



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

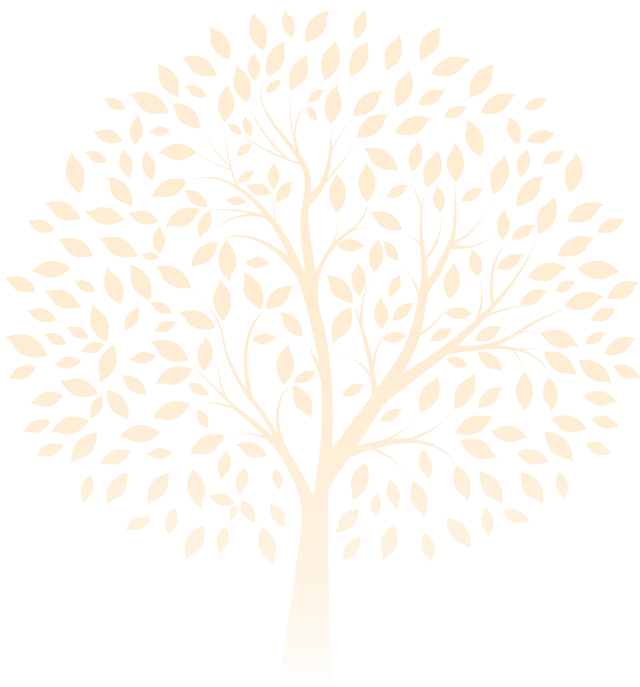
PIONEERING A GREEN CHINA
引領綠色中國

ANNUAL REPORT **2011** 年報

Contents

目錄

2	Corporate Information 公司資料
5	Financial Highlights 財務摘要
6	Chairman's Statement 主席報告
10	Management Discussion and Analysis 管理層討論及分析
24	Directors and Senior Management 董事及高級管理層
34	Report of the Directors 董事會報告
50	Corporate Governance Report 企業管治報告
70	Independent Auditor's Report 獨立核數師報告
73	Consolidated Balance Sheet 綜合資產負債表
75	Balance Sheet 資產負債表
76	Consolidated Income Statement 綜合損益表
77	Consolidated Statement of Comprehensive Income 綜合全面收益表
78	Consolidated Statement of Changes in Equity 綜合權益變動表
80	Consolidated Statement of Cash Flows 綜合現金流量表
82	Notes to the Consolidated Financial Statements 綜合財務報表附註
176	Five Year Financial Summary 五年財務概要



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 directors

Ms. Cheung Nga Lai, Carol
Mr. Cheng Chi Ming, Brian
Mr. Pei Cheng Ming, Michael

Independent non-executive directors

Mr. Chung Wai Kwok, Jimmy
Mr. Chan Kong
Mr. Lee Kwok Chung
Mr. Lau Shun Chuen

BOARD COMMITTEES

Audit Committee

Mr. Chung Wai Kwok, Jimmy (*Chairman*)
Mr. Cheng Chi Ming, Brian
Mr. Chan Kong
Mr. Lee Kwok Chung

Remuneration Committee

Mr. Leung Kai Kuen (*Chairman*)
Mr. Pei Cheng Ming, Michael
Mr. Chan Kong
Mr. Lee Kwok Chung
Mr. Lau Shun Chuen

Nomination Committee

Mr. Chan Kong (*Chairman*)
Mr. Leung Kai Kuen
Mr. Pei Cheng Ming, Michael
Mr. Lee Kwok Chung
Mr. Lau Shun Chuen

COMPANY SECRETARY

Mr. Chan Ka Fat, CPA

AUTHORISED REPRESENTATIVES

Mr. Leung Kai Kuen
Mr. Chan Ka Fat, CPA

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
鄭志明先生
裴震明先生

獨立非執行董事

鍾維國先生
陳剛先生
李國忠先生
劉順銓先生

董事會委員會

審核委員會

鍾維國先生 (*主席*)
鄭志明先生
陳剛先生
李國忠先生

薪酬委員會

梁契權先生 (*主席*)
裴震明先生
陳剛先生
李國忠先生
劉順銓先生

提名委員會

陳剛先生 (*主席*)
梁契權先生
裴震明先生
李國忠先生
劉順銓先生

公司秘書

陳家發先生，執業會計師

授權代表

梁契權先生
陳家發先生，執業會計師

AUDITOR

PricewaterhouseCoopers

COMPLIANCE ADVISER

Guotai Junan Capital Limited

FINANCIAL RELATIONS CONSULTANT

Hill & Knowlton Asia 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

CORPORATE WEBSITE

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

偉達公眾關係顧問有限公司

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

股份代號

923

CORPORATE INFORMATION

公司資料

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

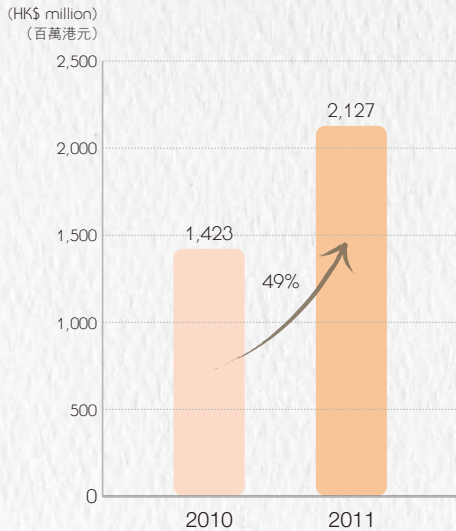
有關香港法律：

盛德律師事務所

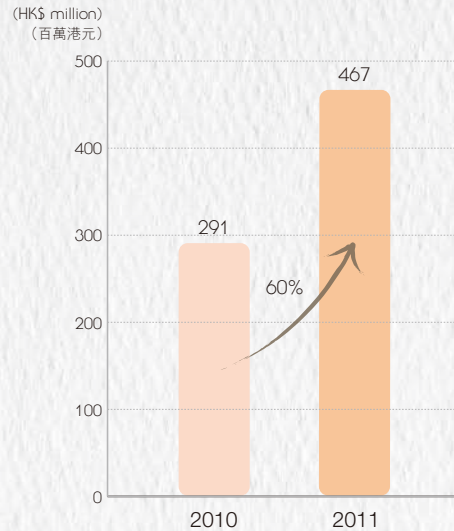
FINANCIAL HIGHLIGHTS

財務摘要

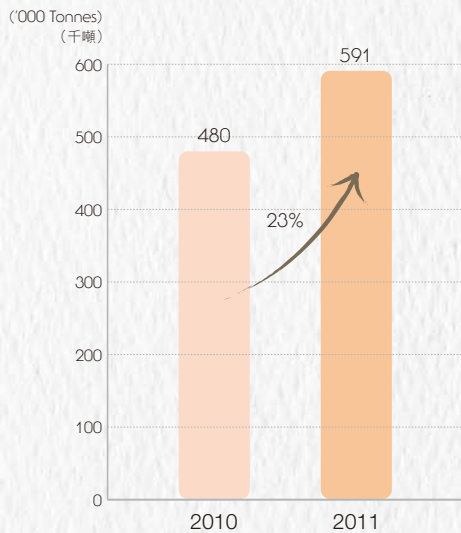
Group's Total Turnover
本集團營業總額



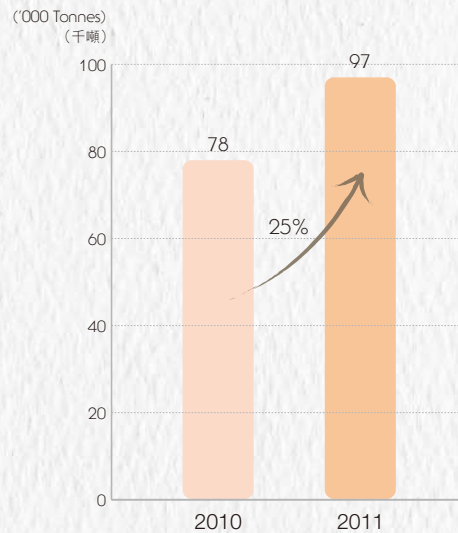
Group's Total Net Profit
本集團純利總額



Sales Volume of Recovered Paper
回收紙銷量

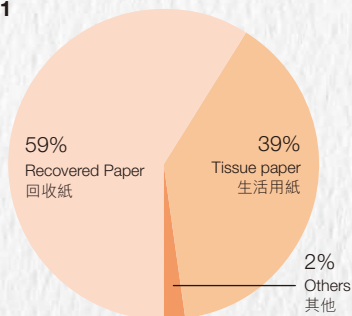


Sales Volume of Tissue Products
生活用紙銷量



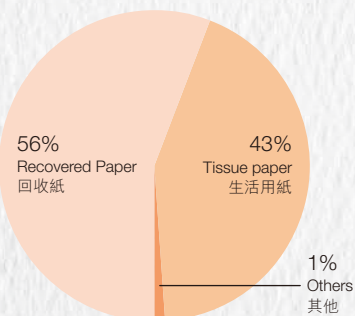
Turnover by Operating Segment
按經營分部劃分之營業額

2011



Gross Profit by Operating Segment
按經營分部劃分之毛利

2011



CHAIRMAN'S STATEMENT

主席報告

Dear shareholders,

On behalf of Fook Woo Group Holdings Limited ("Fook Woo" or the "Company", and together with its subsidiaries, the "Group"), I am pleased to present the annual results of the Group for the year ended 31 March 2011.

As the first full year of operations after our successful listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 31 March 2010, financial year 2011 was a year full of opportunities and challenges. On one hand, China's economy maintaining a strong growth momentum and its GDP growing by 10.3% in 2010, domestic consumption on as well as demand for high-quality tissue products continued to rise, providing us with enormous business opportunities. On the other hand, with heightened inflation and significant increase in raw material costs, we were challenged in terms of maintaining our profitability while offering competitive prices to our customers.

Leveraging on the economies of scale and competitive advantages we enjoyed during the year under review as a leading provider of vertically integrated waste paper management services and recycled paper products in China, we took pride in being able to successfully overcome the many challenges of the period to meet the targets we had set for the year. During the year under review, the Group's turnover rose by 49.5% year-on-year to HK\$2,126 million, while profit attributable to the owners of the parent increased 60.3% year-on-year to HK\$467 million from HK\$291 million and basic earnings per share was approximately HK 21 cents, which is in line with our expectations for the year.

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」，連同其附屬公司統稱「本集團」)，欣然提呈本集團於截至二零一一年三月三十一日止年度之全年業績。

作為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(「聯交所」)主板成功上市後的首個完整財政年度，二零一一年財政年度是充滿機遇及挑戰的一年。一方面中國經濟維持強勁增長，二零一零年國內生產總值升幅達10.3%，加上大眾對優質生活用紙的需求以至消費額持續增加，均為我們帶來龐大的商機。另一方面，通脹加劇以及原材料成本顯著上升，卻為我們帶來挑戰，既要維持盈利能力，同時要保持為客戶提供具競爭力的價格。

福和作為中國領先的垂直綜合廢紙管理服務及再造紙品供應商，憑藉所享有規模經濟及競爭優勢，於回顧年度內成功克服種種挑戰，達到本年度所訂立的目標。於回顧年度，本集團營業額按年增加49.5%至2,126百萬港元，而母公司擁有人應佔溢利亦由291百萬港元按年增加60.3%至467百萬港元。每股基本盈利約為21港仙，符合我們的預期。

To enhance our competitive advantages and achieve sustainable long-term growth in our business, our strategies are to actively expand our waste paper collection business, to increase our tissue products manufacturing capacity, to extend the sales network coverage of our own-branded recycled tissue paper products, and to fully capture the synergies created among our four business segments, namely, recovered paper, tissue paper products, recycled greyboard, and confidential materials destruction services ("CMDS"). Solid progress was seen with regard to all our strategies during the year under review.

To ensure a stable supply of waste paper to support our business growth, during the year under review, more waste paper packing stations were set up in Hong Kong. Meanwhile, strong growth momentum was seen on mainland China. During the year under review, the total collection volume in Hong Kong and China reached 698,627 tonnes, representing a solid year-on-year growth of 20% approximately.

Riding on the opportunities arising from the increasing demand for quality tissue paper products, we are striving to enhance our tissue paper production capacity through different means. During the year under review, we confirmed to establish the third imported production line. Equipment and machinery were ordered, and the new production line is expected to commence production by the end of 2012. In the meantime, we have been upgrading our production facilities to provide additional production capacity to our existing production lines. All these initiatives will provide us with a decided advantage in the race to capture the demand for quality recycled tissue products. On top of these organic expansion programmes, we have also been actively seeking appropriate acquisition targets to expand both the production capacity of our tissue products and the supply network of our recovered paper business.

為提高競爭優勢及維持業務長遠增長，本集團的策略是積極擴展廢紙收集業務，增加生活用紙生產能力，擴大自有品牌再造生活紙品的銷售網絡，及充分發揮四個業務分部（即回收紙、生活紙品、再造灰板紙及機密材料銷毀服務（「CMDS」）之間的協同效應。我們的各項業務策略在回顧年度內均取得良好進展。

為確保廢紙的穩定供應以支持我們的業務增長，於回顧年度，本集團在香港設立多個廢紙打包工場。中國內地的廢紙回收量增長亦非常強勁，於回顧年度，本集團香港及中國的廢紙收集總量達698,627噸，按年增長約20%。

為把握市場對優質生活用紙產品的需求增長，本集團致力透過各個途徑提高生活用紙生產能力。於回顧年度，本集團落實建設第三條進口生產線，並已訂購相關設備及機器，預期新生產線將於二零一二年底投產。與此同時，我們一直提升現有生產設備，以增加額外的產量。這些措施有助本集團取得決定性的優勢，更有效地把握市場對優質再造生活紙品的需求。除了內部擴展計劃外，本集團亦積極尋求適合的收購目標，以提升生活用紙生產能力及拓展回收紙業務的供應網絡。

CHAIRMAN'S STATEMENT

主席報告

Our sales network and brand portfolio were significantly enhanced during the year under review. On 30 March 2011, we announced the acquisition of the trademarks from Zhongshan Baoli, including “Polly 宝丽”, and “AUS&NEW 澳紐” and the distribution network and channels relating to these tissue paper products at a aggregate consideration of RMB157.5 million. Upon completion of this transaction, our distribution network will consist of over 650 large chain stores and over 160 distributors. We believe that the extensive sales network will provide us with unmatched advantages in the selling of our paper products. In line with our goal to strengthen our position in China, the newly acquired trademarks would enrich our existing brand portfolio of Moonily, See-Mia and Smoovie. “Polly 宝丽” was one of the top ten brand names in China in the industry’s consumer poll for 2010 and is undoubtedly a well-recognized brand. We believe that our enhanced brand portfolio will help us further improve our pricing point and profitability.

Looking ahead, with China’s market expected to remain robust and domestic demand continuing to increase, we maintain an optimistic view with regard to our future growth. In particular, with Chinese government policies increasingly favoring environmentally friendly industries and gradually increased acceptance for recycled tissue products throughout China, we believe the Chinese market will continue to offer us immense opportunities and will remain as a major growth driver for the Group. With our vertically integrated business model providing us with high production efficiencies and cost effectiveness, a stable raw material supply, competitive pricing policies as well as a high-quality product portfolio, we are poised to stand out from our competitors and thus capture more market opportunities.

於回顧年度，本集團的銷售網絡及品牌組合亦顯著擴展。於二零一一年三月三十日，本集團宣佈以人民幣157.5百萬元的總代價，向中山寶麗收購旗下品牌，包括「Polly宝丽」及「AUS&NEW澳紐」，及與這些生活用紙產品相關的分銷網絡及渠道。在交易完成後，本集團的銷售網絡將包含逾650家大型連鎖店及逾160名分銷商。我們相信這廣泛的銷售網絡將給予我們在銷售紙品方面無可比擬的優勢。我們的目標是加強於中國市場的地位，而上述新收購的商標，將可豐富本集團原有之品牌組合：「皇月」、「思蜜兒」及「綠柔」。「Polly宝丽」更獲中國消費者推選為二零一零年十佳紙巾品牌，品牌知名度不容置疑。本集團相信，加強後的品牌組合將有助進一步提升價格水平及盈利能力。

展望未來，隨著中國市場預期維持蓬勃發展，內需持續增加，我們對本集團的未來增長保持樂觀的看法。特別是中國政府政策越來越重視推動環保行業，而大眾對再造生活用紙接受度逐步提升，我們相信中國市場將持續提供無限商機，繼續成為本集團的主要增長動力。藉著垂直整合業務模式所締造的生產效率及成本效益、穩定的原材料供應、具競爭力的價格及優質產品組合，我們將能夠在云云競爭中脫穎而出，藉以捕捉更多市場機遇。

In financial year 2012, we expect the operating environment will be relatively stable and thereby we are confident in maintaining our profitability. We will also actively promote our own brands of recycled tissue paper, aiming to strengthen our presence and market share in China's tissue paper products market. Meanwhile, to support our future development, we will continue our initiatives to acquire new machinery and facilities, to increase investment in research and development, to accelerate capacity expansion and to enhance economies of scale.

ACKNOWLEDGEMENT

On behalf of the board of directors of the Company (the "Board"), I would like to thank all our staff for their dedication and professionalism in striving to achieve our goals. Our sincere gratitude also goes to our shareholders, customers and business partners for their support. They have all been and will continue to be instrumental to our continued success in the future, and I am proud to be working alongside them to both achieve sustainable growth in our business and realize the best returns for our shareholders.

Leung Kai Kuen
Chairman

Hong Kong, 29 June 2011

於二零一二年財政年度，我們預期經營環境將較為穩定，故我們有信心維持盈利能力。我們亦會積極推廣自有品牌再造生活用紙，進一步提升其在中國生活用紙產品市場的知名度及市場份額。同時，為推進未來發展，本集團將繼續致力收購新的機器和設施、增加研發投資、加速產能擴展及提高規模經濟效益。

鳴謝

本人謹代表本公司董事會（「董事會」）感謝全體員工對實現本集團目標的投入及專業精神，並衷心感謝本集團股東、客戶及業務夥伴的支持。他們是本集團取得目前成就的關鍵，並對我們未來的持續增長至關重要。能夠和各位共同為達成本集團業務的持續增長及實現股東的最佳回報而努力，本人引以自豪。

梁契權
主席

香港，二零一一年六月二十九日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group delivered satisfactory performance during the year under review, owing to effective execution of its business strategies.

Rapid economic growth in China has led to the increase of annual per capita tissue consumption from 3.14 kg to 3.48 kg, especially in second and third-tier cities, driving a tremendous rise in demand for paper products. More stringent environmental protection requirements imposed by the Chinese Government, plus greater public acceptance with regard to using recycled tissue paper, have given a huge boost to the demand for recovered paper. As an integrated recycled paper producer, the Group has strived to optimize its upstream waste paper supply network by adding more waste paper packing stations, while at the same time expanding the production capacity in its downstream segments (tissue paper products).

Segmental Analysis

Recovered Paper

During the year under view, revenue from the recovered paper segment was HK\$1,244.7 million, representing an increase of 52.7% when compared to the same period last year. The segment accounted for 58.5% of the Group's total revenue.

業務回顧

本集團於回顧年度取得令人滿意的表現，這歸功於其業務策略之有效執行。

中國經濟迅速增長帶動人均生活紙消費由每年3.14公斤增加至3.48公斤，特別是在第二及第三線城市，紙品需求大增。中國政府實施更嚴格環保規定，加上公眾對使用再造生活用紙的接受程度提高，大大促進回收紙的需求。作為綜合再造紙生產商，本集團竭力透過增加更多廢紙打包工場，優化上游廢紙供應網絡，與此同時，擴大其下游業務分部（生活用紙）的產能。

分部分析

回收紙

於回顧年度，來自回收紙分部的收益為1,244.7百萬港元，較去年同期增加52.7%。該分部佔本集團總收益之58.5%。

In response to the burgeoning market demand for recovered paper products, the Group has expanded its waste paper supply network in both Hong Kong and Mainland China. During the year under review, the Group further strengthened its presence in the waste paper collection industry in Mainland China, especially in Beijing, Shanghai and Tianjin, and rapidly set up more waste paper collection points at printing houses, especially in Northern China. In Hong Kong, the Group was able to meet its target of adding four new waste paper packing stations, taking the total number of packing stations in the city to eight in total. The four new waste paper packing stations are located in Tsing Yi, Kwun Tong, Kowloon Bay and Stonecutters Island. The one in Kowloon Bay has its own pier to allow for transportation of waste paper from Hong Kong to the Group's production base in Huizhou in a cost-effective way. The Group's expanded waste paper collection network helps ensure a stable supply of waste paper for its recovered paper business customers and also for its growing production capacity of recycled paper products.

The demand for waste paper in Mainland China has been increasing as more paper recyclers (paper manufacturers using waste paper as raw materials) have preference for sourcing their raw materials (waste paper) in Hong Kong and Mainland China, due to the competitive advantages of local waste paper. This has caused the collection price and recovery rate of waste paper to trend upwards. This uptrend, together with rising operating costs, has made the waste paper market increasingly competitive. To maintain its leadership in the waste paper management services sector, the Group implemented a number of measures during the year under review. These included increasing the number of accounts for the CMDS segment, entering into more contracts with waste paper suppliers, which include printing companies, and increasing the volume of waste paper collected from households. Another measure taken was to minimize costs by adopting an automatic and advanced bailing system to increase the efficiency.

因應回收紙產品的市場需求增長迅速，本集團已擴展其於香港及中國內地的廢紙供應網絡。於回顧年度，本集團進一步增強於中國內地（特別是在北京、上海及天津）廢紙收集行業的據點，而且亦在印刷廠（特別是華北地方）迅速設立更多廢紙收集點。在香港，本集團能夠達成新增四個廢紙打包工場的目標，使得香港打包工場之總數達到八個。該四個新廢紙打包工場位於青衣、觀塘、九龍灣及昂船洲。於九龍灣的工場更擁有自己的碼頭，可讓廢紙以具成本效益的方式從香港運至本集團於惠州的生產基地。擴充後的廢紙收集網絡有助確保廢紙的穩定供應，以滿足回收紙業務的客戶及本集團再造紙品日益增長的產能。

由於更多紙循環再用商（採用廢紙作為原材料的紙品製造商）傾向於香港及中國內地採購原材料（廢紙），原因是本地廢紙具有競爭優勢，故中國內地廢紙的需求一直在增加，從而導致廢紙收集價格及回收率呈上升趨勢。此趨勢，加上日益上升的經營成本，已使得廢紙市場競爭日益激烈。為著維持於廢紙管理服務領域的領導地位，本集團於回顧年度實施若干措施，包括增加機密材料銷毀服務分部的客戶數目、與廢紙供應商（包括印刷公司）訂立更多合約及增加從家居所收集的廢紙量。另一降低成本的措施為透過採用自動化及先進的打包系統以提高效率。

Tissue Paper Products

During the year under review, revenue generated from the Group's tissue paper products business increased by 44.5% to HK\$831.6 million, accounting for approximately 39.1% of the Group's total revenue. The increase was mainly attributable to the rise in the average selling price as a result of sustained demand and inflationary pressures.

The Group seeks to grow this segment through capacity expansion and acquisitions. By upgrading the existing machinery, production capacity was increased. The production volume of napkins was also enhanced following the installation of additional machines. On 30 March 2011, the Group entered into an agreement with Zhongshan Baoli Paper Co., Ltd. ("Zhongshan Baoli") to acquire trademarks and distribution network of Zhongshan Baoli. The Group expected to strengthen its brand portfolio with the addition of reputable brands including "Polly 宝丽", a top ten tissue products brand in Mainland China in 2010. The acquisition also would significantly expand the Group's sales and distribution network in China in terms of the number of distributors and chain stores. Upon the completion of the acquisition, the distribution network will consist of over 650 large chain stores and over 160 distributors. The two logistics centers that the Group established in Hunan and Jiangxi in October 2010 have strengthened its distribution networks in second and third-tier cities, enabling the Group to further expand the networks to include small retailers while growing its market share outside Southern China.

During the year under review, the Group executed its strategy of lowering the ratio of OEM customers and increasing the proportion of away-from-home customers, as well as the Mainland China retail market. To promote its branded products and maintain the high quality services that its customers have come to expect, the Group undertook a number of initiatives during the year under review. These included a further expansion of the product range, cooperation with direct customers, and working with machine manufacturers to custom-make equipment for product development plans or adjustments to better address customer needs. As for our OEM customers, our Forest Stewardship Council's ("FSC") and Programme for the Endorsement of Forest Certification ("PEFC") accreditations gave us competitive edge in meeting the market demand for certified green products.

