IWS

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

(Incorporated in the Cayman Islands with limited liability, stock code: 923)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2016

Annual Results

- Revenue decreased by 38% to HK$273.1 million
- Gross profit margin increased from 5.5% to 8.2%
- Loss attributable to equity shareholders of the Company was HK$104.1 million, a favourable change of 30% over FY2015
- Loss per share was HK2.2 cents (FY2015: HK4.2 cents)

The Board does not recommend the payment of any dividend for the year ended 31 March 2016.

Auditor's Qualified Opinion

The Auditor has informed the Company that they will issue a qualified opinion in the Auditor's report to the Shareholders. The full text of the basis for the qualified opinion is set out in this announcement.

Shareholders should read the Auditor's report which will be included in the 2016 Annual Report.

The board (the "Board") of directors (the "Directors") of Integrated Waste Solutions Group Holdings Limited (the "Company") would like to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2016. The audit committee of the Company (the "Audit Committee") has reviewed the results and the consolidated financial statements of the Group for the year ended 31 March 2016 prior to recommending them to the Board for approval.

I. AUDITOR'S QUALIFIED OPINION

The Auditor has informed the Company that they will issue a qualified opinion in the Auditor's report to the shareholders of the Company (the "Shareholders"). The basis of the Auditor's qualified opinion is extracted below:

Basis for qualified opinion

Our auditor's report dated 26 June 2015 on the Group's consolidated financial statements for the year ended 31 March 2015 was qualified, given the circumstances as described in note 2(a) to the consolidated financial statements in respect of the departure from International Financial Reporting Standard 10, Consolidated financial statements ("IFRS 10") and International Financial Reporting Standard 5, Non-current assets held for sale and discontinued operations ("IFRS 5").

Had the financial results of the De-consolidated Subsidiaries (as defined in the note 2(a)) been consolidated as required by IFRS 10 and IFRS 5, the Group would have consolidated and presented the financial results of the De-consolidated Subsidiaries as "Discontinued operations" until the date of disposal in July 2014 and the net cash flows attributable to operating, investing and financing activities of the discontinued operations prior to disposal would have been presented separately in the consolidated statement of cash flows.

Our auditor's report on the current year's consolidated financial statements is also modified because of the effect of this matter on the comparability of the current year's figures and the corresponding figures.

Qualified opinion

In our opinion, except for the effects on the corresponding figures of the matters described in the "Basis for qualified opinion" paragraph, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2016 and of the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Shareholders should read the Auditor's report which will be included in the 2016 Annual Report.

II. ANNUAL RESULTS

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2016
(Expressed in Hong Kong dollars)

	Note	**2016** **$'000**	2015 $'000
Revenue	3	**273,131**	443,542
Cost of sales		**(250,621)**	(419,207)
Gross profit		**22,510**	24,335
Other revenue	4	**6,980**	9,129
Other net loss	5	**(3,315)**	(4,403)
Selling and distribution expenses		**(48,175)**	(58,650)
Administrative and other operating expenses		**(90,489)**	(100,794)
Operating loss		**(112,489)**	(130,383)
Finance income	6(b)	**5,492**	3,119
Share of loss of joint venture		**(2,454)**	–
Loss before taxation		**(109,451)**	(127,264)
Income tax	7(a)	**–**	1,113
Indemnity receipt of tax in respect of prior years	7(b)	**–**	13,071
Loss from continuing operations		**(109,451)**	(113,080)
Discontinued operations			
Impairment loss on amounts due from De-consolidated Subsidiaries		**–**	(36,572)
Loss and total comprehensive income for the year		**(109,451)**	(149,652)

	Note	**2016** **$'000**	2015 $'000
Attributable to:			
Equity shareholders of the Company		**(104,078)**	(149,607)
Non-controlling interests		**(5,373)**	(45)
		(109,451)	(149,652)
Attributable to equity shareholders of the Company			
Continuing operations		**(104,078)**	(113,035)
Discontinued operations		**–**	(36,572)
		(104,078)	(149,607)
Basic and diluted loss per share	8		
Continuing operations		**(2.2) cents**	(3.2) cents
Discontinued operations		**–**	(1.0) cents
		(2.2) cents	(4.2) cents

Consolidated statement of financial position as at 31 March 2016
(Expressed in Hong Kong dollars)

	Note	**2016** **$'000**	2015 $'000
Non-current assets			
Property, plant and equipment		**734,786**	682,027
Land use rights		**32,431**	27,478
Interests in joint venture		**30,381**	–
Other receivables and prepayments		**17,656**	25,552
Finance lease receivables		**5,153**	–
		820,407	735,057
Current assets			
Inventories		**4,808**	6,086
Trade and bills receivables	10	**45,355**	77,436
Other receivables, deposits and prepayments		**35,052**	53,000
Finance lease receivables		**1,004**	–
Amount due from joint venture		**867**	–
Amounts due from related companies		**12**	12
Bank deposits and cash		**288,212**	455,869
Restricted and pledged bank deposits		**18,475**	2,225
Taxation recoverable		**3,076**	3,249
		396,861	597,877
Current liabilities			
Trade payables	11	**13,901**	20,223
Other payables and accruals	11	**52,061**	54,397
Amounts due to related companies		**10**	10
		65,972	74,630
Net current assets		**330,889**	523,247
NET ASSETS		**1,151,296**	1,258,304

	Note	**2016**	2015
		$'000	*$'000*
CAPITAL AND RESERVES			
Share capital	12	**482,234**	482,234
Reserves		**672,480**	774,115
Total equity attributable to equity shareholders of the Company		**1,154,714**	1,256,349
Non-controlling interests		**(3,418)**	1,955
TOTAL EQUITY		**1,151,296**	1,258,304

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1 General information

Integrated Waste Solutions 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 of recovered paper and materials, trading of tissue paper products, provision of confidential materials destruction services and provision of logistics services.

