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)
(於開曼群島註冊成立之有限公司)

Stock code 股份代號 ： 923

*For identification purpose only 僅供識別

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CORPORATE INFORMATION

DIRECTORS

Non-executive directors

Mr. Cheng Chi Ming, Brian *(Chairman)*
Mr. Tsang On Yip, Patrick
Mr. Lau Sai Cheong

Executive directors

Mr. Suen Wing Yip *(Chief Executive Officer)*
Mr. To Chun Wai
Mr. Tam Sui Kin, Chris

Independent non-executive directors

Mr. Nguyen Van Tu, Peter
Mr. Chow Shiu Wing, Joseph
Mr. Wong Man Chung, Francis

BOARD COMMITTEES

Executive Committee

Mr. Suen Wing Yip *(Chairman)*
Mr. To Chun Wai
Mr. Tam Sui Kin, Chris

Audit Committee

Mr. Wong Man Chung, Francis *(Chairman)*
Mr. Cheng Chi Ming, Brian
Mr. Nguyen Van Tu, Peter
Mr. Chow Shiu Wing, Joseph

Remuneration Committee

Mr. Nguyen Van Tu, Peter *(Chairman)*
Mr. Tsang On Yip, Patrick
Mr. Chow Shiu Wing, Joseph
Mr. Wong Man Chung, Francis

Nomination Committee

Mr. Chow Shiu Wing, Joseph *(Chairman)*
Mr. Tsang On Yip, Patrick
Mr. Nguyen Van Tu, Peter
Mr. Wong Man Chung, Francis

COMPANY SECRETARY

Mr. Kot Koon Yue, Eric

AUTHORISED REPRESENTATIVES

Mr. Suen Wing Yip
Mr. Kot Koon Yue, Eric

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

Integrated Waste Solutions Building
8 Chun Cheong Street
Tseung Kwan O Industrial Estate
New Territories
Hong Kong

CORPORATE WEBSITE

www.iwsgh.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

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
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

CHAIRMAN'S STATEMENT

I am pleased to report that the efforts of your Company to position itself as a forerunner in integrated solid waste management has evolved with an encouraging and forward-looking strategy. On 31 March 2015, your Company, together with its German partner, ALBA Group Plc & Co. KG, was awarded a first-of-its-kind contract in Hong Kong for the treatment of Waste Electrical and Electronic Equipment (WEEE) by the HKSAR Government. The contract comprises of a design, construction, operation and maintenance of a treatment plant at the Ecopark, and a territory-wide collection and recycling of five specific types of WEEE items beginning in early 2017 for a period of not less than 10 years. Suffice it to say that the winning of this contract demonstrates the resolve and capacity of your Company to rank itself near the pinnacle of a local technology-led and quality waste management industry.

I am also very pleased to report that your Board of Directors remains very engaged in the oversight of the Company, and has played a very active role in the strategic planning process. In addition to Board meetings, individual Directors have committed time and energy to better understand and provide oversight of company-wide operations to ensure consistency of corporate governance. As you can appreciate, both in our meetings and onsite operational visits your Board maintains an especially keen focus and active oversight of risk management, expense management, technological development, as well as the linkage between overall business strategies and human resources strategies.

Building a work-culture focused on skills, service quality and customer centricity requires recruiting and retaining the best and brightest employees at every skill level. We support every effort to be an equal opportunity employer of choice in every market. We encourage building high morale through training, education, mobility, recognition, and competitive compensation and benefits, and we place special emphasis on gender equity. In this regard, the directors regularly meet with employees to listen and encourage high aspirations and promote long-term careers. In a further effort to add to the positive tone at the top, the Board of Directors has adopted a formal diversity policy as another best practice in corporate governance.

As I reflect on 2014, I am cognizant that the world is changing rapidly. Major trends and disruptors, including but not limited to technology and market movements, threaten to make the recycling industry and our Company less and less relevant unless we take deliberate measures. The status quo is no longer an option. As such, I believe we need to grasp new business opportunities by entering into new solid waste management spheres which have potential to generate sustainable revenue.

CHAIRMAN'S STATEMENT

As I write this statement of encouraging reflections, it is now 2015; oil prices are at their relatively low level in many years, Europe struggles to maintain financial balance, equity markets have slumped, interest rates remain low, and foreign exchange is a topic with daily surprises. Notwithstanding the headwinds, we are all at work on your behalf, ever cautious and vigilant, working with optimism toward long-range success to improve business wellness and provide more financial certainty in an often uncertain business environment. Moreover, I believe we can dynamically manage the different streams of solid waste hand in glove with our communities and non-profit making organizations to create positive social value for the benefit of our future generations.

On a personal note, I am pleased with the successful coming together of the business strategies your Board and management cadre have formulated and implemented over the past couple of years, our milestone accomplishments, and the momentum we have created together. I truly am honoured to have the support of a hard-working, energetic and far-sighted group of activist colleagues who have trusted me with the gravel. I believe the Company is appropriately positioned to be ready to deliver the disciplined and sustainable growth required to generate revenue and to retrench costs. Last but not least, I would like to thank our shareholders for their continued confidence and patience in the Company and our ability to deliver results over time.

Cheng Chi Ming, Brian
Chairman

Hong Kong, 26 June 2015

EXECUTIVE DIRECTORS

Chief Executive Officer

Mr. Suen Wing Yip, aged 55, is an Executive Director, Chief Executive Officer and the chairman of the executive committee of the Company. Joined the Company in March 2012, Mr. Suen also holds directorships in certain subsidiaries of the Company. He has over 25 years of experience in consumer goods and foodservice industry. From December 1985 to February 1999, Mr. Suen worked in A.S. Watson & Company Limited from marketing executive to director and general manager. From March 1999 to April 2003, Mr. Suen served as managing director of the ice-cream and frozen food division of Unilever Hong Kong Limited. From July 2003 to October 2006, Mr. Suen served as board executive director and general manager – sales and marketing of Tsit Wing International Holdings Limited. From January 2007 to May 2009, Mr. Suen served as director of food service division of Friesland Campina (Hong Kong) Ltd. Prior to joining the Company, he was a director of Wah Cheong Company Ltd. from June 2009 to December 2011. Mr. Suen holds a bachelor degree in marketing from the Washington State University, USA and a master degree in business administration from the University of Wisconsin, USA.

Chief Operating Officer

Mr. To Chun Wai, aged 59, is an Executive Director, Chief Operating Officer and a member of the executive committee of the Company. He joined the Company in April 2013, Mr. To also holds directorships in certain subsidiaries of the Company. He spent most of his career, beginning in 1974, with the Hong Kong Police, rising up the ranks to Assistant Commissioner of Police (Crime) overseeing crime operations and policies of the Hong Kong Police, until his retirement in 2011. He was awarded the Police Meritorious Service Medal in recognition of his long years of service and contribution to the Hong Kong society. From 2011 to 2012, he served as a part-time tutor in public administration at The University of Hong Kong. Mr. To has wide administrative and management experience and holds a master degree of public administration from The University of Hong Kong.

Chief Financial Officer

Mr. Tam Sui Kin, Chris, aged 50, is an Executive Director, Chief Financial Officer and a member of the executive committee of the Company. Joined the Company in July 2013, Mr. Tam also holds directorships in certain subsidiaries of the Company. He is a fellow member of the Association of Chartered Certified Accountants of the United Kingdom. Mr. Tam is responsible for the financial management, accounting and treasury functions of the Group. He began his career and completed his professional training in the United Kingdom. He had worked as an audit manager in Ernst & Young, Hong Kong before he joined one of the listed subsidiaries of New World Development Company Limited (stock code: 17) in 1996. Prior to joining the Group, he was the financial controller (infrastructure/contracting) of NWS Holdings Limited (stock code: 659). Mr. Tam holds a bachelor of arts honours degree in Accounting and has over 25 years of experience in auditing, accounting, project financing and financial management.

DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTORS

Chairman

Mr. Cheng Chi Ming, Brian, aged 32, is the Chairman, Non-executive Director and member of the audit committee of the Company. He joined the Group in January 2011. Mr. Cheng obtained a bachelor of science degree from Babson College in Massachusetts, U.S.A. in 2005. Mr. Cheng is an executive director of NWS Holdings Limited ("NWS"), a company listed on the main board of the Stock Exchange (stock code: 659) and a director of certain subsidiaries of NWS. He is also a non-executive director of Haitong International Securities Group Limited (stock code: 665), Wai Kee Holdings Limited (stock code: 610), Newton Resources Ltd. (stock code: 1231), and Beijing Capital International Airport Co., Ltd (stock code: 694) all of which are listed on the main board of the Stock Exchange. Mr. Cheng is a director of Sino-French Holdings (Hong Kong) Limited, Sino-French Energy Development Company Limited, The Macao Water Supply Company Limited and a director of a number of companies in China. From 2005 to 2007, Mr. Cheng worked as a research analyst in the Infrastructure and Conglomerates sector for CLSA Asia-Pacific Markets. He is the grandson of Dato' Dr. Cheng Yu Tung, who is a substantial shareholder of the Company.

Mr. Tsang On Yip, Patrick, aged 43, is a Non-executive Director and a member of both the remuneration committee and the nomination committee of the Company. He joined the Company in November 2012. Mr. Tsang obtained a bachelor's degree in Economics from Columbia College of Columbia University in New York, USA in 1994. Mr. Tsang is an executive director of Melbourne Enterprise Limited (a company listed on the main board of the Stock Exchange, stock code: 158), a non-executive director of Greenheart Group Limited (a company listed on the main board of the Stock Exchange, stock code: 94), a director of Cheng Yu Tung Foundation Limited and a director of Chow Tai Fook Enterprises Limited. Mr. Tsang's spouse is a granddaughter of Dato' Dr. Cheng Yu Tung, who is a substantial shareholder of the Company and a cousin of Mr. Cheng Chi Ming, Brian, who is a Non-executive Director and Chairman of the Company.

Mr. Lau Sai Cheong, aged 58, is a Non-executive Director of the Company. Joined the Company in July 2012, Mr. Lau acted as an Executive Director of the Company from 16 October 2012 to 8 March 2015 and has been re-designated to a Non-executive Director of the Company effective from 9 March 2015. He has over 30 years of experience in a wide variety of private and government projects in Hong Kong, China and around Asia. He is now working as a director (Technical Services) of NWS Infrastructure Management Limited, a subsidiary of NWS Holdings Limited (stock code: 659). From September 1981 to May 1992, Mr. Lau worked in three engineering consulting firms and two contractors responsible for the design and project management of various types of local and overseas projects. From June 1992 to August 1993, Mr. Lau worked in A. S. Watson & Company Limited handling their joint venture projects in China and factory production management in Hong Kong. Prior to joining the Company, Mr. Lau served in HKSAR Government from September 1993 to June 2012. Mr. Lau holds a bachelor of science honors degree in Electrical and Electronic Engineering from Aston University, United Kingdom. Mr. Lau is a Registered Professional Engineer and a member of Hong Kong Institution of Engineers.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Nguyen Van Tu, Peter, aged 71, is an Independent Non-executive Director of the Company, chairman of the remuneration committee of the Company, a member of the nomination committee and the audit committee of the Company. He joined the Group in June 2013. Mr. Nguyen is a senior counsel and was called to the Bar in England by the Honourable Society of the Middle Temple in 1970. He was an assistant crown counsel and crown counsel in the Legal Department of Hong Kong during the period from August 1970 to November 1974 and was in private practice as a barrister in Hong Kong subsequently for approximately twenty years. Mr. Nguyen was appointed as director of Public Prosecutions in the Legal Department of Hong Kong during the period from July 1994 to October 1997 and was the first Chinese to hold such position. Mr. Nguyen became a Queen's Counsel in 1995 and was appointed as a Judge of the Court of First Instance of the High Court, Hong Kong from February 1998 to April 2009. Currently, Mr. Nguyen is an independent non-executive director of Goldlion Holdings Limited (stock code: 0533), IPE Group Limited (stock code: 0929) and Combest Holdings Limited (stock code: 8190), all of which are listed companies in Hong Kong.

Mr. Chow Shiu Wing, Joseph, aged 43, is an Independent Non-executive Director of the Company, Chairman of the nomination committee of the Company, a member of the audit committee and the remuneration committee of the Company. He joined the Company in October 2013. He obtained a bachelor's degree in law from the City University of Hong Kong in 1996 and a Postgraduate Certificate in Laws from the University of Hong Kong in 1997. He was admitted as a solicitor of the High Court of Hong Kong in October 1999 and is now working as a partner in Maurice WM Lee Solicitors. Mr. Chow holds a number of professional and honorary appointments including being a member of the Appeal Panel (Housing) and the honorary legal advisor of the Hong Kong Brand Development Council.

Mr. Wong Man Chung, Francis, aged 50, is an Independent Non-executive Director of the Company, Chairman of the audit committee of the Company, a member of the remuneration committee and the nomination committee of the Company. He joined the Company in October 2013. He holds a Master Degree in Management conferred by Guangzhou Jinan University, the People's Republic of China. Mr. Wong is a fellow member of the Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants of the United Kingdom and the Hong Kong Institute of Certified Public Accountants, a Certified Tax Advisor of the Taxation Institute of Hong Kong and a member of the Society of Chinese Accountants and Auditors. He is a Certified Public Accountant (Practising) and has over 25 years of experience in auditing, taxation, management and financial advisory. Previously, Mr. Wong worked for KPMG, an international accounting firm, for 6 years and the Hong Kong Securities Clearing Company Limited for 2 years.

Mr. Wong is currently an independent non-executive director, the chairman of the audit committee and the remuneration committee as well as a member of the nomination committee of China Oriental Group Company Limited (stock code: 581); an independent non-executive director, the chairman of the audit committee and a member of the nomination committee and the remuneration committee of Wai Kee Holdings Limited (stock code: 610) and an independent non-executive director, the chairman of the audit committee and a member of the remuneration committee of Digital China Holdings Limited (stock code: 861). He was an independent non-executive director of eForce Holdings Limited (stock code: 943). Mr. Wong is the managing director of Union Alpha C.P.A. Limited and a director of Union Alpha CAAP Certified Public Accountants Limited, both being professional accounting firms, and a founding director and member of Francis M C Wong Charitable Foundation Limited, a charitable institution.

COMPANY SECRETARY

Mr. Kot Koon Yue, Eric joined the Company as General Manager of Legal Services in May 2012, and subsequently appointed as Chief Legal and Compliance Officer in September 2012. He is responsible for full spectrum of legal and compliance issues, ensure the Company is in line with the internal policy and relevant regulations. Mr. Kot has over 20 years of solid and professional experience in conveyancing and general legal services. From March 1991 to April 1994, Mr. Kot was a conveyancing manager in Edward Wong & Ng, Solicitors. From May 1994 to March 1997, he was a director of The Informatics. From March 1997 to August 2006, he was a manager of Wong and Poon, Solicitors. From August 2007 to July 2009, he served as a trainee solicitor in Kelvin Cheung and Co., Solicitors. Prior to joining the Company, he was an assistant solicitor in Kelvin Cheung and Co., Solicitors from October 2009 to May 2012. Mr. Kot is a solicitor of the High Court of Hong Kong and holds Bachelor Degree of Law respectively from Peking University and University of Wolverhampton, UK and a Master Degree of Arts in Economics from State University of New York, U.S.A.

GROUP OVERVIEW

It has been challenging and difficult for the Group during the year under review. The recovery of the global economy remains slow in general as does the market demand growth. The continual stringent control on the inspection of importing waste materials imposed by the Mainland authorities impacts the supply and demand of recyclables, in particular the supply of paper and its associated products, which in turn causes frequent and often volatile shifts in material prices and supply quantities. The Group has been facing intense market competition which results in further tightening of the profit margins of the Group's businesses.

FINANCIAL REVIEW

The loss attributable to equity shareholders of the Company for the year ended 31 March 2015 ("FY2015") amounted to HK$149.6 million, a decrease of HK$335.3 million when compared to the net loss for the year ended 31 March 2014 ("FY2014"). The improvement was due to an impairment loss of HK$431.6 million was recognised in FY2014 in respect of the disposal of Golddoor Company Limited ("Golddoor") by Wealthy Peaceful Company Limited (which was dissolved on 2 April 2015) ("Wealthy Peaceful"), an indirect wholly owned subsidiary of the Company, 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 balance sheet of the Group since 31 March 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

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 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 FY2014 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 had been distributed to the Group by the Liquidators.

Performance of Business Segments

	2015	2014	Change	
Revenue Analysis	**HK$'000**	HK$'000	**HK$'000**	%
Recovered Paper	**242,120**	264,431	**(22,311)**	(8%)
Tissue Paper	**173,241**	211,264	**(38,023)**	(18%)
CMDS service income	**11,689**	4,892	**6,797**	139%
Logistics service income	**1,502**	–	**1,502**	n/a
Sale of other materials	**14,990**	–	**14,990**	n/a
	443,542	480,587	**(37,045)**	(8%)

Sales revenue of **Recovered Paper** continued to be affected by the overall reduction in demand for recovered paper, especially in Mainland China. This trend, coupled with a general decline in selling prices, has impacted the revenue of recovered paper. Total sales revenue of recovered paper amounted to approximately HK$242.1 million, a drop of approximately HK$22.3 million or 8% when compared to FY2014. Moreover, the increase in the cost of sales in terms of soared labour costs and rental expenses has significantly reduced the gross profit margin of recovered paper sales.

