



IWS Integrated Waste Solutions
Group Holdings Limited
綜合環保集團有限公司*

(Formerly known as Fook Woo Group Holdings Limited)

(前稱福和集團控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock code 股份代號：923

2012

INTERIM REPORT

中期報告

Contents

Corporate Information	1
Management Discussion and Analysis	2
Other Information	6
Consolidated Income Statement	13
Consolidated Statement of Comprehensive Income	14
Consolidated Balance Sheet	15
Condensed Consolidated Statement of Changes in Equity	17
Condensed Consolidated Cash Flow Statement	18
Notes to the Interim Financial Report	19

CORPORATE INFORMATION

DIRECTORS

Non-executive directors

Mr. Cheng Chi Ming, Brian (*Chairman*)

Mr. Tsang On Yip, Patrick

Executive directors

Mr. Suen Wing Yip (*Chief Executive Officer*)

Mr. Lau Sai Cheong

Mr. Lai Hau Yin

Mr. To Chun Wai

Independent non-executive directors

Mr. Chung Wai Kwok, Jimmy

Mr. Lau Shun Chuen

Mr. Nguyen Van Tu, Peter

BOARD COMMITTEES

Executive Committee

Mr. Suen Wing Yip (*Chairman*)

Mr. Lau Sai Cheong

Mr. Lai Hau Yin

Mr. To Chun Wai

Audit Committee

Mr. Chung Wai Kwok, Jimmy (*Chairman*)

Mr. Cheng Chi Ming, Brian

Mr. Lau Shun Chuen

Mr. Nguyen Van Tu, Peter

Remuneration Committee

Mr. Lau Shun Chuen (*Chairman*)

Mr. Chung Wai Kwok, Jimmy

Mr. Tsang On Yip, Patrick

Mr. Nguyen Van Tu, Peter

Nomination Committee

Mr. Nguyen Van Tu, Peter (*Chairman*)

Mr. Chung Wai Kwok, Jimmy

Mr. Lau Shun Chuen

Mr. Tsang On Yip, Patrick

COMPANY SECRETARY

Mr. Sin Lik Man

AUTHORISED REPRESENTATIVES

Mr. Suen Wing Yip

Mr. Sin Lik Man

AUDITOR

KPMG

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

CORPORATE WEBSITE

www.iwsggh.com

STOCK CODE

923

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Trust (Cayman) Limited

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

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited

Fubon Bank (Hong Kong) Limited

Hang Seng Bank Limited

LEGAL ADVISER

As to Hong Kong law:

Troutman Sanders

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Over the course of the six months ended 30 September 2012, Integrated Waste Solutions Group Holdings Limited (defined as the “Company”, formerly known as Fook Woo Group Holdings Limited) and its subsidiaries (collectively referred to as the “Group”) has focused on strengthening its financial position, enhancing its corporate governance practices and internal controls in order to protect the interests of the shareholders. On the operational front, the Group’s turnover was affected by a reduction in waste paper demand due to tightened controls imposed by the Mainland Authorities. The results of the Group for the six months ended 30 September 2012 are set out in the consolidated income statement for the six months ended 30 September 2012.

FINANCIAL REVIEW

Operating Results

The loss attributable to equity holders of the Company for the six months ended 30 September 2012 was approximately HK\$1.6 million (same period of 2011: loss of HK\$2,005.3 million).

The Group’s revenue for the six months ended 30 September 2012 amounted to HK\$302.4 million, representing a decrease of 24% as compared with the same period of last year’s HK\$398.2 million. Gross profit increased by 42% in the current period to approximately HK\$54.5 million as compared with the same period of last year’s HK\$38.4 million.

Liquidity and Financial Resources

As at 30 September 2012, the Group had bank deposit and cash of approximately HK\$577.6 million (31 March 2012: HK\$748.4 million). There was no bank loans and overdrafts of the Group as at 30 September 2012 (31 March 2012: HK\$30.1 million).

As at 30 September 2012, the Group had net current assets of approximately HK\$1,288.6 million, as compared to net current assets of approximately HK\$1,284.4 million as at 31 March 2012. The current ratio of the Group was 22.4 as at 30 September 2012 as compared to 14.0 as at 31 March 2012.

Foreign Exchange Exposure

The Group mainly operates in Hong Kong with most of its sales denominated in United States dollars and Hong Kong dollars. Most of the raw materials purchases are denominated in Hong Kong dollars. Furthermore, most of the Group’s monetary assets and liabilities are denominated in Renminbi, United States dollars and Hong Kong dollars.

During the six months ended 30 September 2012, the Group recorded a net foreign exchange loss of HK\$2.9 million (same period of 2011: exchange gain of HK\$12.4 million). The Group has not used any forward contracts, currency borrowings or other means to hedge its foreign currency exposure.

MANAGEMENT DISCUSSION AND ANALYSIS

Major Capital Expenditure and Commitments

As at 30 September 2012, the Group incurred HK\$77.0 million for the construction expenditure in respect of the proposed industrial development in Tseng Kwan O which is expected to complete in late 2014.

Pledge of Assets

No restricted bank deposit was pledged as at 30 September 2012. The restricted bank deposits amounted to HK\$0.9 million as at 31 March 2012 were pledged to the bank for issuing bank guarantee to a supplier to secure material supply.

Capital Structure

Details of the capital structure of the Company are set out in note 15 to the interim financial report.

Contingent Liabilities

Details of the contingent liabilities of the Company as at 30 September 2012 are set out in Note 18 to the interim financial report.