生活用紙

於回顧年度，本集團生活用紙業務產生的收益增加44.5%至831.6百萬港元，佔本集團總收益約39.1%。增加主要歸因於需求持續及通脹壓力使平均售價提高。

本集團設法藉產能擴展及收購拓展生活用紙分部。透過提升現有機器，提高產能。在安裝額外機器後，餐巾紙的產量亦有所提高。於二零一一年三月三十日，本集團與中山寶麗紙業有限公司（「中山寶麗」）訂立一份協議，以收購中山寶麗的商標及分銷網絡。本集團預期藉增添知名品牌（包括「Polly宝丽」，二零一零年中國內地十大生活用紙品牌之一）增強品牌組合。以分銷商及連鎖店數目方面計算，是項收購亦將顯著擴大本集團於中國的銷售及分銷網絡。當收購完成後，分銷網絡將包括逾650間大型連鎖店及逾160個分銷商。本集團於二零一零年十月分別於湖南及江西建立的兩個物流中心已增強二三線城市的分銷網絡，令本集團在發展華南以外的市場份額的同時，能夠擴大網絡，涵蓋小型零售商。

於回顧年度，本集團執行其策略以降低OEM客戶的比率及增加非家用客戶及中國內地零售市場的比例。為宣傳品牌產品及維持客戶所期盼的高品質服務，本集團於回顧年度承諾多項倡議，包括進一步擴展產品範圍、與直接客戶合作及與機器製造商一起制訂度身定造之設備，以滿足產品開發或調整計劃，以更切合客戶的需求。就本集團的OEM客戶而言，本集團獲取的森林管理認證體系（「FSC」）及森林認證體系（「PEFC」）認證令本集團具有競爭力以滿足市場對具環保認證產品的需求。

Recycled greyboard

As the global economy continues to recover, the demand for recycled greyboard as a packaging material for export has increased. During the year under review, revenue from the Group's recycled greyboard segment increased by 65.4% to HK\$45.9 million, accounting for approximately 2.2% of the Group's total revenue. As part of the Group's strategy to maximize the contribution from production and fully utilize existing resources, the recycled greyboard operation is a synergistic business that complements the core recovered paper and tissue paper businesses. "Eagle King" and "Hui Lan" are the Group's own recycled greyboard brands, which are produced from lower-grade recovered paper and targeted at paper merchants, manufacturers and printers in Mainland China.

During the year under review, the Group made use of its FSC and PEFC accreditations to successfully launch FSC/PEFC-certified recycled greyboard products to the market. The products were well received by the market and were able to command premium prices.

Confidential Material Destruction Service ("CMDS")

CMDS is a strategic operation of the Group which provides it with a stable supply of quality waste paper. The customers of the business are mainly Hong Kong government bodies, financial and professional institutions, and banks. During the year under review, revenue from this segment reached HK\$4.3 million, representing an increase of 7.6% when compared to the corresponding period of the previous year. By fully utilizing its existing network and resources, the Group was able to offer more diversified and value-added services to its customers, such as hard disc degaussing and destruction services. This has helped the Group to position itself as a one-stop service provider and to increase customer loyalty.

再造灰板紙

隨著全球經濟繼續復甦，將再造灰板紙作為包裝材料出口的需求已增加。於回顧年度內，來自本集團再造灰板紙分部的收益增加65.4%至45.9百萬港元，佔本集團總收益約2.2%。作為本集團充分利用生產鏈及全面利用資源的策略之一，再造灰板紙業務是補充回收紙及生活用紙核心業務的協同業務。「飛鷹王」及「惠蘭」為本集團以較低級別的回收紙生產的自身再造灰板紙品牌，售予中國內地的紙商、造紙商及印刷商。

於回顧年度，本集團利用FSC及PEFC認證，成功向市場推出有關認證之再造灰板紙產品。產品十分受市場歡迎，令其可以以溢價銷售。

機密材料銷毀服務 (「CMDS」)

CMDS乃本集團為獲提供優質廢紙穩定供應而從事的策略性業務。此業務的客戶主要為香港政府機構、金融及專業機構及銀行。於回顧年度，此分部的收益達4.3百萬港元，較去年同期增加7.6%。透過全面利用現有網絡及資源，本集團能夠提供更多多元化及增值服務予客戶，例如硬盤除磁及銷毀服務。這有助於本集團將本身定位為一站式服務供應商及提高客戶的忠誠度。

Geographical Analysis

The Group markets its products to customers in Mainland China, the United States, Japan, Hong Kong, Australia and the rest of the world. Mainland China is the core market of the Group (analysed according to the locations in which the sale originated), accounting for HK\$1,588 million in revenue and approximately 74.7% of total revenue. With China's economy continuing its robust growth, the Group believes the country's demand for waste paper and tissue paper will keep growing, offering huge opportunities for the paper-making industry. As such, the Mainland China market is expected to remain a major growth driver of the Group going forward.

Operational Analysis

For the year under review, the Group collected approximately 699,000 tonnes of waste paper in total. As at 31 March 2011, the Group operated 8 waste paper packing stations in Hong Kong and 3 waste paper packing stations in Mainland China. For its CMDS business, the Group also operated a secured destruction facility in Hong Kong and Shanghai. The Group's sales of tissue paper and recycled greyboard during the year under review amounted to approximately 97,000 and approximately 15,000 tonnes respectively. The Group also upgraded its production facilities to increase its paper production capacity during the year under review.

Having a production base with in-house pier facilities in Huizhou and the right to operate at two piers in Hong Kong, the Group enjoyed major competitive advantages over its peers during the year under review. First, it was allowed to arrange cost-effective and efficient transportation to deliver waste paper collected in Hong Kong to its Huizhou base. Second, the strategically-located base, comprising a massive-scale sorting centre and the tissue paper production lines, provided ease of access to the Group's customers in Mainland China.

地區分析

本集團向中國內地、美國、日本、香港、澳洲及世界各地的客戶銷售產品。中國內地為本集團的核心市場(根據產生銷售之所在地分析)，錄得1,588百萬港元收益，佔總收益約74.7%。鑒於中國經濟繼續迅速增長，本集團相信全國對廢紙及生活用紙的需求將保持增長，為造紙行業提供龐大商機。因此，預期中國內地市場將繼續為本集團的主要增長動力。

營運分析

於回顧年度，本集團合共收集約699,000噸廢紙。於二零一一年三月三十一日，本集團在香港及中國內地分別設有八所及三所廢紙打包工場。本集團亦分別在香港及上海設有一台機密文件處理設備。於回顧年度，本集團分別銷售約97,000噸及15,000噸生活用紙及再造灰板紙。本集團於回顧年度亦提升了生產設備，增加了生活用紙生產能力。

藉備有內部碼頭設施的惠州生產基地及兩個香港碼頭的營運權，本集團於回顧年度擁有較其他同業優勝的主要競爭優勢。首先，本集團能夠作出具成本效益及高效率的運輸安排，將在香港回收的廢紙運往惠州基地。其次，惠州基地處於策略性據點，附有大規模的分選中心與生活用紙生產線，亦有利於本集團與其中國內地客戶之連繫。

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2011, the Group recorded revenue of HK\$2,126.5 million, representing an increase of 49.5% compared to the previous year. The increase was mainly attributable to an increase in sales following the expansion in production capacity and an increase in the average selling price during the year. Gross profit rose by 47.5% to approximately HK\$756.8 million. Gross margin was slightly lower at 35.6% (2010: 36.1%) due to a sharp increase in raw material costs driven by strong market demand for waste paper and inflationary pressures.

With an improved sales performance and operational efficiency, the Group recorded a 58.3% growth in operating profit to HK\$553.6 million from HK\$349.7 million in 2010.

Operating Expenses

Total administrative and selling expenses increased from HK\$162.9 million in 2010 to HK\$226.6 million. The increase was mainly due to the increase in salaries and wages and transportation cost.

Income Tax Expenses

Income tax expense for the year ended 31 March 2011 was HK\$88.0 million, representing an increase of 89.7% as compared to HK\$46.4 million for 2010. The effective income tax rate was 15.9% for the year ended 31 March 2011, compared to 13.8% for 2010.

Profit Attributable To The Owners Of The Parent

The Group's profit attributable to the owners of the parent for the year ended 31 March 2011 was HK\$466.9 million, representing an increase of 60.3% compared to HK\$291.3 million for 2010. Profit attributable to the owners of the parent as a percentage of revenue was 22.0% for the year ended 31 March 2011, compared to 20.5% in 2010.

財務回顧

收益

截至二零一一年三月三十一日止年度，本集團收益為2,126.5百萬港元，較去年增加49.5%。銷售額增加主要歸因於年內擴展生產能力及平均售價上升。毛利上升47.5%至約756.8百萬港元。由於市場對廢紙的殷切需求及通脹壓力推動原材料成本激增，毛利率輕微降至35.6%（二零一零年：36.1%）。

在銷售表現及營運效率改善下，本集團錄得經營利潤約553.6百萬港元，較二零一零年的349.7百萬港元增長58.3%。

經營開支

總行政及銷售開支由二零一零年的162.9百萬港元上升至226.6百萬港元。增加主要由於薪金與工資及運輸成本增加。

所得稅開支

截至二零一一年三月三十一日止年度的所得稅開支為88.0百萬港元，較二零一零年的46.4百萬港元增加89.7%。截至二零一一年三月三十一日止年度的實際所得稅稅率為15.9%，而二零一零年為13.8%。

母公司擁有人應佔利潤

截至二零一一年三月三十一日止年度母公司擁有人應佔本集團溢利為466.9百萬港元，較二零一零年的291.3百萬港元增加60.3%。截至二零一一年三月三十一日止年度，母公司擁有人應佔溢利相當於銷售收入的22.0%，而二零一零年則為20.5%。

Investments and Acquisitions

On 30 March 2011, the Board of the Company approved the acquisition of the trademark and distribution network of Zhongshan Boali at a total consideration of RMB157.5 million which is to be satisfied in the form of cash. Except for such approval of acquisition, there was no other significant investment and acquisition during the year ended 31 March 2011 and up to the date of this report.

Fund Raising

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

To meet with the requirement of expanding our business and increasing the Group's production capacity, on 26 October 2010, the Company issued an aggregate of 366,275,000 shares to an independent third party at the price of HK\$2.4 per share for a total consideration of HK\$879.1 million.

Except for the above mentioned share issue, there was no other fund raising during the year ended 31 March 2011 and up to the date of this report.

Liquidity and Financial Resources

As at 31 March 2011, the Group had bank and cash balances, of approximately HK\$1,494.1 million. Total bank borrowings of the Group with floating rates amounted to approximately HK\$131.1 million as at 31 March 2011. This included long-term borrowings of approximately HK\$28.6 million and short-term bank borrowings of approximately HK\$102.5 million. The effective interest rates for short-term borrowings and long-term borrowings were 5.87% per annum (2010: 5.88% per annum) and 6.72% per annum (2010: 6.05% per annum) respectively. All bank borrowings would be due within 2 years. The Group's strategy, which remains unchanged from the prior year, was to maintain a gearing ratio below 40%. The gearing ratio, which is calculated as net debt (including current and non-current borrowings less cash and cash equivalents, net of bank overdrafts and restricted bank deposits) divided by total capital, were zero as at 31 March 2011 (2010: zero).

投資及收購

於二零一一年三月三十日，本公司董事會批准以總代價人民幣157.5百萬元收購中山市寶麗的商標及分銷網絡，代價將以現金方式支付。除批准是項收購外，於截至二零一一年三月三十一日止年度及截至本報告日期止，並無其他重大投資及收購。

集資

於二零一零年四月九日，根據二零一零年三月十九日刊發的公司招股章程（「招股章程」）所詳述的超額配股權獲悉數行使，本公司按每股2.3港元的發售價發行合共93,000,000股新股份。與超額配股權有關的所得款項總額為213,900,000港元。

為切合擴展業務的需要及提高本集團的生產能力，於二零一零年十月二十六日，本公司已以每股2.4港元的價格向一名獨立第三方發行合共366,275,000股股份，總代價為879.1百萬港元。

除上述提及之股份發行外，於截至二零一一年三月三十一日止年度及截至本報告日期止，並無其他集資活動。

流動資金及財務資源

於二零一一年三月三十一日，本集團有銀行及現金結餘約1,494.1百萬港元。於二零一一年三月三十一日，本集團的浮息銀行借貸總額約為131.1百萬港元。其包括長期借貸約28.6百萬港元及短期銀行借貸約102.5百萬港元。短期借貸及長期借貸的實際年利率分別為5.87%（二零一零年：5.88%）及6.72%（二零一零年：6.05%）。所有銀行借貸將於2年內到期。與過往年度一致，本集團的策略為維持資產負債比率低於40%。資產負債比率（以淨債務（包括即期及非即期借貸減現金及現金等價物，扣除銀行透支及受限制銀行存款）除以總資本）於二零一一年三月三十一日為零（二零一零年：零）。

As at 31 March 2011, the Group had net current assets of approximately HK\$2,020.8 million, as compared to net current assets of approximately HK\$1,082.8 million as at 31 March 2010. The current ratio of the Group was 6.69 as at 31 March 2011 as compared to 3.19 as at 31 March 2010.

In 2011, the Group generated net cash of HK\$226.9 million from its operating activities, as compared to HK\$303.3 million in 2010. Net cash used in investing activities was HK\$674.1 million, which mainly included capital expenditures of HK\$509.3 million, payment of HK\$30.2 million for acquiring land use rights and the prepayments for acquisition of trademarks and distribution network of HK\$145.8 million.

During the year under review, the net cash inflow from financing activities amounted to HK\$867.4 million, which included mainly gross proceeds from issuance of ordinary shares pursuant to the exercise of the over-allotment option pursuant to the global offering amounting to HK\$213.9 million and the gross proceeds from the issuance of ordinary shares to an independent third party pursuant to the subscription agreement signed on 7 October 2010 amounting to HK\$879.1 million, net of repayment of bank borrowings and interests, of HK\$153.6 million and payments of share issuance costs amounting to HK\$81.4 million.

Foreign Exchange Exposure

The Group's principal production facilities are located in Mainland China 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.

於二零一一年三月三十一日，本集團有淨流動資產約2,020.8百萬港元，於二零一零年三月三十一日則有淨流動資產約1,082.8百萬港元。於二零一一年三月三十一日，本集團的流動比率為6.69，於二零一零年三月三十一日則為3.19。

於二零一一年，本集團的經營活動產生現金淨額226.9百萬港元，於二零一零年則為303.3百萬港元。投資活動使用的現金淨額為674.1百萬港元，主要包括資本開支509.3百萬港元、收購土地使用權的付款30.2百萬港元及收購商標及分銷網絡的預付款145.8百萬港元。

於回顧年度內，融資活動的現金流入淨額為867.4百萬港元，其主要包括根據全球發售因行使超額配股權而發行普通股的所得款項總額213.9百萬港元、根據於二零一零年十月七日簽訂的認購協議發行普通股予一名獨立第三方的所得款項總額879.1百萬港元，扣除償還銀行借貸及利息153.6百萬港元及支付股份發行成本81.4百萬港元。

外匯風險

本集團主要生產設施在中國內地，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，管理層知悉可能來自美元、港元及人民幣之間的匯率波動的潛在外幣風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

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 2011, buildings with net book value of HK\$139.0 million, land use rights with carrying value of HK\$41.9 million were pledged as collateral for the Group's borrowings. Total borrowings of HK\$129.5 million (2010: HK\$259.1 million) were secured by corporate guarantees by certain subsidiaries as of 31 March 2011.

Contingent Liabilities

In April 2009, March 2010 and February 2011, certain subsidiaries of the Group received notices of additional assessments from the Hong Kong Inland Revenue Department ("IRD") for the years of assessments 2002/2003, 2003/2004 and 2004/2005 demanding additional profits tax payment in the aggregate amount of HK\$3.8 million, HK\$7.7 million and HK\$6.5 million respectively. Notices of objections have been served for these notices of additional assessments. The IRD has granted unconditional holdover orders in respect of the entire amount of additional profits tax demanded for the year of assessment 2002/2003. In respect of the additional tax 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. Furthermore, in respect of the additional tax assessment for the year of assessment 2004/2005, HK\$5.5 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 on 1 April 2011.

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，並於必要時採取適當行動減低本集團的風險。

資產抵押

於二零一一年三月三十一日，賬面淨值為139.0百萬港元的樓宇及賬面值為41.9百萬港元的土地使用權質押作抵押品，讓本集團獲得借貸。於二零一一年三月三十一日，借貸總額129.5百萬港元（二零一零年：259.1百萬港元）以若干附屬公司提供的企業擔保作保證。

或然負債

於二零零九年四月、二零一零年三月及二零一一年二月，本集團若干附屬公司接獲香港稅務局（「稅務局」）發出有關二零零二／二零零三、二零零三／二零零四及二零零四／二零零五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、7.7百萬港元及6.5百萬港元。本集團已提呈反對通知書，而稅務局亦就要求繳付的二零零二／二零一零年課稅年度的全數額外利得稅稅款發出無條件暫緩令。有關二零零三／二零零四課稅年度的補加評稅，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1百萬港元的儲稅券。此外，有關二零零四／二零零五課稅年度的補加評稅，可獲無條件延緩繳納5.5百萬港元，而餘下的1百萬港元則可於購入同等金額的儲稅券後延緩繳納。因此，本集團已於二零一一年四月一日購入1百萬港元的儲稅券。

The Group was informed that the additional assessments are of protective nature and were issued to keep the 2002/2003, 2003/2004 and 2004/2005 tax years 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 31 March 2011.

Mr. Leung Kai Kuen and Ms. Tam Ming Luen, substantial shareholders of the Company, have entered into a deed of indemnity with the Group under which they have agreed to indemnify on a joint and several basis each member of the Group in respect of the cash payment for any additional tax assessment for the year of assessment 2002/2003 and any other notices of additional assessment that may be received by any member of the Group for and including the 2003/2004 and 2004/2005 tax years through the 2009/2010 tax year.

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). As at 31 March 2011, HK\$145 million has been used to repay bank borrowings, HK\$47.1 million has been used for expanding the wastepaper business and HK\$257.1 million has been used for expanding the recycled papers manufacturing business. The remaining net proceeds will be applied in the manner as stated in the Prospectus.

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、二零零三／二零零四及二零零四／二零零五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二零一一年三月三十一日的潛在稅項負債(如有)，包括有關罰款及利息(如有)。

本公司主要股東梁契權先生及譚鳴鸞女士已與本集團訂立彌償契約，據此，彼等同意就二零零二／二零零三課稅年度的任何額外稅務評估的現金付款，以及本集團任何成員公司可能接獲二零零三／二零零四年及二零零四／二零零五年課稅年度至二零零九／二零一零年課稅年度的任何額外評估通知，共同及個別向本集團成員公司作出彌償。

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1,363.9百萬港元(包括來自行使超額配股權的所得款項)。截至二零一一年三月三十一日，145百萬港元已用於償還銀行借貸、47.1百萬港元已用於擴展廢紙業務及257.1百萬港元已用於擴展再造紙製造業務。餘下所得款項淨額將按招股章程所述用途運用。

USE OF NET PROCEEDS FROM THE COMPANY'S ISSUANCE OF NEW SHARES

The Company has issued an aggregate of 366,275,000 shares to an independent third party with gross proceeds of HK\$879.1 million. At 31 March 2011, HK\$145.8 million has been used as prepayment for the acquisition of trademarks and distribution network of Zhongshan Baoli. The remaining net proceeds will be applied in the manner as stated in the announcement dated 7 October 2010.

EMPLOYEES

At 31 March 2011, the Group had 2,311 employees, of which 202 were employed in Hong Kong and 2,109 were employed in Mainland China. Employee costs, excluding directors' emoluments, amounted to HK\$79.7 million for the year (2010: HK\$58.3 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 Mainland China employees with welfare schemes as required by the applicable laws and regulations in Mainland China.

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.

本公司發行新股份所得款項淨額的使用情況

本公司已發行合共366,275,000股股份予一名獨立第三方，所得款項總額為879.1百萬港元。於二零一一年三月三十一日，145.8百萬港元已用作收購中山寶麗的商標及分銷網絡的預付款。餘下所得款項淨額將按日期為二零一零年十月七日的公告所述用途運用。

僱員

於二零一一年三月三十一日，本集團有2,311名僱員，當中202名在香港僱用及2,109名在中國內地僱用。本年度的僱員成本（不包括董事酬金）達79.7百萬港元（二零一零年：58.3百萬港元）。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，及為中國內地僱員提供中國內地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。

PROSPECTS

To pursue economic growth in an environmentally sustainable manner is a common consensus today among responsible businesses worldwide. Mainland China, the second-largest economy in the world and the Group's growth driver, has drawn up a host of effective measures to create a greener and better living environment. A key policy direction of the 12th Five-Year Plan is the creation of a low carbon and low emission economy, with "energy saving and emission reduction" a top priority for the country's "seven major industries". The paper manufacturing industry is one of these industries that the Central Government is keen to consolidate and upgrade. More rigorous enforcement of environmental regulations would exert greater pressure on non-compliant medium- and small-sized paper manufacturers, and is likely to trigger a significant consolidation in this highly fragmented market. Moreover, the rising affluence of consumers and a gradual global economic recovery are expected to further boost the domestic consumption of recovered paper and tissue paper. Fook Woo, as the largest integrated recycled paper producer in Mainland China, is well positioned to benefit from this favorable economic environment.

Having established new waste paper packing stations and having widened the channels for waste paper collection in Hong Kong and Mainland China, the Group has now secured a stable supply of raw materials to support the growth of its tissue paper products business. Still, the Group will continue to explore partnership opportunities in other locations, such as in hi-tech industrial zones and other densely populated areas, where it can collect large volume of waste paper. The Group expects its total collection volume to continue to increase with the setting-up of new collection points, which will help the Group sustain its growth momentum.

前景

現時作為一家負責任的企業，於追求經濟增長的同時，亦要確保環境可持續發展，這已是全球的共識。中國內地作為全球第二大經濟實體及本集團的增長動力，制定了大量有效措施，以創造更綠色及更佳的生活環境。第十二個五年計劃的主要政策方向是創造低碳低排放經濟，「節省能源及減少排放」乃「七大行業」的當務之急。造紙行業乃該七大行業之一，中央政府熱切希望將之鞏固及提升。若環境法規執行更趨嚴格，這將對未能符合法規的中小型造紙商構成更大壓力，並有可能觸發高度分散的造紙業市場進行大規模整合。此外，我們預期消費者日益富足及全球經濟逐漸復甦進一步促進國內回收紙及生活用紙的消費。作為中國內地最大綜合再造紙生產商，福和處於有利地位，可受惠於此有利的經濟環境。

憑藉新建立的廢紙打包工場以及進一步擴闊香港及中國內地廢紙收集渠道，本集團現已獲得原材料穩定供應，以支持生活用紙業務的增長。不過，本集團將繼續在其他地區尋求合作機會，例如在高科技工業園區或其他人口稠密地區，在該等園區或地區可收集到大量廢紙。本集團預期隨著新收集點的設立，其收集總量將繼續增加，有助本集團維持其增長動力。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The tissue paper division is another growth engine and the Group has already made plans for its aggressive expansion. In particular, the Group's extensive sales network and its well-known brands can help spearhead the development of this division in second- and third-tier cities. When the acquisition is completed, the brands, including "Polly 宝丽" and "AUS&NEW 澳紐", will complement and strengthen the Group's existing product portfolio, which includes the 'Moonily', 'Smooovie' and 'See-mia' brands, and thus enable it to reach a wider group of customers. In order to make the most of the Polly trademarks, the Group plans to create a new range of recycled products. More efforts will be made to boost brand awareness through joint marketing promotional activities with large chain store groups. Leveraging its expanded and extensive distribution network, the Group aims to increase the sales and market share of its own-branded products and thus increase the segment's contribution to overall revenue.

Bearing in mind inflationary pressures and rising paper pulp costs, which are expected to continue in the near term albeit at a more moderate pace, the Group will maintain its practice of passing cost pressure onto its customers. With the reputation of its branded tissue paper products, the Group is confident that it will still be able to compete strongly in the market while enhancing its profitability.