MANAGEMENT DISCUSSION AND ANALYSIS

The sales revenue of **Tissue Paper** dropped by HK$38.0 million or 18%. The underlying causes for the drop included the market shakeout in Tissue Paper trading, dynamic movements by competitors, drop-off in usage, and strong HK dollars relative to other Asian currencies which, in turn, eroded the competitive position of the Group. In addition, the increase in the cost of purchase has also eaten into the gross profit margin.

Confidential Material Destruction Services ("CMDS") service income increased markedly by 139% or HK$6.8 million. The marked increase in CMDS service income was due mainly to the re-engineering of our value chain activities when delivering our valuable CMDS product or service.

The **Logistics** Division of the Group focuses on distribution logistics and provides supporting services to all business segments within the Group. During the current year, it has also generated income of HK$1.5 million by providing services to other third parties.

There was an increase of approximately HK$15.0 million in the revenue generated from the sales of other waste materials in FY2015.

In March 2015, the Group entered into an agreement with an independent third party to form a company with principal activity to process high-density polyethylene (HDPE) products, mainly plastic beverage bottles. Total investment cost amounted to HK$3.0 million representing 60% of the issued share capital of the investee company.

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 way of 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.

On 25 July 2014, the Company announced its proposal to issue not less than 2,411,167,000 shares and not more than 2,424,216,000 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 the qualifying shareholders at a subscription price of HK$0.20 per offer share (the "Open Offer").

The Open Offer was completed on 14 October 2014 and the Company issued 2,411,167,000 shares for gross proceeds of HK$482.2 million. The Company intends to apply the net proceeds of HK$471.6 million from the Open Offer (i) up to approximately HK$236.0 million to finance the capital expenditure of the new headquarter of the Group in Tseung Kwan O Industrial Estate, Hong Kong and other fixed assets; (ii) up to approximately HK$189.0 million to finance the expansion of the Group's waste management and logistics businesses and (iii) the remaining estimated net proceeds of approximately HK$46.6 million for general working capital purpose. As at 31 March 2015, (i) approximately HK$86.3 million has been utilised for capital expenditure of the headquarter in Tseung Kwan O and other fixed assets; (ii) approximately HK$11.0 million has been invested in/earmarked for new and potential waste recycling projects; and (iii) approximately HK$27.0 million for general working capital purposes. The remaining balance was deposited in the banks.

As at 31 March 2015, the Group had unrestricted bank deposits and cash of approximately HK$455.9 million (2014: HK$276.3 million). The Group had no bank loans and overdrafts as at 31 March 2015 (2014: Nil).

As at 31 March 2015, the Group had net current assets of approximately HK$523.2 million, as compared to net current assets of approximately HK$486.0 million as at 31 March 2014. The current ratio of the Group was 8.0 as at 31 March 2015 compared to 4.7 as at 31 March 2014.

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 2015, the Group recorded a net foreign exchange loss of HK$0.6 million (2014: gain of HK$2.0 million) as a result of the gradual devaluation of Renminbi since the beginning of 2014. 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 FY2015, the Group incurred HK$265.1 million for the construction expenditure in respect of the new headquarter of the Group in Tseung Kwan O Industrial Estate, Hong Kong ("Project TKO"). As at 31 March 2015, the Group has capital commitments of HK$60.3 million, which are mainly related to Project TKO.

Pledge of Assets

As at 31 March 2015, the Group had restricted bank deposits amounted to HK$2.2 million (2014: HK$2.4 million) which were pledged with banks for issuing guarantees to suppliers to secure supply of raw materials.

Capital Structure

Details of the capital structure of the Company are set out in note 23 to the consolidated financial statements.

Contingent Liabilities

At 31 March 2015, 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.

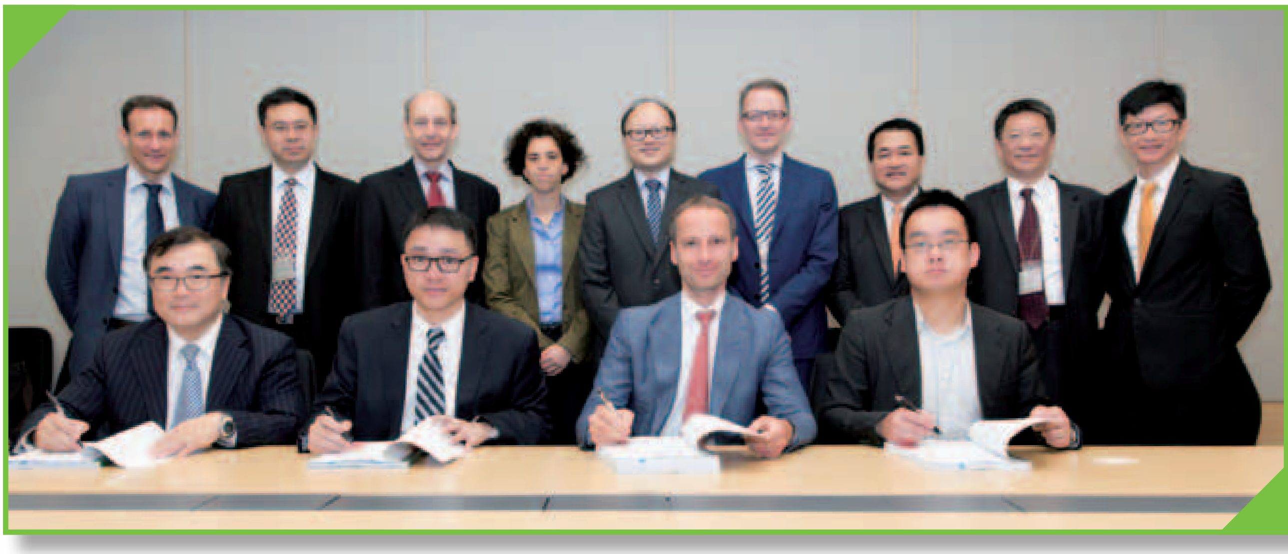
Employees and Remuneration Policies

The Group had employed approximately 272 employees in Hong Kong as at 31 March 2015. Employee costs, excluding directors' emoluments, amounted to HK$85.5 million for FY2015 (FY2014: HK$70.8 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 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 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 14 October 2014, the Company 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 share 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 were made on 15 October 2014. The number of shares falling to be issued under the outstanding share options as at 31 March 2015 was 74,427,341 and the exercise price of the share options after the Adjustment is HK$0.444 per Share.

PROSPECTS



Signing Ceremony of WEEE Project

In spite of the market trends and disruptors threatening to make the local recycling industry more and more challenging and competitive, the Group continues to operate diligently its core businesses in the collection and trading of recyclable waste materials; provision of confidential materials destruction services; and marketing and selling of tissue paper products in Hong Kong, Macau and other overseas countries. As said last year, the Group is determined to look towards the future instead of concentrating on the past. To this end, the Group has tailored its business strategies to see what works better in order to pull itself ahead of its competitors. The fact that the Group was awarded a ten-year *sui generis* Hong Kong Government contract for the treatment of waste electrical and electronic equipment in March 2015 adds testament to the Group's resolve and capacity to become a leading professional recycling industry in Hong Kong.

Understandable, the profit margin for this year was unsatisfactory. Nevertheless, now that the Group is on a path of sustained recovery and has re-launched itself by entering into new solid waste management spheres, the Group will work with optimism toward long-range success to improve business wellness and financial certainty. Furthermore, the Group will also keep up its effort to maintain all comparative running costs at a viable level, and reach out into other solid waste spheres where the Group believes they can bring the most benefit in the not too distant future. The Group will invest in its competence framework through which to develop, implement and optimize its material converting technologies in transforming recyclables into saleables. While a good way forward, much work remains to be done.

REPORT OF THE DIRECTORS

The Board hereby submits its annual report together with the audited consolidated financial statements of the Group for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries as at 31 March 2015 are set out in note 25 to the consolidated financial statements.

An analysis of the Group's performance for the year by operating segments is set out in note 5 to the consolidated financial statements.

RESULTS AND DIVIDEND

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 52.

The Board does not recommend the payment of any dividend in respect of the year ended 31 March 2015 (2014: Nil).

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 57 and in note 24 to the consolidated financial statements respectively.

DONATIONS

No charitable and other donations were made by the Group during the year (2014: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 23 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution comprise the share premium account and accumulated losses. As at 31 March 2015, the reserves of the Company available for distribution to the shareholders of the Company (the "Shareholders") amounted to approximately HK$1,126,657,000 (2014: HK$980,375,000).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 2 September 2015 to Tuesday, 8 September 2015, 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 2015 annual general meeting of the Company to be held on Tuesday, 8 September 2015, 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, 1 September 2015.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association (the "Articles of Association") or the laws of the Cayman Islands, which would oblige the Company to offer new shares of the Company on a pro-rata basis to existing Shareholders.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 134.

PURCHASE, SALE OR REDEMPTION OF SHARES

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 2015.

REPORT OF THE DIRECTORS

DIRECTORS

The Directors since 1 April 2014 to the latest practicable date prior to the printing of this report were:

Executive Directors
Mr. Suen Wing Yip
Mr. To Chun Wai
Mr. Tam Sui Kin, Chris

Non-executive Directors
Mr. Cheng Chi Ming, Brian *(Chairman)*
Mr. Tsang On Yip, Patrick
Mr. Lau Sai Cheong*

* Re-designated from Executive Director to Non-executive Director with effect from 9 March 2015

Independent non-executive Directors
Mr. Nguyen Van Tu, Peter
Mr. Chow Shiu Wing, Joseph
Mr. Wong Man Chung, Francis

Pursuant to Article 108 of the Articles of Association, Mr. Tam Sui Kin, Chris, Mr. Cheng Chi Ming, Brian and Mr. Lau Sai Cheong shall retire by rotation at the 2015 annual general meeting of the Company. All the above retiring Directors, being eligible, offer themselves for re-election, at the forthcoming annual general meeting of the Company.

The Directors being proposed for re-election at the forthcoming annual general meeting have no service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors has entered into a service contract with the Company for a term of three years from their respective date of appointment, which may terminated by serving not less than three to six months' notice in writing by either party as appropriate.

During the year ended 31 March 2015, Directors have no service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the existing Directors and senior management of the Company are set out on pages 5 to 8.

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of the Directors since the date of the 2014 Interim Report are set out below:

Mr. Suen Wing Yip (Executive Director)
On 12 March 2015, Mr. Suen and the Company entered into a service agreement for a term of three years from 16 March 2015. Pursuant to the service agreement, Mr. Suen is entitled to annual director's and authorised representative's fees of HK$420,000 and an annual salary of HK$2,990,000, which was determined with reference to the experience of Mr. Suen as well as the prevailing market conditions which is subject to review by the remuneration committee of the Company from time to time.

Mr. To Chun Wai (Executive Director)
Mr. To has been re-designated from Chief Strategic Officer to Chief Operating Officer of the Company with effect from 7 January 2015.

Mr. Tsang On Yip, Patrick (Non-executive Director)
Mr. Tsang was appointed as an executive director of Melbourne Enterprises Limited (a company listed on the main board of the Stock Exchange, stock code: 158) on 30 April 2015 and a non-executive director of Greenheart Group Limited (a company listed on the main board of the Stock Exchange, stock code: 94) on 4 June 2015.

Mr. Lau Sai Cheong (Non-executive Director)
On 7 January 2015, Mr. Lau was designated from Chief Operating Officer to Chief Technical Officer of the Company. Mr. Lau was then re-designated from executive Director to non-executive Director with effect from 9 March 2015. As a result of the re-designation, Mr. Lau ceased to be a member of the Executive Committee and the Chief Technical Officer of the Company effective from 9 March 2015.

REMUNERATION POLICY

During the year ended 31 March 2015, the remuneration policy for the Directors and senior management members of the Group was based on their experience, level of responsibility and general market conditions. Any discretionary bonus and merit payments were linked to the financial situation of the Group and the performance of each individual Director or senior management member of the Group. Details of the remuneration of the Directors and senior management member of the Group are set out in note 10 to the consolidated financial statements contained in this report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report of Directors and note 23 to the consolidated financial statements about the Company's share option scheme, at no time during the year was any right to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or minor children or exercised by any of them; or was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries entered into any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed under the section headed "Related Party Transactions and Connected Transactions" below, no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2015, the interests or short positions of the Directors and chief executive in the shares of the Company and underlying shares of the Company or any of, its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), which were required pursuant to: (a) Divisions 7 to 8 of Part XV of the SFO, to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange"); (b) section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 (the "Model Code") to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange, were as follows:

Long Positions in the ordinary shares of HK$0.10 each in the share capital of the Company ("Shares") and underlying Shares

Name of Directors	Capacity	Nature of interest	Interest in Shares	Interest in underlying Shares pursuant to share options	Approximate percentage of shareholding as at 31 March 2015
Suen Wing Yip	Executive Director	Personal	–	7,812,613	0.16%
To Chun Wai	Executive Director	Personal	–	6,103,604	0.13%
Tam Sui Kin, Chris	Executive Director	Personal	–	5,249,099	0.11%
Cheng Chi Ming, Brian	Non-executive Director	Personal	–	10,986,486	0.23%
Tsang On Yip, Patrick	Non-executive Director	Personal	–	8,789,189	0.18%
Lau Sai Cheong	Non-executive Director	Personal	–	6,591,892	0.14%
Nguyen Van Tu, Peter	Independent Non-executive Director	Personal	–	2,563,513	0.05%
Chow Shiu Wing, Joseph	Independent Non-executive Director	Personal	–	2,563,513	0.05%
Wong Man Chung, Francis	Independent Non-executive Director	Personal	–	2,563,513	0.05%

Details of Directors' interests in share options granted by the Company are set out under the heading "Directors' Rights to Acquire Shares or Debentures" below.

Save as disclosed above, as at 31 March 2015, none of the Directors or chief executive of the Company had registered an interest or a short position in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or recorded in the register required to be maintained by the Company under Section 352 of the SFO, or as otherwise notifiable to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Pursuant to the Company's share option scheme adopted by the shareholders of the Company on 11 March 2010 (the "Share Option Scheme"), the Company has granted to certain Directors options to subscribe Shares. Details of which as at 31 March 2015 were as follows:

				Number of Share Options						
Name of Directors	Date of Grant	Exercisable period	Exercise Price per Share (adjusted) HK$ *(Note 2)*	Outstanding options as at 01.04.2014	Granted and accepted	Exercised	Cancelled/ Lapsed	Adjustments *(Note 3)*	Outstanding options as at 31.03.2015	Approximate percentage of shareholding
Suen Wing Yip	25.04.2014	25.07.2014 – 24.04.2020	0.444	–	1,280,000	–	–	282,522	1,562,522	0.03%
	25.04.2014	25.04.2016 – 24.04.2020	0.444	–	3,200,000	–	–	706,307	3,906,307	0.08%
	25.04.2014	25.04.2018 – 24.04.2020	0.444	–	1,920,000	–	–	423,784	2,343,784	0.05%
To Chun Wai	25.04.2014	25.07.2014 – 24.04.2020	0.444	–	1,000,000	–	–	220,721	1,220,721	0.03%
	25.04.2014	25.04.2016 – 24.04.2020	0.444	–	2,500,000	–	–	551,802	3,051,802	0.06%
	25.04.2014	25.04.2018 – 24.04.2020	0.444	–	1,500,000	–	–	331,081	1,831,081	0.04%
Tam Sui Kin, Chris	25.04.2014	25.07.2014 – 24.04.2020	0.444	–	860,000	–	–	189,820	1,049,820	0.03%
	25.04.2014	25.04.2016 – 24.04.2020	0.444	–	2,150,000	–	–	474,549	2,624,549	0.05%
	25.04.2014	25.04.2018 – 24.04.2020	0.444	–	1,290,000	–	–	284,730	1,574,730	0.03%
Cheng Chi Ming, Brian	25.04.2014	25.07.2014 – 24.04.2020	0.444	–	1,800,000	–	–	397,297	2,197,297	0.05%
	25.04.2014	25.04.2016 – 24.04.2020	0.444	–	4,500,000	–	–	993,243	5,493,243	0.11%
	25.04.2014	25.04.2018 – 24.04.2020	0.444	–	2,700,000	–	–	595,946	3,295,946	0.07%
Tsang On Yip, Patrick	25.04.2014	25.07.2014 – 24.04.2020	0.444	–	1,440,000	–	–	317,838	1,757,838	0.04%
	25.04.2014	25.04.2016 – 24.04.2020	0.444	–	3,600,000	–	–	794,594	4,394,594	0.09%
	25.04.2014	25.04.2018 – 24.04.2020	0.444	–	2,160,000	–	–	476,757	2,636,757	0.05%

Name of Directors	Date of Grant	Exercisable period	Exercise Price per Share (adjusted) HK$ (Note 2)	Outstanding options as at 01.04.2014	Granted and accepted	Exercised	Cancelled/ Lapsed	Adjustments (Note 3)	Outstanding options as at 31.03.2015	Approximate percentage of shareholding
				Number of Share Options						
Lau Sai Cheong	25.04.2014	25.07.2014 – 24.04.2020	0.444	–	1,080,000	–	–	238,378	1,318,378	0.03%
	25.04.2014	25.04.2016 – 24.04.2020	0.444	–	2,700,000	–	–	595,946	3,295,946	0.07%
	25.04.2014	25.04.2018 – 24.04.2020	0.444	–	1,620,000	–	–	357,568	1,977,568	0.04%
Nguyen Van Tu, Peter	25.04.2014	25.07.2014 – 24.04.2020	0.444	–	420,000	–	–	92,702	512,702	0.01%
	25.04.2014	25.04.2016 – 24.04.2020	0.444	–	1,050,000	–	–	231,757	1,281,757	0.03%
	25.04.2014	25.04.2018 – 24.04.2020	0.444	–	630,000	–	–	139,054	769,054	0.02%
Chow Shiu Wing, Joseph	25.04.2014	25.07.2014 – 24.04.2020	0.444	–	420,000	–	–	92,702	512,702	0.01%
	25.04.2014	25.04.2016 – 24.04.2020	0.444	–	1,050,000	–	–	231,757	1,281,757	0.03%
	25.04.2014	25.04.2018 – 24.04.2020	0.444	–	630,000	–	–	139,054	769,054	0.02%
Wong Man Chung, Francis	25.04.2014	25.07.2014 – 24.04.2020	0.444	–	420,000	–	–	92,702	512,702	0.01%
	25.04.2014	25.04.2016 – 24.04.2020	0.444	–	1,050,000	–	–	231,757	1,281,757	0.03%
	25.04.2014	25.04.2018 – 24.04.2020	0.444	–	630,000	–	–	139,054	769,054	0.02%

Notes:

(1) These share options represent personal interest held by the relevant Directors as the beneficial owners.