Employees

As at 30 September 2012, the Group had approximately 220 employees employed in Hong Kong. Employee costs, excluding directors' emoluments, totalled HK\$25.7 million for the six months ended 30 September 2012 (same period of 2011: HK\$23.9 million). All of the Group companies are equal opportunity employers, with the selection and promotion of employees based on suitability for the position offered. The Group operates a defined contribution mandatory provident fund retirement benefits scheme for its employees in Hong Kong. The Company has also adopted a share option scheme on 11 March 2010. During the period, no share option was granted. The Group did not experience any significant labour disputes that led to any disruption of its normal business operations.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

Notwithstanding the current external challenges from a turbulent economic environment and internal control deficiency reported in 2012 annual report, the Group continues to operate its core business, including (i) waste materials collecting and packaging depots in Hong Kong; (ii) provision of confidential materials destruction services (“CMDS”) in Hong Kong; and (iii) marketing and selling of tissue paper products in Hong Kong, Macau and other overseas countries. The incumbent management team endeavors to strengthen the Group’s corporate governance and internal control to effect good business practices, monitoring, documentation, and authorization. With its de facto solid foundation in waste recycling business in Hong Kong and China, the Group strives to pursue the growth of its business model and believes its profitability potential has yet to be optimally realized. To mark its transitioning to a new business development and direction as a strategic waste recycling and waste solutions provider, the Group has changed name. The name change will reflect the Group’s resolve to achieve its mission to enhance profitability and become one of the largest integrated waste solutions providers in the Greater China.

The Group has been undertaking the construction of piled foundation works for the construction of the proposed industrial development in Tseung Kwan O (the “Project TKO”), and the construction of piled foundation works is expected to be completed in or around October 2013. In July 2013, the Group issued a tendering invitation for main works for the construction of the Project TKO and the contract period is estimated to be 270 calendar days.

The general state of the Group’s finances, as detailed in this year’s financial statements, has not been too favorably placed revenue-wise in the financial year 2012-2013, but things are improving in general subsequent to the formation of the incumbent Board of Directors. As can be seen, although the Group has yet to fully recover, it is at least convalescing. If this encouraging trend continues, as the incumbent Board of Directors feels sure it will, the balance sheet ought to show a healthy financial position in the not too distant future.

As regards the date for trading resumption which the Group believes is of all shareholders’ significant concern, a final settlement has not yet been reached with The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Nevertheless, the present management team has been progressing reasonably well to satisfy all compliance and internal control requirements imposed by the Stock Exchange in order to achieve an early resumption in the best interests of shareholders and investors.

Interim Dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2012 (30 September 2011: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

EVENT AFTER THE REPORTING PERIOD

On 31 January 2013, Wealthy Peaceful Company Limited (“Wealthy Peaceful”), a wholly owned subsidiary of the Company, commenced voluntary liquidation by a resolution of the members, and the voluntary liquidators were appointed on the same date. The liquidation is still in progress as at the date of this report.

On 15 May 2013, the Board of the Company proposed to change the name of the Company from Fook Woo Group Holdings Limited “福和集團控股有限公司” to Integrated Waste Solutions Group Holdings Limited and adopt a Chinese name “綜合環保集團有限公司” for identification. The certificate of incorporation on change of name was issued by the Registrar of Companies in the Cayman Islands on 3 July 2013.

The change of company name has also been registered with the Registrar of Companies in Hong Kong. The certificate of registration of change of corporate name of non-Hong Kong company was issued by the Registrar of Companies in Hong Kong under Part XI of the Companies Ordinance (Cap.32 Laws of Hong Kong) on 8 August 2013.

The English and Chinese stock short names of the Company for trading in the Shares on the Stock Exchange were changed from “FOOK WOO GROUP” to “IWS” in English and “福和集團” to “綜合環保集團” in Chinese, respectively, with effect from 9:00 a.m. on 16 August 2013. The stock code of the Company remains as “923”.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SHARES

As at 30 September 2012, 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) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange, nor had there been any grant or exercise of rights of such interests during the six months ended 30 September 2012.

SHARE OPTION

Pursuant to the resolutions in writing passed by all shareholders of the Company on 11 March 2010, the Company approved and adopted a share option scheme for the purpose of enabling the Group to grant options to selected participants as incentives or rewards for their contribution to the Group (the "Share Option Scheme"). No share option had been granted since the date of adoption of the Share Option Scheme. As at the date of this interim report, the total number of shares available for issue under the Share Option Scheme was 200,000,000 Shares, which represented approximately 8.29% of the Shares in issue as at that date.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 September 2012, the following persons (other than the Directors and chief executives of the Company) had interests and short positions of 5% or more in the Shares as recorded in the register required to be kept under Section 336 of the SFO:

Name of Shareholder	Note	Capacity	Number of ordinary Shares held*	% of the issued share capital of the Company
City Legend	1	Beneficial owner	785,100,000(L)	32.56%
Mr. Leung Kai Kuen	1	Interest in a controlled corporation	785,100,000(L)	32.56%
Dato' Dr. Cheng Yu Tung	2	Interest in controlled corporations	488,640,375(L)	20.27%
Chow Tai Fook Nominee Limited	2	Interest in controlled corporations	366,275,000(L)	15.19%
		Beneficial owner	122,365,375(L)	5.07%
Victory Day Investments Limited	2	Interest in controlled corporations	366,275,000(L)	15.19%
Smart On Resources Ltd.	2	Beneficial owner	366,275,000(L)	15.19%
Firstrate Enterprises Limited		Beneficial owner	151,875,000(L)	6.30%

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

Note:

- (1) Mr. Leung Kai Kuen was deemed to be interested in these 785,100,000 shares of the Company which were held by City Legend International Limited ("City Legend"), a corporation wholly owned by Mr. Leung.
- (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 Dato' Dr. Cheng Yu Tung.