生活用紙分部為本集團另一增長動力，本集團已為生活用紙分部規劃好積極的擴展計劃。具體而言，本集團廣泛銷售網絡及知名品牌可幫助本集團在第二及第三線城市拓展此業務分部。當收購完成後，品牌(包括「Polly宝丽」及「AUS&NEW澳紐」)將補充及增強本集團「皇月」、「綠柔」及「思密兒」等品牌的現有產品組合，從而接觸到更大的客戶群。為充分利用Polly商標，本集團計劃推出新系列之再生紙產品。本集團將加強力度提升品牌知名度，如參加大型連鎖店集團的市場推廣宣傳活動。本集團利用擴大後的廣泛分銷網絡，以增加自有品牌產品的銷售及市場份額，從而增加分部對整體收益的貢獻。

考慮到通脹壓力及紙漿成本日益上漲，而預期上述情況在短期內將繼續存在，不過上漲速度將會放緩，本集團將維持將成本上升壓力轉嫁客戶的做法。憑藉品牌生活用紙的聲譽，本集團有信心將能夠在市場上保持強勁競爭力的同時，提高盈利能力。

In anticipation of more supportive measures and guidelines for environmentally friendly paper products under the 12th Five-Year Plan of the Central Government, Fook Woo will make every effort to fully exploit its competitive advantages to capture this tremendous growth potential. Apart from fine-tuning its sales strategy, the management is also actively seeking opportunities for new business development or strategic cooperation. The perception of recycled tissue paper products has gradually improved in recent years in both the public and private sectors in Hong Kong and Mainland China. The Group has been invited by government bodies to tender for recycled paper supplies. This is a testament to the technical expertise of the Group and will provide the Group with a strong impetus to deliver more robust and sustainable growth in its core business. With effective execution of its strategies, the Group is confident that it will be able to maintain and enhance its leading position in the market.

DIVIDEND

The Board does not recommend the payment of any dividend in respect of the year ended 31 March 2011 (2010: Nil).

預期於中央政府的第十二個五年計劃下，對環保紙產品會有更多支持措施及指引，福和將盡力充分利用本身的競爭優勢，捕捉此巨大增長潛力。除微調銷售策略外，管理層亦在積極尋找發展新業務或戰略合作的機會。大眾對再造生活用紙的認知在最近幾年在香港及中國內地公共及私人領域逐漸提高。本集團已獲政府機構邀請競標再造紙供應，此引證本集團技術上之專業，並將為本集團提供強勁動力，使核心業務更穩健及可持續增長。透過切實執行策略，本集團有信心將能夠維持及提高其在市場上的領導地位。

股息

董事會不建議就截至二零一一年三月三十一日止年度派付任何股息(二零一零年：無)。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Chairman, Chief Executive Officer and Executive Director

Mr. Leung Kai Kuen, aged 67, is an executive director, the founder, the chairman and the chief executive officer of the Company. He is also the chairman of the executive committee and remuneration committee, a member of the nomination committee and a director of certain subsidiaries of the Company. Besides, he is the director and shareholder of City Legend International Limited, a substantial shareholder of the Company. Mr. Leung Kai Kuen is 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. He 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 Limited 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).

執行董事

主席、行政總裁及執行董事

梁契權先生，67歲，為本公司執行董事、創辦人、主席兼行政總裁。彼亦為本公司的執行委員會及薪酬委員會主席、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的董事及股東。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、大埔區少年警訊名譽會長及粉嶺區鄉事委員會成員。彼亦為中國廣東省惠州市榮譽市民。梁契權先生為廣東省惠州市第九屆政協委員會委員及自二零零二年至二零零六年為香港新界北區廠商會有限公司會長。梁契權先生為梁達標先生(本公司執行董事)的胞兄及張雅麗女士(本公司非執行董事)之家翁。

**Executive Director and Head of Waste Paper
Business Unit**

Mr. Leung Tat Piu, aged 48, is an executive director of the Company and the head of 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 25 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, the chief executive officer and an executive director of the Company).

**Executive Director, Chief Operating Officer and
Head of Tissue Paper Business**

Mr. Cheng Chun Keung, Thomas, aged 46, is an executive director and the chief operating officer of the Company and head of tissue paper business of the Group. He is also a member of the Executive Committee of the Company. Mr. Cheng joined the Group in February 2005 as the head of tissue 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.

執行董事及廢紙業務單位主管

梁達標先生，48歲，為本公司執行董事及本集團廢紙業務單位主管。彼亦為本公司的執行委員會成員及若干附屬公司董事。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25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、行政總裁兼執行董事）之胞弟。

執行董事、營運總監及生活用紙業務主管

鄭振強先生，46歲，為本公司執行董事及營運總監、本集團之生活用紙業務主管。彼亦為本公司的執行委員會成員。鄭先生於二零零五年二月加盟本集團，擔任生活用紙業務主管，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。

NON-EXECUTIVE DIRECTORS

Ms. Cheung Nga Lai, Carol, aged 35, is a non-executive director of the Company. She joined the Group in 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. She 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, the chief executive officer 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).

Mr. Cheng Chi Ming, Brian, aged 28, is a non-executive director and a member of the audit committee of the Company. He joined the Group in January 2011. Mr. Cheng obtained a bachelor's degree in science from Babson College in Massachusetts, U.S.A. in 2005. Mr. Cheng is an executive director of NWS Holdings Limited, a company listed on the main board of the Stock Exchange (stock code: 659) and a director of certain subsidiaries of NWS. He is also a non-executive director of Haitong International Securities Group Limited (stock code: 665), Freeman Financial Corporation Limited (appointed on 19 January 2011, stock code: 279) and Newton Resources Ltd (stock code: 1231), all of which are listed on the main board of the Stock Exchange. Mr. Cheng is a director of Sino-French Holdings (Hong Kong) Limited, Sino-French Energy Development Company Limited, The Macao Water Supply Company Limited and a director of a number of companies in China. From 2005 to 2007, Mr. Cheng worked as a research analyst in the Infrastructure and Conglomerates sector for CLSA Asia-Pacific Markets. He is the grandson of Mr. Cheng Yu Tong, who is a substantial shareholder of the Company.

非執行董事

張雅麗女士，35歲，為本公司非執行董事。彼於二零一零年三月加盟本集團。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、行政總裁兼執行董事)之兒媳及張雅璇女士(本集團行政、人力資源及採購主管)之胞妹。

鄭志明先生，28歲，為本公司非執行董事及審核委員會成員。彼於二零一一年一月加盟本集團。鄭先生於二零零五年取得美國馬薩諸塞州巴布森學院理學學士學位。鄭先生為聯交所主板上市公司新創建集團有限公司之執行董事(股份代號：659)及新創建若干附屬公司之董事。彼亦為聯交所主板上市公司海通國際證券集團有限公司(股份代號：665)、民豐企業控股有限公司(於二零一一年一月十九日獲委任，股份代號：279)及新礦資源有限公司(股份代號：1231)之非執行董事。鄭先生為中法控股(香港)有限公司、中法能源投資有限公司、澳門自來水股份有限公司及國內多家公司之董事。於二零零五年至二零零七年，鄭先生曾於里昂證券有限公司亞太區市場之基建及財團部任職研究分析師。彼為本公司主要股東鄭裕彤先生之孫兒。

Mr. Pei Cheng Ming, Michael, aged 62, is a non-executive director and a member of both the remuneration committee and the nomination committee of the Company. He joined the Group in January 2011. Mr. Pei holds a BA from the University of Toronto, Canada in 1971. Mr. Pei is the Director-Executive Office of New World Development Company Limited. Mr. Pei has been with New World Development Company Limited since 1988. New World Development Company Limited is a company listed on the main board of the Stock Exchange (stock code: 17), of which Mr. Cheng Yu Tung, a substantial shareholder of the Company, is the Chairman and an executive director. Mr. Pei was a senior officer with the Canadian Imperial Bank of Commerce in Toronto, Canada from 1972 to 1987.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chung Wai Kwok, Jimmy, aged 61, is an independent non-executive director of the Company and the chairman of the audit committee of the Company. He joined the Group in 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 Fittec 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; and China World Trade Center Company Limited (stock code: 600007), listed on the Shanghai Stock Exchange.

裴震明先生，62歲，為本公司非執行董事、薪酬委員會及提名委員會成員。彼於二零一一年一月加盟本集團。裴先生於一九七一年於加拿大多倫多大學取得文學士學位。裴先生自一九八八年起於新世界發展有限公司工作，現時擔任行政辦公室總監。新世界發展有限公司為一家於聯交所主板上市之公司（股份代號：17），而本公司主要股東鄭裕彤先生為其主席及執行董事。於一九七二年至一九八七年，裴先生曾為位於加拿大多倫多之加拿大帝國商業銀行之高級職員。

獨立非執行董事

鍾維國先生，61歲，為本公司獨立非執行董事及審核委員會主席。彼於二零一零年三月加入本集團。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）及上海證券交易所上市公司中國國際貿易中心股份有限公司（股份代號：600007）的獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Chan Kong, aged 47, 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 in 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 8 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. (stock code: B22) since 2004.

Mr. Lee Kwok Chung, aged 47, 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 in 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 function. 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 2011 to 22 June 2016. 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.

陳剛先生，47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八年經驗。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 (股份代號：B22)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。

李國忠先生，47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工作。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。自二零一一年六月二十三日至二零一六年六月二十二日，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。

Mr. Lau Shun Chuen, aged 61, is an independent non-executive director and a member of both the remuneration committee and the nomination committee of the Company. He joined the Group on 1 October 2010. Mr. Lau has 37 years of experience in the banking industry in Hong Kong, China and Canada. From August 1973 to April 1992, Mr. Lau worked at the Bank of East Asia, Limited, holding senior positions including head of business development, head of branch operations, head of human resources and head of corporate communications. From August 1992 to July 1994, Mr. Lau served as the senior credit manager at the Toronto main office of Hongkong Bank of Canada. Since August 1994, Mr. Lau joined Hang Seng Bank Limited (“Hang Seng Bank”) and was appointed as assistant general manager of Hang Seng Bank in January 2001. He held a number of senior positions in Hang Seng Bank including head of personal financial services, head of retail services and sales and head of relationship management, commercial banking. He was responsible for commercial banking business of Hang Seng Bank in China since November 2006 and later also its network in Northern China. Mr. Lau acted as the deputy chief executive of Hang Seng Bank (China) Limited before his retirement in July 2010. Mr. Lau obtained a Bachelor of Science degree from the University of Hong Kong in July 1973. He is a Fellow of the Chartered Institute of Bankers and a Fellow of the Hong Kong Institute of Bankers. He was a former director of EPS Company (Hong Kong) Limited and TransUnion Limited.

劉順銓先生，61歲，為本公司獨立非執行董事、薪酬委員會及提名委員會成員。彼於二零一零年十月一日加盟本集團。劉先生於香港、中國及加拿大銀行業擁有37年經驗。自一九七三年八月至一九九二年四月，劉先生曾任職於東亞銀行有限公司，擔任高級職務，包括業務發展主管、分行管理主管、人力資源主管及企業傳訊部主管。自一九九二年八月至一九九四年七月，劉先生擔任加拿大滙豐銀行多倫多總辦事處高級信貸經理一職。自一九九四年八月起，劉先生加入恒生銀行有限公司（「恒生銀行」），並於二零零一年一月獲委任為恒生銀行助理總經理。彼於恒生銀行擔任若干高級職位，包括恒生銀行個人理財業務主管、零售銀行服務主管及商業銀行客戶關係業務主管。彼自二零零六年十一月起負責恒生銀行於中國之商業銀行業務，隨後負責華北之網絡。於二零一零年七月退休前，劉先生為恒生銀行（中國）有限公司副行政總裁。劉先生於一九七三年七月獲香港大學理學學士學位。彼為英國特許銀行學會及香港銀行學會資深會士。彼為易辦事（香港）有限公司及環聯資訊有限公司之前任董事。

COMPANY SECRETARY

Mr. Chan Ka Fat, aged 39, is a company secretary and one of the authorized representatives of the Company. He joined the Group on 1 October 2010. Mr. Chan is a qualified accountant and a member of both the Hong Kong Institute of Certified Public Accountants and the CPA Australia. Mr. Chan has over 12 years of experience in auditing, accounting, financial planning and management. Prior to joining the Group, Mr. Chan held audit posts in audit firms and served as an assistant financial controller of a company listed on the Stock Exchange. Mr. Chan also worked as an associate of a firm based in the United States which provides professional advisory services on internal controls and compliance matters for companies listed on the stock exchanges in the United States. From September 2007 to April 2009, Mr. Chan served as the chief financial officer and executive director of Asia Energy Logistics Group Ltd (formerly known as China Sciences Conservational Power Ltd), a company listed on the Stock Exchange (stock code: 351) and was responsible for the corporate finance compliance, the financial and corporate governance functions of the company. Mr. Chan obtained a Bachelor of Commerce degree from Macquarie University in Australia in July 1997 and a Master of Management degree from Macquarie Graduate School of Management in Hong Kong in August 2008, respectively.

公司秘書

陳家發先生，39歲，為本公司之公司秘書及其中一名授權代表。彼於二零一零年十月一日加盟本集團。陳先生為合資格會計師及香港會計師公會及澳洲會計師公會會員。陳先生於審計、會計、財務策劃及管理方面具逾12年經驗。於加盟本集團前，陳先生於審計事務所擔任審計師職務，並擔任一間聯交所上市公司之助理財務總監。陳先生亦為美國一間公司之合夥人，該公司就於美國股票交易所上市公司之內部監控及合規事宜提供專業諮詢服務。自二零零七年九月至二零零九年四月，陳先生擔任一間聯交所上市公司亞洲能源物流集團有限公司（前稱中科環保電力有限公司）（股份代號：351）之財務總監及執行董事職務，並負責企業財務及監控該公司之財務、企業管治及合規職能。陳先生於一九九七年七月獲得澳洲麥格理大學之商業學士學位，並於二零零八年八月獲得香港麥格理管理學院之管理學碩士學位。

SENIOR MANAGEMENT

Executive Director and Chief Operating Officer

Mr. Cheng Chun Keung, Thomas, an executive director of the Company, has been appointed as the chief operating officer of the Company effective from 1 October 2010. For details regarding Mr. Cheng's background, see the section headed "Executive Directors" above.

Chief Financial Officer

Ms. Mak Sau Ling, aged 40, 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.

General Manager of the Confidential Materials Destruction Service (CMDS)

Mr. Chan Yim Inn, Stephen, aged 51, is the general manager of the CMDS business unit of the Group and is responsible for the overall operation, sales and marketing and customer relationship management of CMDS. Mr. Chan is also in charge of monitoring the Group's security system, especially the security of confidential materials collection and destruction services. Mr. Chan joined the Group in May 1998. He has over 25 years of experience in sales and marketing. Prior to joining the Group, Mr. Chan served as a Senior Marketing Manager of Dunruns International Limited, Manager of Confidential Materials Destruction Service Limited, as well as other customer service roles at DHL International Limited, Tokyo Byokane Co., (HK) Ltd., and Regent Hotel. Mr. Chan obtained a Master Degree in Marketing from the University of Leicester in 2006. He is a Certified Professional Marketer

高級管理層

執行董事及營運總監

鄭振強先生為本公司執行董事，由二零一零年十月一日起被委任為本公司之營運總監。有關鄭先生之背景說明，請見上文「執行董事」一節。

財務總監

麥秀玲女士，40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的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(CMDS)總經理

陳隰衍先生，51歲，為本集團CMDS業務單位之總經理，專責CMDS整體營運、銷售與營銷及客戶關係管理。陳先生亦負責監察本集團之保安系統，特別是機密材料回收及銷毀服務之保安。陳先生於一九九八年五月加盟本集團。彼於銷售與營銷方面擁有逾25年經驗。加盟本集團前，陳先生曾任登路士國際有限公司的高級市場經理，密件處理服務有限公司的經理，及於DHL國際有限公司、東京鋳兼(香港)有限公司及麗晶酒店有關客戶服務的職務。陳先生於二零零六年取得萊斯特大學的市場學碩士學位。彼乃認許市務師(亞太區)，並為香港市務學會及國際專業保安協會會員。彼積極參與社會工作，自一九七九年以來一直擔任香港輔助警察隊的工作，現職為輔警高級督察。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

(Asia-Pacific) and a fellow member of The Hong Kong Institute of Marketing and International Professional Security Association. He is also actively involved in community work and has served the Hong Kong Auxiliary Police Force since 1979 with the present rank of Auxiliary Senior Inspector.

Head of Administration, Human Resources and Purchasing

Ms. Cheung Nga Shuen, Candy, aged 41, is the head of administration, human resources and purchasing. Ms. Cheung joined the Group in February 2003 is currently in charge of the Group's administration, human resources and purchasing departments. 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.

Chief Engineer

Mr. Gan Yue Fei, aged 43, is the Chief Engineer of the Group and is responsible for the research, development and production of paper products. He also participated in the investment projects of large scale production line and improved the management system of production system. Mr. Gan joined the Group in June 2010. Mr. Gan has over 20 years of experience in paper manufacturing. Prior to joining the Group, he served as the Engineer of General Engineering Department of Yuanjiang Paper Co., Ltd. of Tiger Forest & Paper Group, Deputy Chief Engineer of Hengan International Group Co., Ltd, as well as Deputy General Manager of Shandong Hengan Paper Co., Ltd.

行政、人力資源及採購主管

張雅璇女士，41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、人力資源及採購部門。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之胞姊。

總工程師

甘躍飛先生，43歲，為本集團總工程師，專責紙品的研發與生產，並參與投資大型生產線項目及完善生產系統之管理制度。甘先生於二零一零年六月加盟本集團。甘先生於造紙方面擁有逾20年的經驗。在加盟本集團前，彼曾任泰格林紙集團沅江紙業有限公司總工辦工程師、恒安集團有限公司紙業發展部副總工程師及山東恒安紙業有限公司副總經理。

Deputy General Manager of Huizhou Fook Woo Paper

Mr. Liu Yang, aged 47, is the Deputy General Manager of Huizhou Fook Woo Paper Co. Ltd., a wholly-owned Subsidiary of the Group and is responsible for sales and marketing function of tissue paper products of the Group in Greater China Area. Mr. Liu joined the Group in June 2010. He has over 20 years of experience in operations, sales and marketing, strategic planning and sales training. Mr. Liu has profound knowledge in China's tissue product market and its development. Prior to joining the Group, Mr. Liu served as the executive director of Hunan Baidesheng Business Development Co., Ltd, Assistant to General Manager of Fujian (Man Yu) Shoes Making Group Co., Ltd., Vice Chairman and Deputy General Manger of Hunan Dehuishi Paper Co., Ltd., General Manager of Hengan (Group) Hubei Xiaogan Company, as well as General Sales Manager in Fujian and Guangdong Area of Hengan International Group Co. Ltd.

惠州福和紙業有限公司之副總經理

劉楊先生，47歲，為本集團全資附屬公司惠州福和紙業有限公司之副總經理，專責本集團中國區之生活用紙之銷售與市場推廣。劉先生於二零一零年六月加盟本集團，於經營與銷售管理、規劃、營銷人才培訓方面擁有逾20年經驗。劉先生對中國生活用紙市場的情況和發展尤其熟悉。在加入本集團前，彼曾任湖南百德盛商貿發展有限公司執行董事、福建(滿譽)集團製鞋有限公司總經理助理、湖南德惠紙業有限公司副董事長兼副總經理、恒安(集團)湖北孝感公司總經理及恒安(集團)閩粵區銷售總經理。

REPORT OF THE DIRECTORS

董事會報告

The Board has pleasure in submitting their annual report together with the audited consolidated financial statements of the Group for the year ended 31 March 2011.

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, 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.

The Company's shares have been listed on the Stock Exchange since 31 March 2010.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries as at 31 March 2011 are set out in note 29 to the financial statements.

An analysis of the Group's performance for the year by operating segments is set out in note 6 to the financial statements.

董事會欣然提呈其年報，以及本集團於截至二零一一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招股章程。

本公司股份自二零一零年三月三十一日起於聯交所上市。

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二零一一年三月三十一日的主要業務載於財務報表附註29。

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6。

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 76.

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 78 and in note 28 to the financial statements respectively.

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately HK\$5,351,000 (2010: HK\$2,713,000).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 17 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 27 to the financial statements.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution comprise the share premium account and retained earnings. At 31 March 2011, the reserves of the Company available for distribution to shareholders amounted to approximately HK\$2,942,578,000 (2010: HK\$1,914,692,000).

業績及分派

本集團年內的業績載於第76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分別載於第78頁的綜合權益變動表及財務報表附註28。

捐款

本集團年內作出的慈善及其他捐款約為5,351,000港元(二零一零年：2,713,000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17。

股本

本公司股本的變動詳情載於財務報表附註27。

可分派儲備

本公司可供分派的儲備包括股份溢價賬及保留溢利。於二零一一年三月三十一日，本公司可分派予股東的儲備約為2,942,578,000港元(二零一零年：1,914,692,000港元)。

DIVIDEND

No dividend has been paid or declared by the Company during the year (2010: Nil)

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.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 176.

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 during the year ended 31 March 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 2 September 2011 to Tuesday, 6 September 2011, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible for attending and voting at the 2011 annual general meeting of the Company to be held on Tuesday, 6 September 2011, unregistered holders of shares of the Company should ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 1 September 2011.

股息

本公司於年內並無派付或宣派任何股息(二零一零年：無)。

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。

五年財務概要

本集團過去五年的業績及資產與負債的概要載於第176頁。

購買、出售或贖回股份

於截至二零一一年三月三十一日止年度，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。

暫停辦理股份過戶登記

本公司將於二零一一年九月二日(星期五)至二零一一年九月六日(星期二)(包括首尾兩天在內)，暫停辦理股份過戶登記手續。為符合資格出席將於二零一一年九月六日(星期二)舉行之本公司二零一一年股東週年大會並於會上投票，本公司未登記之股份持有人應確保所有過戶文件連同相關股票最遲須於二零一一年九月一日(星期四)下午四時三十分前送呈本公司香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

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*)
Mr. Leung Tat Piu
Mr. Cheng Chun Keung, Thomas

Non-executive Directors

Ms. Cheung Nga Lai, Carol
Mr. Cheng Chi Ming, Brian
(appointed on 1 January 2011)
Mr. Pei Cheng Ming, Michael
(appointed on 1 January 2011)

Independent non-executive Directors

Mr. Chung Wai Kwok, Jimmy
Mr. Chan Kong
Mr. Cheng Yu Hong
(resigned on 21 June 2010)
Mr. Lee Kwok Chung
(appointed on 21 June 2010)
Mr. Lau Shun Chuen
(appointed on 1 October 2010)

Pursuant to Article 108 of the Articles of Association, Mr. Leung Tat Piu, Mr. Cheng Chun Keung, Thomas and Mr. Chan Kong shall retire by rotation at the 2011 annual general meeting of the Company. According to Article 112 of the Articles of Association, Mr. Cheng Chi Ming, Brian, Mr. Pei Cheng Ming, Michael and Mr. Lau Shun Chuen (appointed by the Board during the year) shall retire at the 2011 annual general meeting of the Company. All the above retiring Directors, being eligible, offer themselves for re-election, at the forthcoming annual general meeting of the Company.

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)
梁達標先生
鄭振強先生

非執行董事

張雅麗女士
鄭志明先生
(於二零一一年一月一日獲委任)
裴震明先生
(於二零一一年一月一日獲委任)

獨立非執行董事

鍾維國先生
陳剛先生
鄭宇航先生
(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)
劉順銓先生
(於二零一零年十月一日獲委任)

根據章程細則第108條，梁達標先生、鄭振強先生及陳剛先生須於本公司二零一一年股東週年大會上輪值退任。根據章程細則第112條，鄭志明先生、裴震明先生及劉順銓先生(於年內獲董事會委任)須於本公司二零一一年股東週年大會上退任。上述所有退任董事於本公司應屆股東週年大會上合資格膺選連任。

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.