These consolidated financial statements are presented in Hong Kong dollars (HK$).

2 Summary of significant accounting policies

(a) Basis of preparation

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

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.

On 29 November 2011, the Company received a cash deposit of HK$120,000,000 (approximately RMB100,000,000) (the "Deposit"). 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 statement of financial position and the Company's statement of financial position 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 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 payment relating to the Incident 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 believed that it was almost impossible, and not practical, to ascertain the transactions and balances of Huizhou Fook Woo for inclusion in the consolidated financial statements of the Group.

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".

Given these circumstances, the directors have not consolidated the financial statements of the De-consolidated Subsidiaries in the Group's consolidated financial statements since 1 April 2011.

On 24 April 2014, the Company was informed by the liquidators of Wealthy Peaceful, that a sale and purchase agreement was entered into between Wealthy Peaceful and an independent third party pursuant to which Wealthy Peaceful agreed to dispose of the entire issued share capital of Golddoor at a consideration of HK$200,000,000 (the "Sale Transaction"). Golddoor was interested in the entire registered capital of Huizhou Fook Woo. Given these circumstances, the Group presented the amounts due from De-consolidated Subsidiaries as "assets and liabilities of disposal group classified as held for sale" which were measured at the lower of the carrying amounts and the estimated recoverable amount from the disposal of Golddoor at 31 March 2014. The Group recognised an impairment loss of the amounts due from De-consolidated Subsidiaries amounting to HK$431,638,000 for the year ended 31 March 2014 following the assessment of the recoverable amounts due from De-consolidated Subsidiaries.

On 27 June 2014, the liquidators of Wealthy Peaceful informed the Company that the purchaser had remitted the consideration and the Sale Transaction was completed in July 2014.

The exclusion of the results and cash flows of the De-consolidated Subsidiaries from the consolidated financial statements for the period prior to the completion of the Sale Transaction in July 2014 was a departure from the requirements of International Financial Reporting Standard 10 "*Consolidated financial statements*" ("IFRS 10") and International Financial Reporting Standard 5 "*Non-current assets held for sale and discontinued operations*" ("IFRS 5"). Given the loss of certain accounting books and records of Huizhou Fook Woo mentioned above, the Directors were unable to ascertain the financial impact of the non-consolidation of the De-consolidated Subsidiaries on the consolidated financial statements for the year ended 31 March 2015, which are included in the consolidated financial statements of the Group for the year ended 31 March 2016 as corresponding figures.

Except for the matters referred to above, including the non-consolidation of the De-consolidated Subsidiaries, the consolidated financial statements of the Group have been prepared in accordance with applicable International Financial Reporting Standards ("IFRSs"), promulgated by the International Accounting Standards Board ("IASB"), which include International Accounting Standards ("IAS") and related Interpretations. These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group:

– *Annual Improvements to IFRSs 2010-2012 Cycle*

– *Annual Improvements to IFRSs 2011-2013 Cycle*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRSs are discussed below:

Annual Improvements to IFRSs 2010-2012 Cycle and 2011-2013 Cycle

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, IAS 24, Related party disclosures has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosures as the Group does not obtain key management personnel services from management entities.

3 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 and materials: sale of recovered paper and materials

– Tissue paper products: sale of tissue paper products

– Confidential materials destruction service ("CMDS"): provision of confidential materials destruction services

– Logistics services: provision of logistics 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 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. The Group's revenue consists of the following:

	2016	2015
	$'000	*$'000*
Sale of recovered paper and materials	**235,686**	257,110
Sale of tissue paper products	**18,117**	173,241
Provision of CMDS	**16,692**	11,689
Provision of logistics services	**2,636**	1,502
	273,131	443,542

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:

	2016	2015
	$'000	*$'000*
Hong Kong	**273,131**	443,542

For the year ended 31 March 2016, revenue of approximately HK$77,844,000 is derived from an external customer which accounted for greater than 10% of the Group's total revenue.

For the year ended 31 March 2015, revenues of approximately HK$53,261,000 and HK$52,704,000 are derived from two external customers, each of which accounted for greater than 10% of the Group's total revenue.

All of the Group's non-current assets as at 31 March 2016 and 2015 are located in Hong Kong.

