

Fuwei Films (Holdings), Co. Ltd.
Form 20-F
April 07, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

Date of event requiring this shell company report _____

Commission file number: 001-33176

Fuwei Films (Holdings) Co., Ltd.

(Exact name of Registrant as specified in its charter)

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

No. 387 Dongming Road

Weifang Shandong

People's Republic of China, Postal Code: 261061

(Address of principal executive offices)

Yong Jiang

Tel: +86 133 615 59266

fuweiir@fuweifilms.com

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

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Title of each class Name of each exchange on which registered

Ordinary Shares NASDAQ Capital Market

Securities registered or to be registered pursuant to Section 12(g) of the Act. None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. None

As of December 31, 2015, there were 13,062,500 ordinary shares outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Note - Checking the box will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by
the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

This Annual Report contains many statements that are “forward-looking” and uses forward-looking terminology such as “anticipate,” “believe,” “expect,” “estimate,” “future,” “intend,” “may,” “ought to,” “plan,” “should,” “will,” negatives of such similar statements. You should not place undue reliance on any forward-looking statement due to its inherent risk and uncertainties, both general and specific. Although we believe the assumptions on which the forward-looking statements are based are reasonable and within the bounds of our knowledge of our business and operations as of the date of this annual report, any or all of those assumptions could prove to be inaccurate. As a result, the forward-looking statements based on those assumptions could also be incorrect. The forward-looking statements in this Annual Report include, without limitation, statements relating to:

- our goals and strategies;
- our future business development, results of operations and financial condition;
- our ability to protect our intellectual property rights;
- expected growth of and changes in the PRC BOPET film industry and in the demand for BOPET film products;
- projected revenues, profits, earnings and other estimated financial information;
- our ability to maintain and strengthen our position as a leading provider of BOPET film products in China;
- our ability to maintain strong relationships with our customers and suppliers;
- our planned use of proceeds;
- effect of competition in China and demand for and price of our products and services; and
- PRC governmental policies regarding our industry.

The forward-looking statements included in this Annual Report are subject to risks, uncertainties and assumptions about our businesses and business environments. These statements reflect our current views with respect to future events and are not a guarantee of our future performance. Actual results of our operations may differ materially from information contained in the forward-looking statements as a result of risk factors some of which are described under “Risk Factors” and elsewhere in this Annual Report. Risks, uncertainties and assumptions include, among other things:

- competition in the BOPET film industry;
- growth of, and risks inherent in, the BOPET film industry in China;
- unpredictable impact on the company’s revenue by price movements of crude oil in recent years;
- uncertainty in our export due to trade protectionism around the world;
- uncertainty as to future profitability and our ability to obtain adequate financing for our planned capital expenditure requirements;
- uncertainty in our ability to develop and manufacture high value-added products for the new production line (thick film) to win in the competition;
- uncertainty as to our ability to continuously develop new BOPET film products and keep up with changes in BOPET film technology;
- risks associated with possible defects and errors in our products;
- uncertainty as to our ability to protect and enforce our intellectual property rights;

uncertainty as to our ability to attract and retain qualified executives and personnel;
uncertainty as to our ability to attract and retain experienced financial reporting staff familiar with U.S. GAAP;
uncertainty in acquiring raw materials on time and on acceptable terms;
adverse effect on our business caused by adjustment of economic structure regulations of the Chinese government;
adverse effect on our business caused by the uncertainty in economic recovery of major developed countries; and
adverse effect on our business caused by extreme climate changes.

These risks, uncertainties and assumptions are not exhaustive. Other sections of this Annual Report include additional factors which could adversely impact our business and financial performance. The forward-looking statements contained in this Annual Report speak only as of the date of this annual report or, if obtained from third-party studies or reports, the date of the corresponding study or report, and are expressly qualified in their entirety by the cautionary statements in this Annual Report. Since we operate in an emerging and evolving environment and new risk factors and uncertainties emerge from time to time, you should not rely upon forward-looking statements as predictions of future events. Except as otherwise required by the securities laws of the United States, we undertake no obligation to update or revise any forward-looking statements to reflect events or circumstances after the date of this Annual Report or to reflect the occurrence of unanticipated events.

INTRODUCTION

This annual report on Form 20-F includes our audited consolidated financial statements as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013.

Our ordinary shares are listed on the Nasdaq Capital Market, or NASDAQ, under the symbol “FFHL”.

Except as otherwise required and for purposes of this Annual Report only:

“Fuwei”, “Company”, “us”, “our” or “we” refer to Fuwei Films (Holdings) Co., Ltd. The term “you” refers to holders of our ordinary shares.

“China” or “PRC” and the “Chinese government” refer to the People’s Republic of China and its government. All references to “Renminbi,” or “RMB” are to the legal currency of China, all references to “U.S. dollars,” “dollars,” “\$” or “US\$” are to the legal currency of the United States and all references to “Hong Kong dollars” or “HK\$” are to the legal currency of Hong Kong. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

“BOPET” refers to the Biaxially Oriented Polyester Film.

CURRENCIES AND EXCHANGE RATES

We publish our financial statements in Chinese Yuan (“Renminbi” or “RMB”). In this annual report on Form 20-F, references to “U.S. dollars” or “\$” are to the currency of the United States and references to “RMB” are to the currency of China.

Solely for your convenience, certain RMB amounts in this annual report have been translated into U.S. dollars. The rate of translation is based on the noon buying rate for Chinese Yuan in New York City as certified for custom purposes by the Federal Reserve Bank of New York on the various dates specified where the translations are set forth in this annual report. References to the “noon buying rate” in this annual report refer to this rate. These translations should not be taken as assurances that the RMB amounts actually represent these U.S. dollar amounts or that they were or could have been converted in U.S. dollars at the rate indicated or at any other rate. The noon buying rate was US \$1.00 = RMB6.4778 on December 31, 2015.