Save as disclosed above, as at 30 September 2012, 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.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has committed to maintain a high standard of corporate governance and has adopted the principles and code provisions of the Corporate Governance Code (the “CG Code”) set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rule”).

The Company has complied with the code provision set out in the CG Code during the six months ended 30 September 2012 save for the deviations from code provisions A.2.1, A.2.3, A.2.4, A.2.5, A.2.6, A.2.9, A7.2, C.1.3 and D.1.1. Key corporate governance principles and practices of the Company as well as the particulars of the foregoing deviations and the reasons thereof are detailed below.

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.

During the period between 1 April 2012 and 30 April 2012, Mr. Leung Kai Kuen was both the Chairman and Chief Executive Officer.

Since 30 April 2012, the roles of chairman and chief executive officer are separate. Mr. Lau Shun Chuen, an independent non-executive Director of the Company, was appointed as the non-executive acting chairman of the Board on 30 April 2012 and resigned as the non-executive acting chairman of the Board on 16 October 2012. Mr. Cheng Chi Ming, Brian, a non-executive Director of the Company, was appointed as the chairman of the Board since 16 October 2012. Mr. Suen Wing Yip, an executive Director of the Company, was appointed as the chief executive officer since 30 April 2012.

Under code provision A.2.3 of the CG Code, the chairman should be responsible for ensuring that directors receive adequate information, which must be complete and reliable, in a timely manner.

Under code provision A.2.4, one of the important roles of the chairman is to provide leadership for the board. The chairman should ensure that the board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner.

Under code provision A.2.5, the chairman should take primary responsibility for ensuring that good corporate governance practices and procedures are established.

Under code provision A.2.6, the chairman should encourage all directors to make a full and active contribution to the board’s affairs and take the lead to ensure that it acts in the best interests of the issuer. The chairman should encourage directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that board decisions fairly reflect board consensus.

OTHER INFORMATION

Under code provision A.2.9, the chairman should promote a culture of openness and debate by facilitating the effective contribution of non-executive directors in particular and ensuring constructive relations between executive and non-executive directors.

As Mr. Leung Kai Kuen (former chairman during the period between 1 April 2012 and 30 April 2012) left the Company and cannot be reached by the Company as at the latest practicable date prior to the printing of this report, the present members of the Board are not in a position to comment whether Mr. Leung discharged his duties stipulated under code provisions A.2.3, A.2.4, A.2.5, A.2.6 and A.2.9 during the period between 1 April 2012 and 30 April 2012.

Under code provision A.7.2, management has an obligation to supply the board and its committees with adequate information in a timely manner to enable it to make informed decisions.

As some former members of the management in the six months ended 30 September 2012 have left the Company, the present members of the Board are not in a position to comment whether such former members of the management discharged their duties to supply the previous Board and its committees with adequate information in a timely manner for the six months ended 30 September 2012.

The principle underlying the code provisions C.1.3 is that the directors should acknowledge in the Corporate Governance Report their responsibility for preparing the accounts.

While the Directors acknowledge their responsibility to prepare the financial statements that give a true and fair view of the state of affairs of the Group, shareholders are advised that the auditor of the Company have informed the Company that they will issue an adverse opinion in respect of the audited consolidated financial statements of the Group for the year ended 31 March 2013.

The Board was not aware of any material uncertainties relating to events or conditions that might cause significant doubt upon the Group's ability to continue as a going concern. The Board has prepared the interim financial report on a going concern basis.

Code provision D.1.1 requires that when the board delegates to management, it must give clear directions as to the powers of the management, in particular, with respect to the circumstances where management should report back and obtain prior approval of the board before making decisions or entering into any commitments on behalf of the issuer.

Again, as some former members of the management in the six months ended 30 September 2012 have left the Company, the present members of the Board are not in a position to comment whether such former members of the management discharged their duties to report back and obtain prior approval from the previous Board before making decisions or entering into any commitments on behalf of the Company for the six months ended 30 September 2012.

OTHER INFORMATION

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.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model” Code) as set out in Appendix 10 to the Listing Rules as its own code for dealing in securities of the Company by the Directors.

After making specific inquiries with the Directors (including the former Directors) in the six months ended 30 September 2012 (except Mr. Leung Kai Kuen who left the Company and the Company was not able to reach him as at the latest practicable date prior to printing of this report, the Directors confirmed that they have complied with the Model Code during the six months ended 30 September 2012.

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

The Company has also established the written guidelines on no less exacting terms than the Model Code (the “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 Written Guidelines by the relevant employees was noted by the Company during the six months ended 30 September 2012.

UPDATE ON DIRECTOR’S INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES**Position Update**

Mr. Alan Ing was appointed as executive Director on 7 October 2011 and resigned on 18 April 2012.

Mr. Suen Wing Yip was appointed as executive Director on 26 March 2012. Mr. Suen Wing Yip replaced Mr. Leung Kai Kuen as the Chief Executive Officer on 30 April 2012.

Ms. Li Zhe was appointed as non-executive Director on 26 March 2012, re-designated as executive Director on 2 April 2012, re-designated as non-executive Director on 16 October 2012 and resigned on 17 January 2013.

OTHER INFORMATION

Mr. Leung Kai Kuen was re-designated as non-executive Director on 30 April 2012 and was removed as Director on 7 June 2012. On 30 April 2012, as a result of Mr. Leung's re-designation as a non-executive Director, Mr. Leung ceased to be the Chairman and Chief Executive Officer.

Mr. Lau Shun Chuen was appointed as the non-executive acting chairman of the Board on 30 April 2012 and resigned as the non-executive acting chairman of the Board on 16 October 2012.