(2) In accordance with the Share Option Scheme, the exercise price of the share options was adjusted from HK$0.542 per share to HK$0.444 per share on 15 October 2014 as a result of the Open Offer.

(3) Adjustments to the numbers of the outstanding share options were made on 15 October 2014 as a result of the Open Offer.

Save as disclosed above and in note 23 to the consolidated financial statements about the Share Option Scheme, at no time during the year was any right to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or minor children or exercised by any of them; or was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries entered into any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

Pursuant to the resolutions in writing passed by all shareholders of the Company on 11 March 2010, the Company adopted a share option scheme on 11 March 2010 (the "Share Option Scheme"). The purpose of the Share Option Scheme is to provide incentives to the Group's employees including the executive directors and non-executive directors and any advisers, consultants, suppliers, customers and agents (each "eligible participant"). The Board of Directors of the Company may, at any time within 10 years after the date of adoption of the Share Option Scheme, make an offer to any participant. The subscription price for shares granted pursuant to the Share Option Scheme shall be determined by the Board of Directors of the Company in its absolute discretion but shall not be less than the highest of:

- the closing price of the shares of the Company stated in the Stock Exchange's daily quotations sheet on the business day on which an offer is made to a participant;

- the average of the closing prices of the shares stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which such offer is made; and

- the nominal value of a share of the Company.

The total number of shares which may be issued upon exercise of all options granted under the Share Option Scheme must not, in aggregate, exceed 10% of the total number of shares in issue immediately following the completion of the Initial Public Offering and the capitalisation issue but excluding the effect of the over-allotment. The 10% limit may be refreshed with the approval by the shareholders. The maximum number of shares which may be issued upon exercise of all outstanding options granted, and yet to be exercised, under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the issued share capital of the Company from time to time.

The total number of shares issued and to be issued upon exercise of all options granted under the Share Option Scheme to each participant (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of issued shares of the Company. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company. In addition, if shares issued and to be issued upon exercise of all options granted under the Share Option Scheme (including options exercised, cancelled and outstanding) to a participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their associates, in any 12-month period (i) represent in aggregate more than 0.1% of the total number of shares in issue, and (ii) have an aggregate value, based on the closing price of the shares of the Company at the date of each grant, in excess of HK$5,000,000, the proposed grant of option must be approved by the shareholders of the Company in a general meeting.

An offer of options must be accepted within 30 days from the date of offer, upon payment of a consideration of HK$1 by the grantee. The exercise period of any option granted under the Share Option Scheme shall not be longer than 10 years from the date of grant of the relevant option. There is no minimum period for which an option must be held before the exercise of the option except otherwise imposed by the Board of Directors of the Company.

On 25 April 2014, the Board announced that a total of 71,110,000 options under the Share Option Scheme to subscribe for the Company's shares were granted, subject to the acceptance of the grantee(s). Of which, 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 (before adjustment). The share options granted and accepted are exercisable within the period from 25 July 2014 to 24 April 2020, subject to vesting period in three tranches as follows:

Tranche	Vesting Period
1	20% are exercisable from 25 July 2014 to 24 April 2020 (up to 20% of the share options granted are exercisable)
2	50% are exercisable from 25 April 2016 to 24 April 2020 (up to 70% of the share options granted are exercisable)
3	30% are exercisable from 25 April 2018 to 24 April 2020 (all share options granted are exercisable)

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 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 options took effect from 15 October 2014. As at 15 October 2014, the number of shares falling to be issued under the outstanding options after the Adjustments was 76,746,711 and the exercise price of the options after the Adjustments was HK$0.444 per share.

The total number of shares of the Company remains available for issue under the Share Option Scheme is 121,916,166 shares which represent approximately 2.528% of the issued share capital of the Company as at the date of this annual report.

Further particulars of the Share Option Scheme and movements of share options granted under the Share Option Scheme during the year are set out in note 23 to the consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 March 2015, the following persons (other than the Directors and chief executive of the Company) had interests or short positions of 5% or more in the Shares as recorded in the register required to be kept under Section 336 of the SFO:

Long Positions in the ordinary shares of HK$0.10 each in the share capital of the Company ("Share") and underlying Shares

Name of Shareholders	Note	Capacity	Number of Shares held*	% of the issued share capital of the Company
Dato' Dr. Cheng Yu Tung	1	Interest in controlled corporations	2,263,151,835(L)	46.93%
Chow Tai Fook Nominee Limited	1	Interest in controlled corporations	732,550,000(L)	15.19%
		Beneficial owner	1,530,601,831(L)	31.74%
Victory Day Investments Limited	1	Interest in a controlled corporation	732,550,000(L)	15.19%
Smart On Resources Ltd.	1	Beneficial owner	732,550,000(L)	15.19%
City Legend	2	Beneficial owner	785,100,000(L)	16.28%
Mr. Leung Kai Kuen	2	Interest in controlled corporations	785,100,000(L)	16.28%

* The letter "L" denotes the person's long position in the shares of the Company.

Notes:

1. 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.

2. Mr. Leung Kai Kuen was deemed to be interested in these 785,100,000 Shares which were held by City Legend International Limited ("City Legend"), a corporation wholly owned by Mr. Leung. The information is based on the historical record kept by the Company and taken into account the new Shares issued pursuant the open offer of the Company in October 2014.

Save as disclosed above, as at 31 March 2015, no person, other than the Directors whose interests and short positions are set out in the section headed "Directors' and Chief Executive's Interests or Short Positions in Shares and Underlying Shares" above, had any interest or short position in the Shares or underlying Shares of the Company as recorded in the register kept by the Company pursuant to Section 336 of the SFO.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of the Group's related party transactions and connected transactions for the year ended 31 March 2015 are set out in note 30 to the consolidated financial statements.

Connected Transaction

On 25 July 2014, the Company, Chow Tai Fook Nominee Limited ("CTF Nominee") and VMS Securities Limited entered into the Underwriting Agreement in respect of the Open Offer of 2,411,167,000 Offer Shares by the Company on the basis of one Offer Share for every one Share to the Qualifying Shareholders held on the Record Date at a subscription price of HK$0.2 per Offer Shares. The entering into of the Underwriting Agreement with CTF Nominee, who is a substantial shareholder of the Company, and the payment of the underwriting commission to CTF Nominee as one of the Underwriters constituted a connected transaction for the Company under Chapter 14A of the Listing Rules. The Open Offer completed on 14 October 2014. Pursuant to the Underwriting Agreement, CTF Nominee subscribed for 1,285,871,085 Offer Shares which were all the Offer Shares not taken up by the Qualifying Shareholders and the underwriting commission received by CTF Nominee of was approximately HK$5.8 million. Details of the connected transaction and meanings of the capitalized terms used herein this paragraph were set out in the prospectus of the Company dated 19 September 2014.

Continuing connected transactions which are exempted from the independent shareholders' approval requirement, but subject to the reporting and announcement requirements

The Group leased the premises situated at 3 Kui Sik Street, Fanling, New Territories (the "Fanling Property") for industrial and ancillary accommodation purposes and as the Group's headquarters in Hong Kong from E&I Development Limited ("E&I") from 1 April 2009 to 30 September 2014. The Fanling Property has a gross floor area of 4,369 sq.m. On 18 March 2009, Fook Woo Waste Paper Company Limited (now known as "IWS Waste Management Company Limited"), a member of the Group, entered into a tenancy agreement with E&I for a term of three years commencing from 1 April 2009 at a monthly rental of HK$250,000 (exclusive of management fees and government rates). E&I is 50% owned by the Astoria Group Ltd. ("Astoria") and 50% by the Inter-Oriental Investments Ltd. ("Inter-Oriental"), both of which hold the issued shares in E&I on trust for Mr. Leung Ting Yu (in the case of Astoria) and Ms. Leung Hoi Ying (in the case of Inter-Oriental) respectively. As Mr. Leung Ting Yu and Ms. Leung Hoi Ying are the son and the daughter of Mr. Leung Kai Kuen, a former Director and one of the substantial shareholders of the Company, they are therefore connected persons of the Company. The agreement was renewed on 11 July 2011 and effective on 1 April 2012 at a monthly rental fee of HK$275,000, and expired on 30 September 2014. The total rental fees paid by the Group for the financial year ended 31 March 2015 amounted to HK$1,650,000.

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that the transactions had been entered into:

– in the ordinary and usual course of business with the Group;

– either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and

– in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules", issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued a letter containing his findings and conclusions in respect of the above continuing connected transaction in accordance with paragraph 14A.56 of the Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, save as otherwise disclosed below, none of the Directors is considered to have interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

On 11 March 2010, each of the former controlling shareholders of the Company including City Legend, Trump Max International Investment Limited ("Trump Max"), Mr. Leung Kai Kuen and Ms. Tam Ming Luen (the "Controlling Shareholders"), entered into a deed of non-competition (the "Deed of Non-Competition") with the Company pursuant to which each of the Controlling Shareholders has individually, jointly, unconditionally and irrevocably undertaken and represented to the Company and each member of the Group that, among other things, he/she/it will not, and will procure that his/her/its associates will not, engage directly or indirectly in businesses which will or may compete with the business carried on or to be carried on by the Group.

Trump Max and Ms. Tam Ming Luen ceased to be Controlling Shareholders after Trump Max transferred all of its shares of the Company to City Legend on 11 July 2011. To the best knowledge and belief of the Directors, City Legend and Mr. Leung Kai Kuen also ceased to be the Controlling Shareholders after the open offer completed in October 2014.

As at the latest practicable date prior to printing of this report, City legend and Mr. Leung Kai Kuen did not provide an annual declaration on its/his compliance with the undertakings contained in the Deed of Non-Competition undertaken by them for the period when it/he remained as the Controlling Shareholder.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company and the Group was entered into or existed during the year.

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of purchases for the year attributable to the Group's major suppliers are as follows:

– the largest supplier	47%
– five largest suppliers in aggregate	55%

The percentages of sales for the year attributable to the Group's major customers are as follows:

– the largest customer	12%
– five largest customers in aggregate	42%

None of the Directors, their associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in these major suppliers or customers.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and known to the Directors, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares as at the latest practicable date prior to the issue of this report.

VOLUNTARY LIQUIDATION OF WEALTHY PEACEFUL COMPANY LIMITED

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. The liquidation of Wealthy Peaceful effectively carved out its wholly owned subsidiaries, namely Golddoor Company Limited and 惠州福和紙業有限公司 ("Huizhou Fook Woo") from the existing structure of the Group.

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 Huizhou Fook Woo. The Sale Transaction was completed on 10 July 2014.

EVENTS AFTER THE REPORTING PERIOD

Proposed Adoption of Dual Foreign Name

On 26 June 2015, the Board of Directors proposed to adopt the Chinese name "綜合環保集團有限公司" as the dual foreign name of the Company (alongside with the Company's English name).

The proposed adoption of the dual foreign name of the Company is subject to (a) the passing of a special resolution by the shareholders of the Company at the forthcoming annual general meeting; and (b) the approval and registration of the dual foreign name of the Company by the Registrar of the Companies of the Cayman Islands. The adoption of the dual foreign name of the Company shall take effect when the aforesaid conditions are fulfilled.

Dissolution of Wealthy Peaceful Company Limited

On 30 March 2015, the Liquidators notified that the voluntary winding up of Wealthy Peaceful Company Limited ("Wealthy Peaceful), an indirect wholly owned subsidiary of the Company, had been completed. Wealthy Peaceful was dissolved on 2 April 2015.

Except for matters disclosed elsewhere in this annual report, the Group had no other events subsequent to the end of the reporting period to disclose.

REVIEW OF THE AUDITED FINANCIAL STATEMENTS BY AUDIT COMMITTEE

The audit committee of the Company comprises three independent non-executive directors and a non-executive director with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the Board. The audit committee has reviewed the audited consolidated financial statements for the year ended 31 March 2015.

AUDITOR

KPMG has been appointed as the auditor of the Company since the annual general meeting held on 21 June 2013.

The consolidated financial statements for the year ended 31 March 2015 were audited by KPMG. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Cheng Chi Ming, Brian
Chairman
Hong Kong, 26 June 2015

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

Throughout the financial year ended 31 March 2015 and to the extent that it is reasonable and appropriate, the Company has been compliant with the Corporate Governance Code (the "CG Code") and the recommended best practices as set out in Appendix 14 to the Listing Rules. Since the last annual review, the Company has, in order to strengthen its overall corporate governance and without prejudice to the principles of the "CG Code", introduced three manuals by which the Company is directed and controlled focusing, in particular, on risk management, internal communication, and internal control mechanisms. The manuals, subject to regular review from time to time by the Board of Directors, stipulate for staff compliance the necessary policies and instructions on corporate governance, finance accounting, human resources and administration. 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.

BOARD OF DIRECTORS

The Board, led by the Chairman of the Company, is responsible for the leadership and control of the Company and overseeing the Group's businesses, strategic decisions and performance. The Board has delegated, by way of clear direction and remit, to the senior management of the Company the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and delegated to these committees various responsibilities as set out in their respective terms of reference.

The Board reserved its decision for all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information (including but not limited to annual and interim results), appointment of directors and other significant financial and operational matters.

The Board delegated a schedule of responsibilities to the senior management of the Company. These responsibilities include implementing decisions of the Board, directing and coordinating day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board, formulating and monitoring the operational and production plans, budgets, and control systems.

The Board currently comprises nine directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors as follows:

Executive Directors
Mr. Suen Wing Yip
Mr. To Chun Wai
Mr. Tam Sui Kin, Chris

Non-executive Directors
Mr. Cheng Chi Ming, Brian *(Chairman)*
Mr. Tsang On Yip, Patrick
Mr. Lau Sai Cheong (Re-designated from an executive Director to a non-executive Director with effect from 9 March 2015)

Independent non-executive Directors
Mr. Nguyen Van Tu, Peter
Mr. Chow Shiu Wing, Joseph
Mr. Wong Man Chung, Francis

BOARD COMPOSITION

The following chart illustrates the current structure and membership of the Board as well as the Board committees as at 31 March 2015:

	Board Committees			
Directors	**Executive Committee**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**
Mr. Suen Wing Yip	Chairman			
Mr. To Chun Wai	Member			
Mr. Tam Sui Kin, Chris	Member			
Mr. Cheng Chi Ming, Brian		Member		
Mr. Tsang On Yip, Patrick			Member	Member
Mr. Lau Sai Cheong				
Mr. Nguyen Van Tu, Peter		Member	Chairman	Member
Mr. Chow Shiu Wing, Joseph		Member	Member	Chairman
Mr. Wong Man Chung, Francis		Chairman	Member	Member

Chairman and Chief Executive Officer

The positions of the Chairman and the Chief Executive Officer are currently held by separate individuals for the purpose of ensuring an effective segregation of duties and a balance of power and authority, and they are Mr. Cheng Chi Ming, Brian and Mr. Suen Wing Yip respectively.

The roles of the Chairman and Chief Executive Officer are as follows:

- The Chairman provides leadership and is responsible for the effective functioning and leadership, with good corporate governance practices and procedures.

- The Chief Executive Officer is responsible for administering and managing the Group's business and internal controls, including the implementation of major strategies and initiatives decreed and delegated by the Board.