The segment results and other segment items included in the loss for the year ended 31 March 2016 are as follows:

	Recovered paper and materials *$'000*	**Tissue paper products** *$'000*	**CMDS** *$'000*	**Logistics services** *$'000*	**Group** *$'000*
Continuing operations					
Segment revenue:					
Sale to external customers	235,686	18,117	16,692	2,636	273,131
Inter-segment sale	–	–	–	20,211	20,211
Reportable segment revenue	235,686	18,117	16,692	22,847	293,342
Elimination of inter-segment revenue	–	–	–	(20,211)	(20,211)
	235,686	18,117	16,692	2,636	273,131
Segment results:					
Reportable segment profit	14,908	1,743	9,403	2,117	28,171
Elimination of inter-segment profits					(5,661)
Reportable segment profit derived from the Group's external customers					22,510
Unallocated operating costs					(134,999)
Finance income					5,492
Share of loss of joint venture					(2,454)
Loss for the year					(109,451)

The segment results and other segment items included in the loss for the year ended 31 March 2015 are as follows:

	Recovered paper and materials $'000	Tissue paper products $'000	CMDS $'000	Logistics services $'000	Group $'000
Continuing operations					
Segment revenue:					
Sale to external customers	257,110	173,241	11,689	1,502	443,542
Inter-segment sale	–	–	–	34,381	34,381
Reportable segment revenue	257,110	173,241	11,689	35,883	477,923
Elimination of inter-segment revenue	–	–	–	(34,381)	(34,381)
	257,110	173,241	11,689	1,502	443,542
Segment results:					
Reportable segment profit/(loss)	22,829	14,511	(3,691)	12,350	45,999
Elimination of inter-segment profits					(21,664)
Reportable segment profit derived from the Group's external customers					24,335
Unallocated operating costs					(154,718)
Finance income					3,119
Loss before taxation					(127,264)
Income tax					1,113
Indemnity receipt of tax in respect of prior years					13,071
Loss from continuing operations					(113,080)
Discontinued operations					
Impairment loss on amounts due from De-consolidated Subsidiaries					(36,572)
Loss for the year					(149,652)

4 Other revenue

	2016	2015
	$'000	*$'000*
Service income	**4,589**	1,304
Installation service income	**460**	–
Project income	**1,054**	586
Subsidy income	**528**	1,930
Franchise income	**–**	1,604
Recovered deposits	**–**	1,576
Management fee from an associate	**–**	1,305
Others	**349**	824
	6,980	9,129

5 Other net loss

	2016	2015
	$'000	*$'000*
Foreign exchange losses, net	**(981)**	(593)
(Loss)/gain on disposals of property, plant and equipment, net	**(634)**	1,069
Write off of property, plant and equipment	**(1,700)**	(4,879)
	(3,315)	(4,403)

6 Loss before taxation

Loss before taxation is arrived after charging/(crediting):

	2016	2015
	$'000	*$'000*
(a) Staff costs (excluding directors' emoluments)		
Salaries, wages and other benefits	**60,653**	80,912
Contributions to defined contribution retirement plan	**2,247**	3,114
Equity-settled share-based payment expenses	**2,443**	1,485
	65,343	85,511
Staff costs included in:		
– Cost of sales	**23,854**	33,959
– Selling and distribution expenses	**17,344**	22,209
– Administrative and other operating expenses	**24,145**	29,343
	65,343	85,511
(b) Finance income		
Interest income from banks deposits	**(3,404)**	(3,119)
Interest income from other deposits	**(247)**	–
Interest income from loans to joint venture	**(1,778)**	–
Finance lease income	**(63)**	–
	(5,492)	(3,119)
(c) Other items		
Amortisation of land use rights	**968**	852
Depreciation of property, plant and equipment	**36,518**	21,840
Impairment losses:		
– trade receivables (note 10)	**2,889**	(56)
– loan to and amount due from an associate (note)	**–**	5,613
Operating lease charges in respect of land and buildings	**19,217**	32,926
Cost of inventories sold	**181,985**	333,050
Auditor's remuneration:		
– Audit services	**2,000**	2,650
– Other services	**591**	1,234

Note: In January 2015, an associate of the Group announced to commence a voluntary liquidation. The Directors of the Group determined that the likelihood of recovering the loan to and amounts due from the associate of HK$5,613,000 was remote following the assessment of the recoverable amount of the loan to and amounts due from the associate. Accordingly, a full provision for impairment loss of HK$5,613,000 was made and charged to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2015.

In June 2015, the board of associate resolved that the associate entered into a voluntary liquidation.

7 Income tax

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2016	2015
	$'000	*$'000*
Current income tax – Hong Kong Profits Tax		
– Under provision in respect of prior years	**–**	3
Deferred tax		
– Origination and reversal of temporary differences	**–**	(1,116)
Income tax credit	**–**	(1,113)

No provision for Hong Kong Profits Tax for the years ended 31 March 2016 and 31 March 2015 has been made in respect of the subsidiaries in Hong Kong as either the tax losses brought forward from previous years exceed the estimated assessable profits for the year or the subsidiaries have no estimated assessable profits in Hong Kong.

(b) ***Indemnity receipt of tax in respect of prior years***

Mr. Leung Kai Kuen, the former director and one of the substantial shareholders of the Company and Ms. Tam Ming Luen, the then substantial shareholder of the Company, have entered into a deed of indemnity with the Group under which they 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, 2004/2005 and 2005/2006 tax years through the year of assessment 2009/2010.

Given the circumstances as disclosed in note 2 above and the uncertainties about the likelihood of recovering such payments from Mr. Leung Kai Kuen and Ms. Tam Ming Luen, the incremental tax liability was recorded as the Group's income tax liabilities as at 31 March 2012 and 31 March 2013 and charged to the profit or loss of the Group in the prior years despite the above mentioned indemnity arrangement.

