關連人士進行的交易：

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>Non-continuing:</b>	<b>已終止：</b>		
Management fee paid to Takco Limited ("Takco") (Note (i) below)	支付達巨有限公司(「達巨」)的管理費(下文附註(ii))	703	1,929
Sales of goods to Quanta Paper Corporation ("Quanta") (Note (ii) below)	對 Quanta Paper Corporation (「Quanta」)銷售貨品金額(下文附註(ii))	2,979	16,116
Purchases of goods from Quanta (Note (ii) below)	向 Quanta 購買貨品金額(下文附註(ii))	35	2,497
Sales of motor vehicle to Junway Investment Limited ("Junway") (Note (vi) below)	出售汽車予真途投資有限公司(「真途」)(下文附註(vi))	500	–
		<b>4,217</b>	<b>20,542</b>
<b>Continuing:</b>	<b>持續：</b>		
Rental expenses in respect of land and buildings paid to E&I Development Limited ("E&I") (Note (iii) 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(iii))	3,000	2,394
Rental expenses in respect of land and buildings paid to China Gold Industries Ltd ("China Gold") (Note (iii) 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(iii))	984	984
Management fee paid and payable to Lai Wah Shipping Company ("Lai Wah") (Note (iv) below)	就勵華運輸公司(「勵華」)支付及應付的管理費(下文附註(iv))	56	–
Management fee paid and payable to Fook Woo Paper Company Limited (Note (v) below)	就福和紙業有限公司支付及應付的管理費(下文附註(v))	54	–
		<b>4,094</b>	<b>3,378</b>

**35 RELATED PARTY TRANSACTIONS**  
(Continued)

**35 有關連人士交易 (續)**

**(a) The following transactions were carried out with related parties during the year: (Continued)**

**(a) 以下為於年度期間與有關連人士進行的交易：(續)**

Note:

附註：

- (i) The amounts represented management fee paid and payable to Takco, an associate of the Group up to 5 August 2009, for provision of management services for packing stations for the years ended 31 March 2010. Takco Limited was a party to the two tenancy agreements entered into between the Hong Kong Government and Takco Limited in relation to the packing stations located in Hong Kong. The management fee was charged on a reimbursement basis. As one of the tenancy agreements relating to the above two packing stations expired on 9 July 2009 and the other one expired on 2 July 2010, the transactions with Takco have discontinued upon the expiry of the tenancy agreement which expired on 2 July 2010. Takco was disposed to an independent third party on 5 August 2009 as part of the Reorganisation as discussed in note 1.1(d), hence it was not considered as a related party since 5 August 2009.
- (ii) These represented the sales and purchases of recovered paper and tissue paper products to and from Quanta, a company with a common director of the Company, Mr. Leung Kai Kuen. These transactions were conducted based on prices mutually agreed between both parties and were discontinued as of the date of this report. Mr Leung Kai Kuen resigned as a Director of Quanta on 30 September 2009 with immediate effect.
- (iii) 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. The controlling shareholder of China Gold is also one of the Founders of the Group. The rental expenses were charged at pre-determined rates mutually agreed between both parties.
- (iv) 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.

- (i) 有關金額指已付及應支付本集團二零零九年八月五日的聯繫人達巨的管理費，因為於截至二零一零年三月三十一日止年度，達巨為一個包裝站提供管理服務。達巨有限公司為香港政府與達巨有限公司就位於香港的包裝站所訂立的兩份租賃協議的訂約方。管理費已按償付基準扣除。由於上述兩個包裝站的其中一份租賃協議於二零零九年七月九日屆滿，另一份協議於二零一零年七月二日屆滿，與達巨的交易於租賃協議在二零一零年七月二日屆滿後已終止。如附註1.1(d)所述，作為重組的一部分，達巨於二零零九年八月五日出售予一獨立第三方，因此自二零零九年八月五日以後，不再被視為有關連人士。
- (ii) 有關金額指向Quanta買賣回收紙及生活用紙的銷售額及購貨額，Quanta與本公司有一名共同董事梁契權先生。有關交易按雙方協定的價格進行，並於本報告日期終止。梁契權先生於二零零九年九月三十日即日辭任Quanta董事。
- (iii) 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創辦人。租金開支按雙方事先協定的費率收取。
- (iv) 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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 35 RELATED PARTY TRANSACTIONS (Continued)