Each of the non-executive Directors and Independent non-executive Directors was appointed for a term of three years with effect from their respective date of appointment. The service contracts/letters of appointment of the non-executive Directors/Independent non-executive Directors will expire on:

Ms. Cheung Nga Lai, Carol
(expire on 11 March 2013)

Mr. Chung Wai Kwok, Jimmy
(expire on 11 March 2013)

Mr. Chan Kong
(expire on 11 March 2013)

Mr. Lee Kwok Chung
(expire on 21 June 2013)

Mr. Lau Shun Chuen
(expire on 1 October 2013)

Mr. Cheng Chi Ming, Brian
(expire on 1 January 2014)

Mr. Pei Cheng Ming, Michael
(expire on 1 January 2014)

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.

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。

各非執行董事及獨立非執行董事的任期由其各自的委任日期起計為三年。非執行董事／獨立非執行董事的服務合約／委任書將於下列日期屆滿：

張雅麗女士
(於二零一三年三月十一日屆滿)

鍾維國先生
(於二零一三年三月十一日屆滿)

陳剛先生
(於二零一三年三月十一日屆滿)

李國忠先生
(於二零一三年六月二十一日屆滿)

劉順銓先生
(於二零一三年十月一日屆滿)

鄭志明先生
(於二零一四年一月一日屆滿)

裴震明先生
(於二零一四年一月一日屆滿)

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。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management are set out from pages 24 to 33.

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 such Director or senior management member of the Group. Details of the remuneration of the Directors are set out in note 16 to the consolidated financial statements contained in this report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in note 37 to the consolidated 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.

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24頁至第33頁。

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有關董事或本集團高級管理層成員個人表現掛鈎。董事薪酬詳情載於本報告綜合財務報表附註16。

董事購買股份或債券之權利

除於綜合財務報表附註37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。

DIRECTORS' INTERESTS 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.

DIRECTORS' INTERESTS IN SHARES

As at 31 March 2011, the interests of each Director and chief executives of the Company in the Shares 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 Securities and Futures Ordinance (the “SFO”); or (b) were required under Section 352 of the SFO, to be entered in the register required to be kept by the Company referred to in that section; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) were as follows:

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。

董事於股份的權益

於二零一一年三月三十一日，本公司董事及主要行政人員於股份中擁有根據證券及期貨條例（「證券及期貨條例」）第XV部第7及8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)根據聯交所證券上市規則（「上市規則」）所載，上市發行人董事進行證券交易的標準守則（「標準守則」），各董事須知會本公司及聯交的權益及淡倉如下：

Name of Director	Capacity	Number of ordinary shares held* 持有的普通股數目*	% of the issued share capital of the Company 佔本公司已發行股本百分比
董事姓名	身份		
Mr. Leung Kai Kuen 梁契權先生	Interest in a controlled corporation 於控制法團的權益	306,300,000(L) (Note) (附註)	12.45%

* The letter “L” denotes the person’s long position in the Shares.

* 字母「L」代表有關人士的股份好倉。

Note: Mr. Leung Kai Kuen was deemed to be interested in these 306,300,000 Shares which were held by City Legend International Limited (“City Legend”), a corporation wholly owned by Mr. Leung.

Save as disclosed above, as at 31 March 2011, 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 2011.

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”). Since the adoption of the Share Option Scheme and up to 31 March 2011, no share option had been granted.

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 8.13% of the Shares in issue as at that date.

Particulars of the Share Option Scheme are set out in note 37 to the consolidated financial statements.

附註：梁契權先生被視為於306,300,000股由滙駿國際有限公司（「滙駿」）持有的股份中擁有權益，該公司由梁先生全資擁有。

除上文所披露者外，於二零一一年三月三十一日，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，而於截至二零一一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」）。自採納購股權計劃以來及截至二零一一年三月三十一日止，並無授出購股權。

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8.13%。

有關購股權計劃的詳情載於綜合財務報表附註37。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 March 2011, 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:

主要股東的股份權益

於二零一一年三月三十一日，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：

Name of shareholder	Note	Capacity	Number of ordinary shares held*	% of the issued share capital of the Company
股東名稱	附註	身份	持有的普通股數目*	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)	31.92%
Trump Max International Investment Limited ("Trump Max") 凱卓國際投資有限公司(「凱卓」)	1	Beneficial owner 實益擁有人	785,100,000(L)	31.92%
Mr. Cheng Yu Tung 鄭裕彤先生	2	Interest in controlled corporations 受控法團權益	377,973,000(L)	15.37%
Chow Tai Fook Nominee Limited 周大福代理人有限公司	2	Interest in controlled corporations 受控法團權益	366,275,000(L)	14.89%
		Beneficial owner 實益擁有人	11,698,000(L)	0.48%
Victory Day Investments Limited	2	Interest in a controlled corporation 受控法團權益	366,275,000(L)	14.89%
Smart On Resources Ltd.	2	Beneficial owner 實益擁有人	366,275,000(L)	14.89%
City Legend 滙駿	3	Beneficial owner 實益擁有人	306,300,000(L)	12.45%
Firstrate Enterprises Limited		Beneficial owner 實益擁有人	151,875,000(L)	6.17%

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

* 字母「L」代表有關人士的股份好倉。

Note:

- (1) Ms. Tam Ming Luen was deemed to be interested in these 785,100,000 Shares which were held by Trump Max, a corporation wholly owned by Ms. Tam.
- (2) Smart On Resources Ltd is wholly owned by Victory Day Investments Limited (a wholly owned subsidiary of Chow Tai Fook Nominee Limited). Chow Tai Fook Nominee Limited is wholly owned by Mr. Cheng Yu Tung.
- (3) 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 in Shares".

Save as disclosed above, as at 31 March 2011, no person, other than the Director whose interests and short positions are set out in the section headed "Directors' Interests 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.

附註：

- (1) 譚鳴鸞女士被視為於785,100,000股由凱卓持有的股份中擁有權益，該公司由譚女士全資擁有。
- (2) Smart On Resources Ltd，由Victory Day Investment Limited（周大福代理人有限公司之全資附屬公司）全資擁有。周大福代理人有限公司由鄭裕彤先生全資擁有。
- (3) 滙駿的權益亦於上文「董事於股份的權益」一節中，披露為滙駿實益擁有人梁契權先生的權益。

除上文所披露者外，於二零一一年三月三十一日，概無任何人士（其權益及淡倉載於上文「董事於股份的權益」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 2011 are set out in note 36 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).

(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

關連交易

本集團於截至二零一一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36，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。

(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。

to provide such services to the Company exclusively during the 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.

(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 shareholders of the Company, and is therefore an associate of Mr. Leung Kai Kuen and a connected person of the Company.

(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 within the Group for a term of not more than three years.

(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。

(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，以於本集團旗下公司提供服務，年期不超過三年。

(v) Tenancy Agreement

The Group has leased the premise situated at House 10, Windsor Park, Nos. 2-88 Ma Ling Path, Kau To Shan, Shatin as the Group's director quarter. On 20 October 2010, Fook Woo Waste Paper Company Limited, a member of the Group, entered into a tenancy agreement with Junway Investment Limited, which is owned as to 100% by Ms. Tam Ming Luen, for a term of two years at a monthly rental of HK\$75,000 (inclusive of management fees and government rent and rates).

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 Development Limited ("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 shareholders of the Company, they are therefore connected persons of the Company.

(v) 租賃協議

本集團已租賃沙田九肚山馬鈴徑2-88號寶柏苑10號屋，作為本集團董事的宿舍。於二零一零年十月二十日，本集團成員公司福和廢紙有限公司與真途投資有限公司（其由譚鳴鸞女士擁有100%權益）訂立一份租賃協議，為期兩年，月租75,000港元（包括管理費及地租及差餉）。

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發展有限公司（「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。

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that each of the transactions 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.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules", issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued a report containing the findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 44 to 46 of the Annual Report in accordance with paragraph 14A.38 of the Listing Rules. A copy of the auditor's report has been provided by the Company to the Stock Exchange.

獨立非執行董事已審閱上述持續關連交易，並確認各項交易：

- (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。

本公司之核數師獲委聘遵照香港會計師公會發出的《香港審驗應聘服務準則3000》(Hong Kong Standard on Assurance Engagements 3000)「歷史財務資料審計或審閱以外的審驗應聘」(Assurance Engagements Other Than Audits or Reviews of Historical Financial Information)，並參照《實務說明》(Practice Note) 第740號「關於香港《上市規則》所述持續關連交易的核數師函件」(Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules)，就本集團於年報第44至46頁披露的持續關連交易作出匯報。核數師已根據上市規則第14A.38條發出載有上述持續關連交易的審驗結果的報告。本公司已將核數師報告副本呈交聯交所。

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 engage, directly or indirectly, in businesses which will or may compete with the business carried on or to be carried on by the Group.

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 2011.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company and the Group 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。

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二零一一年三月三十一日止年度已遵守不競爭契據。

管理合約

年內，本公司及本集團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 33%

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

As at 31 March 2011, the Group did not have any significant events which have been taken place subsequent to the balance sheet date.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming 2011 annual general meeting of the Company.

On behalf of the Board

Leung Kai Kuen

Chairman

Hong Kong, 29 June 2011

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 33%

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

於二零一一年三月三十一日，本集團並無於結算日後發生的重大事項。

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二零一一年股東週年大會上應聘連任。

代表董事會

梁契權

主席

香港，二零一一年六月二十九日

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 2011.

董事會於本集團截至二零一一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。

CORPORATE GOVERNANCE PRACTICES

企業管治常規

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

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。

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 throughout the year. In the opinion of the Board, the Company has complied with all the code provisions set out in the CG Code throughout the year with the exception of 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. Key corporate governance principles and practices of the Company as well as details relating to the foregoing deviation are summarized below.

本公司於本年度一直採用上市規則附錄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，本公司於本年度內一直遵守載於企業管治守則的所有守則條文，惟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)除外。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。

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 its decision for 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 co-ordinating 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。

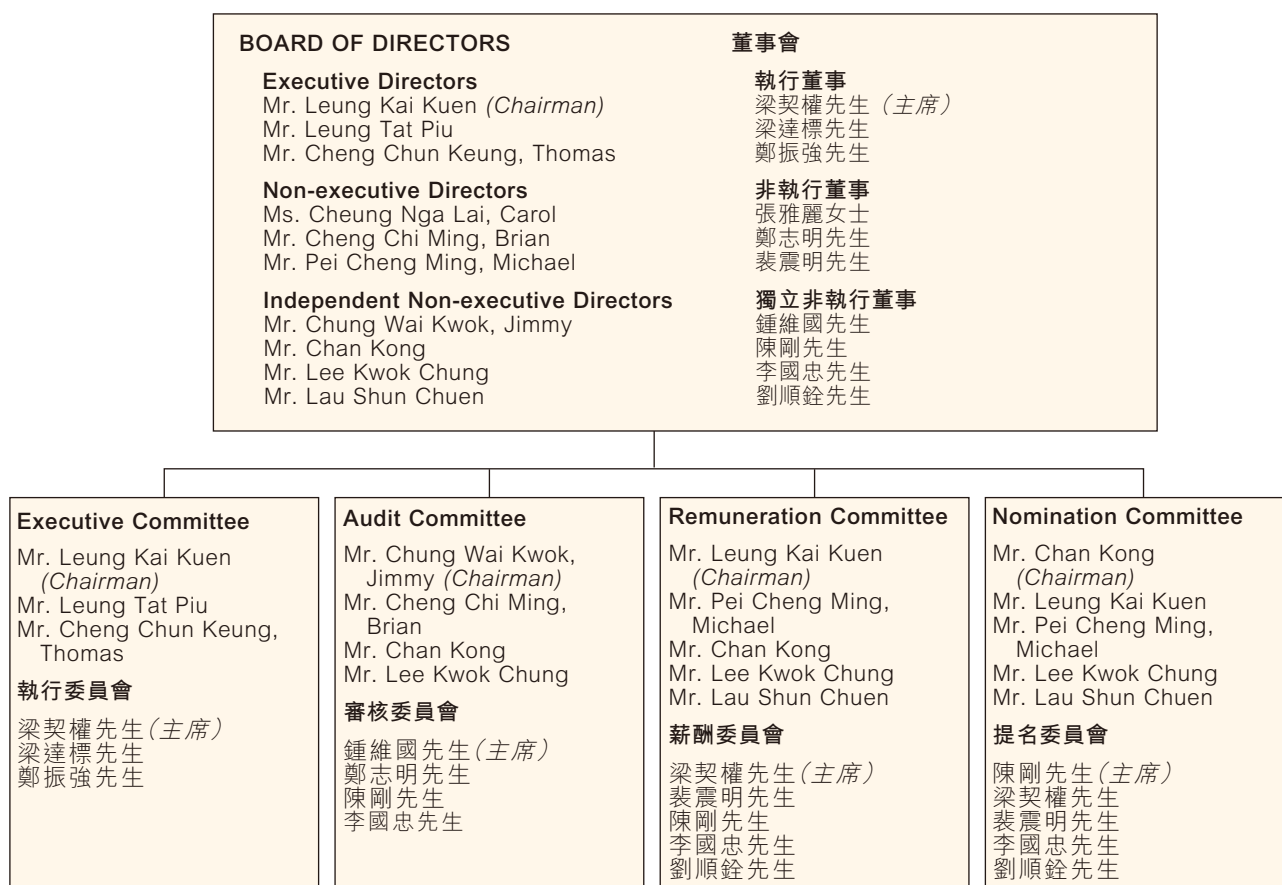
董事會向本公司高級管理人員委以各自特定的職責。該等責任包括執行董事會的決定；根據董事會所批准的管理策略及計劃指示及協調本公司之日常營運和管理；制定及監察營運及生產計劃及預算；以及監督和監察監控系統。

A.2 BOARD COMPOSITION

The following chart illustrates the current structure and membership of the Board and the Board Committees:

A.2 董事會組成

下表說明董事會及董事會委員會的現有架構及成員組成：



Each of the non-executive Directors 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. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

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。本公司根據上市規則所載之獨立性指引認為所有獨立非執行董事屬獨立人士。

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.

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 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.

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.

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。

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。

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.

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 year ended 31 March 2011, the Board held eight meetings and the attendance records of each director at these Board meetings are set out below:

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。於截至二零一一年三月三十一日止年度，董事會舉行了八次會議，各董事的出席情況如下：

Name of Director	Attendance/ Number of Board Meetings	董事姓名	出席次數/ 董事會會議數目
<i>Executive Directors</i>		<i>執行董事</i>	
Mr. Leung Kai Kuen (Chairman)	7/8	梁契權先生(主席)	7/8
Mr. Leung Tat Piu	8/8	梁達標先生	8/8
Mr. Cheng Chun Keung, Thomas	8/8	鄭振強先生	8/8
<i>Non-executive Directors</i>		<i>非執行董事</i>	
Ms. Cheung Nga Lai, Carol	8/8	張雅麗女士	8/8
Mr. Cheng Chi Ming, Brian (Note 1)	1/1	鄭志明先生(附註1)	1/1
Mr. Pei Cheng Ming, Michael (Note 1)	1/1	裴震明先生(附註1)	1/1
<i>Independent Non-executive Directors</i>		<i>獨立非執行董事</i>	
Mr. Chung Wai Kwok, Jimmy	8/8	鍾維國先生	8/8
Mr. Chan Kong	8/8	陳剛先生	8/8
Mr. Lee Kwok Chung (Note 2)	7/7	李國忠先生(附註2)	7/7
Mr. Lau Shun Chuen (Note 3)	4/4	劉順銓先生(附註3)	4/4
Mr. Cheng Yu Hong (Note 4)	0/1	鄭宇航先生(附註4)	0/1

Note:

- (1) Mr. Cheng Chi Ming, Brian and Mr. Pei Cheng Ming, Michael were appointed as non-executive Directors on 1 January 2011. One Board meeting was held from the date of their appointment to 31 March 2011.
- (2) Mr. Lee Kwok Chung was appointed as an independent non-executive Director on 21 June 2010. Seven Board meetings were held from the date of his appointment to 31 March 2011.
- (3) Mr. Lau Shun Chuen was appointed as an independent non-executive Director on 1 October 2010. Four Board meetings were held from the date of his appointment to 31 March 2011.
- (4) Mr. Cheng Yu Hong resigned as an independent non-executive Director on 21 June 2010. One Board meeting was held from 1 April 2010 to the date of his resignation.

附註：

- (1) 鄭志明先生及裴震明先生於二零一一年一月一日獲委任為非執行董事。由其委任至二零一一年三月三十一日期間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獨立非執行董事。自其委任至二零一一年三月三十一日期間舉行了七次董事會會議。
- (3) 劉順銓先生於二零一零年十月一日獲委任為獨立非執行董事。由其委任至二零一一年三月三十一日期間舉行了四次董事會會議。
- (4) 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。由二零一零年四月一日起至其辭任日期止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 the founder 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.

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，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。

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.

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 APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors, non-executive Directors 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.

Pursuant to the aforesaid provisions of the Articles of Association, Mr. Leung Tat Piu, Mr. Cheng Chun Keung, Thomas, Mr. Cheng Chi Ming, Brian, Mr. Pei Cheng Ming, Michael, Mr. Chan Kong and Mr. Lau Shun Chuen shall retire at the forthcoming 2011 annual general meeting of the Company and, being eligible, will offer themselves for re-election at the said meeting. The Company's circular, sent together with this annual report, contains detailed information of the above retiring Directors pursuant to the Listing Rules.

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。

根據上述條文及組織章程細則，梁達標先生、鄭振強先生、鄭志明先生、裴震明先生、陳剛先生及劉順銓先生須於本公司即將舉行的二零一一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。

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.

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 year.

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 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。

The Company has also established written guidelines on no less exacting terms than the Model Code (the “Employees Written Guidelines”) for governing the securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company or its securities. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company.

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.

本公司已就監管有可能掌握本公司或其證券未公佈的股價敏感資料之僱員進行證券交易設立嚴格程度不低於標準守則的書面指引（「僱員書面指引」）。本公司並無注意到有關僱員無遵守僱員書面指引之事件。

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 five members, namely, Mr. Leung Kai Kuen, Mr. Pei Cheng Ming, Michael, Mr. Chan Kong, Mr. Lee Kwok Chung and Mr. Lau Shun Chuen, the majority of which are 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.

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

薪酬委員會由五名成員組成，即梁契權先生、裴震明先生、陳剛先生、李國忠先生及劉順銓先生，其中大多數為獨立非執行董事。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。

Details of the remuneration of each Director for the year ended 31 March 2011 are set out in note 16 to the financial statements contained in this annual report.

During the year ended 31 March 2011, the Remuneration Committee has performed the following tasks:

- Review and discussion of the remuneration policy of the Group and the remuneration packages of directors and senior management of the Company;
- Review and recommendation of payment of bonus, allowance and benefits to the directors and senior management of the Company; and
- Recommendation of the remuneration packages of Mr. Cheng Chi Ming, Brian, Mr. Pei Cheng Ming, Michael, Mr. Lee Kwok Chung and Mr. Lau Shun Chuen, the directors appointed during the year.

The individual attendance records of each member at the Remuneration Committee meeting during the year are set out below:

Name of Remuneration Committee Members	Attendance/ Number of Meetings
Mr. Leung Kai Kuen, (Chairman)	3/3
Mr. Pei Cheng Ming, Michael (Note 1)	N/A
Mr. Chan Kong	3/3
Mr. Lee Kwok Chung (Note 2)	3/3
Mr. Lau Shun Chuen (Note 3)	1/1
Mr. Cheng Yu Hong (Note 4)	N/A

截至二零一一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16。

截至二零一一年三月三十一日止年度，薪酬委員會已進行了下列主要工作：

- 審閱及討論本集團的薪酬政策及本公司董事及高級管理層的薪酬組合；
- 審閱及推薦支付予本公司董事及高級管理層的花紅、津貼及福利；及
- 推薦年內獲委任之董事鄭志明先生、裴震明先生、李國忠先生及劉順銓先生的薪酬組合。

年內各成員出席薪酬委員會會議的記錄載列如下：

薪酬委員會 成員姓名	出席次數/ 會議次數
梁契權先生(主席)	3/3
裴震明先生(附註1)	不適用
陳剛先生	3/3
李國忠先生(附註2)	3/3
劉順銓先生(附註3)	1/1
鄭宇航先生(附註4)	不適用

Note:

- (1) Mr. Pei Cheng Ming, Michael was appointed as a member of the Remuneration Committee on 1 January 2011. No meeting was held from the date of his appointment to 31 March 2011.
- (2) Mr. Lee Kwok Chung was appointed as a member of the Remuneration Committee on 21 June 2010. Three meetings were held from the date of his appointment to 31 March 2011.
- (3) Mr. Lau Shun Chuen was appointed as a member of the Remuneration Committee on 1 October 2010. One meeting was held from the date of his appointment to 31 March 2011.
- (4) Mr. Cheng Yu Hong resigned as a member of the Remuneration Committee on 21 June 2010. No meeting was held before the date of his resignation.

附註：

- (1) 裴震明先生於二零一一年一月一日獲委任為薪酬委員會成員。由其委任至二零一一年三月三十一日期間並無舉行會議。
- (2) 李國忠先生於二零一零年六月二十一日獲委任為薪酬委員會成員。由其委任至二零一一年三月三十一日期間舉行了三次會議。
- (3) 劉順銓先生於二零一零年十月一日獲委任為薪酬委員會成員。由其委任至二零一一年三月三十一日期間舉行了一次會議。
- (4) 鄭宇航先生於二零一零年六月二十一日辭任薪酬委員會成員。於其辭任前並無舉行會議。

B.3 AUDIT COMMITTEE

The Audit Committee comprises four members, namely, Mr. Chung Wai Kwok, Jimmy, Mr. Chan Kong, Mr. Lee Kwok Chung, being independent non-executive Directors and Mr. Cheng Chi Ming, Brian, being a non-executive Director. 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.

B.3 審核委員會

審核委員會合共由四名成員組成，即獨立非執行董事鍾維國先生、陳剛先生及李國忠先生及非執行董事鄭志明先生。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。

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.

During the year ended 31 March 2011, the Audit Committee has performed the following major tasks:

- Review and discussion of the annual 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;
- Review and discussion of the interim financial statements, results announcement and report for the six months ended 30 September 2010 and the related accounting principles and practices adopted by the Group;
- Review of the scope of audit work, auditor's fees and terms of engagement for the year ended 31 March 2011;
- Discussion and recommendation of the re-appointment of the external auditor; and
- Review and discussion of the internal control system of the Group.

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。

截至二零一一年三月三十一日止年度，審核委員會已處理了下列主要工作：

- 審閱及討論截至二零一零年三月三十一日止年度之年度財務報表、業績公佈及報告、本集團所採納之相關會計原則及常規及有關審核發現；
- 審閱及討論截至二零一零年九月三十日止六個月之中期財務報表、業績公佈及報告及本集團所採納之相關會計原則及常規；
- 審閱截至二零一一年三月三十一日止年度審核工作範圍、核數師費用及委聘期限；
- 討論及推薦重新委任外聘核數師；及
- 審閱及討論本集團之內部監控系統。

The individual attendance records of each member at the Audit Committee meeting during the year are set out below:

Name of Audit Committee Members	Attendance/ Number of Meetings
Mr. Chung Wai Kwok, Jimmy	3/3
Mr. Cheng Chi Ming, Brian <i>(Note)</i>	1/1
Mr. Chan Kong	3/3
Mr. Lee Kwok Chung	3/3

Note: Mr. Cheng Chi Ming, Brian was appointed as a member of the audit committee on 1 January 2011. One meeting was held from the date of his appointment to 31 March 2011.

年內各成員出席審核委員會會議的記錄載列如下：

審核委員會成員姓名	出席次數／會議次數
鍾維國先生	3/3
鄭志明先生 <i>(附註)</i>	1/1
陳剛先生	3/3
李國忠先生	3/3

附註： 鄭志明先生於二零一一年一月一日獲委任為審核委員會之成員。由其委任至二零一一年三月三十一日期間舉行了一次會議。

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 five members, namely, Mr. Chan Kong, Mr. Leung Kai Kuen, Mr. Pei Cheng Ming, Michael, Mr. Lee Kwok Chung and Mr. Lau Shun Chuen, 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.

During the year under review, the Nomination Committee has carried out the process of selecting and recommending candidates for directorships by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of such individuals, the Company's needs and other relevant statutory requirements and regulations.