On 15 April 2014, a total sum of HK$13,071,000 was received by the Group from Ms. Tam Ming Luen for full and final settlement of the above matter arrangement (the "Indemnity Receipt"). The Indemnity Receipt was recorded in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2015.

(c) ***Reconciliation between tax expense and loss before taxation at applicable tax rates:***

	2016	2015
	$'000	*$'000*
Loss before taxation	**(109,451)**	(127,264)
Tax calculated at tax rates of 16.5% (2015: 16.5%)	**(18,059)**	(20,998)
Tax effects of non-taxable income	**(1,005)**	(1,192)
Tax effects of non-deductible expenses	**3,708**	4,237
Tax effects of tax losses not recognised	**18,719**	16,043
Tax effect of utilisation of tax loss previously not recognised	**(273)**	–
Under-provision in respect of prior years	**–**	3
Others	**(3,090)**	794
Income tax credit	**–**	(1,113)

8 Basic and diluted loss per share

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

	2016	2015
	$'000	*$'000*
Loss attributable to the equity shareholders of the Company		
– Continuing operations	**(104,078)**	(113,035)
– Discontinued operations	**–**	(36,572)
	(104,078)	(149,607)
Weighted average number of ordinary shares:	***'000***	*'000*
Issued ordinary shares at 1 April	**4,822,334**	2,411,167
Effect of shares issued under the open offer (note 12(b))	**–**	1,105,118
Weighted average number of ordinary shares at 31 March	**4,822,334**	3,516,285
Basic loss per share		
– Continuing operations	**(2.2) cents**	(3.2) cents
– Discontinued operations	**–**	(1.0) cents
	(2.2) cents	(4.2) cents

The calculation of the basic and diluted loss per share is based on the loss attributable to equity shareholders of the Company from continuing and discontinued operations of approximately HK$104,078,000 and HK$Nil respectively (2015: HK$113,035,000 and HK$36,572,000 respectively) and on the weighted average number of 4,822,334,000 (2015: 3,516,285,000) ordinary shares in issue during the year.

Diluted loss per share

There were no outstanding dilutive instruments as at 31 March 2016 and therefore the diluted loss per share equals the basic loss per share.

The computation of diluted loss per share for the year ended 31 March 2015 does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price of shares during the prior year and the effect to loss per share is anti-dilutive.

9 Dividends

The Board does not recommend the payment of any dividend in respect of the year ended 31 March 2016 (2015: Nil).

10 Trade and bills receivables

	2016	2015
	$'000	*$'000*
Trade and bills receivables	**53,558**	82,750
Less: Provision for impairment (note 10(b))	**(8,203)**	(5,314)
Trade and bills receivables, net	**45,355**	77,436

(a) Ageing analysis

As at the end of the reporting period the ageing analysis of trade and bills receivables based on transaction date is as follows:

	2016	2015
	$'000	*$'000*
0 – 30 days	**35,840**	23,064
31 – 60 days	**2,104**	19,331
61 – 90 days	**14**	15,762
91 – 120 days	**1,585**	6,112
Over 120 days	**14,015**	18,481
	53,558	82,750
Less: Provision for impairment (note 10(b))	**(8,203)**	(5,314)
	45,355	77,436

Payment terms granted to customers are mainly cash on delivery or on credit. The average credit period ranges from 10 days to 90 days.

(b) Impairment of trade and bills receivables

Impairment losses in respect of trade and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivable directly.

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

	2016	2015
	$'000	*$'000*
At 1 April	**5,314**	5,370
Provision for/(reversal of) impairment loss recognised	**2,889**	(56)
At 31 March	**8,203**	5,314

As at 31 March 2016, trade receivables of approximately HK$8,203,000 (2015: HK$5,314,000) were impaired and fully provided for. The individually impaired receivables mainly related to smaller customers which were aged over 120 days and considered to be irrecoverable. The ageing analysis of these non-recoverable receivables based on due date is as follows:

	2016	2015
	$'000	*$'000*
Over 120 days	**8,203**	5,314

The movement of provision for impaired receivables have been included in "administrative and other operating expenses" in the consolidated statement of profit or loss and other comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(c) Trade and bills receivables that are not impaired

The ageing analysis of these trade and bills receivables that are neither individually nor collectively considered to be impaired are as follows:

	2016	2015
	$'000	*$'000*
Neither past due nor impaired	**22,973**	31,364
1 – 30 days	**14,072**	15,620
31 – 60 days	**929**	6,269
61 – 90 days	**622**	4,786
91 – 120 days	**3,898**	4,470
Over 120 days	**2,861**	14,927
	22,382	46,072
	45,355	77,436

As at 31 March 2016, trade receivables of approximately HK$22,382,000 (2015: HK$46,072,000) were past due but not impaired. These relate to a number of independent customers with no recent history of credit default. 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.

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

	2016	2015
	$'000	*$'000*
HK$	**37,909**	55,340
USD	**7,446**	22,096
	45,355	77,436

At 31 March 2016 and 2015, the fair values of the trade and bills receivables approximate their carrying amounts. The maximum exposure to credit risk at the end of each reporting period is the carrying value of the receivables. The Group does not hold any collateral as security.