Non-executive Directors and Independent Non-executive Directors

Each of the non-executive Directors and the independent non-executive Directors possesses different business experience, knowledge and professional background. The Board has met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing one-third of the Board with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

The Board has received a written annual confirmation from each existing independent non-executive Director of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all existing independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee. Through participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on various Board committees, all independent non-executive Directors are contributory to the effective running of the Company.

The list of Directors (by category) is set out above and disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The biographical details of the existing Directors and the relationships among the members of the Board are disclosed under the section headed "Directors and Senior Management" in this annual report.

DIRECTORS' APPOINTMENT AND DIRECTORS' RE-ELECTION

During the year ended 31 March 2015, each of the executive Directors, non-executive Directors and independent non-executive Directors was engaged for a term of three years commencing from their respective dates of appointment, and was subject to retirement by rotation and re-election pursuant to the Articles of Association.

According to the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every 3 years. Besides, any new Director appointed by the Board to fill a casual vacancy shall submit himself/herself for re-election by Shareholders at the first general meeting, and any new Director so appointed by the Board as an addition to the Board shall submit himself/herself for re-election by Shareholders at the next annual general meeting.

Pursuant to the aforesaid provisions of the Articles of Association, Mr. Tam Sui Kin, Chris, Mr. Cheng Chi Ming, Brian and Mr. Lau Sai Cheong all being existing Directors, shall retire at the forthcoming 2015 annual general meeting of the Company. The above said retiring Directors, being eligible, will offer themselves for re-election at the annual general meeting. The Company's circular, sent together with this annual report, contains detailed information of the above retiring Directors pursuant to the Listing Rules.

The procedures and process of appointment, re-election and removal of directors are laid down in the Articles of Association. The Nomination Committee is responsible for reviewing Board composition, developing and formulating procedures for nomination and appointment of directors, and assessing the independence of independent non-executive directors. Details of the Nomination Committee and its work performed are set out in the "Nomination Committee" section below.

DIRECTORS' ATTENDANCE RECORDS AT MEETING

The attendance of each Director at the Board meetings, certain committee meetings and general meetings during the year is as follows:

	Attended/Eligible to attend						
Name of Directors	Board Meetings	Executive Committee Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	Extraordinary General Meeting	Annual General Meetings
Executive Directors							
Mr. Suen Wing Yip	4/4	10/10	0/0	0/0	0/0	1/1	1/1
Mr. To Chun Wai	4/4	10/10	0/0	0/0	0/0	1/1	1/1
Mr. Tam Sui Kin, Chris	4/4	10/10	0/0	0/0	0/0	1/1	1/1
Non-executive Directors							
Mr. Cheng Chi Ming, Brian	4/4	0/0	3/3	0/0	0/0	1/1	1/1
Mr. Tsang On Yip, Patrick	4/4	0/0	0/0	1/1	1/1	1/1	1/1
Mr. Lau Sai Cheong *(Note)*	4/4	8/8	0/0	0/0	0/0	1/1	1/1
Independent Non-executive Directors							
Mr. Nguyen Van Tu Peter	4/4	0/0	3/3	1/1	1/1	1/1	1/1
Mr. Chow Shiu Wing, Joseph	3/4	0/0	3/3	1/1	1/1	1/1	1/1
Mr. Wong Man Chung, Francis	4/4	0/0	3/3	1/1	1/1	1/1	1/1

Note:

Mr. Lau Sai Cheong has been re-designated from executive Director to non-executive Director and ceased the membership of Executive Committee with effect from 9 March 2015.

DIRECTORS' TRAINING

All the Directors received an induction on appointment to ensure appropriate understanding of the business and operation of the Group, and full awareness of director responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The existing Directors were updated with changes in any legal and regulatory developments, and changes in business and market dynamics to facilitate the discharge of their responsibilities. From time to time, professional briefings by the relevant subject matter experts were arranged for the Directors through which to refresh their knowledge and skills.

All Directors are requested to provide the Company with their respective training records pursuant to the CG Code. Trainings received by each of the Directors during the year from 1 April 2014 to 31 March 2015 are summarized as follows:

	Areas of Training				
Name of Directors	**Corporate strategy and business**	**Law and regulatory compliance**	**Directors' duties/ governance practices**	**Risk management**	**Others**
Executive Directors					
Mr. Suen Wing Yip	✓	✓	✓	✓	
Mr. To Chun Wai	✓	✓	✓	✓	
Mr. Tam Sui Kin, Chris	✓	✓	✓	✓	
Non-executive Directors					
Mr. Cheng Chi Ming, Brian	✓	✓	✓	✓	
Mr. Tsang On Yip, Patrick	✓	✓	✓		
Mr. Lau Sai Cheong	✓		✓		
Independent Non-executive Directors					
Mr. Nguyen Van Tu, Peter	✓	✓	✓		✓
Mr. Chow Shiu Wing, Joseph	✓	✓	✓	✓	
Mr. Wong Man Chung, Francis		✓	✓	✓	✓

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

The Company has arranged appropriate liability insurance for Directors and officers covering the costs, losses, expenses and liabilities arising from the performance of their duties. The insurance policy covers legal action against its Directors and officers to comply with the requirement of the Code. During the year, no claim was made against any of the Directors and officers of the Company.

BOARD DIVERSITY POLICY

The Board recognizes the benefits of diversity of its members, and its Nomination Committee is therefore entrusted with the responsibility for identifying and recommending to the Board for endorsement suitably qualified individuals regardless of gender, age, and ethnicity to become members of the Board. As can be seen, the incumbents of the Board (including the executive Directors, non-executive Directors and independent non-executive Directors), are taken on strength by reference to their respective qualifications, experiences, skills, qualities, and characters that satisfy the requirements under Listing Rules 3.08 and 3.09. The Nomination Committee will continue to carry out its responsibility to identify and make best use of diverse talents for the long term good of the Company.

BOARD COMMITTEES

For the year ended 31 March 2015, the Board had four Board committees, namely, the Executive Committee, the Remuneration Committee, the Audit Committee and the Nomination Committee to oversee particular aspects of the Company's affairs. All Board committees were established with defined terms of reference. The updated terms of reference of the Audit Committee, Nomination Committee and Remuneration Committee are available on the websites of the Company and the Stock Exchange. All Board committees reported to the Board on their decisions and/or recommendation made.

The practices, procedures and arrangements in conducting the meetings of Board committees are in line with those of the Board meetings.

All Board committees are provided with sufficient resources to discharge their duties and are at liberty to seek independent professional advice as they see fit at the Company's expense.

All Directors and Board committee members are allowed to include matters in the agenda of the regular Board meetings and Board committees meetings.

During the year, the minutes of the Board and Board committee meetings were kept by the Company Secretary which are available for inspection by the relevant Directors. The minutes of the Board and Board committee meetings recorded sufficient details of matters considered and decisions reached. The draft and final version of the minutes were sent to all relevant Directors for comments and execution within a reasonable time after the Board and Board committee meetings.

EXECUTIVE COMMITTEE

As at 31 March 2015, the Executive Committee comprised of three executive Directors with Mr. Suen Wing Yip acting as its chairman. The Executive Committee operated as a general management committee under the direct authority of the Board to increase the efficiency for the business decisions. It monitored the execution of the Company's strategic plans and operations by all business units and decided on matters relating to the management and day-to-day operations of the Group.

AUDIT COMMITTEE

As at 31 March 2015, the Audit Committee comprised of four members, namely, Mr. Nguyen Van Tu, Peter, Chow Shiu Wing, Joseph and Wong Man Chung, Francis, being independent non-executive Directors and Mr. Cheng Chi Ming, Brian, being an non- executive Director. Mr. Wong Man Chung, Francis is the chairman of the Audit Committee and he possesses relevant accounting and financial management expertise. Mr. Wong is a Certified Public Accountant (Practising) and has over 25 years of experience in auditing, taxation, management and financial advisory.

The principal duties of the Audit Committee are to (i) review the financial statements and reports and consider any significant or unusual items raised by the staff responsible for the accounting and financial reporting function or external auditor before submission to the Board; (ii) review the relationship with the external auditor by making reference to the work performed by the auditor, their fees and terms of engagement, and by making recommendations to the Board on the appointment, re-appointment and removal of external auditor; and (iii) review the adequacy and effectiveness of the Company's financial reporting system, internal control system, and risk management system and associated procedures.

The Audit Committee is also responsible for performing the following corporate governance duties:

a. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

b. to review and monitor the training and continuous professional development of directors and senior management of the Company;

c. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

d. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Company; and

e. to review the Company's compliance with the CG Code as set out in Appendix 14 of the Listing Rules and disclosure in the corporate governance report in the annual report of the Company.

During the year ended 31 March 2015, the Audit Committee has performed the following major tasks:

- Review and discussion of the annual financial statements, annual results announcement, annual report, the related accounting principles and practices adopted by the Group and the relevant audit findings;

- Review and discussion of the interim financial report, interim results announcement, interim report and the related accounting principles and practices adopted by the Group;

- Review of the scope of audit work, auditor's fees and terms of engagement;

- Discussion and recommendation of the appointment of the external auditor;

- Review and discussion of the internal control system of the Group; and

- Review of the corporate governance practices of the Group.

During the year, the Audit Committee held two private meetings with the external auditor without the presence of any executive Directors or the management of the Company.

All issues raised by the Audit Committee are addressed and dealt with by the relevant members of the management team, and the work, findings and recommendations of the Audit Committee are reported to the Board. During the year ended 31 March 2015, there was no disagreement between the Board and the Audit Committee, and there was no issue of significant importance requiring disclosure in this Annual Report under the Listing Rules.

The Company has adopted a whistleblowing policy for its employees, customers, suppliers and other stakeholders through which to raise concerns about any suspected misconduct or malpractice within the Company. The Audit Committee is responsible for monitoring and reviewing the policy and recommendations for action resulting from the investigation into any such complaints.

REMUNERATION COMMITTEE

As at 31 March 2015, the Remuneration Committee comprised four members, namely, Mr. Tsang On Yip, Patrick, being non-executive Director, Mr. Nguyen Van Tu, Peter, Mr. Chow Shiu Wing, Joseph and Mr. Wong Man Chung, Francis, being independent non-executive Directors. Mr. Nguyen was the chairman of the Remuneration Committee.

The principal duties of the Remuneration Committee are to (i) make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management of the Company and the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) make recommendations on the remuneration packages of executive Directors and senior management; and (iii) review and approve performance-based remuneration by making reference to corporate goals and objectives handed down by the Board from time to time.

Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration.

Details of the remuneration of each Director for the year ended 31 March 2015 are set out in note 10 to the consolidated financial statements contained in this annual report.

During the year ended 31 March 2015, the Remuneration Committee performed the following tasks:

- Review and discussion of the remuneration policy of the Group and the remuneration packages of Directors and senior management of the Company;

- Review and recommendation of payment of bonus, allowance and benefits to the Directors and senior management of the Company;

- Recommendation of the remuneration packages of the Board members and senior management; and

- Recommendation of the Director fees of a non-executive Director on re-designation.

NOMINATION COMMITTEE

The Company established the Nomination Committee in accordance with the provisions set out in CG Code. As at 31 March 2015, the Nomination Committee comprised four members, Mr. Tsang On Yip, Patrick, being non-executive Director, Mr. Nguyen Van Tu, Peter, Mr. Chow Shiu Wing, Joseph and Mr. Wong Man Chung, Francis, being the independent non-executive Directors. Mr. Chow Shiu Wing, Joseph is the chairman of the Nomination Committee.

The principal duties of the Nomination Committee are to (i) review the Board composition; (ii) develop and formulate relevant procedures for the nomination and appointment of Directors; (iii) identify qualified individuals to become members of the Board; (iv) monitor the appointment and succession planning of Directors; and (v) assess the independence of independent non-executive Directors.

During the year ended 31 March 2015, the Nomination Committee has performed the following works:

- Review and discussion of the existing structure, size, diversity and composition of the Board to ensure it has a balance of expertise, skill and experience appropriate to the requirements for the business of the Group;
- Review and assessment of the independence of the existing independent non-executive Directors;
- Recommendation on the re-appointment of the retiring Directors at the annual general meeting of the Company;
- Discussion and recommendation of the proposals on re-designation of Directors; and
- Monitoring the implementation of board diversity policy of the Company.

COMPANY SECRETARY

The company secretary, who is also the chief legal and compliance officer, is a full-time employee of the Company. He reports to the Chairman and is responsible for advising the Board on governance matters. All Directors have access to the advice and services of the company secretary. The company secretary's biographical details are set out under the section headed "Directors and Senior Management".

According to the requirements of Rule 3.29 of the Listing Rules, the company secretary has taken not less than 15 hours of relevant professional training during the financial year ended 31 March 2015.

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 2015.

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 2015.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities, with the support from the Finance and Accounting Department, to prepare the financial statements of the Group for the year ended 31 March 2015 in accordance with statutory requirements and applicable accounting standards. The auditor of the Group acknowledges their reporting responsibilities in the auditor's report on the financial statements for the year ended 31 March 2015.

The Directors, having made appropriate enquiries, are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements on a going concern basis.

Shareholders are advised to read the qualified opinion included in the Auditor's report set out on page 48 of this annual report.

The Directors are aware of the requirements under the applicable Listing Rules and statutory regulations with regard to the timely and proper disclosure of inside information, announcements and financial disclosures and authorized their publication as and when required.

EXTERNAL AUDIT AND AUDITOR'S REMUNERATION

The Company's external auditor, KPMG, performed independent audit on the Group's consolidated financial statements for the year ended 31 March 2015. The Audit Committee has unrestricted access to external auditor and the latter reports to the Audit Committee on any significant weaknesses identified in the internal control system during the course of audit.

Prior to the commencement of the audit of the Company, the Audit Committee would receive written confirmation from the external auditor on its independence and objectivity as required by the Hong Kong Institute of Certified Public Accountants.

The Company paid/payable to KPMG a total remuneration of HK$2,650,000 and HK$1,234,000 for their annual audit and non-audit services respectively during the year. The non-audit services mainly consist of review of the interim report, taxation and consultancy services.

INTERNAL CONTROLS

Internal control systems have been designed to allow the Board to monitor the Group's overall financial position, to protect its assets, and to guard against any material financial misstatement or loss. The Board is responsible for oversighting the internal control systems of the Group. During the year ended 31 March 2015, the Board has conducted a review of the effectiveness of the internal control systems of the Group covering the adequacy of resources, qualifications and experience of the accounting and financial reporting function of its staff and their training.

To assure achievement of the Company's governance objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies, three manuals, with particular emphasis on communications, risk management and controls, are implemented under the auspices of the Board of Directors for company-wide compliance. Subject to periodical review and regular monitoring, these manuals are procedural means by which the Company resources are directed, monitored, and measured. They also play an important role in preventing fraud and protecting the Company's physical and intangible resources such as machinery and intellectual property. Moreover, staff members are encouraged to report problems of operations and monitoring to identify non-compliance with the corporate policies, standards, practices and procedures. More importantly, through the additional efforts of internal and external auditors and that of the Audit Committee the effectiveness of internal control is further measured for improvement.

Advances in technology and data analysis have led to the development of numerous tools which are instrumental in evaluating the effectiveness or otherwise of corporate internal controls. In this connection, the Company is taking a step-wise approach to automate all its control mechanisms in conjunction with continuous physical auditing of all business processes.

CORPORATE SOCIAL RESPONSIBILITY

The Company recognizes the importance of corporate social responsibility ("CSR") and is particularly interested in the demands of different contractual and community stakeholders. Within the bounds of its CSR resources, the Company will integrate a CSR perspective into its business model by monitoring and ensuring active compliance with the spirit of the law, ethical standards, and market good practices. This notwithstanding, the Company will continue seeking out opportunities to go beyond compliance and to engage in activities conducive to further social good and positive impact on the environment and stakeholders including consumers, employees, investors, communities, and others. During the year ended 31 March 2015, the Company remained focused on moving in the right direction to conserve and reduce waste, promote green issues in its neighborhood, attend to employee welfare, improve working conditions, uphold intellectual property, ensure equal opportunity, and sponsor and support local community activities championed by different charitable and/or non-government organizations.

GENERAL MEETINGS

Procedures for making proposals/moving a resolution at the annual general meeting ("AGM")

- The Company holds a general meeting as its AGM every year.

- The next AGM will be held on Tuesday, 8 September 2015 (the "2015 AGM"). Details of the 2015 AGM are set out in the notice of the 2015 AGM which constitutes part of the circular to shareholders sent together with this annual report. Notice of the 2015 AGM and proxy form are also available on the Company website.

- There are no provisions allowing shareholders of the Company (the "Shareholders") to make proposals or move resolutions at the AGM under the Memorandum and Articles of Association of the Company (the "M&A"), or the laws of the Cayman Islands. Shareholders who wish to make proposals or move a resolution may, however, convene an extraordinary general meeting (the "EGM") by following the procedures below.

Procedures for shareholders to convene an EGM (including making proposals/moving a resolution at the EGM)

- Any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the "Eligible Shareholder(s)") shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.

- Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the "Requisition") signed by the Eligible Shareholder(s) concerned to the principal place of business of the Company in Hong Kong at Integrated Waste Solutions Building, 8 Chun Cheong Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong, for the attention of the Company Secretary.

