

Fuwei Films (Holdings), Co. Ltd.
Form 20-F
March 31, 2009

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, 2008

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

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)

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

Title of each class	Name of each exchange on which registered
Ordinary Shares	NASDAQ Global Market

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

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

As of March 30, 2009, 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

Indicate by check mark which financial statement item the registrant has elected to follow

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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:

- adverse effect on our business caused by the global financial crisis;
- competition in the BOPET film industry;
- growth of, and risks inherent in, the BOPET film industry in China;
- uncertainty as to future profitability and our ability to obtain adequate financing for our planned capital expenditure requirements;
- uncertainty in our ability to obtain additional funding in order to complete the construction of the new production line (thick film) project and begin production ;

- 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; and
- uncertainty in acquiring raw materials on time and on acceptable terms, particularly in view of the volatility in the prices of petroleum products in recent years.

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, 2007 and 2008 and for the years ended December 31, 2006, 2007 and 2008.

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

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

- “Fuwei”, “Company”, “us” or “we” refer to Fuwei Films (Holding) 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.

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, 2006, 2007 and 2008 and the selected historical balance sheet data as of December 31, 2007 and 2008 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 period from August 9, 2004 through December 31, 2004 and the year ended December 31, 2005 and the selected historical balance sheet data as of December 31, 2004, 2005 and 2006 have been derived from the Company’s audited financial statements not included in this Annual Report. The following selected historical statement of income data for the period from January 1, 2004 to October 26, 2004 and the selected historical balance sheet data as of October 26, 2004 have been derived from the audited financial statements of Fuwei Films (Shandong) Co., Ltd. (the “Predecessor Company”) 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.

	Predecessor Company		Fuwei Films (Holdings) Co., Ltd.				
	January 1 through October 26, 2004	August 9 through December 31, 2004	2005	2006	Year Ended December 31, 2007	2008	
(in thousands, except per share data)	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(US\$)
Statement of Income Data:							
Revenues, net	286,114	81,364	346,205	436,884	449,373	447,255	65,253
Gross profit	78,950	17,326	87,115	102,543	99,842	70,332	10,261
	68,326	12,403	65,999	78,017	64,266	24,604	3,590

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Operating income							
Interest expense	(7,291)	(1,370)	(13,747)	(12,884)	(13,233)	(3,995)	(583)
Income before income tax							
	61,557	13,811	57,069	68,422	51,941	21,123	3,082
Net income							
	61,531	14,099	57,128	67,665	47,260	18,157	2,649
Earnings per share							
Basic		18,287	74,096	61.46	3.62	1.39	0.20
Diluted		18,287	74,096	61.37	3.62	1.39	0.20
Weighted average number ordinary shares, Basic and diluted							
Basic	-	771	771	1,101,031	13,062,500	13,062,500	13,062,500
Diluted	-	771	771	1,102,488	13,062,500	13,062,500	13,062,500

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(in thousands)	Predecessor Company		Fuwei Films (Holdings) Co., Ltd				
	As of October 26, 2004 (RMB)	As of December 31, 2004 (RMB)	2005 (RMB)	2006 (RMB)	As of December 31, 2007 (RMB)		2008 (US\$)
Balance Sheet Data:							
Cash	12,144	5,903	7,427	249,939	30,909	15,823	2,308
Accounts receivable, net	39,542	25,460	46,129	75,530	58,195	38,579	5,628
Inventories	26,365	18,032	24,887	23,783	41,670	30,589	4,463
Total current assets	163,446	72,288	93,349	372,001	211,842	104,105	15,188
Property, plant and equipment, net	204,804	304,600	303,596	317,690	493,562	578,643	84,421
Total assets	383,532	407,005	440,361	738,082	738,975	739,904	107,949
Short-term bank loans	199,600	200,590	248,046	239,678	188,027	164,764	24,038
Total current liabilities	264,533	392,905	367,401	272,175	226,445	204,305	29,807
Total shareholders' equity	118,514	14,100	72,960	465,907	512,530	530,599	77,412

If our subsidiary, Fuwei Films (Shandong) Co. Ltd., or Shandong Fuwei was not entitled to a reduced enterprise income tax, or EIT, rate of 0% for the period year ended December 31, 2004, 2005 and 2006, and rate of 7.5% for the year ended December 31, 2007, it would have had an EIT rate of 15% for both of those years. Shandong Fuwei was entitled to preferential tax treatment at an EIT rate of 15% for the year ended December 31, 2008 due to its status as a High-and-New Tech Enterprise since December 2008. If Shandong Fuwei was no longer designated as such, it would have been subject to a standard enterprise income tax at a rate of 25%. Net income and basic and diluted earnings per share would be reduced by the following amounts if Shandong Fuwei was not entitled to a reduced EIT rate for the period/years 2004, 2005, 2006, 2007 and 2008:

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	Predecessor Company		Fuwei Films (Holdings) Co., Ltd				
	Jan. 1 through Oct. 26, 2004	Aug. 9 through December 31, 2004	2005	Year Ended December 31,			2008
(In thousands, except per share data)	(RMB)	(RMB)	(RMB)	2006 (RMB)	2007 (RMB)	2008 (RMB)	2008 (US\$)
Net income	(9,204)	(3,098)	(8,736)	(10,453)	(4,340)		