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。提名委員會由五名成員組成，即陳剛先生、梁契權先生、裴震明先生、李國忠先生及劉順銓先生，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。

於回顧年度，提名委員會已透過參考有關人士的技能、經驗、專業知識、個人誠信及時間投入、本公司的需要及其他有關法律規定及規例，進行選擇及推薦董事候選人的程序。

During the year ended 31 March 2011, the Nomination Committee has performed the following works:

- Review and discussion of 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;
- Review and assessment of the independence of the existing independent non-executive Directors;
- Recommendation on the re-appointment of the retiring Directors at the 2010 annual general meeting of the Company;
- Discussion and recommendation of the appointment of Mr. Cheng Chi Ming, Brian, Mr. Pei Cheng Ming, Michael, Mr. Lee Kwok Chung and Mr. Lau Shun Chuen as Directors; and
- Acceptance of the resignation of Mr. Cheng Yu Hong as a Director.

The individual attendance records of each member at the Nomination Committee meeting during the year are set out below:

Name of Nomination Committee Members	Attendance/ Number of Meetings
Mr. Chan Kong (Chairman)	2/2
Mr. Leung Kai Kuen	2/2
Mr. Pei Cheng Ming, Michael (Note 1)	N/A
Mr. Lee Kwok Chung (Note 2)	2/2
Mr. Lau Shun Chuen (Note 3)	1/1
Mr. Cheng Yu Hong (Note 4)	N/A

截至二零一一年三月三十一日止年度，提名委員會已處理了下列工作：

- 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；
- 審閱及評估現有獨立非執行董事的獨立性；
- 就於本公司二零一零年股東週年大會上重新委任退任董事作出建議；
- 討論及推薦委任鄭志明先生、裴震明先生、李國忠先生及劉順銓先生為董事；及
- 接受鄭宇航先生辭任董事。

年內各成員出席提名委員會會議的記錄載列如下：

提名委員會成員姓名	出席次數／會議次數
陳剛先生(主席)	2/2
梁契權先生	2/2
裴震明先生(附註1)	不適用
李國忠先生(附註2)	2/2
劉順銓先生(附註3)	1/1
鄭宇航先生(附註4)	不適用

Note:

- (1) Mr. Pei Cheng Ming, Michael was appointed as a member of the Nomination Committee on 1 January 2011. No meeting was held from the date of his appointment to 31 March 2011.
- (2) Mr. Lee Kwok Chung was appointed a member of the Nomination Committee on 21 June 2010. Two meetings were held from the date of his appointment to 31 March 2011.
- (3) Mr. Lau Shun Chuen was appointed as a member of the Nomination Committee on 1 October 2010. One meeting was held from the date of his appointment to 31 March 2011.
- (4) Mr. Cheng Yu Hong resigned as a member of the Nomination Committee on 21 June 2010. No meeting was held before the date of his resignation.

附註：

- (1) 裴震明先生於二零一一年一月一日獲委任為提名委員會成員。由其委任至二零一一年三月三十一日期間並無舉行會議。
- (2) 李國忠先生於二零一零年六月二十一日獲委任為提名委員會成員。由其委任至二零一一年三月三十一日期間舉行了兩次會議。
- (3) 劉順銓先生於二零一零年十月一日獲委任為提名委員會成員。由其委任至二零一一年三月三十一日期間舉行了一次會議。
- (4) 鄭宇航先生於二零一零年六月二十一日辭任提名委員會成員。於其辭任前並無舉行會議。

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 2011.

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二零一一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.

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 in this annual report.

During the year under ended 31 March 2011, the remuneration paid to the Company's external auditor, PricewaterhouseCoopers, is set out below:

Nature of Services	Remuneration (HK\$)
Audit services	3,669,000
Non-audit services – tax compliance	354,000

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。

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本年報的獨立核數師報告。

截至二零一一年三月三十一日止年度，已付本公司外聘核數師羅兵咸永道會計師事務所之酬金載列如下：

服務性質	酬金 (港元)
審核服務	3,669,000
非審核服務－依法納稅	354,000

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 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 2011.

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.

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二零一一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。

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.

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 are normally available to answer questions raised by the shareholders. The 2010 annual general meeting was held on 15 September 2010 and notice of such meeting was sent to shareholders at least 20 business days before the meeting.

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.

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。

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／或成員一般可回答股東的提問。本公司於二零一零年九月十五日舉行了二零一零年股東週年大會，有關大會通告至少於大會舉行前20個營業日送往股東。

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 73 to 175, which comprise the consolidated and Company balance sheets as at 31 March 2011, 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 information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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(以下簡稱「我們」)已審計列載於第73至175頁福和集團控股有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一一年三月三十一日的綜合和公司資產負債表,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附註解釋資料。

董事就綜合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香港《公司條例》的披露規定編製綜合財務報表,以令綜合財務報表作出真實而公平的反映,及落實其認為編製綜合財務報表所必要的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 consolidated financial statements.

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

核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見。我們已根據國際審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

審計涉及執行情序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。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綜合財務報表存在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綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非為對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得審計憑證能充足和適當地為我們的審計意見提供基礎。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2011, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

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, 29 June 2011

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 貴集團於二零一一年三月三十一日的事務狀況及 貴集團截至該日止年度的利潤及現金流量，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）乃為股東而編製並僅向整體股東報告，除此之外本報告別無其他目的。我們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，二零一一年六月二十九日

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 March 2011 於二零一一年三月三十一日

			31 March 2011 二零一一年 三月三十一日 HK\$'000 千港元	31 March 2010 二零一零年 三月三十一日 HK\$'000 千港元 (restated) (經重列) (Note 3) (附註3)
		Note 附註		
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	1,286,316	1,032,993
Land use rights	土地使用權	18	71,773	40,835
Prepayments	預付賬款	22	433,853	66,554
Deferred income tax assets	遞延所得稅資產	19	2,391	258
Total non-current assets	總非流動資產		1,794,333	1,140,640
Current assets	流動資產			
Inventories	存貨	20	88,164	62,438
Trade and bills receivables	應收貿易賬款及應收票據	21	703,328	350,324
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	22	88,228	59,879
Amounts due from related companies	應收有關連公司款項	36(b)	1,186	705
Amount due from a shareholder	應收一名股東款項	36(b)	–	14,110
Tax recoverable	可收回稅項		1,022	488
Cash and cash equivalents	現金及現金等價物	23	1,494,122	1,079,216
Restricted bank deposits	受限制銀行存款	23	–	9,294
Total current assets	總流動資產		2,376,050	1,576,454
Total assets	總資產		4,170,383	2,717,094
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	27	245,928	200,000
Share premium	股份溢價		2,940,531	1,923,706
Capital reserve	資本儲備	28	(964,044)	(964,044)
Other reserves	其他儲備	28	1,577,996	1,036,150
Total equity	總權益		3,800,411	2,195,812

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 March 2011 於二零一一年三月三十一日

			31 March 2011 二零一一年 三月三十一日 HK\$'000 千港元	31 March 2010 二零一零年 三月三十一日 HK\$'000 千港元 (restated) (經重列) (Note 3) (附註3)
	Note 附註			
LIABILITIES		負債		
Non-current liabilities		非流動負債		
Long-term borrowings	24	長期借貸	14,286	27,273
Deferred income tax liabilities	19	遞延所得稅負債	434	360
Total non-current liabilities		總非流動負債	14,720	27,633
Current liabilities		流動負債		
Trade and other payables	26	應付貿易賬款及其他應付款	196,250	223,130
Short-term bank borrowings	25	短期銀行借貸	102,505	225,087
Current portion of long-term borrowings	24	長期借款的即期部分	14,286	27,272
Amount due to a related company	36(b)	應付有關連公司款項	-	27
Current income tax liabilities		即期所得稅負債	42,211	18,133
Total current liabilities		總流動負債	355,252	493,649
Total liabilities		總負債	369,972	521,282
Total equity and liabilities		總權益及負債	4,170,383	2,717,094
Net current assets		流動資產淨額	2,020,798	1,082,805
Total assets less current liabilities		總資產減流動負債	3,815,131	2,223,445

The financial statements on pages 73 to 175 were approved by the Board of Directors on 29 June 2011 and were signed on its behalf.

第73頁至第175頁的財務報表於二零一一年六月二十九日經董事會批准，並由下列董事代表簽字：

Leung Kai Kuen
梁契權
Chairman
主席

Leung Tat Piu
梁達標
Director
董事

The notes on pages 82 to 175 are an integral part of these consolidated financial statements.

載於第82頁至第175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 2011 於二零一一年三月三十一日

		Note 附註	31 March 2011 二零一一年 三月三十一日 HK\$'000 千港元	31 March 2010 二零一零年 三月三十一日 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Interests in subsidiaries	附屬公司權益	29	2,073,580	1,199,366
Current assets	流動資產			
Amount due from a shareholder	應收一名股東款項	36(b)	-	14,110
Other receivables	其他應收款項		991	390
Cash and cash equivalents	現金及現金等價物	23	1,123,307	964,585
Total current assets	總流動資產		1,124,298	979,085
Total assets	總資產		3,197,878	2,178,451
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	27	245,928	200,000
Share premium	股份溢價	28	2,940,531	1,923,706
Retained earnings / (accumulated losses)	保留溢利 / (累計虧損)	28	2,047	(9,014)
Total equity	總權益		3,188,506	2,114,692
LIABILITIES	負債			
Current liabilities	流動負債			
Other payables	其他應付款項		8,740	61,936
Amounts due to subsidiaries	應付附屬公司款項	29	632	1,823
Total current liabilities	總流動負債		9,372	63,759
Total liabilities	總負債		9,372	63,759
Total equity and liabilities	總權益及負債		3,197,878	2,178,451
Net current assets	流動資產淨額		1,114,926	915,326
Total assets less current liabilities	總資產減流動負債		3,188,506	2,114,692

The financial statements on pages 73 to 175 were approved by the Board of Directors on 29 June 2011 and were signed on its behalf.

第73頁至第175頁的財務報表於二零一一年六月二十九日經董事會批准，並由下列董事代表簽字：

Leung Kai Kuen
梁契權
Chairman
主席

Leung Tat Piu
梁達標
Director
董事

The notes on pages 82 to 175 are an integral part of these consolidated financial statements.

載於第82頁至第175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 2011 截至二零一一年三月三十一日止年度

		Note 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Revenue	收益	6	2,126,487	1,422,556
Cost of sales	銷售成本	9	(1,369,731)	(909,549)
Gross profit	毛利		756,756	513,007
Other income	其他收入	7	5,852	3,716
Other gains/(losses), net	其他收益/(虧損)淨額	8	17,587	(4,044)
Administrative expenses	行政開支	9	(155,829)	(119,197)
Selling expenses	銷售開支	9	(70,811)	(43,743)
Operating profit	經營利潤		553,555	349,739
Finance income	融資收入	10	8,818	1,147
Finance costs	融資成本	10	(7,469)	(13,102)
Profit before income tax	除所得稅前利潤		554,904	337,784
Income tax expense	所得稅開支	11	(88,014)	(46,445)
Profit for the year attributable to the owners of the parent	母公司擁有人應佔年度利潤		466,890	291,339
Basic and diluted earnings per share for profit attributable to the owners of the parent	母公司擁有人應佔每股基本及攤薄盈利	14	HK\$0.21 港元	HK\$0.19 港元
Dividends	股息	13	—	—

The notes on pages 82 to 175 are an integral part of these consolidated financial statements.

載於第82頁至第175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 2011 截至二零一一年三月三十一日止年度

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Profit for the year	年度利潤	466,890	291,339
<hr/>			
Other comprehensive income:	其他全面收益：		
Exchange translation differences	匯兌差額	74,956	8,893
<hr/>			
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	74,956	8,893
<hr/>			
Total comprehensive income for the year attributable to the owners of the parent	母公司擁有人應佔年度全面總收益	541,846	300,232

The notes on pages 82 to 175 are an integral part of these consolidated financial statements.

載於第82頁至第175頁的附註乃構成本綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31 MARCH 2011 截至二零一一年三月三十一日止年度

		Share capital 股本 (Note 27) (附註27) HK\$'000 千港元	Share premium 股份溢價 (Note 28) (附註28) HK\$'000 千港元	Capital reserve 資本儲備 (Note 28) (附註28) HK\$'000 千港元	Statutory reserve 法定儲備 (Note 28) (附註28) HK\$'000 千港元	Exchange reserve 匯兌儲備 (Note 28) (附註28) HK\$'000 千港元	Retained earnings 保留溢利 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	貨幣匯兌差額	-	-	-	-	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 in preparation for the listing on the Stock Exchange	根據重組配發股份以備籌於聯交所上市	1	967,943	-	-	-	-	967,944
Allotment of shares for settlement of shareholder's loan	配發股份以清償股東貸款	-	100,000	-	-	-	-	100,000
Shares issued pursuant to the global offering of the Company's shares	根據全球發售本公司股份而巳發行股份	50,000	1,100,000	-	-	-	-	1,150,000
Shares issued under the capitalisation issue	資本化發行項下巳發行股份	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 group reorganisation	集團重組產生的資本儲備	-	-	(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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動結算表

FOR THE YEAR ENDED 31 MARCH 2011 截至二零一一年三月三十一日止年度

		Share capital 股本 (Note 27) (附註27) HK\$' 000 千港元	Share premium 股份溢價 (Note 28) (附註28) HK\$' 000 千港元	Capital reserve 資本儲備 (Note 28) (附註28) HK\$' 000 千港元	Statutory reserve 法定儲備 (Note 28) (附註28) HK\$' 000 千港元	Exchange reserve 匯兌儲備 (Note 28) (附註28) HK\$' 000 千港元	Retained earnings 保留溢利 HK\$' 000 千港元	Total 總計 HK\$' 000 千港元
Balance as at 1 April 2010	於二零一零年四月一日的結餘	200,000	1,923,706	(964,044)	50,000	70,463	915,687	2,195,812
Profit for the year	年度利潤	-	-	-	-	-	466,890	466,890
Other comprehensive income:	其他全面收益：							
Currency translation differences	貨幣匯兌差額	-	-	-	-	74,956	-	74,956
Total comprehensive income for the year ended 31 March 2011	截至二零一一年三月三十一日止年度全面總收益	-	-	-	-	74,956	466,890	541,846
Shares issued pursuant to the exercise of over-allotment option (Note 27 (b)(i))	因行使超額配股權而已發行之股份 (附註27(b)(i))	9,300	204,600	-	-	-	-	213,900
Issuance of new shares (Note 27 (b)(ii))	發行新股份 (附註27(b)(ii))	36,628	842,432	-	-	-	-	879,060
Share issuance costs incurred in current year	本年度招致的股份發行成本	-	(30,207)	-	-	-	-	(30,207)
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	46,487	-	(46,487)	-
Balance as at 31 March 2011	於二零一一年三月三十一日的結餘	245,928	2,940,531	(964,044)	96,487	145,419	1,336,090	3,800,411

The notes on pages 82 to 175 are an integral part of these consolidated financial statements.

載於第82頁至第175頁的附註乃構成本綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 MARCH 2011 截至二零一一年三月三十一日止年度

			2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
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	30	294,844	340,964
Interest paid	已付利息		(10)	(779)
Income tax paid	已付所得稅		(67,923)	(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		226,911	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	30	2,473	2,139
Purchase of property, plant and equipment	收購物業、廠房及設備		(204,114)	(312,303)
Purchase of land use rights	購買土地使用權		(30,237)	(20,635)
Prepayments for purchase of property plant and equipment	收購物業、廠房及設備預付款項		(305,249)	(89,747)
Prepayments for acquisition of trademark and distribution network	收購商標及分銷網絡的預付款項	34(a)	(145,800)	-
Interest received	已收利息		8,818	183
Net cash used in investing activities	投資活動所用現金淨額		(674,109)	(420,363)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 MARCH 2011 截至二零一一年三月三十一日止年度

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash flows from financing activities	來自融資活動的現金流量		
Proceeds from new bank borrowings	新籌銀行借貸所得款項	-	151,815
Repayments of bank borrowings	償還銀行借貸	(146,172)	(97,273)
Interest paid on bank borrowings	已付銀行借貸利息	(7,459)	(11,360)
Proceeds from issuance of ordinary shares pursuant to the global offering of the Company's shares	根據全球發售本公司股份發行普通股所得款項	-	1,150,000
Proceeds from issuance of ordinary shares pursuant to the exercise of over-allotment option	因行使超額配股權而發行普通股所得款項	213,900	-
	27		
Proceeds from issuance of new shares	發行新股份所得款項	879,060	-
	27		
Payments for share issuance costs	支付股份發行成本	(81,403)	(49,446)
Decrease/(increase) in restricted bank deposits	受限制銀行存款減少/(增加)	9,510	(9,294)
Net cash generated from financing activities	融資活動所產生的現金淨額	867,436	1,134,442
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	420,238	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	1,067,985	50,348
Exchange difference on cash and cash equivalents	現金及現金等價物的匯兌差額	4,294	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	1,492,517	1,067,985
	23		

The notes on pages 82 to 175 are an integral part of these consolidated financial statements.

載於第82頁至第175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

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 is listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered address of the Company is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands.

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

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 29 June 2011.

1 一般資料

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

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

除另有說明外,本綜合財務報表以千港元為計算單位。董事會已於二零一一年六月二十九日批准刊發該等財務報表。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group 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.

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.

(a) Amended standards adopted by the Group

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

IFRSs (Amendment)	Improvements to IFRSs 2009
IFRS 3 (Revised)	Business Combinations
International Accounting Standard (“IAS”) 36 (Amendment)	Impairment of Assets

The application of the above amendments to standards did not result in substantial changes to the Group’s accounting policies nor any impact on the Group’s results and financial position.

2 重大會計政策概要

2.1 編製基準

本集團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」）附錄16之披露要求編製。綜合財務報表按歷史成本法編製。

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。

(a) 本集團所採納的經修訂準則

下列新準則及準則之修訂於二零一零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）	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3號（經修訂）	業務合併
國際會計準則（「國際會計準則」）第36號（修訂）	資產的減值

應用上述準則的修訂並無導致本集團的會計政策出現重大變動，亦無對本集團業績及財務狀況產生任何影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) New standards, amendments and interpretations have been issued but are not effective and have not been early adopted by the Group

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

IFRSs (Amendments) ⁽¹⁾	Improvements to IFRSs 2010
IAS 1 (Amendment) ⁽³⁾	Presentation of Financial Statements
IAS 12 (Amendment) ⁽²⁾	Deferred Tax: Recovery of Underlying Assets
IAS 19 (Amendment) ⁽³⁾	Employee Benefits
IAS 24 (Revised) ⁽¹⁾	Related Party Disclosures
IAS 27 ⁽³⁾	Separate Financial Statements
IAS 28 ⁽³⁾	Investments in Associates and Joint Ventures
IFRS 1 (Amendment) ⁽¹⁾	Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters
IFRS 1 (Amendment) ⁽²⁾	Severe Hyperinflation and Removal of Fixed Dates for First-time adopters
IFRS 7 (Amendment) ⁽²⁾	Disclosures - Transfers of Financial Assets
IFRS 9 ⁽³⁾	Financial Instruments
IFRS 10 ⁽³⁾	Consolidated Financial Statements
IFRS 11 ⁽³⁾	Joint Arrangements
IFRS 12 ⁽³⁾	Disclosure of Interests in Other Entities

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(b) 已頒佈但尚未生效而本集團亦未提早採用的新訂準則、修訂及詮釋

以下新訂準則、現有準則的修訂及詮釋已經頒佈，但於二零一零年四月一日起的財政年度尚未生效，而本集團並未提早採用：

國際財務報告準則 (修訂) ⁽¹⁾	二零一零年國際財務報告準則的修訂
國際會計準則第1號 (修訂) ⁽³⁾	財務報表的呈列
國際會計準則第12號 (修訂) ⁽²⁾	遞延稅項：收回相關資產
國際會計準則第19號 (修訂) ⁽³⁾	僱員福利
國際會計準則第24號 (經修訂) ⁽¹⁾	關連方披露
國際會計準則第27號 ⁽³⁾	獨立財務報表
國際會計準則第28號 ⁽³⁾	於聯營公司及合營企業的投資
國際財務報告準則第1號 (修訂) ⁽¹⁾	國際財務報告準則第7號對首次採納者披露比較數字的有限豁免
國際財務報告準則第1號 (修訂) ⁽²⁾	嚴重高通脹及剔除首次採納者的固定日期
國際財務報告準則第7號 (修訂) ⁽²⁾	披露－轉讓金融資產
國際財務報告準則第9號 ⁽³⁾	金融工具
國際財務報告準則第10號 ⁽³⁾	綜合財務報表
國際財務報告準則第11號 ⁽³⁾	聯合安排
國際財務報告準則第12號 ⁽³⁾	披露於其他實體的權益

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) New standards, amendments and interpretations have been issued but are not effective and have not been early adopted by the Group

(Continued)

IFRS 13 ⁽³⁾	Fair Value Measurement
IFRIC – 14 (Amendment) ⁽¹⁾	Prepayments of a Minimum Funding Requirement
IFRIC – 19 ⁽¹⁾	Extinguishing Financial Liabilities with Equity Instruments

- 1 Effective for the Group for annual periods beginning on or after 1 April 2011
- 2 Effective for the Group for annual periods beginning on or after 1 April 2012
- 3 Effective for the Group for annual periods beginning on or after 1 April 2013

The Group is in the process of assessing the impact of these standards, amendments and interpretations to existing standards and does not expect there will be a material impact on the consolidated financial statements of the Group.

2.2 Consolidation

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)

(b) 已頒佈但尚未生效而本集團亦未提早採用的新訂準則、修訂及詮釋 (續)

國際財務報告準則第13號 ⁽³⁾	公平值計量
國際財務報告詮釋委員會–詮釋第14號(修訂) ⁽¹⁾	最低資金預付款項規定
國際財務報告詮釋委員會–詮釋第19號 ⁽¹⁾	以權益工具抵銷財務負債

- 1 於二零一一年四月一日或之後開始的年度期間生效
- 2 於二零一二年四月一日或之後開始的年度期間生效
- 3 於二零一三年四月一日或之後開始的年度期間生效

本集團正在就上述新訂準則、現有準則的修訂及詮釋的影響展開評估，並預期不會對本集團的綜合財務報表產生重大影響。

2.2 綜合賬目

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 deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

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。

本集團採用收購會計法將業務合併入賬。就收購一間附屬公司所轉讓的代價乃所轉讓資產、所產生負責及本集團所發行的股權的公平值。所轉讓代價包括或然代價安排所引致的任何資產或負債的公平值。收購相關成本於產生時支銷。於業務合併中所收購的可識別資產及所承擔的負債及或然負債乃初步按彼等於收購日期的公平值計量。按逐項收購基準，本集團按公平值或按非控股權益應佔的被收購方資產淨值的比例確認於被收購方的任何非控股權益。

所轉讓代價、於被收購方的任何非控股權益金額及於被收購方的任何先前股權的收購日期公平值超過所收購可識別資產淨值的公平值的部份確認為商譽。倘若此少於於議價購買情況下所收購附屬公司資產淨值的公平值，則該差額直接於綜合全面收益表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Consolidation (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 (Note 2.7). Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. 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 重大會計政策概要(續)

2.2 綜合賬目(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)。成本會予以調整，以反映或然代價修訂產生的代價變動。成本亦包括投資的直接應佔成本。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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Company's functional currency and the Group's presentation currency.

(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 statement within "other gains/(losses) – net".

2 重大會計政策概要(續)

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，乃以該公司營運所在的基本經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以本公司的功能貨幣及本集團的呈列貨幣港元(「港元」)呈列。

(b) *交易與結餘*

外幣交易按交易當日的匯率換算為功能貨幣。結算該等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯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匯兌盈虧計入綜合損益表「融資收入或成本」項。所有其他匯兌盈虧計入綜合損益表「其他收益／(虧損)－淨額」項。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

(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;
- (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 other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings are taken to 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 重大會計政策概要 (續)

2.4 外幣換算 (續)

(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匯率換算;
- (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匯率換算,惟該匯率並不代表交易日期匯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匯率換算;及
- (iii) 所有由此產生的匯兌差額於其他全面收益內確認。

綜合賬目時,換算海外業務淨投資及借貸產生的匯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匯兌差額,於綜合損益表中確認為銷售損益一部分。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

(d) Change in accounting policy in respect of the functional currency of the Company

In prior year, the directors have determined the functional currency of the Company to be Renminbi (“RMB”) by applying the provisions of paragraph 9 of IAS 21 “The Effects of Changes in Foreign Exchange Rates” in isolation based on the fact that its primary sources of revenues are dividends which are derived from the operation of its major subsidiary operating in Mainland China, whose functional currency is RMB. This was also the then prevailing market practice.