Mr. Pei Cheng Ming, Michael resigned as non-executive Director on 30 April 2012.

Mr. Leung Tat Piu resigned as executive Director on 6 June 2012.

Mr. Cheng Chi Ming, Brian was appointed as the Chairman on 16 October 2012.

Mr. Lau Sai Cheong was appointed as executive Director on 16 October 2012 and re-designated from Chief Technical Officer to Chief Operating Officer on 15 July 2013.

Ms. Cheung Nga Lai, Carol resigned as non-executive Director on 1 November 2012.

Mr. Tsang On Yip, Patrick was appointed as non-executive Director on 1 November 2012.

Mr. Lai Hau Yin was appointed as executive Director on 1 November 2012 and will resign as executive Director and Chief Financial Officer on 8 October 2013.

Mr. To Chun Wai was appointed as executive Director on 8 April 2013.

Mr. Lee Kwok Chung retired as independent non-executive Director on 21 June 2013.

Mr. Nguyen Van Tu, Peter was appointed as independent non-executive Director on 21 June 2013.

Emolument Update

During the period between 1 April 2012 and 30 April 2012, the director's emolument payable to Mr. Leung Kai Kuen as an executive Director was HK\$450,000 per month. Due to re-designation to non-executive Director, the director's emolument payable to Mr. Leung Kai Kuen, was changed to HK\$20,000 per month with effect from 30 April 2012.

Due to appointment as recruitment and training consultant of the Company the director's emolument payable to Ms. Cheung Nga Lai, Carol was changed to HK\$60,000 per month with effect from 1 April 2012.

Due to re-designation of directorship, the director's emolument payable to Ms. Li Zhe was changed to HK\$132,000 per month with effect from 2 April 2012 and to HK\$20,000 per month with effect from 16 October 2012.

Due to appointment as the non-executive acting chairman of the Board, the director's emolument to Mr. Lau Shun Chuen was changed to HK\$100,000 per month with effect from 30 April 2012.

OTHER INFORMATION

Due to resignation as the non-executive acting chairman of the Board, the director's emolument to Mr. Lau Shun Chuen was changed to HK\$80,000 per month with effect from 16 October 2012. Due to appointment as the Chairman, the director's emolument to Mr. Cheng Chi Ming, Brian was changed to HK\$100,000 per month with effect from 16 October 2012.

Due to salary adjustment, the director's emolument payable to Mr. Suen Wing Yip was changed to HK\$207,500 per month, the director's emolument payable to Mr. Lai Hau Yin was changed to HK\$117,080 per month, the director's emolument payable to Mr. Lau Sai Cheong was changed to HK\$155,250 per month and the director's emolument payable to Mr. Tsang On Yip, Patrick was changed to HK\$30,000 per month with effect from 1 January 2013.

Due to salary adjustment and dissolution of special committee of the Company, the director's emolument payable to Mr. Lee Kwok Chung and Mr. Lau Shun Chuen was changed to HK\$30,000 per month, the director's emolument payable to Mr. Chung Wai Kwok Jimmy was changed to HK\$40,000 per month and the director's emolument payable to Mr. Cheng Chi Ming, Brian was changed to HK\$60,000 per month, with effect from 1 January 2013.

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

During the six months ended 30 September 2012, neither the Company nor any of its subsidiaries has purchased or sold any of the listed securities of the Company during the period and the Company has not redeemed any of its shares during the period.

REVIEW OF INTERIM RESULTS

The audit committee of the Company, which comprises three independent non-executive Directors, namely, Mr. Chung Wai Kwok, Jimmy (Chairman of the Audit Committee), Mr. Lau Shun Chuen and Mr. Nguyen Van Tu, Peter; and one non-executive Director, namely, Mr. Cheng Chi Ming, Brian, has reviewed the interim financial report of the Group for the six months ended 30 September 2012 and discussed with the management of the Company on the accounting principles and practices adopted by the Group and internal controls and financial reporting matters.

By Order of the Board

Integrated Waste Solutions Group Holdings Limited

Cheng Chi Ming, Brian

Chairman

Hong Kong, 23 August 2013

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2012 – unaudited
(Expressed in Hong Kong dollars)

	<i>Note</i>	Six months ended	
		30 September	
		2012	2011
		\$'000	\$'000
Revenue	6	302,446	398,157
Cost of sales		(247,930)	(359,807)
Gross profit		54,516	38,350
Other income		2,170	798
Other (losses)/gains, net		(3,805)	10,908
Selling and distribution expenses		(16,643)	(17,816)
Administrative and other operating expenses		(38,244)	(25,610)
Operating (loss)/profit		(2,006)	6,630
Loss on de-consolidation of subsidiaries		–	(415,549)
Impairment/write-off of amounts due from the De-consolidated Subsidiaries		(2,500)	(1,590,608)
Finance income	7(b)	6,639	4,994
Finance costs	7(a)	(203)	(377)
Profit/(loss) before taxation	7	1,930	(1,994,910)
Income tax	8	(3,485)	(10,387)
Loss for the period attributable to equity holders of the Company		(1,555)	(2,005,297)
Basic and diluted loss per share for loss attributable to equity holders of the Company	10	(0.1) cents	(81.6) cents

The notes on pages 19 to 34 form part of this interim financial report. Details of dividends payable to equity holders of the Company are set out in note 9.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2012 – unaudited
(Expressed in Hong Kong dollars)

