China Environmental Energy Investment Limited
中國環保能源投資有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 986)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2013

ANNUAL RESULTS

The Board (the "Board") of Directors (the "Directors") of China Environmental Energy Investment Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2013 together with the comparative figures for the year ended 31 March 2012 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	Notes	**2013** ***HK$'000***	2012 *HK$'000* (restated)
Continuing Operations			
Turnover	*4*	**99,655**	136,028
Cost of sales		**(98,474)**	(116,999)
Gross profit		**1,181**	19,029
Other income and gains	*6*	**8,794**	6,881
Gain on redemption of financial liabilities designated at fair value through profit or loss		**4,502**	–
(Loss)/gain on change in fair value of financial liabilities designated at fair value through profit or loss		**(40,583)**	77,658
Selling and distribution expenses		**(10,771)**	(5,892)
Administrative and other expenses		**(76,524)**	(30,051)
Impairment loss recognised on goodwill		**(203,849)**	–
Impairment loss on available-for-sale investment		**(47,616)**	(44,888)
Finance costs	*7*	**(15,821)**	(11,484)
(Loss)/profit before taxation	*8*	**(380,687)**	11,253
Taxation	*9*	**3,395**	(3)

* *For identification purposes only*

	Notes	2013 HK$'000	2012 HK$'000 (restated)
(Loss)/profit for the year from continuing operations		**(377,292)**	11,250
Discontinued Operations			
Loss for the year from discontinued operations	*10*	**(13,939)**	(2,359)
(Loss)/profit for the year	*5*	**(391,231)**	8,891
(Loss)/profit for the year		**(391,231)**	8,891
Other comprehensive income			
Exchange difference arising on translation of foreign operations		**(2,967)**	2,062
Total comprehensive income for the year		**(394,198)**	10,953
(Loss)/profit for the year from continuing operations attributable to:			
Owners of the Company		**(364,881)**	10,201
Non-controlling interests		**(12,411)**	1,049
		(377,292)	11,250
(Loss)/profit for the year from continuing and discontinued operations attributable to:			
Owners of the Company		**(378,820)**	7,842
Non-controlling interests		**(12,411)**	1,049
		(391,231)	8,891
Total comprehensive income attributable to:			
Owners of the Company		**(381,787)**	9,904
Non-controlling interests		**(12,411)**	1,049
		(394,198)	10,953
(LOSS)/EARNINGS PER SHARE	*12*		
From continuing and discontinued operations			
Basic		**HK$(9.63)**	HK$0.95
Diluted		**N/A**	HK$(4.16)
From continuing operations			
Basic		**HK$(9.28)**	HK$1.23
Diluted		**N/A**	HK$(4.02)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment		**24,246**	46,619
Investment property		**–**	10,150
Prepaid lease payments		**–**	1,063
Goodwill		**319,000**	522,849
Intangible assets		**36,479**	39,728
Available-for-sale investment		**82,081**	128,000
Amount due from a minority shareholder		**–**	13,300
		461,806	761,709
Current assets			
Inventories		**657**	18,014
Trade and bills receivables	*13*	**2,215**	54,081
Other receivables, prepayments and deposits paid		**57,632**	76,420
Pledged bank deposits		**–**	24,420
Cash deposits held by securities broker		**–**	40,000
Bank balances and cash		**3,603**	30,410
		64,107	243,345
Assets classified as held for sale		**29,555**	–
		93,662	243,345
Current liabilities			
Trade and bills payables	*14*	**4,113**	86,094
Other payables and accruals		**29,366**	35,577
Promissory notes payable		**122,000**	262,023
Bank and other borrowings		**26,200**	35,081
Financial liabilities designated at fair value through profit or loss		**133,664**	25,917
Tax payable		**21,205**	26,856
Obligations under finance leases		**–**	112
		336,548	471,660
Liabilities directly associated with assets classified as held for sale		**27,718**	–
		364,266	471,660
Net current liabilities		**(270,604)**	(228,315)
		191,202	533,394

	Notes	2013 HK$'000	2012 HK$'000
Capital and reserves			
Share capital		**554**	9,234
Share premium and reserves		**156,365**	494,385
Equity attributable to owners of the Company		**156,919**	503,619
Non-controlling interests		**5,059**	17,470
Total equity		**161,978**	521,089
Non-current liabilities			
Unconvertible bonds		**20,000**	–
Obligations under finance leases		**–**	414
Deferred tax liabilities		**9,224**	11,891
		29,224	12,305
		191,202	533,394

NOTES:

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act of Bermuda. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is located at Room 2211, 22/F, Lippo Centre, Tower Two, 89 Queensway, Hong Kong.