The following table sets forth various information concerning exchange rates between the Renminbi and the U.S. dollar for the periods indicated. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in this Annual Report or will use in the preparation of our other periodic reports or any other information to be provided to you. The source of these rates is the Federal Reserve Bank of New York.

| | Average | High | Low | Period-end |
|-------------------------------|---------|--------|--------|------------|
| 2010 ⁽¹⁾ | 6.7788 | 6.8336 | 6.5820 | 6.6118 |
| 2011 ⁽¹⁾ | 6.4630 | 6.6364 | 6.2939 | 6.2939 |
| 2012 ⁽¹⁾ | 6.3088 | 6.3879 | 6.2221 | 6.2301 |
| 2013 ⁽¹⁾ | 6.1478 | 6.2438 | 6.0537 | 6.0537 |
| 2014 ⁽¹⁾ | 6.1620 | 6.2591 | 6.0402 | 6.2046 |
| 2015 ⁽¹⁾ | 6.2827 | 6.4896 | 6.1870 | 6.4778 |
| November 2015 ⁽²⁾ | 6.3640 | 6.3945 | 6.3180 | 6.3883 |
| December 2015 ⁽²⁾ | 6.4491 | 6.4896 | 6.3883 | 6.4778 |
| January 2016 ⁽²⁾ | 6.5726 | 6.5932 | 6.5219 | 6.5752 |
| February 2016 ⁽²⁾ | 6.5501 | 6.5795 | 6.5154 | 6.5525 |
| March 2016 ⁽²⁾ | 6.5027 | 6.5500 | 6.4480 | 6.4480 |
| April 2016 ^{(2) (3)} | 6.4776 | 6.4776 | 6.4776 | 6.4776 |

(1) Annual averages are calculated by averaging the rates on the last business day of each month during the relevant period.

(2) Monthly average is calculated by averaging the daily rates during the relevant period.

(3) As of April 1, 2016, the exchange rate was 6.4776.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information**A. Selected financial data.**

The following selected financial data should be read in conjunction with Item 5 - the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Financial Statements and Notes thereto included elsewhere in this Annual Report.

The following selected historical statement of income data for the years ended December 31, 2015, 2014 and 2013 and the selected historical balance sheet data as of December 31, 2015 and 2014 have been derived from the Company’s audited consolidated financial statements included in this Annual Report beginning on page F-1. The following selected historical statement of income data for the years ended December 31, 2012 and 2011, and the selected historical balance sheet data as of December 31, 2013, 2012 and 2011 have been derived from the Company’s audited financial statements not included in this Annual Report. The audited financial statements are prepared and presented in accordance with United States generally accepted accounting principles, or U.S. GAAP.

Certain factors that affect the comparability of the information set forth in the following table are described in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and the Financial Statements and related notes thereto included elsewhere in this Annual Report.

| | For the year ended December 31, | | | | | |
|---------------------------------------|---------------------------------|----------|-----------|-----------|-----------|----------|
| | 2015 | | 2014 | 2013 | 2012 | 2011 |
| (in thousands, except per share data) | RMB | US\$ | RMB | RMB | RMB | RMB |
| Statement of Operations Data: | | | | | | |
| Revenues | 248,862 | 38,418 | 284,464 | 304,950 | 372,866 | 537,645 |
| Gross (loss) profit | (4 |) (- |) (17,153 |) (15,425 |) (3,107 |) 85,472 |
| Operating (loss) income | (61,186 |) (9,445 |) (60,692 |) (64,394 |) (63,984 |) 30,736 |
| Interest expense | (8,333 |) (1,286 |) (12,486 |) (10,094 |) - | (10,227 |

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| | | | | | | |
|--|------------|------------|------------|------------|------------|------------|
| (Loss) Income before income taxes | (62,068 |) (9,581 |) (72,084 |) (68,959 |) (62,164 |) 24,993 |
| Net (loss) income attributable to the Company | (69,065 |) (10,662 |) (71,327 |) (58,971 |) (54,427 |) 21,081 |
| (Loss) Earnings per share | | | | | | |
| Basic | (5.29 |) (0.82 |) (5.46 |) (4.51 |) (4.17 |) 1.61 |
| Diluted | (5.29 |) (0.82 |) (5.46 |) (4.51 |) (4.17 |) 1.61 |
| Weighted average number ordinary shares, Basic and diluted | | | | | | |
| Basic | 13,062,500 | 13,062,500 | 13,062,500 | 13,062,500 | 13,062,500 | 13,062,500 |
| Diluted | 13,062,500 | 13,062,500 | 13,062,500 | 13,062,500 | 13,062,500 | 13,062,500 |

| (in thousands) | Year Ended December 31, | | 2014 RMB | 2013 RMB | 2012 RMB | 2011 RMB |
|------------------------------------|----------------------------|--------|-------------|-------------|-------------|-------------|
| | 2015 RMB | US\$ | | | | |
| Balance Sheet Data: | | | | | | |
| Cash and cash equivalents | 14,355 | 2,216 | 9,020 | 11,578 | 5,006 | 44,172 |
| Accounts and bills receivable, net | 10,046 | 1,551 | 9,867 | 8,373 | 21,587 | 52,457 |
| Inventories | 29,574 | 4,565 | 24,034 | 38,454 | 34,291 | 41,774 |
| Total current assets | 124,602 | 19,235 | 120,084 | 134,613 | 123,915 | 281,904 |
| Property, plant and equipment, net | 431,021 | 66,538 | 482,534 | 524,777 | 233,335 | 277,119 |
| Total assets | 603,771 | 93,206 | 672,945 | 732,047 | &n | |