	Six months ended	
	30 September	
	2012	2011
	\$'000	\$'000
Loss for the period	(1,555)	(2,005,297)
<hr style="border-top: 1px dashed black;"/>		
Other comprehensive income:		
Release of exchange reserve upon de-consolidation of a subsidiary	–	(145,419)
Other comprehensive income for the period, net of tax	–	(145,419)
<hr style="border-top: 1px dashed black;"/>		
Total comprehensive income for the period attributable to equity holders of the Company	(1,555)	(2,150,716)
<hr style="border-top: 1px solid black;"/>		

The notes on pages 19 to 34 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET

At 30 September 2012
(Expressed in Hong Kong dollars)

		30 September 2012 \$'000 (Unaudited)	31 March 2012 \$'000 (Audited)
Non-current assets			
Property, plant and equipment	11	100,731	101,773
Land use rights		28,656	29,069
Intangible asset		1,000	1,000
Prepayments		–	803
Deferred tax assets		–	2,884
		130,387	135,529
Current assets			
Inventories		4,035	7,772
Trade and bills receivables	12	53,869	66,000
Other receivables, deposits and prepayments		25,965	26,265
Amounts due from related companies		1,217	1,322
Amounts due from De-consolidated Subsidiaries		686,179	532,172
Bank deposits and cash		577,644	748,445
Restricted and pledged bank deposits		–	910
		1,348,909	1,382,886
Current liabilities			
Trade payables	13	14,502	20,774
Other payables and accruals	13	29,202	25,194
Bank loans and overdrafts	14	–	30,078
Amounts due to related companies		6,258	12,081
Taxation payable		10,322	10,363
		60,284	98,490
Net current assets		1,288,625	1,284,396

CONSOLIDATED BALANCE SHEET

At 30 September 2012
(Expressed in Hong Kong dollars)

		30 September	31 March
		2012	2012
	<i>Note</i>	\$'000	\$'000
		(Unaudited)	(Audited)
Total assets less current liabilities		1,419,012	1,419,925
Non-current liabilities			
Deferred tax liabilities		1,275	633
NET ASSETS		1,417,737	1,419,292
CAPITAL AND RESERVES			
Share capital	15	241,117	241,117
Reserves		1,176,620	1,178,175
TOTAL EQUITY		1,417,737	1,419,292

The notes on pages 19 to 34 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2012 – unaudited
(Expressed in Hong Kong dollars)

	Share capital \$'000	Share premium \$'000	Capital reserve \$'000	Statutory reserve \$'000	Exchange reserve \$'000	Retained earnings/ (accumulated losses) \$'000	Total \$'000
At 1 April 2011	245,928	2,940,531	(964,044)	96,487	145,419	1,336,090	3,800,411
Loss for the period	-	-	-	-	-	(2,005,297)	(2,005,297)
Other comprehensive income							
- Release of exchange reserve upon de-consolidation of a subsidiary	-	-	-	-	(145,419)	-	(145,419)
Total comprehensive income for the period	-	-	-	-	(145,419)	(2,005,297)	(2,150,716)
Reclassification of statutory reserve upon de-consolidation of a subsidiary	-	-	-	(96,487)	-	96,487	-
Transactions with equity holders							
Repurchase of shares (note 16)	-	(27,114)	-	-	-	-	(27,114)
At 30 September 2011	245,928	2,913,417	(964,044)	-	-	(572,720)	1,622,581
At 1 April 2012	241,117	2,862,358	(964,044)	-	-	(720,139)	1,419,292
Loss and total comprehensive income for the period	-	-	-	-	-	(1,555)	(1,555)
At 30 September 2012	241,117	2,862,358	(964,044)	-	-	(721,694)	1,417,737

The notes on pages 19 to 34 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2012
(Expressed in Hong Kong dollars)

	Unaudited	
	Six months ended 30 September	
	2012	2011
	\$'000	\$'000
Cash flows from operating activities		
Cash used in operations	(143,948)	(97,645)
Income tax paid	–	(50)
	(143,948)	(97,695)
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,019)	(33,994)
Purchase of intangible asset	–	(1,000)
Proceeds from disposal of property, plant and equipment	7,898	4,205
Interest received	6,639	4,994
Net cash outflow from de-consolidation of subsidiaries	–	(350,788)
	2,518	(376,583)
Cash flows from financing activities		
Repayments of bank borrowings	(28,800)	(4,800)
Interest paid on bank borrowings	(203)	(377)
Payment for repurchase of shares	–	(27,114)
Decrease/(increase) in restricted and pledged bank deposits	910	(5,324)
	(28,093)	(37,615)
Net decrease in cash and cash equivalents	(169,523)	(511,893)
Cash and cash equivalents, net of bank overdrafts at the beginning of the period	747,167	1,492,517
Cash and cash equivalents, net of bank overdrafts at the end of the period	577,644	980,624
Bank overdrafts at the end of the period	–	1,539
Cash and cash equivalent at the end of the period	577,644	982,163

The notes on pages 19 to 34 form part of this interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

1 General information

Integrated Waste Solutions Group Holdings Limited (formerly known as Fook Woo Group Holdings Limited) (“the Company”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 11 November 2009 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company is an investment holding company and was listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). 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 materials and provision of confidential materials destruction services.

This interim financial report approved for issue by the Board of Directors on 23 August 2013, is presented in Hong Kong dollars (HK\$), unless otherwise stated.

The Interim Financial Report has not been audited or reviewed by the auditors pursuant to Hong Kong Standards on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity”.

2 Basis of preparation

The interim financial report should be read in conjunction with the annual financial statements for the year ended 31 March 2012.