11 Payables and accruals

	2016	2015
	$'000	*$'000*
Trade payables	**13,901**	20,223
Other payables and accruals:		
– Construction costs payable	**18,949**	16,420
– Accrued expenses	**20,215**	24,656
– Receipts in advance from customers	**1,963**	3,945
Amount due to non-controlling interest shareholders (note)	**1,100**	–
Others	**9,834**	9,376
	52,061	54,397
	65,962	74,620

Note: The amount due to non-controlling interest shareholders of a subsidiary of the Group is unsecured, interest free and repayable on demand.

(a) Ageing analysis

The ageing analysis of trade payables based on due date at the end of the reporting period is as follows:

	2016	2015
	$'000	*$'000*
Current	**5,005**	3,252
1 – 30 days	**3,480**	11,839
31 – 60 days	**1,085**	3,825
61 – 90 days	**5**	1
91 – 120 days	**27**	15
Over 120 days	**4,299**	1,291
	13,901	20,223

(b) ***The carrying amounts of payables and accruals are denominated in the following currencies:***

	2016	2015
	$'000	*$'000*
HK$	**64,012**	61,057
USD	**1,950**	13,563
	65,962	74,620

As at 31 March 2016 and 2015, the fair values of the trade and other payables approximate their carrying amounts.

12 Share capital

(a) ***Authorised share capital of the Company***

	2016	2015
	$'000	*$'000*
Authorised:		
5,000,000,000 ordinary shares of $0.10 each	**500,000**	500,000

(b) ***Issued share capital of the Company***

	Number of ordinary shares	**Amounts**
	'000	***$'000***
Issued and fully paid:		
At 1 April 2014	**2,411,167**	**241,117**
Shares issued under open offer (note)	**2,411,167**	**241,117**
At 31 March 2015, 1 April 2015 and 31 March 2016	**4,822,334**	**482,234**

Note: On 25 July 2014, the Company announced that it proposed to issue not less than 2,411,167,000 shares and not more than 2,424,216,600 shares of HK$0.10 each by way of an open offer issue in the proportion of one offer share for every one ordinary share then held by qualifying shareholders at a subscription price of $0.20 per offer share (the "Open Offer").

On 14 October 2014, the Company completed the Open Offer and issued 2,411,167,000 shares for gross proceeds of HK$482,233,000. The difference of HK$230,523,000, being the net proceeds of HK$471,640,000 (after deduction of related expenses of approximately HK$10,593,000) over the par value of shares issued of HK$241,117,000, has been credited to the share premium account of the Company).

These newly issued shares rank pari passu in all respects with the existing shares.

(c) Equity settled share-based transactions

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 eligible 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 quotation sheet of the business day on which an offer is made to an eligible participant;

– the average of the closing prices of the shares stated in the Stock Exchange's daily quotation 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.

On 25 April 2014, the Group announced that a total of 71,110,000 share options under the Share Option Scheme to subscribe for the Company's shares were granted, subject to acceptance of the grantees. Each share option shall entitle the holder to subscribe for one share upon exercise of such share option at an initial exercise price of $0.542 per share. These share options may be exercised from 25 July 2014 to 24 April 2020 (both dates inclusive) subject to the vesting periods.

Pursuant to the Share Option Scheme, the number of unexercised share options and exercise price may be subject to adjustment in case of alteration in the capital structure of the Company. On 14 October 2014, the Board announced that as a result of the completion of the Open Offer, adjustments have been made to the exercise price of the share options and the number of shares falling to be issued under the outstanding options granted under the Share Option Scheme. The adjustments (the "Adjustments") to the exercise price and the number of the shares falling to be issued under the outstanding share options took effect from 15 October 2014. As at 15 October 2014, the number of shares falling to be issued under the outstanding share options alter the Adjustments was 76,746,711 and the exercise price of the share options after the Adjustments was $0.444 per share.

The movements in the number of share options under the Share Option Scheme during the year were as follows:

Date of grant	Initial exercise price HK$	Exercisable period	Number of share options (after adjustment) Outstanding at 1 April 2015	Cancelled/lapsed during the year	Outstanding at 31 March 2016	Exercisable at 31 March 2016
Directors						
25 April 2014	0.542	25 July 2014 to 24 April 2020	53,223,422	(53,223,422)	–	–
Employees						
25 April 2014	0.542	25 July 2014 to 24 April 2020	17,248,781	(17,248,781)	–	–
Other eligible participants						
25 April 2014	0.542	25 July 2014 to 24 April 2020	3,955,138	(3,955,138)	–	–
			74,427,341	(74,427,341)	–	–

Vesting period:

– Tranche 1: 20% are exercisable form 25 July 2014 to 24 April 2020

– Tranche 2: 50% are exercisable from 25 April 2016 to 24 April 2020

– Tranche 3: 30% are exercisable from 25 April 2018 to 24 April 2020

Share option expenses charged to the profit or loss over the vesting period are determined using the binomial lattice model based on the following assumptions:

–	Fair value at measurement date	HK$0.190
–	Share price at measurement date	HK$0.328
–	Exercise price	HK$0.542
–	Expected volatility	52.10%
–	Expected average life of options	2.2 years
–	Expected dividend yield	0%
–	Risk-free interest rate (based on Exchange Fund Notes)	1.34%

The expected volatility is based on the historic volatility on comparable companies listed on the same stock exchange (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historic dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

The Group recognised expenses of HK$2,443,000 (2015: HK$5,534,000) related to equity settled share-based payment transactions during the year ended 31 March 2016.