- The Requisition must state clearly the name and the contact information of the Eligible Shareholder(s) concerned, the reason(s) to convene an EGM, the agenda proposed to be included the details of the business(es) proposed to be transacted in the EGM, signed by the Eligible Shareholder(s) concerned. The Eligible Shareholder(s) must prove his/her/their shareholding in the Company to the satisfaction of the Company.

- The Company will check the Requisition and the identity and the shareholding of the Eligible Shareholder will be verified with the Company's Hong Kong branch share registrar. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to convene an EGM within 2 months and/or include the proposal or the resolution proposed by the Eligible Shareholder at the EGM after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM and/or include the proposal or the resolution proposed by the Eligible Shareholder at the EGM.

- If within 21 days of the deposit of the Requisition, the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so in accordance with the M&A, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

Enquiries to the Board

Enquiries may be put to the Board at the principal place of business of the Company at Integrated Waste Solutions Building, 8 Chun Cheong Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong or by email info@iwsgh.com.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Board believes that effective communication with Shareholders is essential to enhance investor relations and understanding of the Group's business performance and strategies. The Company also recognised the importance of transparency and timely disclosure of corporate information, which would enable Shareholders and investors to make their best investment decisions. The Company has maintained a website at www.iwsgh.com as a communication platform to keep Shareholders and investors, abreast of the information and updates on the Group's business developments and operations, financial information, announcements and circulars, notices of general meetings, and other information are available for public access. Shareholders and investors may write directly to the Company's principal place of business in Hong Kong for any inquiries.

The Board considers that the general meetings of the Company can serve to provide an important channel for Shareholders to exchange views with the Board. The chairman of the Board as well as the chairmen and/or other members of the Board Committees are normally available to answer any questions fielded by the Shareholders.

The Company continues to enhance communication and relationship with its investors. Designated senior management of the Company maintains dialogue with institutional investors and analysts to keep them informed of the Group's development.

The Company has published its amended and restated memorandum and articles of association on its website as well as the designated website of the Stock Exchange. During the year ended 31 March 2015, there was no alteration to the Company's constitutional documents.

Independent auditor's report to the shareholders of
Integrated Waste Solutions Group Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Integrated Waste Solutions Group Holdings Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 52 to 133, which comprise the consolidated and company statements of financial position as at 31 March 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for qualified opinion

As disclosed in note 2(a) to the consolidated financial statements, in November 2011, the directors of the Company were made aware of evidence indicating the existence of potential irregularities with respect to certain accounting records and transactions 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. As a result, in December 2011 the Board of Directors established an independent special committee (the "Special Committee") to investigate these potential irregularities. Based on the Special Committee's investigation, the directors 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.

These events led, among other things, to the decision by the directors of the Company that Wealthy Peaceful Company Limited ("Wealthy Peaceful"), the intermediate holding company of Huizhou Fook Woo and itself a wholly owned subsidiary of the Group incorporated in the British Virgin Islands, would commence voluntary liquidation by a resolution of members on 31 January 2013, and the voluntary liquidators were appointed on the same date.

In 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 dispose of its entire equity interests in Golddoor Company Limited ("Golddoor") (the "Sale Transaction"). Golddoor holds the entire registered capital of Huizhou Fook Woo. 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.

Given these circumstances, in preparing the consolidated financial statements for the years ended 31 March 2014 and 31 March 2015, the directors of the Company have excluded Wealthy Peaceful, together with its wholly owned subsidiaries Golddoor and Huizhou Fook Woo (collectively referred to as "the De-consolidated Subsidiaries") from the Group's consolidated financial position, consolidated financial results and consolidated cash flows as from the earliest periods presented.

These events and actions taken by the directors of the Company, further details of which are set out in note 2(a), have given rise to the following matters which form the basis for our qualified opinion:

(a) Departure from International Financial Reporting Standard 10, *Consolidated financial statements*

Given these circumstances as described in note 2(a) to the consolidated financial statements, 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 amount of amounts due from De-consolidated Subsidiaries.

The exclusion of results and cash flows of the De-consolidated Subsidiaries from the consolidated financial statements is 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"). In our auditor's report dated 30 June 2014 on the consolidated financial statements of the Group for the year ended 31 March 2014, we reported the same matter which resulted in qualified opinion. Had the financial results of the De-consolidated Subsidiaries 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" for the year ended 31 March 2014 and from 1 April 2014 until the date of disposal in July 2014 and the net cash flows attributable to operating, investing and financing activities of the discontinued operations would have been presented separately in the consolidated statement of cash flows. Given the loss of certain accounting books and records of Huizhou Fook Woo mentioned above, we are unable to ascertain the financial impact of the non-consolidation of the De-consolidated Subsidiaries on the consolidated financial statements.

(b) Insufficient audit evidence in respect of balances and transactions with the De-consolidated Subsidiaries in respect of prior years

Because of the loss of certain accounting books and records of Huizhou Fook Woo and the de-consolidation of the De-consolidated Subsidiaries and details as set out in note 2(a) to the consolidated financial statements, in our auditor's report dated 23 August 2013 on the consolidated financial statements of the Group for the year ended 31 March 2013 we reported that we were unable to obtain sufficient appropriate audit evidence to determine whether the balances with the De-consolidated Subsidiaries as at 31 March 2012 and 31 March 2013 and transactions with the De-consolidated Subsidiaries for the years then ended were free from material misstatement. In addition, we were not able to obtain sufficient appropriate audit evidence to determine whether the impairment losses of the amounts due from De-consolidated Subsidiaries and the loss on de-consolidation for the year ended 31 March 2012 were free from material misstatement. In our auditor's report dated 30 June 2014 on the consolidated financial statements of the Group for the year ended 31 March 2014, we reported that this matter remained unresolved and therefore our audit for that year was subject to the same limitation of scope.

Our opinion on the current year's financial statements is also modified because of the possible 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 effect on the consolidated financial statements of the matters described in part (a) of the "Basis for qualified opinion" paragraph and except for the possible effects on the corresponding figures of the matters described in part (b) of the "Basis for qualified opinion" paragraph, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2015, and of the Group's loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 June 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015
(Expressed in Hong Kong dollars)

	Note	**2015** **$'000**	2014 $'000
Revenue	5	**443,542**	480,587
Cost of sales		**(419,207)**	(439,729)
Gross profit		**24,335**	40,858
Other revenue	6	**9,129**	27,507
Other net (loss)/gain	7	**(4,403)**	2,283
Selling and distribution expenses		**(58,650)**	(52,800)
Administrative and other operating expenses		**(100,794)**	(79,232)
Operating loss		**(130,383)**	(61,384)
Finance income	8(b)	**3,119**	10,202
Share of loss of an associate	16	**–**	(844)
Loss before taxation	8	**(127,264)**	(52,026)
Income tax	9	**1,113**	(1,224)
Indemnity receipt of tax in respect of prior years	9(b)	**13,071**	–
Loss from continuing operations		**(113,080)**	(53,250)
Discontinued operations			
Impairment loss on amounts due from De-consolidated Subsidiaries	25(b)	**(36,572)**	(431,638)
Loss and total comprehensive income for the year		**(149,652)**	(484,888)

FOR THE YEAR ENDED 31 MARCH 2015
(Expressed in Hong Kong dollars)

	Note	2015 $'000	2014 $'000
Attributable to:			
Equity shareholders of the Company		**(149,607)**	(484,888)
Non-controlling interests		**(45)**	–
		(149,652)	(484,888)
Attributable to equity shareholders of the Company			
Continuing operations		**(113,035)**	(53,250)
Discontinued operations		**(36,572)**	(431,638)
		(149,607)	(484,888)
Basic and diluted loss per share	13		
Continuing operations		**(3.2) cents**	(2.2) cents
Discontinued operations		**(1.0) cents**	(17.9) cents
		(4.2) cents	(20.1) cents

The notes on pages 60 to 133 form part of these consolidated financial statements. Details of dividends payable to equity shareholders of the Company are set out in note 12.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015
(Expressed in Hong Kong dollars)

	Note	2015 $'000	2014 $'000
Non-current assets			
Property, plant and equipment	14	**682,027**	405,770
Land use rights	15	**27,478**	28,330
Prepayments and other receivables	19	**25,552**	9,818
		735,057	443,918
Current assets			
Inventories	17	**6,086**	5,345
Trade and bills receivables	18	**77,436**	77,453
Other receivables, deposits and prepayments	19	**53,000**	47,180
Amounts due from related companies	30(b)	**12**	594
Bank deposits and cash	20	**455,869**	276,326
Restricted and pledged bank deposits	20	**2,225**	2,400
Taxation recoverable	22(a)	**3,249**	–
		597,877	409,298
Assets and liabilities of disposal group classified as held for sale	25(b)	**–**	208,900
		597,877	618,198
Current liabilities			
Trade payables	21	**20,223**	12,058
Other payables and accruals	21	**54,397**	117,115
Amounts due to related companies	30(b)	**10**	10
Taxation payable	22(a)	**–**	3,035
		74,630	132,218
Net current assets		**523,247**	485,980
Total assets less current liabilities		**1,258,304**	929,898

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015
(Expressed in Hong Kong dollars)

	Note	2015 $'000	2014 $'000
Non-current liabilities			
Deferred tax liabilities	22(b)	–	1,116
NET ASSETS		**1,258,304**	928,782
CAPITAL AND RESERVES			
Share capital	23	**482,234**	241,117
Reserves	24	**774,115**	687,665
Total equity attributable to equity shareholders of the Company		**1,256,349**	928,782
Non-controlling interests		**1,955**	–
TOTAL EQUITY		**1,258,304**	928,782

Approved and authorised for issue by the Board of Directors on 26 June 2015.

Cheng Chi Ming, Brian	**Suen Wing Yip**
Chairman	*Director*

The notes on pages 60 to 133 form part of these consolidated financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015
(Expressed in Hong Kong dollars)

	Note	2015 $'000	2014 $'000
Non-current assets			
Interests in subsidiaries	25	**1,442,031**	966,727
Current assets			
Receivables and prepayments		**9,052**	1,018
Amounts due from De-consolidated Subsidiaries	25	**–**	56,668
Bank deposits and cash	20	**405,980**	209,439
Taxation recoverable		**174**	174
		415,206	267,299
Current liabilities			
Payables and accruals	21	**13,864**	12,313
Amounts due to subsidiaries	25	**228,948**	221
		242,812	12,534
Net current assets		**172,394**	254,765
NET ASSETS		**1,614,425**	1,221,492
CAPITAL AND RESERVES			
Share capital	23	**482,234**	241,117
Reserves	24	**1,132,191**	980,375
TOTAL EQUITY		**1,614,425**	1,221,492

Approved and authorised for issue by the Board of Directors on 26 June 2015.

Cheng Chi Ming, Brian	**Suen Wing Yip**
Chairman	*Director*

The notes on pages 60 to 133 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2015
(Expressed in Hong Kong dollars)

	Note	Share capital $'000	Share premium $'000	Capital reserve $'000	Share-based capital reserve $'000	Accumulated losses $'000	Attributable to equity shareholders of the Company $'000	Non-controlling interests $'000	Total $'000
At 1 April 2013		241,117	2,862,358	(964,044)	–	(725,761)	1,413,670	–	1,413,670
Changes in equity for 2014:									
Loss and total comprehensive income for the year		–	–	–	–	(484,888)	(484,888)	–	(484,888)
At 31 March 2014 and 1 April 2014		241,117	2,862,358	(964,044)	–	(1,210,649)	928,782	–	928,782
Changes in equity for 2015:									
Loss and total comprehensive income for the year		–	–	–	–	(149,607)	(149,607)	(45)	(149,652)
Capital injection by non-controlling interest shareholders upon incorporation of a newly set up subsidiary		–	–	–	–	–	–	2,000	2,000
Shares issued under the open offer	23(b)	241,117	230,523	–	–	–	471,640	–	471,640
Equity settled share-based transactions	23(c)	–	–	–	5,534	–	5,534	–	5,534
At 31 March 2015		482,234	3,092,881	(964,044)	5,534	(1,360,256)	1,256,349	1,955	1,258,304

The notes on pages 60 to 133 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015
(Expressed in Hong Kong dollars)

	Note	**2015** **$'000**	2014 $'000
Cash flows from operating activities			
Cash used in operations	26(a)	**(115,325)**	(82,700)
Income tax paid		**(6,287)**	(1,694)
Net cash used in operating activities		**(121,612)**	(84,394)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(372,394)**	(199,292)
Prepayments for purchase of property, plant and equipment		**(18,234)**	–
Payment for purchase of land use right		**–**	(919)
Proceeds from disposal of property, plant and equipment	26(b)	**2,383**	901
Interest received		**4,721**	10,757
Proceeds received from deposits with maturity greater than 3 months	20	**23,766**	106,152
Net cash used in investing activities		**(359,758)**	(82,401)
Cash flows from financing activities			
Proceeds from new shares issued upon the open offer	23(b)	**471,640**	–
Proceeds from disposal of entire interest in De-consolidated Subsidiaries	25(b)	**197,200**	–
Capital contribution by non-controlling interest shareholder		**2,000**	–
Indemnity receipt of tax in respect of prior years	9(b)	**13,071**	–
Decrease/(Increase) in restricted and pledged bank deposits		**175**	(750)
Net cash generated from/(used in) financing activities		**684,086**	(750)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015
(Expressed in Hong Kong dollars)

	Note	2015 $'000	2014 $'000
Net increase/(decrease) in cash and cash equivalents		**202,716**	(167,545)
Cash and cash equivalents, net of bank overdrafts at the beginning of the year		**252,560**	418,123
Exchange difference on cash and cash equivalents		**593**	1,982
Cash and cash equivalents, net of bank overdrafts at the end of the year	20	**455,869**	252,560

The notes on pages 60 to 133 form part of these consolidated financial statements.

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.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

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 related 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 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 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 annual report, it is almost impossible, and not practical, to ascertain the transactions and balances of Huizhou Fook Woo for inclusion in the consolidation 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. A resulting loss on de-consolidation of approximately HK$415,549,000, which was determined based on the net asset value of the De-consolidated Subsidiaries as at 1 April 2011, was recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2012.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

As at 31 March 2012, the total amounts due from De-consolidated Subsidiaries to the Group and the Company, as recorded in the books and records before any impairment provision, amounted to approximately HK$2,262,677,000 and HK$1,157,845,000 respectively. The directors 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 which was assessed to be HK$532,172,000, as the Directors considered 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$1,730,505,000 and HK$625,673,000 were recognised in the consolidated statement of profit or loss and other comprehensive income and the Company's financial statements for the year ended 31 March 2012 respectively. During the year ended 31 March 2013, the Group waived amounts due from De-consolidated Subsidiaries of HK$2,500,000 and accordingly, this amount was written off and charged to the consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 March 2013.

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 fair value less costs to sell 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 amount of 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 is 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 are unable to ascertain the financial impact of the non-consolidation of the De-consolidated Subsidiaries on the consolidated financial statements.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

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 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, which for this financial year and the comparative period, as permitted by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, continue to be those of the predecessor Companies Ordinance (Cap. 32). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the accounting policies set out below.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The IASB has issued a number of new IFRSs and amendments to IFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements.

– Amendments to IAS 32, *Offsetting financial assets and financial liabilities*

– Amendments to IAS 36, *Recoverable amount disclosures for non-financial assets*

Amendments to IAS 32, Offsetting financial assets and financial liabilities

The amendments to IAS 32 clarify the offsetting criteria in IAS 32. The amendments do not have an impact on these financial statements as they are consistent with the policies already adopted by the Group.

Amendments to IAS 36, Recoverable amount disclosures for non-financial assets

The amendments to IAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or cash-generating unit whose recoverable amount is based on fair value less costs of disposal. The Group early adopted the amendments in the annual financial statements for the year ended 31 March 2015.

(b) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cashflows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

2 Summary of significant accounting policies (continued)

(b) Subsidiaries and non-controlling interests (continued)

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

Except for the De-consolidated Subsidiaries as further explained in note 25, subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is accounted for at cost less impairment losses (see note 2(g)).

2 Summary of significant accounting policies (continued)

(c) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss and other comprehensive income, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or a joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and the joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

2 Summary of significant accounting policies (continued)

(d) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses (see note 2(g)). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the repaired part is de-recognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

	2015	2014
– Buildings	**3%-4.5%**	4.5%
– Leasehold improvements	**20% or unexpired lease term, whichever is shorter**	20% or unexpired lease term, whichever is shorter
– Plant and machinery	**7%-30%**	7%-30%
– Furniture, fixtures and equipment	**18%-30%**	18%-30%
– Motor vehicles	**6.67%-30%**	18%-30%

The useful lives of certain property, plant and equipment were revised with effect from 1 April 2014 (refer to note 14).