In the course of preparing its interim financial report for the six months ended 30 September 2011, the Board of Directors of the Company (the “Board”) were made aware of evidence indicating the potential existence of irregularities with respect to a deposit of RMB100,000,000 (approximately HK\$120,000,000) recorded in the books of 惠州福和紙業有限公司 (“Huizhou Fook Woo”), a wholly owned subsidiary of the Group (the “Incident”). Accordingly, in the interest of the Company and its shareholders, on 28 November 2011, the Company applied for suspension of trading in the Company’s shares on the Stock Exchange.

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Basis of preparation (continued)

On 29 November 2011, the Company received a cash deposit of RMB100,000,000 (approximately HK\$120,000,000) (the "Deposit"). In December 2011 and January 2012, the Group further received cash deposits totalling HK\$2,567,000. The Board represented that the Deposit was placed by a former Director of the Company. The Deposit was recorded as amount due to Huizhou Fook Woo in the consolidated balance sheet and the Company's balance sheet as at 31 March 2012. On 2 December 2011, the Board established an independent special committee (the "Special Committee") to conduct an investigation into the Incident and the Deposit and to review the internal control system of the Company with the assistance of an independent accounting firm. On 27 April 2012, the Special Committee engaged another independent accounting firm to conduct a forensic review into the Incident and the Deposit (the "Forensic Review") following the preliminary investigation results of the previous independent accounting firm.

Based on the results of the Forensic Review, the Board concluded that the deposit of RMB100,000,000 (approximately HK\$120,000,000) was not in fact made and the amount was not transferred out of the accounts of Huizhou Fook Woo and a number of documents related to the Incident were fabricated. In addition, the Forensic Review has revealed, among other things, certain irregular transactions entered into by Huizhou Fook Woo. Based on the results of the Forensic Review, the Board further concluded that, among other things, a substantial portion of the accounting books and records of Huizhou Fook Woo for the year ended 31 March 2012 and prior periods were missing.

Given the loss of a substantial portion of the accounting books and records and the fact that most of the key accounting personnel and previous management left the Group and are now not contactable, the Board believes that, as at the date of this interim report, it is almost impossible, and not practical, to ascertain the transactions and balances of Huizhou Fook Woo for inclusion in the interim financial report of the Group.

Furthermore, on 31 January 2013, Wealthy Peaceful Company Limited ("Wealthy Peaceful"), a wholly owned subsidiary of the Group, commenced voluntary liquidation by a resolution of the members and the voluntary liquidators were appointed on the same date. Wealthy Peaceful, and its wholly owned subsidiaries, namely Golddoor Company Limited ("Golddoor") and Huizhou Fook Woo are collectively referred to as the "De-consolidated Subsidiaries".

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Basis of preparation (continued)

Given these circumstances, the Directors have not consolidated the financial statements of the De-consolidated Subsidiaries in the Group's interim financial report as at and for the six months ended 30 September 2012. As such, the results, assets and liabilities of the De-consolidated Subsidiaries have not been included in the interim financial report of the Group since 1 April 2011. The resulting loss on de-consolidation of approximately HK\$415,549,000, which is determined based on the net asset value of the De-consolidated Subsidiaries as at 1 April 2011, has been recognised in the interim financial report for the six months ended 30 September 2011.

Moreover, as at 30 September 2011, the total amounts due from the De-consolidated Subsidiaries to the Group before any impairment provision amounted to approximately HK\$2,122,780,000. The Directors have assessed the recoverability of these balances based on the valuation of the plant and machinery, properties and land use rights of Huizhou Fook Woo performed by independent valuers as at 30 September 2012, as the Directors consider this to be the earliest practicable date for such a valuation given the aforementioned circumstances. Accordingly, impairment losses on balances due from the De-consolidated Subsidiaries of approximately HK\$1,590,608,000 were recognised in the interim financial report for the six months ended 30 September 2011.

During the six months ended 30 September 2012, the Group has waived the amounts due from De-consolidated Subsidiaries of HK\$2,500,000 and accordingly, these amounts had been written off and charged to the consolidated income statement of the Group for the six months ended 30 September 2012.

The liquidation process of Wealthy Peaceful is still in progress and the Directors were unable to obtain sufficient documentary information to satisfy themselves regarding the transactions and balances with the De-consolidated Subsidiaries in prior years. Given this limitation, to avoid undue costs and delays in finalising the interim financial report, the Directors have presented the carrying value of the balances due from De-consolidated Subsidiaries as at 30 September 2012 as the sum of the opening balance as at 1 April 2012 of HK\$532,172,000 plus the net movement of the current account with the De-consolidated Subsidiaries resulting from the transactions during the six months ended 30 September 2012.

The non-consolidation of the De-consolidated Subsidiaries is not in compliance with the requirements of International Accounting Standard ("IAS") 27, *Consolidated and Separate Financial Statements*. Given the aforementioned circumstances, the Directors are unable to ascertain the impact of the non-consolidation of the De-consolidated Subsidiaries on the interim financial report.

Except for the matters referred to above, including the non-consolidation of the De-consolidated Subsidiaries, the interim financial report of the Group has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim financial report has been prepared under the historical cost convention.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Accounting policies

The accounting policies and methods of computation used in the preparation of the interim financial report are consistent with those used in the annual financial statements for the year ended 31 March 2012 except the changes mentioned below.

With effect from 1 April 2012, the Group has adopted the below amendment to IFRSs, which is relevant to the Group's financial statements:

- Amendment to IFRS 7, *Financial instruments: Disclosures – Transfers of financial assets*

The Group has assessed the impact of the adoption of this amendment and considered that there was no significant impact on the Group's results and financial position or any substantial changes in the Group's accounting policies.

None of the other developments are relevant to the Group's financial statements and the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 Estimates

The preparation of interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2012.

5 Financial risk management

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 interim financial report does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2012.

There have been no changes in the risk management exposures since 31 March 2012 or in any risk management policies.