However, during the year the directors have revisited the accounting policy in respect of the functional currency of the Company and considered that in determining the Company’s functional currency, it would be more appropriate to consider the implication under paragraph 9 of IAS 21 together with the other factors set out in paragraphs 10 – 12 of IAS 21. Since the Company has no other business activities except for investment holding, the directors have determined Hong Kong dollars to be the Company’s functional currency based on the circumstances of the Company alone as it better reflects the economic substance of the Company and its business activities as an investment holding company operating in Hong Kong. This constitutes a voluntary change in accounting policy which needs to be applied retrospectively. Directors believe that such change will result in more reliable and relevant information about the effects of transactions, financial position, financial performance and cash flows of the Company whose only activity is investment holding and majority of its transactions are denominated in Hong Kong dollars.

2 重大會計政策概要(續)

2.4 外幣換算(續)

(d) 有關本公司功能貨幣的會計政策變動

於以往年度，董事已釐定本公司的功能貨幣為人民幣(「人民幣」)，方法是單獨地應用國際會計準則第21號「外匯匯率的變動影響」第9段的條文，所依據的事實是其主要收入來源為股息，而股息來自於中國內地營運的主要附屬公司的營運，該等主要附屬公司的功能貨幣為人民幣。此亦為當時通行的市場慣例。

然而，於年內，董事已修訂有關本公司功能貨幣的會計政策，並認為於釐定本公司的功能貨幣時，更合適考慮國際會計準則第21號第9段的含義連同國際會計準則第21號第10-12段所載的其他事實。由於本公司除投資控股外並無其他業務活動，董事基於本公司單獨的情況，已釐定港元為本公司的功能貨幣，原因為其更好地反映本公司的經濟實質及其作為於香港營運的投資控股公司的業務活動。此構成會計政策的自願變動，此舉須予以追溯應用。董事相信，有關變動將使得有關本公司(其僅有業務為投資控股及主要交易以港元為單位)的交易、財務狀況、金融表現及現金流量影響的資料更為可靠及相關。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

(d) Change in accounting policy in respect of the functional currency of the Company (Continued)

As the Company was only incorporated in November 2009 and had minimal business activity up to 31 March 2010 except for the receipt of the proceeds (denominated in Hong Kong dollars) arising from the initial public offering of the Company's shares in March 2010, the effect of this change in functional currency is not material. Thus this change in accounting policy in respect of the functional currency of the Company has not resulted in any material effect on the Group's nor the Company's cash and net asset value position, the Group's and the Company's shareholders' funds, and total equity, and the Company's reserves available for distribution calculated under the Companies Law of the Cayman Islands as previously reported and as such no restated financial statements have been presented.

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.

2 重大會計政策概要(續)

2.4 外幣換算(續)

(d) 有關本公司功能貨幣的會計政策變動(續)

由於本公司於二零零九年十一月才註冊成立，截至二零一零年三月三十一日止，除接獲本公司股份於二零一零年三月首次公開招股所產生的所得款項(以港元為單位)外，僅有少量業務活動，此功能貨幣變動的影響不重大。因此，此有關本公司功能貨幣的會計政策變動並無導致先前所呈報的本集團或本公司的現金及資產淨值狀況、本集團及本公司的股東資金及權益總額，以及根據開曼群島公司法計算的可用於分派的本公司儲備受到任何重大影響，因此，並無呈列經重列財務報表。

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。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

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	7%-30%
Furniture, fixtures and equipment	18%-30%
Motor vehicles	18%-30%

During the year, the directors have revised the estimated useful lives of certain machineries from 10 years to 15 years. Details are set out in Note 5(a).

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 (Note 2.7).

2 重大會計政策概要(續)

2.5 物業、廠房及設備(續)

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)。被置換部份的賬面值予以終止確認。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。

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	7%-30%
傢俬、裝置及設備	18%-30%
汽車	18%-30%

於本年度，董事已將若干機器之估計可使用年期由10年修訂為15年。詳情載於附註5(a)。

於各呈報期間末，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(附註2.7)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

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).

2.6 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 重大會計政策概要(續)

2.5 物業、廠房及設備(續)

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「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)

2.6 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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 end of the reporting period. 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.

2 重大會計政策概要(續)

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。

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，惟不包括到期日為呈報期間末起計十二個月後者。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」。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

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 subsequently carried at amortised cost using the effective interest method.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or 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.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the debtor;
- A breach of control, such as a default or delinquency in payments;
- It becomes probable that the debtor will enter bankruptcy or other financial reorganisation;

2 重大會計政策概要(續)

2.8 金融資產(續)

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。

本集團會於各呈報期間末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。

本集團用於釐定是否有減值虧損客觀證據的標準包括:

- 債務人的重大財務困難;
- 違反監控,例如拖欠或怠慢付款;
- 債務人將有可能進入破產或其他財務重組;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

The Group first assesses whether objective evidence of impairment exists.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2 重大會計政策概要(續)

2.8 金融資產(續)

本集團首先評估減值的客觀證據是否存在。

就貸款及應收款項類別而言，虧損金額計量作該資產的賬面值與按金融資產的原有實際利率貼現的估計未來現金流量的現值(不包括尚未產生的未來信貸虧損)間的差額。資產的賬面值予以削減，而虧損金額於綜合損益表內確認。

倘若於其後期間，減值虧損金額減少，而減少可與確認減值後發生的事件(例如債務人的信用評級有所改善)客觀聯繫，則先前確認的減值虧損撥回於綜合損益表內確認。

2.9 抵銷金融工具

當有法定強制執行權可抵銷所確認金額及有意向按淨額基準結算或同時變現資產及結算負債時，金融資產及負債予以抵銷，並於資產負債表內呈報淨額。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 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.

2.11 Trade and other receivables

Trade receivables are amounts 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.

2.12 Cash and cash equivalents

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

2 重大會計政策概要(續)

2.10 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。

2.11 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(若更長期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。

2.12 現金及現金等價物

於綜合現金流量表內，現金及現金等價物包括手頭現金、存放於銀行的通知存款、原到期日三個月或以內的其他短期高流動投資及銀行透支。於綜合資產負債表內，銀行透支列於流動負債「短期借貸」項。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 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.

2.14 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.

Trade payables are recognised initially at their fair values and subsequently measured at amortised costs using the effective interest method.

2.15 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 end of the reporting period.

2 重大會計政策概要(續)

2.13 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)。

2.14 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。

應付貿易賬款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。

2.15 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呈報期間末後最少十二個月,否則貸款一概歸類為流動負債。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 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 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.

2 重大會計政策概要(續)

2.16 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。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Current and deferred income tax (Continued)

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.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability 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.

2.17 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)

2.16 即期及遞延所得稅 (續)

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。

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。

2.17 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)

2.17 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)

2.17 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)

2.17 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 a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.18 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.

2 重大會計政策概要 (續)

2.17 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。當本集團明確承諾終止及於該公司有詳細正式計劃終止僱用現有僱員而無撤回可能性時，本集團確認終止福利。於提出鼓勵自願遣散要約的情況下，終止福利乃按預期接納要約的僱員數目予以計量。在呈報期間末後超過12個月支付之福利折現至現值。

2.18 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。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Provisions and contingent liabilities

(Continued)

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.

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.

2.19 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.

2 重大會計政策概要(續)

2.18 撥備與或然負債(續)

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。

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。

2.19 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。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Revenue recognition (Continued)

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.

(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 using the effective interest method.

2.20 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)

2.19 收入確認 (續)

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。

(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確認。

2.20 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。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 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.

3 RETROSPECTIVE BALANCE SHEET RECLASSIFICATION OF TERM LOANS THAT CONTAIN A REPAYMENT ON DEMAND CLAUSE

In November 2010, the IFRS Interpretation Committee (the "IFRIC") confirmed its conclusion at its meeting in September 2010 that a financial liability, which contains a clause that gives the lender the unconditional right to demand repayment at any time, should be classified as a current liability in accordance with IAS 1 – Presentation of financial statements. The IFRIC's conclusion provided additional clarity on the application of IAS 1. Accordingly, in order to comply with the requirement of IAS 1, the Group has changed its accounting policy on the classification for loan agreements that contain a repayment on demand clause. Under the new policy, term loans with clauses which give the lender the unconditional right to call the loan at any time are classified as current liabilities in the balance sheet. Previously the Group (same as the market practice in Hong Kong) has classified such term loans in accordance with the agreed repayment schedule unless the Group had breached any of the loan covenants set out in the agreement as of the reporting date or otherwise had reason to believe that the lender would invoke its rights under the immediate repayment clause within the foreseeable future, as the unconditional right was considered to be protective and the likelihood of it being exercised was remote or would only be exercised in adverse conditions.

2 重大會計政策概要(續)

2.21 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 含有隨時按要求償還條款的定期貸款的追溯資產負債表分類

於二零一零年十一月，國際財務報告準則詮釋委員會（「IFRIC」）於二零一零年九月在會上定論，含有賦予放款人無條件權利可隨時要求償還的條款的金融負債應根據國際會計準則第1號—財務報表的呈列分類為流動負債。IFRIC的結論就國際會計準則第1號的應用提供額外澄清。因此，為遵守國際會計準則第1號的規定，本集團已更改含有按要求償還條款的貸款協議的分類的會計政策。根據新政策，含有給予放款人無條件權利可隨時催還貸款的條款的定期貸款於資產負債表內分類為流動負債。先前，本集團（與香港市場慣例相同）已根據議定還款時間表分類有關定期貸款，除非本集團於報告日期已違反該協議所載的任何貸款契諾或另有理由相信放款人將於不久將來撤銷其於即時償還條款項下的權利，原因為無條件權利被認為屬保障性質，而其行使的可能性極低或僅於不利情況下予以行使。

3 RETROSPECTIVE BALANCE SHEET RECLASSIFICATION OF TERM LOANS THAT CONTAIN A REPAYMENT ON DEMAND CLAUSE (Continued)

This new accounting policy has been applied retrospectively with consequential reclassification adjustments to the comparatives as at 31 March 2010. The reclassification has had no effect on reported profit or loss, total comprehensive income or equity for any of the periods presented. No additional consolidated statement of financial position as at 1 April 2009 has been re-presented as none of the Group's borrowings as at that date contained a repayment on demand clause.

The effects of the restatement on the Group's consolidated financial statements for the year ended 31 March 2010 are:

3 含有隨時按要求償還條款的定期貸款的追溯資產負債表分類(續)

此新會計政策已追溯應用，並對二零一零年三月三十一日的比較數字作相應重新分類調整。重新分類並無對已任何已列報期間的已報損益、全面總收益或權益產生影響。由於在二零零九年四月一日本集團的借貸概無含有按要求償還的條款，故並無額外重列該日的綜合財務狀況表。

重列對截至二零一零年三月三十一日止年度本集團綜合財務報表的影響如下：

	At 31 March 2011 於二零一一年 三月三十一日 HK\$'000 千港元	At 31 March 2010 於二零一零年 三月三十一日 HK\$'000 千港元	At 1 April 2009 於二零零九年 四月一日 HK\$'000 千港元
Increase in current liabilities: 流動負債增加：			
Borrowings 借貸	99,447	98,059	-
Decrease in non-current liabilities 非流動負債減少			
Borrowings 借貸	(99,447)	(98,059)	-

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(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.

The Group is subject to foreign currency 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.

4 財務風險管理

4.1 財務風險因素

本集團的業務面臨不同財務風險：市場風險（包括貨幣風險及利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於金融市場的不可預見性，並尋求把對本集團財務報表產生的潛在不利影響降至最低程度。

(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。

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。

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(a) Foreign currency risk (Continued)

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 2011, if RMB had weakened/strengthened by 5% against HKD with all other variables held constant, pre-tax profit for the year would have been approximately HK\$58,571,887 lower/higher (2010: HK\$36,297 lower/higher), mainly as a result of the foreign exchange losses/gains (2010: same) on translation of RMB denominated cash and bank deposits and trade and bills receivables. Profit is more sensitive to the movement in RMB/HKD exchange rates in 2011 than 2010 because of the increased amount of RMB denominated cash and bank deposits.

4 財務風險管理(續)

4.1 財務風險因素(續)

(a) 外匯風險(續)

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

於二零一一年三月三十一日，倘人民幣兌港元貶值／升值5%，而所有其他可變因素維持不變，年度除稅前利潤將分別減少／增加約58,571,887港元（二零一零年：減少／增加36,297港元），主要因換算人民幣現金及銀行存款、應收貿易賬款及應收票據而產生之匯兌虧損／收益（二零一零年：相同）所致。於二零一一年利潤對人民幣／港元匯率的變動較二零一零年更為敏感，原因是以人民幣現金及銀行存款數額增加。

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(a) Foreign currency risk (Continued)

For companies with RMB as their functional currency

As at 31 March 2011, if HK\$ had weakened/strengthened by 5% against RMB with all other variables held constant, pre-tax profit for the year would have been approximately HK\$17,074,740 higher/lower (2010: HK\$56,574,000 lower/higher), mainly as a result of the foreign exchange gains/losses (2010: losses/gains) on translation of HK\$ denominated cash and bank deposits, trade and bills receivables, borrowings as well as the current accounts with group companies. Opposite effect in 2011 as compared to 2010 is because the amount of HK\$ denominated amounts due to group companies increased in a greater proportion than cash and bank deposits.

As at 31 March 2011, if USD had weakened/strengthened by 5% against RMB with all other variables held constant, pre-tax profit for the year would have been approximately HK\$7,145 lower/higher (2010: HK\$1,307,000 higher/lower), mainly as a result of the foreign exchange losses/gains (2010: gains/losses) 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.

4 財務風險管理(續)

4.1 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

於二零一一年三月三十一日，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，年度除稅前利潤將分別增加／減少約17,074,740港元(二零一零年：減少／增加56,574,000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、借貸以及與組成本集團的各公司之往來賬而產生之匯兌收益／虧損(二零一零年：虧損／收益)所致。於二零一一年，影響與二零一零年相反是由於應付組成本集團的各公司的港元金額以較現金及銀行存款更大的比例增加。

於二零一一年三月三十一日，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，年度除稅前利潤將分別減少／增加約7,145港元(二零一零年：增加／減少1,307,000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匯兌虧損／收益(二零一零年：收益／虧損)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。

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 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.

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.

4 財務風險管理(續)

4.1 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。

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。

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

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 2010	於二零一零年三月三十一日				
Short-term bank borrowings, including interest payable	短期銀行借貸， 包括應付利息	240,781	–	–	240,781
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	29,770	15,275	14,450	59,495
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
		493,708	15,275	14,450	523,433
Company	本公司				
Other payables	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
		63,759	–	–	63,759

4 財務風險管理 (續)

4.1 財務風險因素 (續)

(c) 流動資金風險 (續)

(Restated)

(經重列)

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	

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 2010	於二零一零年三月三十一日				
Short-term bank borrowings, including interest payable	短期銀行借貸， 包括應付利息	240,781	–	–	240,781
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	29,770	15,275	14,450	59,495
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
		493,708	15,275	14,450	523,433
Company	本公司				
Other payables	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
		63,759	–	–	63,759

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

4 財務風險管理(續)

4.1 財務風險因素(續)

(c) 流動資金風險(續)

Group	本集團	Between		Total 合計
		Less than 1 year 一年內 HK\$' 000 千港元	1 and 2 years 一至兩年內 HK\$' 000 千港元	
At 31 March 2011	於二零一一年三月三十一日			
Short-term bank borrowings, including interest payable	短期銀行借貸， 包括應付利息	127,627	-	127,627
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	16,113	15,233	31,346
Trade and other payables	應付貿易賬款及 其他應付款項	155,150	-	155,150
		298,890	15,233	314,123
Company	本公司			
Other payables	其他應付款項	8,740	-	8,740
Amounts due to subsidiaries	應付附屬公司款項	632	-	632
		9,372	-	9,372

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(d) Interest rate risk

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 2011, 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 2011 would have been HK\$1,310,765 lower/higher (2010: HK\$2,796,000 lower/higher), mainly as a result of higher/lower interest expense on borrowings with floating interest rates.

As at 31 March 2011, 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 2011 would have been HK\$14,934,447 higher/lower (2010: HK\$10,878,000 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.

4 財務風險管理(續)

4.1 財務風險因素(續)

(d) 利率風險

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。

於二零一一年三月三十一日，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，則截至二零一一年三月三十一日止年度除稅前利潤將減少／增加1,310,765港元(二零一零年：減少／增加2,796,000港元)，主要由於浮動利率借貸之利息開支增加／減少。

於二零一一年三月三十一日，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，則截至二零一一年三月三十一日止年度除稅前利潤將增加／減少14,934,447港元(二零一零年：增加／減少10,878,000港元)，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。

4 FINANCIAL RISK MANAGEMENT (Continued)

4.2 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 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.

4 財務風險管理(續)

4.2 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)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。

4 FINANCIAL RISK MANAGEMENT (Continued)

4.2 Capital risk management (Continued)

During the year, the Group's strategy, which was unchanged from prior year, was to maintain gearing ratio below 40%. The gearing ratios as at 31 March 2011 and 2010 were as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Total borrowings (Note 24 and 25)	總借貸(附註24及25)	131,077	279,632
Less: Cash and cash equivalents, net of bank overdrafts (Note 23)	減: 現金及現金 等價物, 扣除銀行透支 (附註23)	(1,492,517)	(1,067,985)
Less: Restricted bank deposits (Note 23)	減: 受限制銀行存款 (附註23)	-	(9,294)
Net debt	淨債項	(1,361,440)	(797,647)
Total equity	總權益	3,800,411	2,195,812
Total capital	總資本	2,438,971	1,398,165
Gearing ratio	資本負債比率	N/A不適用	N/A不適用

4.3 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 bank borrowings approximate their fair values. 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 財務風險管理(續)

4.2 資本風險管理(續)

於本年度, 本集團之策略(與往年度相同)為將資本負債比率維持在40%以下。於二零一一年及二零一零年三月三十一日之資本負債比率如下:

4.3 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/應付有關連公司款項及銀行借貸)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。

5 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.

(a) Estimate of useful lives of 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 from those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

During the year, management carried out an extensive review of the useful lives of the Group's production machineries and concluded that it is appropriate to revise the estimated useful lives of certain machineries from 10 years to 15 years. This change in accounting estimate has been accounted for prospectively, which resulted in a decrease in depreciation charge for the year ended 31 March 2011 by HK\$15,519,000.

5 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。

(a) 物業、廠房及設備之估計可使用年期

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。

於年內，管理層對本集團的生產機器的可使用年期進行廣泛檢討，並認為適合將若干機器的估計可使用年期由10年修訂為15年。此會計估計變動已依據未來適用法予以入賬，此舉導致截至二零一一年三月三十一日止年度的折舊支出減少15,519,000港元。

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(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 provisions, management identifies, using their judgement, inventories that are slow moving or obsolete, and considers 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.

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 provision may be required.

5 重要會計估計及判斷(續)

(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。

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。

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(d) Income taxes

The Group is subject to income tax in numerous 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. The Group recognise liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities 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 35.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it 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.

5 重要會計估計及判斷(續)

(d) 所得稅

本集團須繳付許多司法權區之所得稅。釐定全球所得稅撥備時須作出重要判斷。不少交易及最終稅項釐定之計算未能確定。本集團根據對額外稅項是否將應付，就預期稅項審核事宜確認負債。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之即期及遞延所得稅資產及負債。本集團若干附屬公司稅務狀況的或然負債詳情載於附註35。

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。

6 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 service (“CMDS”) – 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:

6 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
- 機密材料銷毀服務（「機密材料銷毀服務」）－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	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Sales of recovered paper	銷售回收紙	1,244,667	815,241
Sales of tissue paper products	銷售生活用紙	831,618	575,577
Sales of recycled greyboard	銷售再造灰板紙	45,938	27,776
Provision of confidential materials destruction services	提供機密材料處理服務	4,264	3,962
		2,126,487	1,422,556

6 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:

		Year ended 31 March 截至三月三十一日止年度	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Hong Kong	香港	538,416	399,088
The PRC	中國	1,588,071	1,023,468
		2,126,487	1,422,556

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

		Year ended 31 March 截至三月三十一日止年度	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Customer A	客戶甲	234,604	149,878

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 2011 was HK\$234,635,000 (2010: HK\$192,285,000), and the total of non-current assets located in other countries as at 31 March 2011 was HK\$1,557,307,000 (2010: HK\$948,097,000).

6 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	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Hong Kong	香港	538,416	399,088
The PRC	中國	1,588,071	1,023,468
		2,126,487	1,422,556

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	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Customer A	客戶甲	234,604	149,878

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。

於二零一一年三月三十一日，位於香港的總非流動資產(不計及遞延稅項資產)為234,635,000港元(二零一零年：192,285,000港元)，而於二零一一年三月三十一日，位於其他國家的總非流動資產為1,557,307,000港元(二零一零年：948,097,000港元)。

6 SEGMENT INFORMATION (Continued)

The segment results and other segment items included in the profit for the year ended 31 March 2011 are as follows:

6 分部資料 (續)

以下載列截至二零一一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	CMS 機密材料 銷毀服務	Group 本集團
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue	收入	1,244,667	831,618	45,938	4,264	2,126,487
Cost of sales	銷售成本	(821,943)	(506,772)	(38,342)	(2,674)	(1,369,731)
Segment gross profit	分部利潤總額	422,724	324,846	7,596	1,590	756,756
Unallocated operating costs	未分配經營成本					(203,201)
Finance income, net	融資成本淨額					1,349
Profit before income tax	除所得稅前利潤					554,904
Income tax expense	所得稅開支					(88,014)
Profit for the year	年度利潤					466,890

6 SEGMENT INFORMATION
(Continued)

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

6 分部資料 (續)

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	CMS 機密材料	Group
		回收紙	生活用紙	再造灰板	銷毀服務	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/(loss)	分部利潤/(虧損)總額	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

7 OTHER INCOME

7 其他收入

		2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 HK\$' 000 千港元
Sales of scrapped materials	銷售廢料	2,139	1,849
Sales of packaging materials	銷售包裝材料	451	236
Service income	服務收入	383	454
Others	其他	2,879	1,177
		5,852	3,716

8 OTHER GAINS/(LOSSES), NET

8 其他收益／(虧損)淨額

		2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 HK\$' 000 千港元
Foreign exchange gain/(loss), net	匯兌虧損淨額	18,717	(4,878)
(Loss)/gain on disposals of property, plant and equipment, net	出售物業、廠房及 設備的(虧損)／收益 淨額	(2,155)	713
Others	其他	1,025	121
		17,587	(4,044)

9 EXPENSES BY NATURE

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

9 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	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Auditor's remuneration	核數師酬金	3,669	1,694
Amortisation of land use rights (Note 18)	土地使用權攤銷 (附註18)	1,222	532
Provision for impairment of trade receivables (Note 21)	應收貿易賬款減值撥備 (附註21)	4,659	1,906
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	500	—
Direct write off of trade receivables	直接撇銷應收貿易賬款	709	—
Direct write off of other receivables	直接撇銷其他應收款項	1,000	—
Cost of inventories sold (Note 20)	已售存貨成本(附註20)	1,220,359	813,327
Depreciation (Note 17)	折舊(附註17)	86,256	54,637
Operating lease charges in respect of land and buildings	土地及樓宇的經營租賃費用	10,156	5,925
Employee benefit expense (Note 15)	僱員福利開支(附註15)	79,660	58,276
Directors' emoluments (Note 16)	董事酬金(附註16)	8,024	3,173
Transportation costs	運輸成本	74,536	55,994
Donations	捐款	5,351	2,713
Handling charges	手續費	914	832
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	99,356	65,661
Total cost of sales, administrative expenses and selling expenses	總銷售成本、行政開支 及銷售開支	1,596,371	1,072,489

10 FINANCE INCOME AND COSTS

10 融資收入及成本

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Finance income	融資收入	8,818	1,147
Finance costs	融資成本		
Interest expenses on bank borrowings	銀行借貸利息開支	(7,185)	(11,360)
Others	其他	(284)	(1,742)
		(7,469)	(13,102)

11 INCOME TAX EXPENSE

11 所得稅開支

		Year ended 31 March 截至三月三十一日止年度	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Current income tax	即期所得稅		
– Hong Kong profits tax	– 香港利得稅	9	1,244
– PRC corporate income tax	– 中國企業所得稅	90,062	45,087
Under/(over) provisions in prior years	過往年度撥備不足／ (超額撥備)	2	(26)
		90,073	46,305
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時差額的產生及撥回	(2,059)	140
		(2,059)	140
Income tax expense	所得稅開支	88,014	46,445

11 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 2011 (2010: same).