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2 Summary of significant accounting policies (continued)

(d) Property, plant and equipment (continued)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Construction in progress is stated at historical cost less impairment losses. The cost of self-constructed items of property, plant and equipment include expenditure that is directly attributable to the construction and comprises the cost of material, direct labour and construction costs and applicable borrowing costs incurred during the construction period. On completion, the construction in progress is transferred to other categories within property, plant and equipment. No depreciation is provided for construction in progress. The carrying amount of construction in progress is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(e) Land use rights

Land use rights are up-front payments to acquire long-term interest in leasehold land, which are stated at cost less accumulated amortisation and accumulated impairment losses. Cost represents consideration paid for the rights to use the land from the date when the respective rights were granted. Amortisation of land use rights is calculated on a straight-line basis over the period of the lease and is recognised in the consolidated statement of profit or loss and other comprehensive income within "administrative and other operating expenses".

(f) Financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and bills receivables', 'Other receivables, deposits and prepayments', 'amounts due from related companies', 'bank deposits and cash' and 'restricted and pledged bank deposits' in the consolidated statement of financial position.

2 Summary of significant accounting policies (continued)

(f) Financial assets (continued)

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired (see note 2(g)).

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

(g) Impairment of assets

(i) Impairment of investments in equity securities and receivables

Investment in equity securities and other current and non-current receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

– a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2 Summary of significant accounting policies (continued)

(g) Impairment of assets (continued)

(i) Impairment of investments in equity securities and receivables (continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in associates and joint ventures accounted for under the equity method in the consolidated financial statements, the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(g)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(g)(ii).

- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2 Summary of significant accounting policies (continued)

(g) Impairment of assets (continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);

- pre-paid interests in leasehold land classified as being held under an operating lease; and

- investments in subsidiaries, associates and joint ventures in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

  The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

  An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measureable) or value in use (if determinable).

2 Summary of significant accounting policies (continued)

(g) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (see note 2(g)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(j) Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(k) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2 Summary of significant accounting policies (continued)

(l) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The carrying amount of a deferred tax asset is reviewed at the end of the reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2 Summary of significant accounting policies (continued)

(l) Income tax (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  - the same taxable entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(m) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the reporting period end date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2 Summary of significant accounting policies (continued)

(m) Employee benefits (continued)

(ii) Pension obligations

The Group participates in defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions, where applicable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

2 Summary of significant accounting policies (continued)

(m) Employee benefits (continued)

(iv) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(n) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(o) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2 Summary of significant accounting policies (continued)

(p) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivables for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sales of goods

Sales of goods are recognised when the Group has delivered the products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted the products in accordance with sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(ii) Service income

Revenue is recognised when services are rendered.

(iii) Franchise fee and management fee income

Franchise fee and management fee income are recognised when services are rendered.

2 Summary of significant accounting policies (continued)

(p) Revenue recognition (continued)

(iv) Government grants/subsidy income

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

Subsidies which are not government grants are recognised as income in profit or loss when they are received and that the Group comply with the conditions attaching to them.

(v) Interest income

Interest income is recognised using the effective interest method.

(q) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor), including upfront payment made for leasehold land and land use rights, are charged to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2 Summary of significant accounting policies (continued)

(r) Non-current assets held for sale and discontinued operation

(i) Non-current assets held for sale

A non-current asset (for disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

2 Summary of significant accounting policies (continued)

(r) Non-current assets held for sale and discontinued operation (continued)

(ii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale (see (i) above), if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the statement of profit or loss and other comprehensive income, which comprises:

– the post-tax profit or loss of the discontinued operation; and

– the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

(s) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

2 Summary of significant accounting policies (continued)

(s) Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(t) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 Summary of significant accounting policies (continued)

(u) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the Company's functional and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss and other comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss and other comprehensive income within "finance income or costs". All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income within "net loss/gain".

(iii) Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(1) assets and liabilities in the statement of financial position are translated at the end of the reporting period;

(2) income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(3) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2 Summary of significant accounting policies (continued)

(u) Foreign currency translation (continued)

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

3 Financial risk management

(a) Financial risk factors

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

(i) Foreign currency risk

The Group is exposed to foreign currency risk as some of its business transactions, assets and liabilities are denominated in various foreign currencies primarily Renminbi ("RMB"), HK$ and United States dollar ("USD").

The Group currently does not have a foreign currency hedging policy.

Since HK$ is pegged to USD, management considers that there is no significant foreign currency risk between these two currencies to the Group.

The exchange rate of RMB to HK$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages its foreign currency risk by closely monitoring the movement of foreign currency rates.

As at 31 March 2015, if RMB had weakened/strengthened by 5% against HKD with all other variables held constant, pre-tax loss for the year would have been approximately HK$1,958,000 higher/lower (2014: HK$9,599,000 higher/lower on pre-tax loss), mainly as a result of the foreign exchange losses/gains (2014: same) on translation of RMB denominated cash and bank deposits and trade and bills receivables.

3 Financial risk management (continued)

(a) Financial risk factors (continued)

(ii) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables, amounts due from related companies and De-consolidated Subsidiaries as well as deposits placed with banks. The Group has no significant concentrations of credit risk. Management has policies in place to monitor the exposures to these credit risks on an on-going basis.

For banks and financial institutions, deposits are only placed with banks with good credit ratings. For credit exposures to customers, the Group has policies in place to ensure that sales are made to reputable and credit-worthy customers with an appropriate financial strength and credit history. It also has other monitoring procedures to ensure that follow up action is taken to recover overdue debts. In addition, the Group reviews regularly recoverable amount of each individual trade and other receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

(iii) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with borrowing covenants, to ensure that it maintains sufficient cash from operating activities and the availability of funding through an adequate amount of committed credit facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interest payments computed using contractual rates or, if the contracting rates are floating, based on rates at the reporting period end date). Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

3 Financial risk management (continued)

(a) Financial risk factors (continued)

(iii) Liquidity risk (continued)

	Less than 1 year $'000	Between 1 and 2 years $'000	Total $'000
Group			
At 31 March 2015			
Trade payables	20,223	–	20,223
Other payables and accruals	50,452	–	50,452
Amounts due to related companies	10	–	10
	70,685	–	70,685
Company			
Payables and accruals	13,864	–	13,864
Amounts due to subsidiaries	228,948	–	228,948
	242,812	–	242,812

3 Financial risk management (continued)

(a) Financial risk factors (continued)

(iii) Liquidity risk (continued)

	Less than 1 year $'000	Between 1 and 2 years $'000	Total $'000
Group			
At 31 March 2014			
Trade payables	12,058	–	12,058
Other payables and accruals	114,339	–	114,339
Amounts due to related companies	10	–	10
	126,407	–	126,407
Company			
Payables and accruals	12,313	–	12,313
Amounts due to subsidiaries	221	–	221
	12,534	–	12,534

(iv) Interest rate risk

The Group's exposure to interest rate risk arises mainly from its bank deposits. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk. As at 31 March 2015 and 2014, the Group had no interest bearing bank borrowings.

The Group monitors its interest rate exposure on a dynamic basis and will consider the interest rate exposure when entering into any financing, renewal of existing positions and alternative financing transactions.

3 Financial risk management (continued)

(b) Capital risk management

The Group regards its shareholders' equity as capital. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents, deposits with maturity greater than 3 months and restricted and pledged bank deposits. Total capital is calculated as 'equity', as shown in the consolidated statement of financial position, plus net debt.

At 31 March 2015 and 2014, the Group had net cash of HK$458,094,000 and HK$278,726,000 respectively, which are analysed as follows:

	2015	2014
	$'000	$'000
Cash and cash equivalents *(note 20)*	**455,869**	252,560
Deposits with maturity greater than 3 months *(note 20)*	**–**	23,766
Bank deposits and cash	**455,869**	276,326
Restricted and pledged bank deposits *(note 20)*	**2,225**	2,400
Net cash	**458,094**	278,726

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimate of useful lives of property, plant and equipment and impairment provisions

The Group determines the estimated useful lives and residual values in order to ascertain the amount of depreciation charges for each reporting period. These estimates are based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives or residual values are different from those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. The Group also assesses the adequacy of impairment provisions with reference to the sales proceeds from disposals subsequent to the year end.

(b) Provision for impairment of inventories

The Group reviews the carrying value of its inventories to ensure that they are stated at the lower of cost and net realisable value. In assessing the net realisable value and making appropriate provisions, management identifies, using their judgement, inventories that are slow moving or obsolete, and considers their physical conditions, age, market conditions and market price for similar items.

(c) Provision for impairment of receivables

Management determines the provision for impairment of trade and other receivables. This estimate is based on the credit history of its customers and the current market condition. Management reassesses the provision at the end of each reporting period.

Significant judgement is exercised on the assessment of the collectability of trade receivables from each customer. In making the judgement, management considers a wide range of factors such as results of follow-up procedures performed by sales personnel, customer payment trends including subsequent payments and customers' financial positions. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their abilities to make payments, additional provision may be required.

4 Critical accounting estimates and judgements (continued)

(d) Income taxes

The Group is subject to income tax in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

5 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: sales of recovered papers and materials
- Tissue paper products: sales of tissue paper products
- Confidential materials destruction service ("CMDS"): provision of confidential materials destruction services
- Logistics services: provision of logistics services

5 Segment information (continued)

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:

	2015	2014
	$'000	$'000
Sales of recovered paper and materials	**257,110**	264,431
Sales of tissue paper products	**173,241**	211,264
Provision of CMDS	**11,689**	4,892
Provision of logistics services	**1,502**	–
	443,542	480,587

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:

	2015	2014
	$'000	$'000
Hong Kong	**443,542**	480,587

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 which accounted for greater than 10% of the Group's total revenue.

For the year ended 31 March 2014, revenues of approximately HK$76,368,000 and HK$56,977,000 are derived from an external customer and Golddoor which accounted for greater than 10% of the Group's total revenue.

5 Segment information (continued)

The geographical location of non-current assets other than deferred tax assets are determined based on the countries of domicile of the subsidiaries, which were all located in Hong Kong as at 31 March 2014 and 2015.

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:					
Sales of external customers	257,110	173,241	11,689	1,502	443,542
Inter-segment sales	–	–	–	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

5 Segment information (continued)

	Recovered paper and materials $'000	Tissue paper products $'000	CMDS $'000	Logistics services $'000	Group $'000
Segment results:					
Reportable segment profit	22,829	14,511	(3,691)	12,350	45,999
Elimination of inter-segment profits					(21,664)
Reportable segment profit derived from group's external customers					24,335
Unallocated operating costs					(154,718)
Finance income, net					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)

5 Segment information (continued)

The segment results and other segment items included in the loss for the year ended 31 March 2014 are as follows:

	Recovered paper and materials $'000	Tissue paper products $'000	CMDS $'000	Group $'000
Continuing operations				
Segment revenue:				
Sales of external customers	264,431	211,264	4,892	480,587
Segment results:				
Reportable segment profit	2,492	40,805	(2,439)	40,858
Unallocated operating costs				(102,242)
Share of loss of an associate				(844)
Finance income, net				10,202
Loss before taxation				(52,026)
Income tax				(1,224)
Loss from continuing operations				(53,250)
Discontinued operations				
Impairment loss on amounts due from De-consolidated Subsidiaries				(431,638)
Loss for the year				(484,888)

6 Other revenue

	2015	2014
	$'000	$'000
Recovered/forfeited deposits *(note)*	**1,576**	18,000
Service income	**1,304**	5,132
Franchise income	**1,604**	1,643
Subsidy income	**1,930**	–
Sales of shredded electronic materials	**–**	1,727
Sales of scrapped materials	**–**	309
Management fee receivable from an associate	**1,305**	–
Others	**1,410**	696
	9,129	27,507

Note: During the year ended 31 March 2014, the Group granted an independent third party the right to use "Fook Woo" name to operate its recycling operation facilities in northern China for 5 years and received a non-refundable fee of HK$18,000,000. In January 2014, the third party decided not to continue the recycling operation in northern China and signed a termination agreement with the Group. Accordingly, the Group recorded the full amount of the non-refundable fee as "other revenue" to the consolidated profit or loss and other comprehensive income for the year ended 31 March 2014.

7 Other net (loss)/gain

	2015	2014
	$'000	$'000
Foreign exchange (losses)/gains, net	**(593)**	1,982
Gain on disposals of property, plant and equipment, net *(note 26(b))*	**1,069**	448
Write off of property, plant and equipment	**(4,879)**	(147)
	(4,403)	2,283

8 Loss before taxation

Loss before taxation is stated after charging/(crediting) of the following:

	2015 $'000	2014 $'000
(a) Staff costs (excluding directors' emoluments)		
Salaries, wages and other benefits	**80,912**	68,295
Contributions to defined contribution retirement plan	**3,114**	2,516
Equity-settled share-based payment expenses	**1,485**	–
	85,511	70,811
Staff costs included in:		
– Cost of sales	**33,959**	33,169
– Selling and distribution expenses	**22,209**	9,778
– Administrative and other operating expenses	**29,343**	27,864
	85,511	70,811

8 Loss before taxation (continued)

Loss before taxation is stated after charging/(crediting) of the following: (continued)

	2015 $'000	2014 $'000
(b) Other items		
Amortisation of land use rights *(note 15)*	**852**	833
Depreciation of property, plant and equipment *(note 14)*	**21,840**	14,380
Impairment losses:		
– trade receivables (note 18)	**(56)**	388
– loan to and amount due from an associate *(note (i))*	**5,613**	–
Operating lease charges in respect of land and buildings	**32,926**	38,371
Provision for loss on onerous contracts in respect of land and buildings *(note (ii))*	**–**	8,236
Cost of inventories sold *(note 17)*	**333,050**	344,262
Auditor's remuneration		
– Audit services	**2,650**	3,060
– Other services	**1,234**	1,114
Interest income from bank deposits	**(3,119)**	(10,202)

8 Loss before taxation (continued)

Notes:

(i) In January 2015, an associate of the Group announced to commence a voluntary liquidation. The Directors of the Group determined that the likehood 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 the associate resolved that the associate will enter into a voluntary liquidation.

(ii) In January 2014, the Group terminated certain operating lease arrangements in respect of properties having considered the utilisation rate on these properties. Accordingly, the Group made a provision for onerous contracts in the amounts of $8,236,000 to the profit or loss which was estimated based on rental payments over the non-cancellable period, in accordance with International Accounting Standard 37, *Provision, contingent liabilities and contingent assets*.

9 Income tax

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

	2015	2014
	$'000	$'000
Current income tax		
– Hong Kong profits tax	–	3,026
Under/(over) provision in respect of prior years		
– Current income tax	3	(1,260)
– Penalty surcharge and interest	–	259
	3	2,025
Deferred tax		
– Origination and reversal of temporary differences *(note 22(c))*	(1,116)	(801)
Income tax (credit)/expense	(1,113)	1,224

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the year ended 31 March 2015 (2014: 16.5%).

(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 have agreed to indemnify on a joint and several basis each member of the Group in respect of the cash payment for any additional tax assessment for the year of assessment 2002/2003 and any other notices of additional assessment that may be received by any member of the Group for and including the 2003/2004, 2004/2005 and 2005/2006 tax years through the year of assessment 2009/2010.

9 Income tax (continued)

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

Given the circumstances as disclosed in note 2(a) to the consolidated financial statements 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 consolidated statement of profit or loss and other comprehensive income of the Group in the prior years despite the above-mentioned indemnity arrangement.

On 15 April 2014, a total sum of HK$13,070,705 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:

	2015	2014
	$'000	$'000
Loss before taxation	**(127,264)**	(52,026)
Tax calculated at tax rates of 16.5% (2014: 16.5%)	**(20,998)**	(8,584)
Tax effect of non-taxable income	**(1,192)**	(2,092)
Tax effect of non-deductible expenses	**4,237**	4,916
Tax effect of tax losses not recognised	**16,043**	8,947
Tax effect of unrecognised tax losses utilised	**–**	(1,392)
Penalty surcharge and interest	**–**	259
Under/(over) provision in respect of prior years	**3**	(1,260)
Others	**794**	430
Income tax (credit)/expense	**(1,113)**	1,224

10 Emoluments for directors and five highest paid individuals and senior management

(a) Directors' emoluments

Directors' remuneration disclosed, with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), is as follows:

	For the year ended 31 March 2015					
	Fees	Salaries, allowance and benefits in kind	Discretionary bonus	Share-based payments (note (i))	Retirement schemes contributions	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Executive directors						
Mr. Suen Wing Yip	420	2,490	800	595	18	4,323
Mr. Lau Sai Cheong [(a)]	338	1,845	413	459	18	3,073
Mr. To Chun Wai [(b)]	360	1,695	513	464	18	3,050
Mr. Tam Sui Kin, Chris [(c)]	360	1,423	345	399	18	2,545
Non-executive directors						
Mr. Cheng Chi Ming, Brian	720	–	–	836	–	1,556
Mr. Tsang On Yip, Patrick	360	–	–	669	–	1,029
Mr. Lau Sai Cheong [(a)]	22	–	–	42	–	64
Independent non-executive directors						
Mr. Nguyen Van Tu, Peter [(d)]	360	–	–	195	–	555
Mr. Chow Shiu Wing, Joseph [(e)]	360	–	–	195	–	555
Mr. Wong Man Chung, Francis [(e)]	360	–	–	195	–	555
	3,660	7,453	2,071	4,049	72	17,305

10 Emoluments for directors and five highest paid individuals and senior management (continued)

(a) Directors' emoluments (continued)

	For the year ended 31 March 2014				
	Fee	Salaries, allowance and benefits in kind	Discretionary bonus	Retirement schemes contributions	Total
	$'000	$'000	$'000	$'000	$'000
Executive directors					
Mr. Suen Wing Yip	300	2,302	481	15	3,098
Mr. Lau Sai Cheong [(a)]	300	1,671	351	15	2,337
Mr. To Chun Wai [(b)]	296	1,181	198	15	1,690
Mr. Tam Sui Kin, Chris [(c)]	180	638	112	7	937
Mr. Lai Hau Yin [(f)]	–	702	–	8	710
Non-executive directors					
Mr. Cheng Chi Ming, Brian	360	360	–	–	720
Mr. Tsang On Yip, Patrick	360	–	–	–	360
Independent non-executive directors					
Mr. Nguyen Van Tu, Peter [(d)]	280	–	–	–	280
Mr. Chow Shiu Wing, Joseph [(e)]	171	–	–	–	171
Mr. Wong Man Chung, Francis [(e)]	171	–	–	–	171
Mr. Chung Wai Kwok, Jimmy [(g)]	372	–	–	–	372
Mr. Lau Shun Chuen [(g)]	–	279	–	–	279
Mr. Lee Kwok Chung [(h)]	–	81	–	–	81
	2,790	7,214	1,142	60	11,206

10 Emoluments for directors and five highest paid individuals and senior management (continued)

(a) Directors' emoluments (continued)

Notes:

(a) Re-designed as non-executive director on 9 March 2015

(b) Appointed on 8 April 2013

(c) Appointed on 30 September 2013

(d) Appointed on 21 June 2013

(e) Appointed on 10 October 2013

(f) Resigned on 30 September 2013

(g) Resigned on 10 October 2013

(h) Retired on 21 June 2013

(i) These represent the estimate value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(m)(iii) and in accordance with that policy, includes adjustments to reverse amount accrued in previous years where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under paragraph "Share option scheme" in the report of the directors.