#### (a) The following transactions were carried out with related parties during the year: (Continued)

Note: (Continued)

- (v) 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 were entered into in the normal course of business based on terms mutually agreed by both parties.
- (vi) The amount represented sales of a motor vehicle to Junway Investment Limited, a company owned by one of the Founders of the Group. The transaction was entered into in the normal course of business based on terms mutually agreed by both parties.
- (vii) During the year, certain of the Group's banking facilities were secured by personal guarantees given by a Director and corporate guarantees by certain subsidiaries. Details are set out in Note 30. As at the date of this report, the personal guarantees provided by a Director has been replaced by corporate guarantees from the Company.
- (viii) During the year, the Group and the Company paid certain professional fees incurred pursuant to the Global Offering on behalf of Trump Max International Investment Limited ("Trump Max"), a company which is controlled by one of the Founders. These have been recorded as amount due from a shareholder in the Company and consolidated balance sheet.
- (ix) The Founders 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. Details are set out in Note 34.

### 35 有關連人士交易 (續)

#### (a) 以下為於年度期間與有關連人士進行的交易：(續)

附註：(續)

- (v) 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。
- (vi) 有關金額指出售汽車予真途投資有限公司，該公司由本集團其中一名創辦人擁有。該交易按雙方事先協定的正常商業條款進行。
- (vii) 年內，本集團若干銀行融資由一名董事提供個人擔保以及若干附屬公司提供企業擔保而取得。詳情載於附註30。於本報告之日期，由一名董事提供之個人擔保經已被本公司的企業擔保代替。
- (viii) 年內，本集團及本公司已代Trump Max International Investment Limited (「Trump Max」) (該公司的控股股東為其中一名創辦人) 支付根據全球發售所產生的若干專業費用。該等金額已計入應收本公司一名股東款項及綜合資產負債表。
- (ix) 創辦人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稅務評估的現金付款，以及本集團任何成員公司於二零零九／二零一零年稅務年度內可能接獲截至二零零三／二零零四年稅務年度(包括當年)的任何額外評估通知，共同及個別作出彌償。詳情載於附註34。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 35 RELATED PARTY TRANSACTIONS (Continued)

### 35 有關連人士交易(續)

#### (b) Year-end balances with related parties

The amounts due from/(to) related companies, a shareholder and a Director were denominated in HK\$. The balances are unsecured, interest-free and repayable upon demand. The carrying values of these balances approximate their fair values.

Amounts due from related companies and a shareholder are disclosed as follows:

#### (b) 與有關連人士的年終結餘

應收／(應付)關連公司、一名股東及一名董事的款項以港元計值。有關結餘為無抵押、免息及應要求償還。有關結餘的賬面值與其公平價值相若。

應收關連公司及一名股東的款項披露如下：

Name 名稱	Relationship 關係	As at 31 March 於三月三十一日	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>Related companies: 關連公司：</b>			
China Gold 中金	Controlling shareholder is one of the Founders of the Group 控股股東為本集團創辦人之一	73	64
E&I 益佳	Controlling shareholders are the son and daughter of Mr. Leung Kai Kuen, a Director of the Company 控股股東為梁契權先生之一子一女	512	480
Lai Wah 勵華	Sole proprietor is Mr. Leung Kai Kuen, a Director of the Company 唯一擁有人梁契權先生為本公司董事	120	119
Quanta Quanta	Common director, Mr. Leung Kai Kuen 梁契權先生兼任兩家公司董事	-	28,974
Trump Max (Note 35 (a)(viii)) Trump Max (附註35(a)(viii))	A shareholder 一名股東	14,110	-
		<b>14,815</b>	<b>29,637</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 35 RELATED PARTY TRANSACTIONS (Continued)

#### (b) Year-end balances with related parties (Continued)

The information relating to the amounts due from related companies, disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance, is as follows:

Name 名稱	
China Gold	中金
E&I	益佳
Fook Woo Paper Company Limited	福和紙業有限公司
Lai Wah	勵華
Quanta	Quanta
Trump Max	Trump Max

Amounts due to related companies and a Director are disclosed as follows:

Name 名稱	
<b>Related companies:</b>	<b>關連公司：</b>
Takco (Note 35(a)(i))	達巨 (附註35(a)(i))
Fook Woo Waste Paper Company (Note i)	福和廢紙有限公司 (附註 i)
<b>A Director:</b>	<b>董事：</b>
Mr. Leung Kai Kuen (Note ii)	梁契權先生 (附註 ii)
Total	總計

### 35 有關連人士交易 (續)

#### (b) 與有關連人士的年終結餘(續)

有關應收關連公司款項的資料，根據香港公司條例第161B條披露如下：

Maximum amount outstanding during Year ended 31 March 截至三月三十一日止年度 未結清的最高金額	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
76	304
512	1,058
–	7,610
184	205
–	28,974
<b>14,110</b>	<b>–</b>

應付關連公司及一名董事的款項披露如下：

As at 31 March 於三月三十一日	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
–	1,568
27	–
<b>27</b>	<b>1,568</b>
–	107,337
<b>27</b>	<b>108,905</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 35 RELATED PARTY TRANSACTIONS (Continued)

#### (b) Year-end balances with related parties (Continued)

Note i: Amount represents payable to Fook Woo Waste Paper Company, a company owned by a Director of the Company for expenses paid on its behalf.

Note ii: The amount due to a Director as at 31 March 2009 to the extent of HK\$100,000,000 had been settled by issuance of new shares of the Company as part of the Reorganisation (Note 1.1(f)).

### 35 有關連人士交易(續)

#### (b) 與有關連人士的年終結餘(續)

附註 i：有關金額指應付福和廢紙有限公司的預墊開支，該公司為本公司的一名董事擁有。

附註 ii：於二零零九年三月三十一日應付一名董事的100,000,000港元已透過發行本公司新股(作為重組的一部分)償還(附註1.1(f))。

### 36 SHARE OPTION SCHEME

Pursuant to the resolutions in writing passed by all shareholders of the Company on 11 March 2010, the Company adopted a share option scheme on 11 March 2010 (the "Share Option Scheme"). The purpose of the share option scheme is to provide incentives to the Group's employees including the executive directors and non-executive directors and any advisers, consultants, suppliers, customers and agents (each "eligible participant"). The Board of Directors of the Company may, at any time within 10 years after the date of adoption of the Share Option Scheme, make an offer to any participant. The subscription price for shares granted pursuant to the Share Option Scheme shall be determined by the Board of Directors of the Company in its absolute discretion but shall not be less than the highest of:

- the closing price of the shares of the Company stated in the Stock Exchange's daily quotations sheet on the business day on which an offer is made to a participant;
- the average of the closing prices of the shares stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which such offer is made; and
- the nominal value of a share of the Company.

### 36 購股權計劃

根據本公司所有股東於二零一零年三月十一日通過的書面決議案，本公司於二零一零年三月十一日採納一項購股權計劃(「購股權計劃」)。購股權計劃旨在獎勵本集團僱員，包括執行董事及非執行董事，以及任何顧問、諮詢專家、供應商、客戶及代理商(「合資格參與者」)。本公司董事會可於採納購股權計劃後10年內任何時間向任何參與者作出要約。根據購股權計劃授出的股份的認購價由本公司董事會全權酌情釐定，且不得低於下列水平(以較高者為準)：

- 於向參與者作出要約的營業日，本公司股份於聯交所每日報價表上的收市價；
- 緊接作出要約的日前五個營業日股份於聯交所每日報價表上的平均收市價；及
- 本公司股份的面值。



### 36 SHARE OPTION SCHEME (Continued)

The total number of shares which may be issued upon exercise of all options granted under the Share Option Scheme must not, in aggregate, exceed 10% of the total number of shares in issue immediately following the completion of the Global Offering and the capitalisation issue but excluding the effect of the over-allotment. The 10% limit may be refreshed with the approval by the shareholders. The maximum number of shares which may be issued upon exercise of all outstanding options granted, and yet to be exercised, under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the issued share capital of the Company from time to time.

The total number of shares issued and to be issued upon exercise of all options granted under the Share Option Scheme to each participant (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of issued shares of the Company. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company. In addition, if shares issued and to be issued upon exercise of all options granted under the Share Option Scheme (including options exercised, cancelled and outstanding) to a participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their associates, in any 12-month period (i) represent in aggregate more than 0.1% of the total number of shares in issue, and (ii) have an aggregate value, based on the closing price of the shares of the Company at the date of each grant, in excess of HK\$5,000,000, the proposed grant of option must be approved by the shareholders of the Company in a general meeting.