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 2009 to 31 December 2010.

The applicable corporate income tax rate for FWHZ was 25% (2010: 12.5%) starting from 1 January 2011.

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:

11 所得稅開支(續)

截至二零一一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(二零一零年：相同)。

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」)於二零零九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。

自二零一一年一月一日起，惠州福和適用的企業所得稅稅率為25%(二零一零年：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：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Profit before income tax	除所得稅前利潤	554,904	337,784
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	138,673	84,740
Tax effects of:	以下各項的稅務影響：		
Effect of preferential tax rates	優惠稅率的影響	(51,524)	(45,087)
Income not subject to tax	毋須課稅收入	(2,305)	(657)
Expenses not deductible for tax purposes	不可扣稅開支	3,032	7,475
Tax losses for which no deferred income tax asset was recognised	並無確認遞延所得稅資產的稅項虧損	136	-
Under/(over) provisions in prior years	過往年度撥備不足／(超額撥備)	2	(26)
Income tax expense	所得稅開支	88,014	46,445

The weighted average applicable tax rate was 25% (2010: 25%).

加權平均適用稅率為25%(二零一零年：25%)。

12 PROFIT ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK\$11,061,000 (2010: loss of HK\$9,014,000).

13 DIVIDENDS

No dividend has been paid or declared by the Company during the year (2010: Nil).

14 BASIC AND DILUTED EARNINGS PER SHARE

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

The comparative amount in the consolidated financial statements was 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 in prior year had been in issue prior to the incorporation of the Company.

12 本公司權益持有人應佔利潤

於本公司財務報表內列報本公司權益持有人應佔利潤為11,061,000港元(二零一零年:虧損9,014,000港元)。

13 股息

本公司於年內並無派付或宣派任何股息(二零一零年:無)。

14 每股基本及攤薄盈利

每股基本盈利乃以本年度母公司擁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。

綜合財務報表的比較金額乃假設於資本化發行及重組後發行的1,500,000,000股每股面值0.01港元的股份已於本公司註冊成立前發行而釐定。

14 BASIC AND DILUTED EARNINGS PER SHARE (Continued)

14 每股基本及攤薄盈利(續)

		Year ended 31 March 截至三月三十一日止年度	
		2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 HK\$' 000 千港元
Profit attributable to owners of the parent	母公司擁有人應佔溢利	466,890	291,339
Weighted average number of ordinary shares in issue (thousand shares)	已發行普通股 之加權平均股數 (千股)	2,247,252	1,501,370
		HK\$0.21港元	HK\$0.19港元

Diluted earnings per share are equal to basic earnings per share as there were no potential dilutive ordinary shares outstanding during the year (2010: same).

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(二零一零年：同樣)。

15 EMPLOYEE BENEFIT EXPENSE, EXCLUDING DIRECTORS' EMOLUMENTS

15 僱員福利開支(不包括董事酬金)

		2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 HK\$' 000 千港元
Wages and salaries	工資及薪金	59,890	46,815
Retirement schemes contributions	退休計劃供款	1,925	1,743
Social security costs	社會保險成本	10,979	5,849
Other allowances and benefits	其他津貼及福利	6,866	3,869
		79,660	58,276

16 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

16 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：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Fees	袍金	751	–
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	6,999	3,011
Discretionary bonus	酌情花紅	–	58
Retirement schemes contributions	退休計劃供款	274	104
		8,024	3,173

16 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' emoluments (Continued)

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

Executive directors:	執行董事：
Mr. Leung Kai Kuen	梁契權先生
Mr. Leung Tat Piu	梁達標先生
Mr. Cheng Chun Keung, Thomas	鄭振強先生
Non-executive directors:	非執行董事：
Ms. Cheung Nga Lai, Carol	張雅麗女士
Mr. Cheng Chi Ming, Brian	鄭志明先生
Mr. Pei Cheng Ming, Michael	裴震明先生
Independent non-executive directors:	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	陳剛先生
Mr. Lee Kwok Chung	李國忠先生
Mr. Lau Shun Chuen	劉順銓先生

16 董事酬金及五名最高薪人士(續)

(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 2011 截至二零一一年三月三十一日止年度			
Fees	Salaries, allowances and benefits in kind	Retirement schemes contributions	Total
袍金	薪金、津貼 及實物利益	退休 計劃供款	合計
HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
千港元	千港元	千港元	千港元
-	4,513	238	4,751
-	1,008	12	1,020
-	1,100	12	1,112
-	378	12	390
45	-	-	45
45	-	-	45
190	-	-	190
51	-	-	51
190	-	-	190
140	-	-	140
90	-	-	90
751	6,999	274	8,024

16 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

16 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, allowances and benefits		Discretionary bonus	Retirement schemes contributions	Total
		Fees	in kind			
		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
		千港元	千港元	千港元	千港元	千港元
Executive directors:	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 directors:	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	陳剛先生	–	–	–	–	–
Mr. Lee Kwok Chung	李國忠先生	–	–	–	–	–
		–	3,011	58	104	3,173

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。

16 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were highest in the Group during the year included 3 directors (2010: 2). Their emoluments are reflected in the analysis presented above. The emoluments payable to the remaining 2 individuals (2010: 3) during the year are as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,401	4,728
Discretionary bonus	酌情花紅	663	48
Retirement schemes contributions	退休計劃供款	68	201
		2,132	4,977

The emoluments fell within the following bands:

有關酬金介乎下列幅度：

		Number of individuals 人數	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
HK\$ Nil to HK\$1,000,000	零港元至1,000,000港元	–	1
HK\$1,000,001 to HK\$2,000,000	1,000,001港元至2,000,000港元	2	1
HK\$2,000,001 to HK\$3,000,000	2,000,001港元至3,000,000港元	–	1
		2	3

16 董事酬金及五名最高薪人士(續)

(b) 五名最高薪人士

年內，本集團五位最高薪人士分別包括3名董事(二零一零年：2名)。該等董事的酬金已反映於上列分析中。年內應付餘下2名人士(二零一零年：3名)的酬金如下：

17 PROPERTY, PLANT AND EQUIPMENT – GROUP

17 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
At 1 April 2009	於二零零九年四月一日							
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
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	匯兌差額	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

17 PROPERTY, PLANT AND EQUIPMENT – GROUP (Continued)

17 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 2011	截至二零一一年三月三十一日止年度							
Opening net book amount	期初賬面淨值	285,031	890	644,613	2,437	9,001	91,021	1,032,993
Additions	添置	-	1,428	111,114	2,168	15,503	169,268	299,481
Transfers between categories	類別間轉撥	74,390	-	114,686	-	-	(189,076)	-
Disposals	出售	(3,045)	-	(532)	(8)	(1,043)	-	(4,628)
Depreciation	折舊	(16,831)	(491)	(63,443)	(930)	(4,561)	-	(86,256)
Exchange differences	匯兌差額	14,871	-	25,708	64	220	3,863	44,726
Closing net book amount	期終賬面淨值	354,416	1,827	832,146	3,731	19,120	75,076	1,286,316
At 31 March 2011	於二零一一年三月三十一日							
Cost	成本	418,748	9,217	1,092,549	13,535	46,373	75,076	1,655,498
Accumulated depreciation	累計折舊	(64,332)	(7,390)	(260,403)	(9,804)	(27,253)	-	(369,182)
Net book amount	賬面淨值	354,416	1,827	832,146	3,731	19,120	75,076	1,286,316

As of 31 March 2011, buildings with net book value of approximately HK\$138,964,000 (2010: HK\$147,975,000) were pledged as collateral for the Group's borrowings (Note 31). As of 31 March 2011, no plant and machinery were pledged as collateral for the Group's borrowings (2010: HK\$643,464,000) (Note 31).

於二零一一年三月三十一日，賬面淨值約138,964,000港元的樓宇（二零一零年：147,975,000港元）作為本集團借貸的抵押品（附註31）。於二零一一年三月三十一日，並無廠房及機器（二零一零年：643,464,000港元）經已作為本集團借貸的抵押品（附註31）。

17 PROPERTY, PLANT AND EQUIPMENT – GROUP (Continued)

The buildings are located on the Group's land use rights in the PRC with lease of between 50 to 57 years.

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

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cost of sales	銷售成本	75,978	40,812
Administrative expenses	行政開支	10,278	13,825
		86,256	54,637

17 物業、廠房及設備－集團（續）

該等樓宇位於中國，本集團擁有土地使用權，租期介乎50至57年不等。

在綜合損益表扣除的本集團物業、廠房及設備的折舊如下：

18 LAND USE RIGHTS – GROUP

The movements of land use rights are as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Opening net book amount	期初賬面淨值	40,835	20,498
Additions during the year	年內添置	30,237	20,635
Amortisation	攤銷	(1,222)	(532)
Exchange differences	匯兌差額	1,923	234
Closing net book amount	期終賬面淨值	71,773	40,835

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

18 土地使用權－集團

土地使用權的變動如下：

土地使用權攤銷計入行政開支。

18 LAND USE RIGHTS – GROUP
(Continued)

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

18 土地使用權－集團（續）

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：

		2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 HK\$' 000 千港元
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	41,880	40,835
In Hong Kong, held on unexpired lease term of 36 years	在香港按以下租期持有： 未屆滿租期為36年	29,893	—
		71,773	40,835

As of 31 March 2011, land use rights with carrying values of approximately HK\$41,880,000 (2010: HK\$40,835,000) were pledged as collateral for the Group's borrowings (Note 31).

於二零一一年三月三十一日，賬面值約41,880,000港元（二零一零年：40,835,000港元）的土地使用權已經作為本集團借貸的抵押品（附註31）。

19 DEFERRED INCOME TAX – GROUP **19 遞延所得稅－集團**

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 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	2,391	258
– to be realised within 12 months	– 於12個月內變現	–	–
		2,391	258
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	(434)	(360)
– to be realised within 12 months	– 於12個月內變現	–	–
		(434)	(360)
Deferred income tax assets/ (liabilities), net	遞延所得稅資產／(負債)淨額	1,957	(102)

The gross movement on the deferred income tax account is as follows: 遞延所得稅賬目變動如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At 1 April	於四月一日	(102)	38
Recognised in the consolidated income statement (Note 11)	已於綜合損益表確認 (附註11)	2,059	(140)
At 31 March	於三月三十一日	1,957	(102)

19 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:

		Tax losses	Accelerated tax depreciation	Total
		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 2009	於二零零九年四月一日	421	(383)	38
Credited/(charged) to the consolidated income statement	計入/(扣自)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)
Credited to the consolidated income statement	計入綜合損益表	564	1,495	2,059
At 31 March 2011	於二零一一年三月三十一日	764	1,193	1,957

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 of 31 March 2011, there were unrecognised tax losses of approximately HK\$19,759,000 (2010: 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\$45,483,000 (2010: HK\$27,222,000) have not been recognised as of 31 March 2011 for the withholding tax and other taxes that would be payable on the unremitted earnings of a subsidiary. Unremitted earnings totalled HK\$1,437,622,000 at 31 March 2011 (2010: HK\$966,728,000).

19 遞延所得稅－集團(續)

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

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。於二零一一年三月三十一日，未確認稅務虧損19,759,000港元(二零一零年：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。

於二零一一年三月三十一日，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45,483,000港元(二零一零年：27,222,000港元)。於二零一一年三月三十一日，未匯出盈利合計為1,437,622,000港元(二零一零年：966,728,000港元)。

20 INVENTORIES – GROUP

20 存貨－集團

		As at 31 March 於三月三十一日	
		2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 HK\$' 000 千港元
Raw materials, at cost	原料成本	52,714	39,844
Finished goods, at cost	成品成本	35,450	22,594
		88,164	62,438

The cost of inventories recognised as an expense and included in “cost of sales” amounted to HK\$1,220,359,000 for the year ended 31 March 2011 (2010: HK\$813,327,000).

截至二零一一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1,220,359,000港元（二零一零年：813,327,000港元）。

21 TRADE AND BILLS RECEIVABLES – GROUP

21 應收貿易賬款及票據－集團

		As at 31 March 於三月三十一日	
		2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 HK\$' 000 千港元
Trade and bills receivables	應收貿易賬款及票據	711,897	356,159
Less: provision for impairment	減：減值撥備	(8,569)	(5,835)
Trade and bills receivables – net	應收貿易賬款及票據淨額	703,328	350,324

21 TRADE AND BILLS RECEIVABLES – GROUP (Continued) **21 應收貿易賬款及票據－集團（續）**

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:

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：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Current	即期	400,008	283,316
1 – 30 days	1 – 30日	149,420	36,417
31 – 60 days	31 – 60日	83,076	15,378
61 – 90 days	61 – 90日	42,378	1,304
91 – 120 days	91 – 120日	24,085	2,297
Over 120 days	逾120日	12,930	17,447
		711,897	356,159
Less: Provision for impairment	減：減值撥備	(8,569)	(5,835)
		703,328	350,324

21 TRADE AND BILLS RECEIVABLES – GROUP (Continued) 21 應收貿易賬款及票據－集團（續）

As of 31 March 2011, trade receivables of approximately HK\$303,320,000 (2010: HK\$67,008,000) 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:

於二零一一年三月三十一日，約303,320,000港元（二零一零年：67,008,000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：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
1 – 30 days	1 – 30日	149,420	36,417
31 – 60 days	31 – 60日	83,076	15,378
61 – 90 days	61 – 90日	42,378	1,304
91 – 120 days	91 – 120日	24,085	2,297
Over 120 days	逾120日	4,361	11,612
		303,320	67,008

21 TRADE AND BILLS RECEIVABLES – GROUP (Continued) 21 應收貿易賬款及票據－集團（續）

As of 31 March 2011, trade receivables of approximately HK\$8,569,000 (2010: HK\$5,835,000) 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:

於二零一一年三月三十一日，約8,569,000港元（二零一零年：5,835,000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：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Over 120 days	逾120日	8,569	5,835

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

應收貿易賬款減值撥備的變動如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At beginning of the year	年初	5,835	4,140
Provision recognised in the consolidated income statement	已於綜合損益表確認的撥備	4,659	1,906
Receivables written off during the year as uncollectible	因不可收回而於年內撇銷的應收款項	(1,371)	(177)
Reversal of impairment provision made	撥回已作的減值撥備	(695)	(36)
Exchange differences	匯兌差額	141	2
At end of the year	年終	8,569	5,835

21 TRADE AND BILLS RECEIVABLES – GROUP (Continued) 21 應收貿易賬款及票據－集團（續）

The creation and reversal of provision for impaired receivables have been included in “administrative expenses” in the consolidated income statement (Note 9). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

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

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9）。記錄在備抵賬戶的金額在預期不能收回更多現金時撇銷。

以下列貨幣計值的應收貿易賬款及票據賬面值：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
HK\$	港元	59,363	42,849
USD	美元	19,156	17,082
RMB	人民幣	624,809	290,393
		703,328	350,324

As of 31 March 2011, 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 2011, no trade receivables were pledged as collateral for the Group's borrowing (2010: HK\$59,063,000) (Note 31).

於二零一一年三月三十一日，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。於二零一一年三月三十一日，本集團並無（二零一零年：59,063,000港元）應收貿易賬款質押作抵押品，讓本集團獲得借貸（附註31）。

22 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES – GROUP

22 預付款項、按金及其他應收款項－集團

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 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	287,183	66,554
Prepayments for acquisition of trademarks and distribution network (Note 34(a))	收購商標及分銷網絡的預付款項(附註34(a))	145,833	–
Others	其他	837	–
		433,853	66,554
		<hr/>	
Current portion	即期部份		
Deposits placed with suppliers	向供應商付出的按金	48,337	30,402
Prepayments to suppliers	向供應商支付的預付款項	21,259	15,327
Other receivables from third parties (note a)	來自第三方的其他應收款項(附註a)	7,935	9,552
Others	其他	10,697	4,598
		88,228	59,879
		<hr/>	
Total	總計	522,081	126,433

As of 31 March 2011, the fair values of 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 (2010: same).

於二零一一年三月三十一日，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(二零一零年：相同)。

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

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。

23 CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

23 現金及現金等價物及受限制銀行存款

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 HK\$' 000 千港元
Cash in hand	手頭現金	678	737	-	-
Cash at bank	銀行現金	1,493,444	1,078,479	1,123,307	964,585
Total cash and cash equivalents	現金及現金等價物總額	1,494,122	1,079,216	1,123,307	964,585
Restricted bank deposits	受限制銀行存款	-	9,294	-	-
		1,494,122	1,088,510	1,123,307	964,585

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	
		2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 HK\$' 000 千港元
Cash at bank and in hand	銀行及手頭現金				
RMB	人民幣	1,358,056	36,430	1,067,340	-
HK\$	港元	130,546	1,044,707	55,967	964,585
USD	美元	5,469	7,370	-	-
Euro ("EUR")	歐元	14	3	-	-
Australian dollars ("AUD")	澳元	37	-	-	-
		1,494,122	1,088,510	1,123,307	964,585

23 CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS (Continued)

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

23 現金及現金等價物及受限制銀行存款(續)

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。於二零一零年三月三十一日，本集團已質押結餘作抵押品，以獲取借貸(附註31)。

	Group 本集團		Company 本公司	
	2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 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			
	1,493,444	1,087,773	1,123,307	964,585

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。

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

銀行現金根據當前銀行存款利率計算的浮息賺取利息。

23 CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS (Continued)

Cash, cash equivalents and bank overdrafts include the following for the purposes of the consolidated statement of cash flows:

23 現金及現金等價物及受限制銀行存款(續)

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	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	1,494,122	1,079,216
Bank overdrafts (Note 25)	銀行透支(附註25)	(1,605)	(11,231)
		1,492,517	1,067,985

24 BORROWINGS – GROUP

The maturities of the total borrowings at respective balance sheet dates are as follows:

24 借貸－集團

於有關結算日的總借貸到期日如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列) (Note 3) (附註3)
Bank borrowings, secured	有抵押銀行借貸	28,572	54,545
Less: current portion included in current liabilities	減：包括於流動負債的 即期部份	(14,286)	(27,272)
Long-term borrowings	長期借貸	14,286	27,273

24 BORROWINGS – GROUP (Continued) **24 借貸－集團（續）**

The maturities of the total borrowings at respective balance sheet dates are as follows:

於有關結算日的總借貸到期日如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (經重列) (Note 3) (附註3)
Within 1 year	1年內	14,286	27,272
Between 1 and 2 years	1至2年	14,286	13,636
Between 2 and 5 years	2至5年	–	13,637
		28,572	54,545
Wholly repayable within 5 years	須於五年內悉數償還	28,572	54,545

The bank borrowings are denominated in the following currencies:

銀行借貸以如下貨幣計值：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列) (Note 3) (附註3)
RMB	人民幣	28,572	54,545

24 BORROWINGS – GROUP (Continued)

The bank loans are at floating rates and exposed the Group to cash flow interest rate risk. The effective interest rates was 6.72% per annum as of 31 March 2011 (2010: 6.05% per annum).

The borrowings of HK\$28,572,000 as of 31 March 2011 were secured by land use rights and buildings of FWHZ (2010: HK\$54,545,000) (Note 31).

All the borrowings were secured by corporate guarantees by certain subsidiaries as of 31 March 2011 (2010: secured by personal guarantees provided by a director and corporate guarantees by certain subsidiaries).

The fair values of the borrowings approximate their carrying amounts at the balance sheet date as all the borrowings carry floating rate interests (2010: same).

24 借貸－集團（續）

銀行貸款以浮息計算，令本集團面對現金流利率風險。於二零一一年三月三十一日，實際年利率為6.72%（二零一零年：6.05%）。

於二零一一年三月三十一日，28,572,000港元的借貸，以惠州福和的土地使用權及樓宇作抵押（附註31）（二零一零年：54,545,000港元）。

於二零一一年三月三十一日，所有貸款均由若干附屬公司的企業擔保作抵押（二零一零年：由一名董事提供的個人擔保及若干附屬公司的企業擔保作抵押）。

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（二零一零年：相同）。

25 SHORT-TERM BORROWINGS – GROUP

25 短期借貸－集團

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (經重列) (Note 3) (附註3)
Bank overdrafts	銀行透支	1,605	11,231
Short-term bank loans, secured	有抵押短期銀行借貸	100,900	213,856
Total	總計	102,505	225,087

25 SHORT-TERM BORROWINGS – GROUP (Continued)

The short-term bank borrowings are denominated in the following currencies:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (經重列) (Note 3) (附註3)
HK\$	港元	40,005	133,975
RMB	人民幣	62,500	81,818
USD	美元	–	9,294
Total	總計	102,505	225,087

The fair values of short-term bank borrowings approximate their carrying amounts at each balance sheet date.

At 31 March 2011, short-term bank borrowings of HK\$100,900,000 (2010: HK\$213,856,000) were arranged at floating rates, thus exposed the Group to cash flow interest rate risk. The effective interest rate as at 31 March 2011 was 5.87% per annum (2010: 5.88% per annum).

At 31 March 2010, short-term bank loans amounting to HK\$165,856,000 were secured by trade receivables of certain subsidiaries, plant and machinery and land use rights and buildings of FWHZ (Note 31).

At 31 March 2011, short-term bank loans amounting to HK\$62,500,000 were secured by land use rights and buildings of FWHZ (Note 31).

25 短期借貸-集團(續)

短期銀行借貸以如下貨幣計值：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (經重列) (Note 3) (附註3)
HK\$	港元	40,005	133,975
RMB	人民幣	62,500	81,818
USD	美元	–	9,294
Total	總計	102,505	225,087

於各結算日，短期銀行借貸的公平價值與其賬面值相若。

於二零一一年三月三十一日，100,900,000港元(二零一零年：213,856,000港元)的短期銀行借貸以浮息計算，令本集團面對現金流利息風險。於二零一一年三月三十一日，實際年利率為5.87%(二零一零年：5.88%)。

於二零一零年三月三十一日，為數165,856,000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作抵押(附註31)。

於二零一一年三月三十一日，為數62,500,000港元的短期銀行貸款以惠州福和的土地使用權及樓宇作抵押(附註31)。

26 TRADE AND OTHER PAYABLES – GROUP

26 應付貿易賬款及其他應付款項—集團

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Trade payables	應付貿易賬款	74,346	82,030
Other payables:	其他應付款項：		
– Other PRC taxes payable	– 其他應付中國稅項	40,605	33,809
– Accrued expenses	– 應計開支	41,100	83,714
– Receipts in advance from customers	– 客戶預先墊款	5,476	1,983
– Other payables for construction in progress	– 在建工程其他應付 款項	33,381	21,071
Others	其他	1,342	523
		196,250	223,130

The aging analysis of trade payables at the balance sheet date is as follows:

於結算日，應付貿易賬款賬齡分析如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Current	即期	62,294	54,144
1 – 30 days	1 – 30日	5,939	9,720
31 – 60 days	31 – 60日	790	1,551
61 – 90 days	61 – 90日	236	2,990
91 – 120 days	91 – 120日	150	2,146
Over 120 days	逾120日	4,937	11,479
		74,346	82,030

26 TRADE AND OTHER PAYABLES – GROUP (Continued)

The carrying amounts of trade payables are denominated in the following currencies:

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
HK\$	港元	23,264	8,960
RMB	人民幣	51,082	73,070
		74,346	82,030

As of 31 March 2011, the fair values of the trade and other payables approximate their carrying amounts (2010: same).