During the year, no director received any emoluments from the Group as an inducement to join or leave the Group or as compensation for loss of office. No director waived or has agreed to waive any emoluments.

10 Emoluments for directors and five highest paid individuals and senior management (continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group during the year included 4 directors (2014: 4). Their emoluments are reflected in the analysis presented above. The emoluments payable to the remaining 1 individual are as follows:

	2015	2014
	$'000	$'000
Salaries, allowance and benefits in kind	**1,221**	1,007
Discretionary bonus	**237**	222
Retirement schemes contributions	**18**	15
Share-based payments	**223**	–
	1,699	1,244

The emoluments fell within the following bands:

	Number of individuals	
	2015	2014
1,000,001 to 2,000,000	**1**	1

(c) Emoluments of senior management

The emoluments of the senior management whose profiles are set out in the section headed "Directors and Senior Management" of the annual report (of which these financial statements form a part) have been included in note 10(a) and 10(b).

11 Loss attributable to the equity shareholders of the Company

The consolidated loss attributable to equity shareholders of the Company of HK$149,607,000 (2014: HK$484,888,000) included a loss of HK$84,241,000 (2014: HK$1,257,831,000) which is dealt with in the financial statements of the Company.

12 Dividends

No dividends had been paid or declared by the Company for the year ended 31 March 2015 (2014: Nil).

13 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.

	2015 $'000	2014 $'000
Loss attributable to the equity shareholders of the Company		
– Continuing operations	**(113,035)**	(53,250)
– Discontinued operations	**(36,572)**	(431,638)
	(149,607)	(484,888)
Weighted average number of ordinary shares ('000):		
Issued ordinary shares at 1 April	**2,411,167**	2,411,167
Effect of shares issued under the open offer	**1,105,118**	–
Weighted average number of ordinary shares at 31 March	**3,516,285**	2,411,167
Basic loss per share (in cents)		
– Continuing operations	**(3.2) cents**	(2.2) cents
– Discontinued operations	**(1.0) cents**	(17.9) cents
	(4.2) cents	(20.1) 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$113,035,000 and HK$36,572,000 respectively (2014: HK$53,250,000 and HK$431,638,000 respectively) and on the weighted average number of 3,516,285,000 (2014: 2,411,167,000) ordinary shares in issue during both years.

Diluted loss per share

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

14 Property, plant and equipment – Group

	Buildings $'000	Leasehold improvements $'000	Plant and machinery $'000	Furniture, fixtures and equipment $'000	Motor vehicles $'000	Construction in progress $'000	Total $'000
Year ended 31 March 2015							
Net book amount:							
At 1 April 2014	–	10,797	14,635	5,508	29,094	345,736	405,770
Additions	7,551	1,240	14,627	5,062	18,279	257,531	304,290
Disposals	–	–	–	–	(1,314)	–	(1,314)
Write off	–	(4,259)	(19)	(402)	(199)	–	(4,879)
Transfer	603,267	–	–	–	–	(603,267)	–
Depreciation	(4,670)	(2,923)	(6,737)	(1,961)	(5,549)	–	(21,840)
At 31 March 2015	606,148	4,855	22,506	8,207	40,311	–	682,027
At 31 March 2015							
Cost	610,818	9,924	49,250	12,949	59,496	–	742,437
Accumulated depreciation and impairment	(4,670)	(5,069)	(26,744)	(4,742)	(19,185)	–	(60,410)
Net book amount	606,148	4,855	22,506	8,207	40,311	–	682,027
Year ended 31 March 2014							
Net book amount:							
At 1 April 2013	–	6,273	11,475	5,194	9,012	144,022	175,976
Additions	–	7,138	8,230	2,135	25,557	201,714	244,774
Disposals	–	–	(196)	(166)	(91)	–	(453)
Write off	–	(147)	–	–	–	–	(147)
Depreciation	–	(2,467)	(4,874)	(1,655)	(5,384)	–	(14,380)
At 31 March 2014	–	10,797	14,635	5,508	29,094	345,736	405,770
At 31 March 2014							
Cost	–	14,672	38,035	9,119	48,996	345,736	456,558
Accumulated depreciation and impairment	–	(3,875)	(23,400)	(3,611)	(19,902)	–	(50,788)
Net book amount	–	10,797	14,635	5,508	29,094	345,736	405,770

14 Property, plant and equipment – Group (continued)

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

	2015	2014
	$'000	$'000
Cost of sales	11,827	9,571
Selling and distribution expenses	3,497	1,067
Administrative and other operating expenses	6,516	3,742
	21,840	14,380

Following a review of the actual utilisation of the Group's property, plant and equipment, the Group revised the estimated useful lives of certain of its property, plant and equipment with effect from 1 April 2014 (see note 2(d)).

The effect of these changes on the depreciation expense for the year ended 31 March 2015 and the expected effect for future periods is as follows:

	Year ended 31 March					
	2015	2016	2017	2018	2019	Thereafter
	$'000	$'000	$'000	$'000	$'000	$'000
Decrease/(increase) in depreciation expenses	3,652	3,447	3,195	2,988	156	(13,438)

15 Land use rights – Group

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

	2015	2014
	$'000	$'000
In Hong Kong, held on medium term	27,478	28,330

15 Land use rights – Group (continued)

The movements of land use rights are as follows:

	2015 $'000	2014 $'000
At 1 April	**28,330**	28,244
Additions	**–**	919
Amortisation	**(852)**	(833)
At 31 March	**27,478**	28,330

Amortisation of land use rights has been included in "administrative and other operating expenses" in the consolidated statement of profit or loss and other comprehensive income.

16 Interests in an associate

At 31 March 2015, the Group held 30% equity interests in Fook Fung Loi Co., Limited ("FFL"). In June 2015, the board of FFL resolved that FFL will enter into a voluntary liquidation.

Details of the associate at 31 March 2015 are as follows:

				Proportion of ownership interest			
Name of associate	Form of business structure	Place of incorporation and operation	Particulars of issued and paid up capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Fook Fung Loi Co., Limited	Incorporated	Hong Kong	3,000,000 ordinary shares	30% (2014: 30%)	–	30% (2014: 30%)	Manufacturing and sale of paper products

16 Interests in an associate (continued)

(a) Summary financial information on the associate

	Assets	Liabilities	Equity	Revenue	Loss
	$'000	$'000	$'000	$'000	$'000
2015					
100 per cent	**153**	**(18,522)**	**(18,369)**	**69**	**(9,530)**
Group's effective interest	**46**	**(5,557)**	**(5,511)**	**21**	**(2,859)**
2014					
100 per cent	14,519	(18,222)	(3,703)	291	(6,654)
Group's effective interest	4,356	(5,467)	(1,111)	87	(1,995)

(b) At 31 March 2015, the Group's unrecognised share of losses of an associate, for the year and cumulatively, amounted to HK$2,859,000 (2014: HK$1,151,000) and HK$4,010,000 (2014: HK$1,151,000) respectively.

17 Inventories – Group

	2015	2014
	$'000	$'000
Finished goods, at cost	**6,086**	5,345

The cost of inventories recognised as expense and included in "cost of sales" amounted to approximately $333,050,000 for the year ended 31 March 2015 (2014: $344,262,000).

18 Trade and bills receivables – Group

	2015	2014
	$'000	$'000
Trade and bills receivables	**82,750**	82,823
Less: Provision for impairment	**(5,314)**	(5,370)
Trade and bills receivables – net	**77,436**	77,453

18 Trade and bills receivables – Group (continued)

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

	2015	2014
	$'000	$'000
0 – 30 days	23,064	33,906
31 – 60 days	19,331	18,058
61 – 90 days	15,762	12,184
91 – 120 days	6,112	5,299
Over 120 days	18,481	13,376
	82,750	82,823
Less: Provision for impairment	(5,314)	(5,370)
	77,436	77,453

As at 31 March 2015, trade receivables of approximately HK$46,072,000 (2014: HK$36,085,000) were past due but not impaired. These relate to a number of independent customers with no 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. The ageing analysis of these trade receivables based on due date is as follows:

	2015	2014
	$'000	$'000
1 – 30 days	15,620	14,711
31 – 60 days	6,269	6,673
61 – 90 days	4,786	8,012
91 – 120 days	4,470	3,188
Over 120 days	14,927	3,501
	46,072	36,085

18 Trade and bills receivables – Group (continued)

As at 31 March 2015, trade receivables of approximately HK$5,314,000 (2014: HK$5,370,000) 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:

	2015 $'000	2014 $'000
Over 120 days	**5,314**	5,370

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 (note 8). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Movements on the provision for impairment of trade receivables are as follows:

	2015 $'000	2014 $'000
At 1 April	**5,370**	4,992
(Reversal of)/provision for impairment loss recognised	**(56)**	388
Exchange difference	**–**	(10)
At 31 March	**5,314**	5,370

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

	2015 $'000	2014 $'000
HK$	**55,340**	51,895
USD	**22,096**	25,558
	77,436	77,453

18 Trade and bills receivables – Group (continued)

At 31 March 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.

19 Other receivables, deposits and prepayments

	2015	2014
	$'000	$'000
Non-current portion		
Prepayments for purchase of property, plant and equipment	**25,552**	5,318
Loan to an associate *(note 8(b)(ii))*	**–**	4,500
	25,552	9,818
Current portion		
Deposits placed with suppliers	**14,121**	13,764
Utility and other deposits	**26,649**	21,923
Prepayments	**10,884**	9,216
Interest receivable	**545**	725
Other receivables	**801**	309
Others	**–**	1,243
Total	**53,000**	47,180

At 31 March 2015, the fair values of other receivables, deposits and prepayments, approximate their carrying amounts. The maximum exposure to credit risk at the end of each reporting period is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security (2014: Nil).

At 31 March 2015, no other receivables, deposits or prepayments were impaired (2014: Nil).

20 Bank deposits and cash and restricted and pledged bank deposits

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Deposits	**278,935**	190,417	**278,935**	190,415
Cash at bank	**176,871**	85,561	**127,034**	19,024
Cash in hand	**63**	348	**11**	–
	455,869	276,326	**405,980**	209,439
Restricted and pledged bank deposits	**2,225**	2,400		
	458,094	278,726		
Less: Deposits with maturity greater than 3 months	**–**	(23,766)		
Restricted and pledged bank deposits	**(2,225)**	(2,400)		
Cash and cash equivalents in the consolidated statement of cash flows	**455,869**	252,560		

Bank deposits and cash and restricted and pledged bank deposits are denominated in the following currencies:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
RMB	**39,164**	191,981	**38,464**	191,218
HK$	**404,334**	39,673	**367,493**	14,189
USD	**14,596**	47,072	**23**	4,032
	458,094	278,726	**405,980**	209,439

20 Bank deposits and cash and restricted and pledged bank deposits (continued)

As at 31 March 2015, the restricted bank deposits were mainly pledged with banks for issuing guarantees to suppliers to secure supply.

The conversion of RMB denominated balances into foreign currencies and the remittance of such bank balances and cash out of PRC are subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

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

21 Payables and accruals

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Trade payables	**20,223**	12,058	**–**	–
Other payables and accruals:				
– Construction costs payable	**16,420**	81,489	**–**	–
– Accrued expenses	**24,656**	24,073	**13,849**	12,313
– Receipts in advance from customers	**3,945**	2,776	**15**	–
Others	**9,376**	8,777	**–**	–
	54,397	117,115	**13,864**	12,313
	74,620	129,173	**13,864**	12,313

21 Payables and accruals (continued)

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

	Group	
	2015	2014
	$'000	$'000
Current	**3,252**	2,437
1 – 30 days	**11,839**	6,811
31 – 60 days	**3,825**	24
61 – 90 days	**1**	69
91 – 120 days	**15**	2
Over 120 days	**1,291**	2,715
	20,223	12,058

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

	Group	
	2015	2014
	$'000	$'000
HK$	**61,057**	128,271
USD	**13,563**	902
	74,620	129,173

As at 31 March 2015, the fair values of the trade and other payables approximate their carrying amounts (2014: same).

22 Current and deferred tax – Group

(a) Current taxation in the consolidated statement of financial position represents:

	2015	2014
	$'000	$'000
Provision for Hong Kong Profits Tax for the year	**–**	3,026
Balance of Profits Tax provision relating to prior years	**(3,249)**	9
Taxation (recoverable)/payable	**(3,249)**	3,035

(b) Deferred tax assets and liabilities recognised:

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2015	2014
	$'000	$'000
Deferred tax liabilities	**–**	1,116

(c) The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movement during the year are as follows:

	Tax losses	**Accelerated tax depreciation**	**Total**
	$'000	$'000	$'000
At 1 April 2013	1,138	(3,055)	(1,917)
Credited to the consolidated statement of profit or loss and other comprehensive income *(note 9(a))*	334	467	801
At 31 March 2014 and 1 April 2014	1,472	(2,588)	(1,116)
(Credited)/charged to the consolidated statement of profit or loss and other comprehensive income *(note 9(a))*	29,994	(28,878)	1,116
At 31 March 2015	31,466	(31,466)	–

22 Current and deferred tax – Group (continued)

(d) Deferred tax assets not recognised

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group has not recognised the deferred tax assets attributable to the future benefit of tax losses of $35,026,000 (2014: $64,067,000). The tax losses do not expire under current tax legislation.

23 Share capital

(a) Authorised share capital of the Company

	2015	2014
	$'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	Ordinary shares
		$
Issued and fully paid:		
At 1 April 2013, 31 March 2014 and 1 April 2014	2,411,167,000	241,116,700
Issue of share under the Open Offer *(Note)*	2,411,167,000	241,116,700
At 31 March 2015	4,822,334,000	482,233,400

23 Share capital (continued)

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

Note: On 25 July 2014, the Company announced its proposal 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 between the net proceeds of HK$471,640,000 (after deduction of related expenses of approximately HK$10,593,000) and the par value of shares issued of HK$241,117,000 has been credited to the share premium account of the Company (Note 24(a)).

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 participant. The subscription price for shares granted pursuant to the Share Option Scheme shall be determined by the Board of Directors of the Company in its absolute discretion but shall not be less than the highest of:

- the closing price of the shares of the Company stated in the Stock Exchange's daily quotations sheet on the business day on which an offer is made to a participant;

- the average of the closing prices of the shares stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which such offer is made; and

- the nominal value of a share of the Company.

23 Share capital (continued)

(c) Equity settled share-based transactions (continued)

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 were granted, subject to acceptance of the grantee(s). 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 dates inclusive) subject to the vesting periods. During the year, 65,248,000 options were accepted by the grantees.

			Number of share options				
Date of grant	Initial exercise price	Exercisable period	Granted and accepted during the year (before adjustment)	Exercised during the year	Cancelled/ lapsed during the year	Adjustment due to Open Offer	Balance in issue at 31 March 2015 (after adjustment)
Directors							
25 April 2014	0.542	25 July 2014 to 24 April 2020	43,600,000	–	–	9,623,422	53,223,422
Employees							
25 April 2014	0.542	25 July 2014 to 24 April 2020	18,408,000	–	(4,697,370)	3,538,151	17,248,781
Other Eligible Participants							
25 April 2014	0.542	25 July 2014 to 24 April 2020	3,240,000	–	–	715,138	3,955,138
			65,248,000	–	(4,697,370)	13,876,711	74,427,341

23 Share capital (continued)

(c) Equity settled share-based transactions (continued)

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 consolidated statement of profit or loss and other comprehensive income are determined using the binomial lattice model based on the following assumptions:

– Fair value at measurement date	$0.190
– Share price at measurement date	$0.328
– Exercise price	$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.