In accordance with the terms of the Share Option Scheme, upon the making of a mandatory cash offers to all holders of the share options following the change in controlling shareholder of the Company on 21 December 2015, all share options that remained unexercised were deemed to be lapsed on 29 February 2016 and HK$24,000 was paid to the holders of share options by Prestige Safe Limited, a wholly-owned subsidiary of Chow Tai Fook (Holding) Limited, for the purchase of the share options.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The loss attributable to equity shareholders of the Company for the year ended 31 March 2016 ("FY2016") amounted to HK$104.1 million, a reduction in loss of HK$45.5 million when compared to the net loss of HK$149.6 million for the year ended 31 March 2015 ("FY2015"). The reduction in loss was partly due to the effort of the management to maintain all operating costs at a viable level and partly due to an impairment loss of HK$36.6 million recognised in FY2015 in respect of the disposal of Golddoor Company Limited ("Golddoor") by Wealthy Peaceful Company Limited (the then indirect wholly owned subsidiary of the Company which was dissolved on 2 April 2015) ("Wealthy Peaceful"), carried out by its joint and several liquidators (the "Liquidators").

On 24 April 2014, the Company was informed by the Liquidators of Wealthy Peaceful, that a sale and purchase agreement was entered into between Wealthy Peaceful and an independent third party (the "Purchaser") pursuant to which Wealthy Peaceful agreed to sell and the Purchaser agreed to purchase the entire issued share capital of Golddoor at a consideration of HK$200,000,000 (the "Sale Transaction"). Golddoor is interested in the entire registered capital of 惠州福和紙業有限公司 ("Huizhou Fook Woo", together with Wealthy Peaceful and Golddoor, the "De-consolidated Subsidiaries").

The Group's interests in the De-consolidated Subsidiaries have been classified as amounts due from the De-consolidated Subsidiaries under current assets in the consolidated statement of financial position of the Group since 31 March 2012.

In view of the sale and purchase agreement entered into between Wealthy Peaceful and the Purchaser, the Group presented the amounts due from the De-consolidated Subsidiaries as "assets and liabilities of disposal group as held for sale" which were measured at the lower of the carrying amounts and the estimated recoverable amount from the disposal of Golddoor as at 31 March 2014. Accordingly, the Group recognised impairment loss of the amounts due from the De-consolidated Subsidiaries amounting to HK$431.6 million in the financial year ended 31 March 2014 and HK$36.6 million in FY2015 following the assessment of the recoverable amounts due from the De-consolidated Subsidiaries. The Sale Transaction was completed on 10 July 2014 and the total consideration after deducting all necessary expenses was distributed to the Group by the Liquidators.

Performance of Business Segments

The recovery of the global economy remains sluggish and there is as yet no sign of a rebound in the overall beleaguered market growth. The recycling and environmental awareness is at an all-time high in the Mainland China as well as the rest of the World. Now the Mainland authorities are clamping down on industry that has added to the degradation of China's environment.

Under the crackdown namely "Green Fence" campaign, China has rejected hundreds of containers of waste it said were contaminated or improperly mixed with different types of scrap which are likely to end up in its landfills. The stricter scrutiny and implementation of stringent pollution control measures, have invariably slowed imports and raised their costs. The paper production industry in the Mainland, with threats to over-capacity and environmental costliness, is therefore no exception. This has invariably culminated the trading of recovered paper and tissue paper businesses of the Group all the more challenging in FY2016.

Revenue Analysis	**FY2016** *HK$'000*	FY2015 *HK$'000*	**Change** *HK$'000*	%
Sale of recovered paper	**209,998**	242,120	**(32,122)**	(13%)
Sale of tissue paper	**18,117**	173,241	**(155,124)**	(90%)
CMDS service income	**16,692**	11,689	**5,003**	43%
Logistics service income	**2,636**	1,502	**1,134**	75%
Sale of other waste materials	**25,676**	14,960	**10,716**	72%
Other revenue	**12**	30	**(18)**	(60%)
	273,131	443,542	**(170,411)**	(38%)

Sales revenue of **Recovered Paper** continued to be affected by the overall reduction in demand for recovered paper, especially in the PRC and coupled with a general decline in selling prices, the revenue of recovered paper has reduced to approximately HK$210.0 million, a drop of approximately HK$32.1 million or 13% when compared to FY2015. The average selling price per ton has decreased by 7% while the sales volume has decreased by 6%. The global economic slowdown, including but not limited to the PRC, has significantly reduced the sale of our recovered paper, given that the overall demand for recovered paper for producing packaging materials, newsprint, and other recycled products has a direct bearing on the general economic conditions after all.

The sales revenue of **Tissue Paper** dropped by HK$155.1 million or 90%. The market for tissue paper products is highly competitive in the PRC, Hong Kong and internationally. Our business strategy and growth is dependent on the continuing growth and demand for recycled paper products both internationally and in the PRC. As mentioned previously, the recent economic downturn has adversely impacted our tissue paper business which led to decreasing prices and sales volume. Moreover, the disposal of Golddoor and Huizhou Fook Woo, which was used to be our production base for recycled tissue products, had rendered us not able to maintain operating efficiency and economies of scale. The increase in the cost of production has weakened our competitiveness and led to a loss of market share.