### 36 購股權計劃(續)

根據購股權計劃可能發行的股份總數不得超過緊隨全球發售及資本化發行完成後(不包括超額配股權的影響)已發行股份總數的10%。10%的限制可透過取得股東批准更新。根據購股權計劃及本公司任何購股權計劃授出及有待行使的所有尚未行使購股權在行使時可予發行的股份總數,不得超過本公司不時已發行股本的30%。

在任何十二個月期間,根據購股權計劃向各合資格參與者授出的所有購股權(包括已行使、已註銷及尚未行使的購股權)獲行使時,已發行及將予發行的股份總數不得超過本公司已發行股份總數的1%。進一步授出的購股權若超過此限額須於股東大會上取得股東批准方可作實。

授予本公司董事、主要行政人員或主要股東或其任何聯繫人士的購股權均須事先取得本公司獨立非執行董事的批准。此外,倘在任何十二個月期間,根據購股權計劃向身為本公司主要股東或獨立非執行董事或其任何聯繫人士的參與者授出的所有購股權(包括已行使、已註銷及尚未行使的購股權)獲行使時,已發行及將予發行的股份(i)合共超過已發行股份總數的0.1%及(ii)根據各授出日期本公司股份的收市價計算的合共價值超過5,000,000港元,建議授出的購股權須於股東大會上獲本公司股東批准。

### 36 SHARE OPTION SCHEME (Continued)

An offer of options must be accepted within 30 days from the date of offer, upon payment of a consideration of HK\$1 by the grantee. The exercise period of any option granted under the Share Option Scheme shall not be longer than 10 years from the date of grant of the relevant option. There is no minimum period for which an option must be held before the exercise of the option except otherwise imposed by the Board of Directors of the Company.

As at 31 March 2010, no share option had been granted under the Share Option Scheme.

### 37 SUBSEQUENT EVENTS

The following events took place subsequent to 31 March 2010:

- (i) On 1 April 2010, the over-allotment option as detailed in the Prospectus was fully exercised and the Company issued an aggregate of 93,000,000 additional 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 and was received by the Company on 9 April 2010.
- (ii) On 20 July 2010, all personal guarantees provided by a Director of the Company in respect of the Group's borrowings have been released and replaced by corporate guarantees from the Company.

### 36 購股權計劃(續)

授出的購股權必須於授出日期起計30日內接納，而承授人須支付1港元的代價。根據購股權計劃授出的任何購股權的行使期不應超過相關購股權授出日期起計10年。除非本公司董事會另有規定，否則購股權概無須持有最短期間方可行使的規定。

於二零一零年三月三十一日，並無根據購股權計劃授出購股權。

### 37 結算日後事項

以下事件於二零一零年三月三十一日後發生：

- (i) 於二零一零年四月一日，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股額外股份。有關超額配售的所得款項總額為213,900,000港元，其已由本公司於二零一零年四月九日收取。
- (ii) 於二零一零年七月二十日，由本公司一名董事就本集團借款所提供的所有個人擔保均已解除，並以本公司的企業擔保代替。

# Four Year Financial Summary

## 四年財務摘要

### RESULTS

### 業績

		Year ended 31 March 截至三月三十一日止年度			
		2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Turnover	營業額	957,557	1,178,945	1,098,549	<b>1,422,556</b>
Gross Profit	毛利	330,592	393,917	383,087	<b>513,007</b>
Profit before income tax	除稅前盈利	216,686	250,717	200,327	<b>337,784</b>
Income tax expenses	稅項	1,745	9,873	27,737	<b>46,445</b>
Profit for the year	本年度盈利	214,941	240,844	172,590	<b>291,339</b>

### ASSETS AND LIABILITIES

### 資產及負債

		As at 31 March 於三月三十一日			
		2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Total assets	總資產	561,006	947,656	1,171,629	<b>2,717,094</b>
Total liabilities	總負債	286,869	386,796	437,985	<b>521,282</b>
Total equity	總權益	274,137	560,860	733,644	<b>2,195,812</b>



**福和集團控股有限公司**  
FOOK WOO GROUP HOLDINGS LIMITED