24 Reserves

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

(a) Movements in components of equity

	Share capital $'000	Share premium $'000	Share-based capital reserve $'000	Accumulated losses $'000	Total $'000
At 1 April 2013	241,117	2,862,358	–	(624,152)	2,479,323
Loss and total comprehensive income for the year	–	–	–	(1,257,831)	(1,257,831)
At 31 March 2014 and 1 April 2014	241,117	2,862,358	–	(1,881,983)	1,221,492
Share issued under the Open Offer *(Note 23(b))*	241,117	230,523	–	–	471,640
Equity settled share-based transactions	–	–	5,534	–	5,534
Loss and total comprehensive income for the year	–	–	–	(84,241)	(84,241)
At 31 March 2015	482,234	3,092,881	5,534	(1,966,224)	1,614,425

(b) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by the Companies Law of Cayman Islands (the "Companies Law"). Under the Companies Law, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of the business.

24 Reserves (continued)

(b) Nature and purpose of reserves (continued)

(ii) Capital reserve

Capital reserve represents the difference between (i) the aggregate of the consideration for the acquisitions under common control upon the reorganisation during the year ended 31 March 2010 ("Reorganisation"); and (ii) the aggregate of the share capital and share premium of the entities transferred to the Group pursuant to the Reorganisation.

(iii) Share-based capital reserve

The share-based capital reserve represents the portion of the grant date fair value of unexercised share options granted to directors, employees and other eligible participants of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(m)(iii).

(c) Distributable reserves

The aggregate amounts of distributable reserves of the Company as at 31 March 2015 and 31 March 2014 were HK$1,126,657,000 and HK$980,375,000 respectively.

25 Investments in subsidiaries and due from/(to) subsidiaries

(a) Investment in subsidiaries and due from/(to) subsidiaries

	Company	
	2015	2014
	$'000	$'000
Consolidated subsidiaries		
Investments at cost, unlisted shares	**967,944**	967,944
Less: Provision *(note 25(b))*	**(815,712)**	(815,712)
	152,232	152,232
Due from subsidiaries	**1,289,799**	814,495
	1,442,031	966,727

25 Investments in subsidiaries and due from/(to) subsidiaries (continued)

(a) Investment in subsidiaries and due from/(to) subsidiaries (continued)

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
De-consolidated Subsidiaries				
Investments at cost, unlisted shares ($8)	**–**	–	**–**	–
Due from De-consolidated Subsidiaries	**–**	2,371,043	**–**	1,113,979
Less: Provision for impairment *(note 25(b))*	**–**	(2,162,143)	**–**	(1,057,311)
	–	208,900	**–**	56,668
Less: Reclassified to assets and liabilities of disposal groups classified as held for sale	**–**	(208,900)	**–**	–
	–	–	**–**	56,668
Due to subsidiaries	**–**	–	**(228,948)**	(221)

Amounts due from subsidiaries are unsecured, non-interest bearing with no fixed terms of repayment and hence are classified as non-current as these are not expected to be recoverable within the next twelve months. Amounts due to subsidiaries are unsecured and non-interest bearing with no fixed terms of repayment.

(b) Disposal of entire equity interests in Golddoor Company Limited

As at 31 March 2014, the Group was made aware of the fact that the liquidators of Wealthy Peaceful Limited had initiated a tender process to locate a buyer to acquire the entire equity interests in Golddoor. In April 2014, the liquidator of Wealthy Peaceful Limited entered into a binding agreement with an independent third party (the "Purchaser"), pursuant to which Wealthy Peaceful Limited agreed to dispose of its entire equity interests in Golddoor (together with its subsidiary, Huizhou Fook Woo) for a consideration of HK$200,000,000 (the "Sale Transaction").

On 27 June 2014, the liquidators of Wealthy Peaceful Limited informed the Company that the Purchaser had remitted the consideration. The Sale Transaction was completed in July 2014 and the consideration was fully settled by the Purchaser.

25 Investments in subsidiaries and due from/(to) subsidiaries (continued)

(b) Disposal of entire equity interests in Golddoor Company Limited (continued)

Given the above 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 estimated recoverable amount and carrying amount of amounts due from De-consolidated Subsidiaries at 31 March 2014.

The recoverable amount from the disposal was estimated by the Group as at 31 March 2014 as follows:

	$'000
Consideration payable by the independent third party	200,000
Less: Legal and professional fees	(2,500)
	197,500
Amounts expected to be recoverable from De-consolidated Subsidiaries in respect of transactions with De-consolidated Subsidiaries from 1 April 2012 to 31 March 2014 *(note)*	49,242
Amounts expected to be payable to De-consolidated Subsidiaries in respect of transactions with De-consolidated Subsidiaries from 1 April 2012 to 31 March 2014	(37,842)
Estimated recoverable amount	208,900

25 Investments in subsidiaries and due from/(to) subsidiaries (continued)

(b) Disposal of entire equity interests in Golddoor Company Limited (continued)

Note: The Group has received monthly repayment of HK$3,800,000 from the De-consolidated Subsidiaries in respect of the transactions with the De-consolidated Subsidiaries from 1 April 2012 to 31 March 2014.

The carrying amounts of the amounts due from De-consolidated Subsidiaries as at 31 March 2014 comprised of:

	$'000
Property, plant and machinery based on valuation at 30 September 2012	532,172
Net amounts due from De-consolidated Subsidiaries resulting from transactions with the De-consolidated Subsidiaries from 1 April 2012 to 31 March 2014	108,366
	640,538

At 31 March 2014, the Group's and the Company's amounts due from De-consolidated Subsidiaries and the Company's interests in subsidiaries were determined to be impaired. Impairment losses on amounts due from De-consolidated Subsidiaries of approximately HK$431,638,000 were recognised as the result of "Discontinued operations" in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2014. The impairment losses were measured as the difference between the carrying amount and the estimated recoverable amount from the disposal of Golddoor (together with its subsidiary, Huizhou Fook Woo).

In September 2014, the Group entered into agreement with the De-consolidated Subsidiaries pursuant to which the Group decided not to demand for the De-consolidated Subsidiaries of the monthly repayment of HK$3,800,000. Accordingly, the Group considered the previously estimated amount expected to be receivable from the De-consolidated Subsidiaries of HK$49,242,000, of which the Group has subsequently recovered the amounts of HK$12,670,000 and the remaining amounts of HK$36,572,000 are considered to be irrecoverable and further provision for impairment loss was made for the year ended 31 March 2015.

25 Investments in subsidiaries and due from/(to) subsidiaries (continued)

(c) Principal subsidiaries held by the group

The following is a list of the principal subsidiaries which have been consolidated as at and for the year ended at 31 March 2015:

Name	Place and date of incorporation/ establishment	Particulars of issued paid-in capital	Effective interest held	Principal activities and place of operation
Directly held				
IWS Global Limited	British Virgin Islands ("BVI")/ 16 March 2007	Ordinary US$50,030	100%	Investment holding/ Hong Kong
Indirectly held				
IWS Waste Management (Global) Company Limited	BVI/ 23 March 2009	Ordinary US$1	100%	Investment holding/ Hong Kong
IWS Assorted Paper (Global) Company Limited	BVI/ 23 March 2009	Ordinary US$1	100%	Investment holding/ Hong Kong
IWS Environmental Technologies (Global) Company Limited	BVI/ 23 March 2009	Ordinary US$1	100%	Investment holding/ Hong Kong
CMDS (Global) Company Limited	BVI/ 23 March 2009	Ordinary US$1	100%	Investment holding/ Hong Kong
IWS Waste Management Company Limited	Hong Kong/ 28 September 1993	HK$1,000,000	100%	Trading of recovered paper and materials/ Hong Kong
IWS Assorted Paper Company Limited	Hong Kong/ 15 December 1997	HK$1,000,000	100%	Trading of tissue paper products/ Hong Kong

25 Investments in subsidiaries and due from/(to) subsidiaries (continued)

(c) Principal subsidiaries held by the group (continued)

The following is a list of the principal subsidiaries which have been consolidated as at and for the year ended at 31 March 2015: (continued)

Name	Place and date of incorporation/ establishment	Particulars of issued paid-in capital	Effective interest held	Principal activities and place of operation
Indirectly held (continued)				
Confidential Materials Destruction Service Limited	Hong Kong/ 22 June 1979	HK$10,000	100%	Provision of confidential materials destruction service/ Hong Kong
IWS Environmental Technologies Limited	Hong Kong/ 23 October 2002	HK$1,000,000	100%	Procurement of waste paper/Hong Kong
IWS Promotion Limited	Hong Kong/ 17 September 2010	HK$1	100%	Development of recycling facilities at Tseung Kwan O/ Hong Kong
IWS Paper Agency (Global) Company Limited	BVI/ 28 November 2011	Ordinary US$1	100%	Investment holding/ Hong Kong
IWS Logistics Limited	Hong Kong/ 26 February 2013	HK$1	100%	Provision of logistic services/Hong Kong
Wealthy Peaceful Company Limited (dissolved on 2 April 2015)	BVI/ 23 March 2009	Ordinary US$1	100%	Investment holding/ Hong Kong
Hong Kong Ying Cheung (International) Holdings Limited	Hong Kong/ 1 December 2014	HK$5,000,000	60%	Trading of high-density polyethylene products/ Hong Kong

26 Note to the consolidated cash flow statements

(a) Reconciliation of loss before taxation to net cash used in operations

	Note	**2015** **$'000**	2014 $'000
Loss before income tax		**(127,264)**	(52,026)
Adjustments for:			
Depreciation of property, plant and equipment	14	**21,840**	14,380
Amortisation of land use rights	15	**852**	833
Gain on disposals of property, plant and equipment, net	7	**(1,069)**	(448)
Write off of property, plant and equipment	7	**4,879**	147
(Reversal of)/Provision for impairment of trade receivables	18	**(56)**	388
Impairment of loan to and amount due from an associate	8(b)	**5,613**	–
Share-based payments		**5,534**	–
Interest income		**(3,119)**	(10,202)
Unrealised foreign exchange gain		**(593)**	(1,982)
Share of loss of associate		**–**	844
Operating loss before working capital changes		**(93,383)**	(48,066)
Inventories		**(741)**	2,750
Trade and bills receivables		**73**	(20,296)
Other receivables, deposits and prepayments		**4,200**	(15,240)
Amounts due from related companies		**582**	7
Payables and accruals		**(26,056)**	(2,406)
Amounts due from De-consolidated Subsidiaries		**–**	551
Cash used in operations		**(115,325)**	(82,700)

26 Note to the consolidated cash flow statements (continued)

(b) In the consolidated statement of cash flows, proceeds from disposals of property, plant and equipment comprises:

	2015	2014
	$'000	$'000
Proceeds from disposal of property, plant and equipment	**2,383**	901
Net book amount *(note 14)*	**(1,314)**	(453)
Gain on disposal of property, plant and equipment *(note 7)*	**1,069**	448

27 Operating lease commitments

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

	2015	2014
	$'000	$'000
Within one year	**19,974**	33,844
After one year but within five years	**8,803**	26,347
	28,777	60,191

28 Capital commitments

	2015	2014
	$'000	$'000
Contracted but not provided for		
Property, plant and equipment	**60,331**	282,438

29 Contingent liabilities

At 31 March 2015, 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.

30 Related party transactions

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

	2015	2014
	$'000	$'000
(i) **Transactions with related parties**		
Rental expenses in respect of land and buildings paid to E&I Development Limited ("E&I") *(note (i))*	**1,650***	3,300*
Management fee paid and payable to Lai Wah Shipping Company ("Lai Wah") *(note (ii))*	**–**	624*
Management fee paid and payable to Fook Woo Waste Paper Company *(note (iii))*	**–**	447*
Management fee income received and receivable from Fook Fung Loi Co., Limited ("Fook Fung Loi")	**1,305**	2,040
Interest income received and receivable from Fook Fung Loi	**189**	179
Sales of tissue to Fook Fung Loi	**249**	–
Underwriting commission paid to Chow Tai Fook Nominee Limited ("Chow Tai Fook") *(note (iv))*	**5,807***	–
(ii) **Transactions with De-consolidated Subsidiaries**		
Sales of waste paper to De-consolidated Subsidiaries	**–**	56,977
Purchase of tissue from De-consolidated Subsidiaries	**41,456**	168,888
Logistics fee paid and payable to De-consolidated Subsidiaries	**214**	844
Management fee paid and payable to De-consolidated Subsidiaries	**2,640**	1,560

* These related party transactions also constitute connected transactions or continuing connected transactions pursuant to the Main Board Listing Rules of the Stock Exchange.

30 Related party transactions (continued)

(a) (continued)

Notes:

(i) These represented the rental expenses for leasing of office space paid to E&I. 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 rental expenses were charged at predetermined rates mutually agreed between both parties.

(ii) 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 and terminated on 31 July 2013.

(iii) 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.

(iv) The amount represented the underwriting commission paid to Chow Tai Fook, a company owned by Dato' Dr. Cheng Yu Tung, 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 on 25 July 2014.

30 Related party transactions (continued)

(b) Year-end balances with related parties

The amounts due from/(to) related companies were denominated in HK$. The balances are unsecured, interest-free and repayable upon demand. The carrying values of these balances approximate their fair values.

Amounts due from related companies, net of impairment provisions are disclosed as follows:

Name	Relationship	2015 $'000	2014 $'000
E&I	Controlling shareholders are the son and daughter of Mr. Leung Kai Kuen, one of the substantial shareholders of the Company	**12**	562
Fook Fung Loi	An associate of the Company	**–**	4,500
Huizhou Fook Woo	A de-consolidated subsidiary of the Company	**–**	208,900

The information relating to the amounts due from related companies, disclosed pursuant to the Hong Kong Companies Ordinance, is as follows:

	Maximum amount outstanding during	
Name	2015 $'000	2014 $'000
E&I	**562**	562

30 Related party transactions (continued)

(b) Year-end balances with related parties (continued)

Amounts due to related companies are disclosed as follows:

Name	Relationship	2015 $'000	2014 $'000
Lai Wah	Sole proprietor is Mr. Leung Kai Kuen, one of the substantial shareholders of the Company	**10**	10

(c) Key management personnel

Remuneration of key management personnel, including amounts paid to the directors, certain highest paid employees and senior management, are disclosed in note 10.

31 Events after the reporting period

Except for matters disclosed elsewhere in this annual report, the Group had no other events subsequent to the end of the reporting period to disclose.

32 Future changes in accounting policies

Up to the date of issue of these financial statements, the IASB has issued a number of amendments and new standards which are not yet effective for the year ended 31 March 2015 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to IAS 19, *Defined benefit plans: Employee contributions*	1 July 2014
Annual improvements to IFRSs 2010-2012 cycle	1 July 2014
Annual improvements to IFRSs 2011-2013 cycle	1 July 2014
Amendments to IFRS 11, *Accounting for acquisitions of interests in joint operations*	1 January 2016
Amendments to IAS 16 and IAS 38, *Clarification of acceptable methods of depreciation and amortisation*	1 January 2016
IFRS 15, *Revenue from contracts with customers*	1 January 2017
IFRS 9, *Financial instruments*	1 January 2018

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of the new standards is unlikely to have a significant impact on the Group's consolidated financial statements.

FIVE YEAR FINANCIAL SUMMARY

RESULTS

	Year ended 31 March				
	2011	2012	2013	2014	**2015**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Revenue	2,126,487	750,230	573,274	480,587	**443,542**
Gross profit	756,756	76,620	89,508	40,858	**24,335**
Profit/(loss) before taxation	554,904	2,890	1,830	(52,026)	**(127,264)**
Income tax	(88,014)	(9,582)	(4,952)	(1,224)	**1,113**
Profit/(loss) from continuing operations	466,890	(6,692)	(3,122)	(53,250)	**(113,080)**
Discontinued operations					
Loss on de-consolidation of subsidiaries	–	(415,519)	–	–	**–**
Impairment loss on amounts due from De-consolidated Subsidiaries	–	(1,730,505)	(2,500)	(431,638)	**(36,572)**
Profit/(loss) and total comprehensive income for the year	466,890	(2,152,716)	(5,622)	(484,888)	**(149,652)**
Attributable to:					
Equity shareholders of the Company	466,890	(2,152,716)	(5,622)	(484,888)	**(149,607)**
Non-controlling interests	–	–	–	–	**(45)**
	466,890	(2,152,716)	(5,622)	(484,888)	**(149,652)**

ASSETS AND LIABILITIES

	As at 31 March				
	2011	2012	2013	2014	**2015**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Total assets	4,170,383	1,518,415	1,504,649	1,062,116	**1,332,934**
Total liabilities	369,972	99,123	90,979	133,334	**74,630**
Total equity	3,800,411	1,419,292	1,413,670	928,782	**1,258,304**

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

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