Confidential Material Destruction Services ("CMDS") service income increased markedly by 43% or HK$5.0 million. The marked increase in CMDS service income was due mainly to the re-engineering of our value chain activities when delivering our exemplary CMDS product or service. We collect and destroy confidential materials from government departments, housing authority, banks, financial and other professional institutions in Hong Kong. Confidential materials that we destroy include confidential documents; branded products; counterfeit and storage media such as computer hard disks, credit cards, mobile SIM cards, etc.

The **Logistics** Division of the Group, consisting of order processing and transportation, primarily focuses on distribution logistics and provides supporting services to other business segments within the Group. During the current year, it has generated income of HK$2.6 million by providing services to other third parties, an increase of 75% when compared to FY2015, of which there are two contracts awarded by the HKSAR government for glass bottle collection from shopping malls, residential housing estates, schools and government facilities.

There was an increase of approximately HK$10.7 million in the revenue generated from the sale of **Other Waste Materials** in FY2016, represented an increase of 72% over FY2015. This was mainly related to the sale of High-density Polyethylene ("HDPE") recycled plastic flakes, which was the Group's first tapping into processing of other waste materials.

Gross Profit

The Gross Profit percentage of the Group for FY2016 has increased from 5.5% to 8.2% when compared to FY2015. The increase in gross profit margin was attributable to an on-going cost efficiency exercise to reduce the direct cost of sales.

Selling, Distribution and Administrative Expenses

Selling, distribution and administrative expenses amounted to a total of HK$138.7 million, representing a reduction of HK$20.8 million when compared to FY2015. The reduction in these expenditures was due to the cost control measures adopted by the management throughout the year.

Loss before Interest, Tax, Depreciation and Amortisation ("LBITDA")

Although the revenue of the Group has reduced substantially, LBITDA for the year has reduced by approximately HK$66.8 million to HK$77.5 million when compared to HK$144.3 million of FY2015. The reduction in LBITDA was mainly due to better cost controls and no impairment loss on amounts due from De-consolidated Subsidiaries was incurred in FY2016.

Liquidity and Financial Resources

The Group recognizes the need to achieve an adequate profit margin and considers that it is prudent to finance the Group's long-term growth by long-term financing, especially in the form of equity which will not increase the Group's finance costs. The Group also acknowledges that it will encounter difficulty in raising funds from financial institutions by way of debt financing in light of its recent financial performance and positions. During the current financial year, the Group had no financing exercise undertaken and all capital expenditure incurred was financed by internal resources.

As at 31 March 2016, the Group had unrestricted bank deposits and cash of approximately HK$288.2 million (2015: HK$455.9 million). The Group had no bank loans and overdrafts as at 31 March 2016 (2015: Nil).

As at 31 March 2016, the Group had net current assets of approximately HK$330.9 million, as compared to net current assets of approximately HK$523.2 million as at 31 March 2015. The current ratio of the Group was 6.0 as at 31 March 2016 as compared to 8.0 as at 31 March 2015.

Foreign Exchange Exposure

The Group mainly operates in Hong Kong with most of its sales denominated in Hong Kong dollars and United States dollars. Most of 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.

For the year ended 31 March 2016, the Group recorded a net foreign exchange loss of HK$1.0 million (2015: loss of HK$0.6 million) as a result of the gradual devaluation of Renminbi during the year. The Group has not used any forward contracts, currency borrowings or other means to hedge its foreign currency exposure.

Major Capital Expenditure and Commitments

During the current financial year, the Group incurred HK$77.0 million for the construction expenditure in respect of the new headquarter of the Group in Tseung Kwan O Industrial Estate, Hong Kong. As at 31 March 2016, the Group has capital commitments of HK$16.0 million, which are mainly related to the construction of new headquarter.

Pledge of Assets

As at 31 March 2016, the Group had restricted bank deposits amounted to HK$18.5 million (2015: HK$2.2 million) which were pledged with banks for issuing guarantees to suppliers to secure supply.

Capital Structure

Details of the capital structure of the Company are set out in Note 12.

Contingent Liabilities

At 31 March 2016, the Group has, upon legal advice, lodged certain claims against its former director and employee and the outcomes of which remain to be seen.

Relationship with Employees, Customers and Suppliers

Employees and Remuneration Policies

The Group had 207 employees in Hong Kong as at 31 March 2016. Employee costs, excluding directors' emoluments, amounted to HK$65.3 million for FY2016 (FY2015: HK$85.5 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 believes that, with proper training and guidance, people with intellectual disabilities can be capable, loyal and conscientious worker to contribute to society. In this respect, the Group has recruited several employees through Hong Chi On-the-Job Training Program. By providing job opportunities to people with intellectual disabilities, we can enhance their social integration and assist them in seeking open employment. The Group operates a defined-contribution mandatory provident fund retirement benefits scheme for its employees in Hong Kong. The Group did not experience any significant labour disputes that led to any disruption of its normal business operations.

The Company has also adopted a share option scheme on 11 March 2010 (the "Share Option Scheme"). On 25 April 2014, the Group announced that a total of 71,110,000 options under the Share Option Scheme to subscribe for the Company's shares are granted and a total of 65,248,000 options were accepted by the grantees. Each option shall entitle the holder to subscribe for one share upon exercise of such option at an initial exercise price of HK$0.542 per share. These options may be exercised from 25 July 2014 to 24 April 2020 (both days inclusive) subject to the vesting periods as stipulated in the offer letter.