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

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 paper and materials
- 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 People's Republic of China (the “PRC”) and overseas markets, the chief operating decision maker of the Group regularly reviews the financial information by business segments to assess performance and make resources allocation decisions. It assesses the performance of the operating segments based on a measure of segment gross profits.

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

	Unaudited	
	Six months ended	
	30 September	
	2012	2011
	\$'000	\$'000
Sales of recovered paper and materials	180,908	280,853
Sales of tissue paper products	118,427	110,250
Sales of recycled greyboard	143	4,626
Provision of CMDS	2,968	2,428
	302,446	398,157

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

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 period consists of the following:

	Unaudited Six months ended 30 September	
	2012	2011
	\$'000	\$'000
Hong Kong	302,446	398,157

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

The segment results and other segment items included in the loss for the six months ended 30 September 2012 are as follows:

	Recovered paper and materials \$'000	Tissue paper products \$'000	Recycled greyboard \$'000	CMDS \$'000	Group \$'000
Revenue	180,908	118,427	143	2,968	302,446
Cost of sales	(139,694)	(105,890)	(138)	(2,208)	(247,930)
Segment gross profit	41,214	12,537	5	760	54,516
Loss on de-consolidation of subsidiaries					-
Impairment/write-off of amounts due from De-consolidated Subsidiaries					(2,500)
Unallocated operating costs					(56,522)
Finance income					6,639
Finance cost					(203)
Profit before taxation					1,930
Income tax					(3,485)
Loss for the period					(1,555)

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

6 Segment information (continued)

The segment results and other segment items included in the loss for the six months ended 30 September 2011 are as follows:

	Recovered paper and materials \$'000	Tissue paper products \$'000	Recycled greyboard \$'000	CMD5 \$'000	Group \$'000
Revenue	280,853	110,250	4,626	2,428	398,157
Cost of sales	(255,280)	(97,988)	(4,474)	(2,065)	(359,807)
Segment gross profit	25,573	12,262	152	363	38,350
Loss on de-consolidation of subsidiaries					(415,549)
Impairment/write-off of amounts due from De-consolidated Subsidiaries					(1,590,608)
Unallocated operating costs					(31,720)
Finance income					4,994
Finance cost					(377)
Loss before taxation					(1,994,910)
Income tax					(10,387)
Loss for the period					(2,005,297)

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

7 Profit/(loss) before taxation

Profit/(loss) before taxation is arrived at after charging/(crediting) of the following:

	Unaudited	
	Six months ended	
	30 September	
	2012	2011
	\$'000	\$'000
(a) Finance costs		
Interest expenses on bank loans wholly repayable within 5 years	203	377
(b) Other items		
Cost of inventories sold	211,370	319,592
Amortisation of land use rights	413	413
Depreciation of property, plant and equipment	4,274	4,923
Loss on disposal of property, plant and equipment	889	939
Write-off of property, plant and equipment	–	157
Operating lease charges in respect of land and buildings	6,795	6,120
Provision for impairment of trade receivables	–	1,141
Exchange loss/(gain), net	2,915	(12,394)
Interest income from bank deposits	(6,639)	(4,994)

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

8 Income tax

	Unaudited	
	Six months ended	
	30 September	
	2012	2011
	\$'000	\$'000
Current income tax		
Hong Kong Profits Tax	825	267
(Over)/under provision in prior periods		
Current income tax	–	4,959
Penalty surcharge and interest	(866)	5,554
	(41)	10,780
Deferred tax		
Origination and reversal of temporary differences	3,526	(393)
Income tax expense	3,485	10,387

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2011: 16.5%) to the six months ended 30 September 2012.

9 Dividends

No dividends had been paid or declared by the Company for the six months ended 30 September 2012 (2011: Nil).

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

10 Basic and diluted loss per share

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

	Unaudited	
	Six months ended	
	30 September	
	2012	2011
	\$'000	\$'000
Loss attributable to equity holders of the Company	(1,555)	(2,005,297)
Weighted average number of ordinary shares in issue (thousand shares)	2,411,167	2,458,551
Basic loss per share	(0.1) cents	(81.6) cents

Diluted loss per share is the same as basic loss per share as there were no potential dilutive ordinary shares outstanding during the period (2011: Nil).

11 Property, plant and equipment

During the six months ended 30 September 2012, the Group acquired items of property, plant and equipment with a cost of HK\$12,019,000 (2011: HK\$34,831,000).

Items of property, plant and equipment were disposed of during the six months ended 30 September 2012 with a net book value amounting to HK\$8,785,000 (2011: HK\$5,144,000).

12 Trade and bills receivables

	30 September	31 March
	2012	2012
	\$'000	\$'000
	(Unaudited)	(Audited)
Trade and bills receivables	58,860	70,991
Less: Provision for impairment	(4,991)	(4,991)
Trade and bills receivables, net	53,869	66,000

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

12 Trade and bills receivables (continued)

Payment terms granted to customers are mainly cash on delivery and on credit. The average credit period ranges from 10 days to 90 days. The ageing analysis of trade and bill receivables based on transaction date were as follows:

	30 September	31 March
	2012	2012
	\$'000	\$'000
	(Unaudited)	(Audited)
0 – 30 days	35,372	42,629
31 – 60 days	10,526	16,881
61 – 90 days	5,228	3,318
91 – 120 days	1,710	1,981
Over 120 days	6,024	6,182
	58,860	70,991
Less: Provision for impairment	(4,991)	(4,991)
	53,869	66,000

13 Payables and accruals

	30 September	31 March
	2012	2012
	\$'000	\$'000
	(Unaudited)	(Audited)
Trade payables	14,502	20,774
Other payables and accruals	29,202	25,194
	43,704	45,968

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

13 Payables and accruals (continued)

The ageing analysis of the Group's trade payables based on due date at the balance sheet date is as follows:

	30 September	31 March
	2012	2012
	\$'000	\$'000
	(Unaudited)	(Audited)
Current	8,260	16,948
1 – 30 days	2,076	1,277
31 – 60 days	197	140
61 – 90 days	1,104	65
91 – 120 days	356	49
Over 120 days	2,509	2,295
	14,502	20,774

14 Bank loans and overdrafts

The Group repaid all bank loans during the six months ended 30 September 2012.