26 應付貿易賬款及其他應付款項—集團(續)

以下列貨幣計值的應付貿易賬款賬面值：

於二零一一年三月三十一日，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(二零一零年：相同)。

27 SHARE CAPITAL

(a) Authorised share capital of the Company

Authorised:	法定：
5,000,000,000 ordinary shares of HK\$0.10 each	5,000,000,000股每股面值0.10港元的普通股

27 股本

(a) 本公司的法定股本

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
500,000	500,000

27 SHARE CAPITAL (Continued)

27 股本(續)

(b) Issued share capital of the Company

(b) 本公司的已發行股本

		Number of Ordinary Shares 普通股股數	Ordinary Shares 普通股 HK\$ 港元
	Note 附註		
Issued and fully paid: At 1 April 2010	已發行及繳足： 於二零一零年四月一日	2,000,000,000	200,000,000
Shares issued pursuant to exercise of the over-allotment option	因行使超額配股權而 已發行的股份	(i) 93,000,000	9,300,000
Issuance of new shares	發行新股份	(ii) 366,275,000	36,627,500
At 31 March 2011	於二零一一年 三月三十一日	2,459,275,000	245,927,500

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

(i) 於二零一零年四月九日，根據二零一零年三月十九日刊發的公司招股章程所詳述的超額配股權獲悉數行使，本公司按每股2.3港元的發售價發行合共93,000,000股新股份。與超額配股有關的所得款項總額為213,900,000港元。

(ii) On 7 October 2010, the Company and Chow Tai Fook Nominee Limited (the "Subscriber") entered into a conditional subscription agreement pursuant to which the Company agreed to issue and the Subscriber agreed to subscribe for an aggregate of 366,275,000 new shares of the Company at the subscription price of HK\$2.4 per share for a total consideration of HK\$879,060,000. The transaction was completed on 26 October 2010.

(ii) 於二零一零年十月七日，本公司與周大福代理人有限公司(「認購人」)訂立有條件認購協議，據此，本公司同意發行而認購人同意按每股2.4港元的認購價認購本公司合共366,275,000股新股份，總代價為879,060,000港元。是項交易已於二零一零年十月二十六日完成。

28 RESERVES

(a) Group

(i) Capital reserve

Capital reserve represented the difference between (i) the aggregate of the consideration for the acquisitions under common control upon the Group's reorganisation in the prior year; and (ii) the aggregate of the share capital and share premium of the entities transferred to the Group pursuant to the Group's reorganisation in the prior year.

(ii) 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.

(iii) 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 2011, appropriation to the statutory reserve amounted to approximately HK\$139,492,000 (2010: Nil).

28 儲備

(a) 本集團

(i) 資本儲備

資本儲備為以下兩者的差額：(i)以往年度在同一控制架構下進行重組的收購總代價之總和；及(ii)以往年度根據本集團重組撥入本集團的實體股本及股份溢價之總和。

(ii) 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。

(iii) 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。於截至二零一一年三月三十一日止年度，調配至法定儲備之金額約為139,492,000港元（二零一零年：無）。

28 RESERVES (Continued)

28 儲備(續)

(b) Company

(b) 本公司

		Share Capital	Share premium	Retained earnings/ (accumulated losses)	Total
		股本	股份溢價	保留溢利/ (累計虧損)	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Balance as at 11 November 2009 (date of incorporation)	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	根據全球發售而發行 普通股	50,000	1,100,000	-	1,150,000
Allotment of shares pursuant to the reorganisation in preparation for the listing on the Stock Exchange	根據重組而配發股份 以籌備於聯交所上市	1	967,943	-	967,944
Allotment of shares for settlement of shareholder's loan	為清償股東貸款而配發 股份	-	100,000	-	100,000
Share issuance costs	股份發行成本	-	(94,238)	-	(94,238)
Shares issued under the capitalisation issue	按資本化發行而發行的股份	149,999	(149,999)	-	-
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	(9,014)	2,114,692

28 RESERVES (Continued)

(b) Company (Continued)

		Share Capital	Share premium	Retained earnings/ (accumulated losses)	Total
		股本	股份溢價	保留溢利/ (累計虧損)	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
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	(9,014)	2,114,692
Profit for the year	年度溢利	-	-	11,061	11,061
Share issued pursuant to the exercised of over allotment option (Note 27 (b)(i))	因行使超額配股權 而法定的股份 (附註27(b)(i))	9,300	204,600	-	213,900
Issuance of new shares (Note 27 (b)(ii))	發行新股份 (附註27(b)(ii))	36,628	842,432	-	879,060
Share issuance costs	股份發行成本	-	(30,207)	-	(30,207)
Balance as at 31 March 2011	於二零一一年 三月三十一日的結餘	245,928	2,940,531	2,047	3,188,506

The Company's reserves available for distribution calculated under Companies Law of the Cayman Islands comprise the share premium account and retained earnings totaling HK\$2,942,578,000 (2010: HK\$1,914,692,000).

28 儲備(續)

(b) 本公司(續)

		Share Capital	Share premium	Retained earnings/ (accumulated losses)	Total
		股本	股份溢價	保留溢利/ (累計虧損)	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
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	(9,014)	2,114,692
Profit for the year	年度溢利	-	-	11,061	11,061
Share issued pursuant to the exercised of over allotment option (Note 27 (b)(i))	因行使超額配股權 而法定的股份 (附註27(b)(i))	9,300	204,600	-	213,900
Issuance of new shares (Note 27 (b)(ii))	發行新股份 (附註27(b)(ii))	36,628	842,432	-	879,060
Share issuance costs	股份發行成本	-	(30,207)	-	(30,207)
Balance as at 31 March 2011	於二零一一年 三月三十一日的結餘	245,928	2,940,531	2,047	3,188,506

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及保留溢利合共2,942,578,000港元(二零一零年: 1,914,692,000港元)。

**29 INVESTMENTS IN SUBSIDIARIES
AND DUE FROM/(TO)
SUBSIDIARIES**

**29 於附屬公司的投資及應收／(應付)
附屬公司款項**

		2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 HK\$' 000 千港元
Investments at cost, unlisted shares	按成本計算投資·非上市股份	967,944	967,944
Due from subsidiaries	應收附屬公司款項	1,105,636	231,422
		2,073,580	1,199,366
Due to subsidiaries	應付附屬公司款項	(632)	(1,823)

The following is a list of the principal subsidiaries at 31 March 2011:

於二零一一年三月三十一日的主要附屬公司如下表呈列：

Name	Place and date of incorporation/establishment	Particulars of issued paid-in capital	Effective interest held	Principal activities and place of operation
名稱	註冊成立／成立地點及日期	已發行繳足股本	所持實益權益	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%	Investment holding/ Hong Kong 投資控股／香港

29 INVESTMENTS IN SUBSIDIARIES AND DUE FROM/(TO) SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 March 2011: (Continued)

29 於附屬公司的投資及應收／(應付)附屬公司款項(續)

於二零一一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
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%	Investment holding/ Hong Kong 投資控股/香港
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%	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%	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%	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%	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%	Sales of recovered paper/Hong Kong 銷售收回紙/香港

29 INVESTMENTS IN SUBSIDIARIES AND DUE FROM/(TO) SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 March 2011: (Continued)

29 於附屬公司的投資及應收／(應付) 附屬公司款項(續)

於二零一一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 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%	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%	Provision of confidential materials destruction service/Hong Kong 提供機密材料處理服務/ 香港
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%	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%	Investment holding/ Hong Kong 投資控股/香港
Fook Woo Promotion Limited 福和策劃有限公司	Hong Kong/17 September 2010 香港/二零一零年九月十七日	HK\$1 1港元	100%	Investment holding/ Hong Kong 投資控股/香港

29 INVESTMENTS IN SUBSIDIARIES AND DUE FROM/(TO) SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 March 2011: (Continued)

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
惠州福和紙業有限公司("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%	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)	Hong Kong/4 December 2007 香港/二零零七年十二月四日	HK\$1 1港元	100%	Inactive 非營業

The company is a wholly foreign-owned enterprise.

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.

29 於附屬公司的投資及應收/(應付) 附屬公司款項(續)

於二零一一年三月三十一日的主要附屬公司如下表呈列：(續)

該公司為外商獨資企業。

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。

30 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

30 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

		2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 HK\$' 000 千港元
Profit before income tax	除所得稅前利潤	554,904	337,784
Adjustments for:	就以下項目調整：		
– Loss/(gain) on disposals of property, plant and equipment	– 出售物業、廠房及設備的虧損／(收益)	2,155	(713)
– Amortisation of land use rights	– 土地使用權攤銷	1,222	532
– 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	86,256	54,637
– Provision for impairment of trade receivables	– 應收貿易賬款減值撥備	4,659	1,906
– 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	500	–
– Direct write off of trade receivables	– 直接撇銷應收貿易賬款	709	–
– Direct write off of other receivables	– 直接撇銷其他應收款項	1,000	–
– Finance costs	– 融資成本	7,469	13,102
– Interest income	– 利息收入	(8,818)	(1,147)
Operating profit before working capital changes	營運資本變動前經營利潤	650,056	413,920
– Inventories	– 存貨	(22,323)	(2,494)
– Trade and bills receivables	– 應收貿易賬款及票據	(337,081)	(172,548)
– Prepayments, deposits and other receivables	– 預付款項、按金及其他應收款項	(27,013)	26,438
– Amounts due from related companies	– 應收關連公司款項	(481)	29,167
– Trade and other payables	– 應付貿易賬款及其他應付款項	17,603	55,011
– Amount due from a shareholder	– 應付一名股東款項	14,110	(6,988)
– Amount due to a related company	– 應付關連公司款項	(27)	(1,542)
Cash generated from operations	經營業務所得現金	294,844	340,964

30 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

In the consolidated statement of cash flows, proceeds from sale of property, plant and equipment comprise:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Net book amount (Note 17)	賬面淨值(附註17)	4,628	1,426
(Loss)/gain on disposals of property, plant and equipment	出售物業、廠房及設備的(虧損)/收益	(2,155)	713
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備的所得款項	2,473	2,139

30 綜合現金流量表附註(續)

於綜合現金流量表內，出售物業、廠房及設備的所得款項包括：

31 PLEDGE OF ASSETS

The Group had the following pledge of assets as collateral to secure the Group's borrowings:

		As at 31 March 於三月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At net book value:	按賬面淨值：		
Land use rights (Note 18)	土地使用權(附註18)	41,880	40,835
Buildings in the PRC (Note 17)	在中國的樓宇(附註17)	138,964	147,975
Plant and machinery (Note 17)	廠房及機器(附註17)	-	643,464
Trade receivables (Note 21)	應收貿易賬款(附註21)	-	59,063
Restricted bank deposits (Note 23)	受限制銀行存款(附註23)	-	9,294
		180,844	900,631

31 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：

Borrowings totalling HK\$129,471,000 (2010: HK\$259,108,000) were secured by corporate guarantees by certain subsidiaries as of 31 March 2011.

於二零一一年三月三十一日，借貸合共129,471,000港元(二零一零年：259,108,000港元)乃由若干附屬公司提供企業擔保而獲得。

32 FINANCIAL INSTRUMENTS BY CATEGORY

32 各類金融工具

Group

本集團

		Loans and receivables 貸款及應收款項	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Assets per consolidated balance sheet	綜合資產負債表項下的資產		
Trade and bills receivables	應收貿易賬款及票據	21	703,328
			350,324
Other receivables	其他應收款項	22	7,935
			9,552
Amounts due from related companies	應收關連公司款項	36(b)	1,186
			705
Amount due from a shareholder	應收一名股東款項	36(b)	-
			14,110
Cash and cash equivalents	現金及現金等價物	23	1,494,122
			1,079,216
Restricted bank deposits	受限制銀行存款	23	-
			9,294
Total	總計		2,206,571
			1,463,201

		Other financial liabilities 其他金融負債	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (經重列) (Note 3) (附註3)
Liabilities per consolidated balance sheet	綜合資產負債表項下的負債		
Trade and other payables	應付貿易賬款及其他應付款項	26	155,150
			139,416
Short-term bank borrowings	短期銀行借貸	25	102,505
			255,087
Long-term borrowings	長期借貸	24	28,572
			54,545
Amount due to a related company	應付關連公司款項	36(b)	-
			27
Total	總計		286,227
			449,075

**32 FINANCIAL INSTRUMENTS BY
CATEGORY** (Continued)

32 各類金融工具(續)

Company

本公司

		Loans and receivables	
		貸款及應收款項	
		2011	2010
		二零一一年	二零一零年
		HK\$'000	HK\$'000
		千港元	千港元
Assets per balance sheet	資產負債表項下 的資產	<i>Note</i>	
		<i>附註</i>	
Amount due from a shareholder	應收一名股東款項		14,110
Other receivables	其他應收款項		390
Cash and cash equivalents	現金及現金等價物	23	964,585
Total	總計		979,085

		Other financial liabilities	
		其他金融負債	
		2011	2010
		二零一一年	二零一零年
		HK\$'000	HK\$'000
		千港元	千港元
Liabilities per balance sheet	資產負債表項下 的負債	<i>Note</i>	
		<i>附註</i>	
Other payables	其他應付款項		61,936
Amounts due to subsidiaries	應付附屬公司款項	29	1,823
Total	總計		63,759

33 OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Not later than one year	不多於一年	10,225	4,856
Later than one year and not later than five years	多於一年，但在五年內	9,489	4,763
Later than five years	多於五年	4,235	1,183
		23,949	10,802

33 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：

34 CAPITAL COMMITMENTS

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Contracted but not provided for:	已訂約但未撥備：		
– Property, plant and equipment	– 物業、廠房及設備	317,821	175,467
– Acquisition of trademarks and distribution network (note a)	– 收購商標及分銷網絡 (附註a)	41,666	–
– Others	– 其他	700	–
		360,187	175,467
Authorised but not contracted for	法定但未訂約	–	–

34 資本承擔

34 CAPITAL COMMITMENTS (Continued)

Note a: On 30 March 2011, the Group entered into an agreement with Zhongshan Baoli for acquisition of certain trademarks and distribution network at a total consideration of RMB 157.5 million (equivalent to approximately HK\$186.8 million). The transaction has not been completed as of year end. The Group has paid RMB 122.5 million (equivalent to approximately HK\$145.8 million) as prepayment for the acquisition as of 31 March 2011.

35 CONTINGENT LIABILITIES

In April 2009, March 2010 and February 2011, certain subsidiaries of the Group received notices of additional assessments from the Hong Kong Inland Revenue Department (“IRD”) for the years of assessments 2002/2003, 2003/2004 and 2004/2005 demanding additional profits tax payment in the aggregate amount of HK\$3,840,000, HK\$7,700,000 and HK\$6,475,000 respectively. Notices of objections have been served for these notices of additional assessments. The IRD has granted unconditional holdover orders in respect of the entire amount of additional profits tax demanded for the year of assessment 2002/2003. In respect of the additional tax 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. Furthermore, in respect of the additional tax assessment for the year of assessment 2004/2005, HK\$5,475,000 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 on 1 April 2011.

34 資本承擔 (續)

附註a: 於二零一一年三月三十日，本集團與中山寶麗訂立一份協議，以總代價人民幣157,500,000元（約相當於186,800,000港元）收購若干商標及分銷網絡。於年結日，該交易尚未完成。於二零一一年三月三十一日，本集團已支付人民幣122,500,000元（約相當於145,800,000港元）作為收購的預付款項。

35 或然負債

於二零零九年四月、二零一零年三月及二零一一年二月，本集團若干附屬公司接獲香港稅務局（「稅務局」）發出有關二零零二／二零零三、二零零三／二零零四及二零零四／二零零五課稅年度的補加評稅通知書，要求支付額外利得稅稅款總額3,840,000港元、7,700,000港元及6,475,000港元。本集團已提呈反對通知書，而稅務局亦就要求繳付的二零零二／二零零三年課稅年度的全數額外利得稅稅款發出無條件暫緩令。有關二零零三／二零零四課稅年度的補加評稅，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。此外，有關二零零四／二零零五課稅年度的補加評稅，可獲無條件延緩繳納5,475,000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，本集團已於二零一一年四月一日購入1,000,000港元的儲稅券。

35 CONTINGENT LIABILITIES (Continued)

The Group was informed that the additional assessments are of protective nature and were issued to keep the 2002/2003, 2003/2004 and 2004/2005 tax years 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 31 March 2011.

Mr. Leung Kai Kuen and Ms. Tam Ming Luen, substantial shareholders of the Company, have entered into a deed of indemnity with the Group under which they have agreed to indemnify on a joint and several basis each member of the Group in respect of the cash payment for any additional tax assessment for the year of assessment 2002/2003 and any other notices of additional assessment that may be received by any member of the Group for and including the 2003/2004 and 2004/2005 tax years through the 2009/2010 tax year.

35 或然負債 (續)

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、二零零三／二零零四及二零零四／二零零五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二零一一年三月三十一日的潛在稅項負債(如有)，包括有關罰款及利息(如有)。

本公司主要股東梁契權先生及譚鳴鸞女士已與本集團訂立彌償契約，據此，彼等同意就二零零二／二零零三課稅年度的任何額外稅務評估的現金付款，以及本集團任何成員公司可能接獲二零零三／二零零四年及二零零四／二零零五年課稅年度至二零零九／二零一零年課稅年度的任何額外評估通知，共同及個別向本集團成員公司作出彌償。

36 RELATED PARTY TRANSACTIONS

36 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：

		2011 二零一一年 HK\$' 000 千港元	2010 二零一零年 HK\$' 000 千港元
Non-continuing:	已終止：		
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(i))	-	703
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
Purchases of goods from Quanta (Note (ii) below)	向Quanta購買貨品金額(下文附註(ii))	-	35
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
		-	4,217
Continuing:	持續：		
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	3,000
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))	984	56
Management fee paid and payable to Fook Woo Waste Paper Company (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))	960	54
Rental expenses in respect of land and building paid to Junway Investment Limited (“Junway”) (Note (vii) below)	已付予真途投資有限公司(「真途」)的土地及樓宇租金費用(下文附註(vii))	404	-
		6,332	4,094

36 RELATED PARTY TRANSACTIONS (Continued)

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

Notes:

- (i) Prior year's amount 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. 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, hence it was not considered as a related party since 5 August 2009.
- (ii) Prior year's amounts 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.
- (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 substantial shareholders of the Group. The rental expenses were charged at predetermined rates mutually agreed between both parties.

36 有關連人士交易(續)

(a) 以下為年內與有關連人士進行的交易： (續)

附註：

- (i) 往年度的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。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起，不再被視為有關連人士。
- (ii) 往年度的金額指向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主要股東之一。租金開支按雙方事先協定的費率收取。

36 RELATED PARTY TRANSACTIONS (Continued)

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

(Continued)

Notes: (Continued)

- (iv) The amount represented waste loading services provided by Lai Wah Shipping Company ("Lai Wah"). 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.
- (v) The amount represented waste paper management services provided by Fook Woo Waste Paper Company, a company owned by a Director of the Company, Mr. Leung Tat Piu, 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) Prior year's amount represented sales of a motor vehicle to Junway Investment Limited, a company owned by one of the substantial shareholders of the Company. The transaction was entered into in the normal course of business based on terms mutually agreed by both parties.
- (vii) The amount represented the rental expenses for leasing of a director's quarter paid to Junway Investment Limited, a company owned by one of the substantial shareholders of the Company. The transaction was entered into in the normal course of business based on terms mutually agreed by both parties.

36 有關連人士交易 (續)

(a) 以下為年內與有關連人士進行的交易：
(續)

附註：(續)

- (iv) 有關金額指勵華運輸公司(「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。
- (v) 有關金額指福和廢紙有限公司於大埔包裝站提供的廢紙管理服務，該公司由本公司一名董事擁有。該等交易按雙方事先協定的正常商業條款進行。
- (vi) 往年度的金額指出售汽車予真途投資有限公司，該公司由本公司其中一名主要股東擁有。該交易按雙方事先協定的正常商業條款進行。
- (vii) 有關款項指已付真途投資有限公司(由本公司其中一名主要股東擁有)有關租賃一名董事宿舍的租金費用。該交易按雙方事先協定的正常商業條款進行。

36 RELATED PARTY TRANSACTIONS (Continued)

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

(Continued)

Notes: (Continued)

- (viii) 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 31. Since 20 July 2010, the personal guarantees provided by the Director has been replaced by corporate guarantees from the Company.
- (ix) In prior 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 substantial shareholders of the Company. These have been recorded as amount due from a shareholder in the Company and consolidated balance sheets as of 31 March 2010. These balances have been fully settled during the year ended 31 March 2011.
- (x) Mr. Leung Kai Kuen and Ms. Tam Ming Luen, substantial shareholders of the Company, have entered into a deed of indemnity with the Group under which they have agreed to indemnify on a joint and several basis each member of the Group in respect of the cash payment for any additional tax assessment for the year of assessment 2002/2003 and any other notices of additional assessment that may be received by any member of the Group for and including the 2003/2004 and 2004/2005 tax years through the 2009/2010 tax year.

36 有關連人士交易 (續)

(a) 以下為年內與有關連人士進行的交易： (續)

附註：(續)

- (viii) 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31。自二零一零年七月二十日起，由該董事提供之個人擔保經已被本公司的企業擔保代替。
- (ix) 往年度，本集團及本公司已代凱卓國際投資有限公司(「凱卓」)(該公司的控股股東為本公司其中一名主要股東)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於二零一零年三月三十一日的綜合資產負債表。於截至二零一一年三月三十一日止年度，該等結餘已獲悉數結算。
- (x) 本公司主要股東梁契權先生及譚鳴鸞女士已與本集團訂立彌償契約，據此，彼等同意就二零零二／二零零三課稅年度的任何額外稅務評估的現金付款，以及本集團任何成員公司可能接獲二零零三／二零零四年及二零零四／二零零五年課稅年度至二零零九／二零一零年課稅年度的任何額外評估通知，共同及個別向本集團成員公司作出彌償。

36 RELATED PARTY TRANSACTIONS
(Continued)

36 有關連人士交易(續)

(b) Year-end balances with related parties

The amounts due from/(to) related companies and a shareholder 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)關連公司及一名股東的款項以港元計值。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	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Related companies: 關連公司：			
China Gold 中金	Controlling shareholder is one of the substantial shareholders of the Company 控股股東為本集團主要股東之一	164	73
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	512
Fook Woo Waste Paper Company 福和廢紙有限公司	A company wholly-owned by Mr. Leung Tat Piu, a Director of the Company 由本公司董事梁達標先生全資擁有之公司	240	—
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	120
Junway 真途	A company owned by one of the substantial shareholders of the Company 由本公司其中一名主要股東擁有之公司	150	—
Trump Max 凱卓 (Note 36 (a)(ix)) (附註36(a)(ix))	A shareholder of the Company 本公司一名股東	—	14,110
		1,186	14,815

36 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	Maximum amount outstanding during 未結清的最高金額	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
China Gold	中金	167	76
E&I	益佳	512	512
Fook Woo Waste Paper Company	福和紙業有限公司	320	—
Lai Wah	勵華	120	184
Junway	真途	150	—
Trump Max	凱卓	—	14,110

Amount due to a related company is disclosed as follows:

應付關連公司的款項披露如下：

Name	名稱	Maximum amount outstanding during 未結清的最高金額	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
A related company:	關連公司：		
Fook Woo Waste Paper Company (Note i)	福和廢紙有限公司(附註i)	—	27

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.

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。

37 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.

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.

37 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。

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%。

37 SHARE OPTION SCHEME (Continued)

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.

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 2011, no share option had been granted under the Share Option Scheme.

37 購股權計劃 (續)

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。

授出的購股權必須於授出日期起計30日內接納，而承接人須支付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。於二零一一年三月三十一日，並無根據購股權計劃授出購股權。

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

RESULTS

業績

Year ended 31 March

截至三月三十一日止年度

		2007	2008	2009	2010	2011
		二零零七年	二零零八年	二零零九年	二零一零年	二零一一年
		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
Turnover	營業額	957,557	1,178,945	1,098,549	1,422,556	2,126,487
Gross Profit	毛利	330,592	393,917	383,087	513,007	756,756
Profit before income tax	除稅前盈利	216,686	250,717	200,327	337,784	554,904
Income tax expenses	稅項	1,745	9,873	27,737	46,445	88,014
Profit for the year	本年度盈利	214,941	240,844	172,590	291,339	466,890

ASSETS AND LIABILITIES

資產及負債

As at 31 March

於三月三十一日

		2007	2008	2009	2010	2011
		二零零七年	二零零八年	二零零九年	二零一零年	二零一一年
		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
Total assets	總資產	561,006	947,656	1,171,629	2,717,094	4,170,383
Total liabilities	總負債	286,869	386,796	437,985	521,282	369,972
Total equity	總權益	274,137	560,860	733,644	2,195,812	3,800,411



福和集團控股有限公司

FOOK WOO GROUP HOLDINGS LIMITED