On 29 February 2016, pursuant to the completion of mandatory cash offers from the controlling shareholder of the Company, 24,312,252 Share Options were tendered for cancellation under the Option Offer. All of the then remaining Share Options were lapsed automatically in accordance with the terms of the Share Option Scheme of the Company.

Customers

As a leading service provider in waste management solutions and confidential materials destruction service, the Group is cognizant of the significance of good customer relationship to the sustainable development and growth of our business. The Company is committed to provide the best quality service to its customers and all our frontline staff is made aware of putting due care and consideration with our customers. The Company has maintained a dedicated customer service team to handle customers' feedbacks and complaints according to laid down procedures.

Suppliers

The Group places great emphasis on a long-term and stable business relationship with key suppliers. The Group has established its own policy in the selection of suppliers and procurement process, in order to ensure that the services and products are being supplied to our standard within our budgeted costs. We shall aim to secure fair and mutually beneficial interests in all dealings with our suppliers.

PROSPECTS

The Group will continue to operate diligently its core businesses and look for opportunities to expand its revenue sources. In the long run, the results of the Group are likely to turn around due to the alleviation of the supply over demand situation in the paper making industry as a result of the more stringent environmental protection policies and elimination of obsolete production capacity. Moreover, the change in consumer behaviour from traditional high-street shopping to online shopping has also induced demand for packaging materials which will benefit the paper industry.

The increase in public awareness on personal data privacy protection has made producers of confidential materials to ensure that their information has been kept confidential and appropriately destroyed when necessary. We foresee the outsourcing to shredding service providers will be growing significantly in Hong Kong. We are the only local service provider which is "AAA" certified by the National Association for Information Destruction ("NAID") for plant-based operation (paper and non-paper media destruction) in Hong Kong. NAID is the international trade association for companies providing information destruction services. NAID AAA Certification verifies the qualifications of certified information destruction providers through a comprehensive scheduled and unannounced audit program. This rigorous process supports the needs of organizations around the world by helping them to meet numerous laws and regulations requiring protection of confidential customer information. With our high-grade destruction facilities and professional approach, we believe that our Confidential Materials Destruction Services ("CMDS") should outrun other competitors in this arena.

Looking ahead, we believe that the operating environment will remain challenging and the Group will continue to face severe competition. We shall maintain our focus on our core businesses, strictly control our operating costs as well as expand our revenue stream by tapping into other areas of solid waste management.

DIVIDEND

The Board does not recommend the payment of any dividend in respect of the year ended 31 March 2016 (2015: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 24 August 2016 to Tuesday, 30 August 2016 both days inclusive, during which no transfer of shares of the Company will be registered. In order to be eligible for attending and voting at the 2016 annual general meeting of the Company to be held on Tuesday, 30 August 2016, all completed transfer documents, accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 23 August 2016.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's share during the year ended 31 March 2016.

CORPORATE GOVERNANCE

Throughout the financial year ended 31 March 2016 and to the extent that it is reasonable and appropriate, the Company has been compliant with the code provisions and some of the recommended best practices as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules. The Company will continue improving its corporate governance that is conducive to the conduct and growth of its business, and reviewing its governance practices to ensure compliance with the regulatory requirements, thereby meeting 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. Following specific enquiries by the Company, all Directors have confirmed that they have complied with the Model Code throughout the year ended 31 March 2016.

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

The Company has also adopted written guidelines on no less exacting terms than the Model Code (the "Written Guidelines") for governing securities transactions by employees who are likely to be in possession of unpublished inside information of the Company or its securities. No incident of non-compliance of the Written Guidelines by any relevant employee was noted by the Company during the year ended 31 March 2016.

AUDIT COMMITTEE

The Audit Committee of the Company, which comprises four independent non-executive Directors, namely, Mr. Wong Man Chung, Francis (Chairman of the Audit Committee), Mr. Nguyen Van Tu, Peter, Mr. Chow Shiu Wing, Joseph and Mr. Yeung Kwok Ki, Anthony; and two non-executive Directors, namely, Mr. Cheng Chi Ming, Brian and Mr. Tsang On Yip, Patrick, has reviewed the consolidated financial statements of the Group for the year ended 31 March 2016 and discussed with the management of the Company on the accounting principles and practices adopted by the Group, risk management and internal controls and financial reporting matters.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended 31 March 2016. The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2016 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the Company (www.iwsgh.com). The annual report of the Company for the year ended 31 March 2016 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

By Order of the Board
Integrated Waste Solutions Group Holdings Limited
CHENG Chi Ming, Brian
Chairman

Hong Kong, 29 June 2016

As at the date of this announcement, the Board comprises three executive directors, namely, Messrs. SUEN Wing Yip, TAM Sui Kin, Chris and LAM King Sang; four non-executive directors, namely, Messrs. CHENG Chi Ming, Brian (Chairman), TSANG On Yip, Patrick, LAU Sai Cheong and TO Chun Wai; and four independent non-executive directors, namely, Messrs. NGUYEN Van Tu, Peter, CHOW Shiu Wing, Joseph, WONG Man Chung, Francis and YEUNG Kwok Ki, Anthony.