15 Share capital and share premium

	Number	Ordinary	Share	Total
	of shares	share	premium	Total
	(thousands)	\$'000	\$'000	\$'000
As at 1 April 2012 and				
30 September 2012 (unaudited)	2,411,167	241,117	2,862,358	3,103,475

16 Treasury shares

During the six months ended 30 September 2011, the Company repurchased 17,880,000 shares on the Stock Exchange. The total amount paid to acquire the shares was approximately HK\$27,114,000. The shares were held as treasury shares as at 30 September 2011 as they had not been cancelled as at that date.

During the six months ended 30 September 2012, the Company did not repurchase any share on the Stock Exchange.

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

17 Capital commitments

	30 September	31 March
	2012	2012
	\$'000	\$'000
	(Unaudited)	(Audited)
Contracted but not provided for		
– Property, plant and equipment	13,903	15,897

18 Contingent liabilities

At 30 September 2012, the Group has lodged certain claims against its former director and employee. In the opinion of the legal counsel, it is too early to evaluate the outcome of these claims and the recovery of loss and damages from these claims cannot be reliably estimated.

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

19 Related party transaction**(a) The following transactions were carried out with related parties during the period:**

	Note	Unaudited	
		Six months ended	
		30 September	
		2012	2011
		\$'000	\$'000
Purchase of motor vehicle from Junway Investment Limited ("Junway")	(i)	–	365
Construction expenditure paid and payable to Vibro (H.K) Limited ("Vibro")	(ii)	5,952	4,500
Rental expenses in respect of land and buildings paid to E&I Development Limited ("E&I")	(iii)	1,650	1,500
Rental expenses in respect of land and buildings paid to China Gold Industries Ltd ("China Gold")	(iii)	–	492
Management fee paid and payable to Lai Wah Shipping Company ("Lai Wah")	(iv)	936	640
Management fee paid and payable to Fook Woo Waste Paper Company	(v)	894	687
Rental expenses in respect of land and building paid to Junway	(vi)	213	450
Sales to De-consolidated Subsidiaries		90,655	130,418
Purchase from De-consolidated Subsidiaries		105,952	218,895

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

19 Related party transaction (continued)

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

Notes:

- (i) The amount represented purchase of a motor vehicle from Junway, a company owned by a close family member of Mr. Leung Kai Kuen, 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.
- (ii) The amount represented charges for construction services at the Tseung Kwan O industrial site provided by Vibro, a company indirectly 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.
- (iii) These represented the rental expenses for leasing of office space and an ex-director's 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, one of the substantial shareholders of the Company. The controlling shareholder of China Gold is a close family member of Mr. Leung Kai Kuen. The rental expenses were charged at pre-determined rates mutually agreed between both parties.
- (iv) The amount represented waste loading services provided by Lai Wah. The sole proprietor of Lai Wah is Mr. Leung Kai Kuen, one of the substantial shareholders 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 Mr. Leung Tat Piu, an ex-director of the Company, at the Tai Po packing station. These transactions were entered into in the normal course of business based on terms mutually agreed by both parties.
- (vi) The amount represented the rental expenses for leasing of an ex-director's quarter paid to Junway, a company owned by a close family member of Mr. Leung Kai Kuen, 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.

(b) Key management compensation

During the six months ended 30 September 2012, no transactions have been entered into with the directors of the Company other than the emoluments paid to them (2011: Nil).

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

20 Events after the balance sheet date

- (a) On 31 January 2013, Wealth Peaceful, a wholly owned subsidiary of the Group, commenced voluntary liquidation by a resolution of the members, and voluntary liquidators were appointed on the same date. The liquidation is still in progress as at the date of this report.
- (b) On 15 May 2013, the board of the Company proposed to change the name of the Company from Fook Woo Group Holdings Limited “福和集團控股有限公司” to Integrated Waste Solutions Group Holdings Limited and adopted a Chinese name “綜合環保集團有限公司” for identification.

On 21 June 2013, the shareholders have passed a special resolution in approving the change of company name and the certificate of incorporation on change of name was issued by the Registrar of Companies in the Cayman Islands on 3 July 2013.

- (c) In November 2012, the Group (via a wholly owned subsidiary of the Group) submitted a claim to the High Court of Hong Kong against its former employee and seek for the return of a motor vehicle together with the damages on loss of value in aggregate amounts to HK\$1.9 million.

In December 2012, the claim was settled and the Group received a sum of HK\$1.9 million.

- (d) In October 2012, the Group entered into an agreement with three independent parties to set up a company, Fook Fung Loi Company Limited (“Fook Fung”), of which the Group held 30% equity interests in Fook Fung and injected capital of HK\$900,000 into Fook Fung.

21 Comparatives

Certain comparatives including (a) cost of sales, (b) selling and distribution expenses and (c) administrative and other operating expenses have been reclassified to conform with current year’s presentation.

22 Review of unaudited interim financial report

The unaudited interim financial report for the six months ended 30 September 2012 has been reviewed with no disagreement by the Audit Committee of the Company.

This page is intentionally left blank