The consolidated financial statements have been prepared in accordance with the applicable Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

As referred to in Note 10 below, the Group discontinued its businesses of trading of laminates and manufacture and trading of printed circuit boards ("PCB") on 28 March 2013. Certain comparative figures prepared in the consolidated financial statements have been revised to conform with the current year's presentation.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the Directors have considered the future liquidity of the Group. As at 31 March 2013, the Group and the Company had net current liabilities of approximately HK$270,604,000 and HK$261,321,000 respectively, which included promissory notes payable of HK$122,000,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the aforesaid conditions, the consolidated financial statements have been prepared on the assumption that the Group will be able to operate as a going concern for the foreseeable future. In the opinion of the Directors, the Group can meet its financial obligations as and when they fall due in the next year from the date of approval of these consolidated financial statements, after taking into consideration of several measures and arrangements made subsequent to the reporting date as detailed below:

(a) In April 2013, the Company completed the disposal of the entire equity interests in Nam Hing (B.V.I.) Limited and its subsidiaries (the "Disposed Group") and the loans made to the Disposed Group by the Company, giving rise to sale proceeds of HK$2,000,000 (before expenses).

(b) On 1 May 2013, the Company entered into an agreement with an independent third party under which a loan facility of HK$82,000,000 was granted to the Company. The loan, which is secured by the mortgage of the shares in a subsidiary held by the Company, carries interest at 36% per annum and is wholly repayable on 19 September 2013. As at the date of approval of these consolidated financial statements, such loan to the extent of HK$68,000,000 has been withdrawn by the Company, of which HK$63,000,000 was applied for the repayment of the promissory notes referred to in (d) below.

(c) In June 2013, the holder of the promissory notes issued by the Company with the principal amount of HK$20,000,000 due on 14 May 2013 has transferred such promissory notes, and the new note holder and the Company have agreed for the extension of the maturity date of such notes to 5 December 2013 with the other terms and conditions of the notes remained unchanged.

(d) In June 2013, the holder of the promissory notes issued by the Company with the principal amount of HK$72,000,000 due on 7 May 2013 has agreed for the extension of the maturity date of such notes to 7 November 2013 with the other terms and conditions of the notes remained unchanged. Subsequent to the extension of the maturity date, a substantial portion of these notes with the principal amount of HK$66,000,000, together with all the interests accrued thereof, were repaid by the Company on 21 June 2013 at a sum of HK$63,000,000 in cash.

(e) In June 2013, a securities firm has agreed, on the best effort and no legal binding basis, to underwrite the issue of new shares of the Company for a total proceeds of not less than HK$250,000,000 before the ended of 2013.

In light of the measures and arrangements implemented to date, the Directors are of the view that the Group has sufficient cash resources to satisfy its working capital and other financial obligations for the next twelve months from the date of approval of these consolidated financial statements after having taken into account of the Group's projected cash flows, current financial resources and capital expenditure requirements with respect to the production facilities and development of its businesses. Accordingly, the Directors are of the view that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and revised HKFRSs applied in the current period

In the current year, the Group has applied, for the first time, the following new and revised HKFRSs issued by the HKICPA.

HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets

The application of the new and revised HKFRSs in the current period has had no material effect on the amounts reported in the Group's consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle[2]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance[2]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[3]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 1 (Amendments)	Presentation of Financial Statements[1]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities[3]
HK(IFRIC) – INT 20	Stripping Costs in the Production Phase of a Surface Mine[2]

[1] *Effective for annual periods beginning on or after 1 July 2012*

[2] *Effective for annual periods beginning on or after 1 January 2013*

[3] *Effective for annual periods beginning on or after 1 January 2014*

[4] *Effective for annual periods beginning on or after 1 January 2015*

HKFRS 9 “Financial Instruments” (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 “Financial Instruments” (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 “Financial instruments: Recognition and Measurement” are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated at fair value through profit or loss, the amount of change in the fair value of the financial liabilities that is attributable to changes in the credit risk of those liabilities is presented in other comprehensive income, unless the presentation of the effects of changes in the liabilities credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liabilities credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liabilities designated at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual period beginning on or after 1 January 2015, with earlier application permitted. The Directors anticipate that HKFRS 9 will be adopted in the Group’s consolidated financial statements for the financial year ending 31 March 2016. Based on the Group’s and the Company’s financial assets and financial liabilities at 31 March 2013, the Directors anticipate that the application of the new standard will affect the classification and measurement of the Group’s and the Company’s available for sale investment and may affect the classification and measurement of other financial assets. At the date of this announcement, the Directors are in the process of assessing the potential financial impact.

The amendments to HKFRS 7 “Disclosures – Transfers of Financial Assets” increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the assets. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. The Directors do not anticipate that these amendments to HKFRS 7 will have a significant effect on the Group’s and the Company’s disclosures regarding transfers of assets previously effected.

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial Instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The Directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the financial year ending 31 March 2014 and that the application of the new standard will not have effect on the amounts reported in the consolidated financial statements but may result in more extensive disclosures in the consolidated financial statements.

The Directors anticipate that the application of other new and revised HKFRSs will have no material impact on the Group's consolidated financial statements.

4. TURNOVER

The Group's turnover represents the net invoiced value of goods sold, after allowances and trade discounts.

An analysis of the Group's turnover by business segments are as follows:

	Continuing Operations		**Discontinued Operations**		**Total**	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Sales of recycled materials	**99,655**	136,028	**–**	–	**99,655**	136,028
Sales of laminates	**–**	–	**425**	541	**425**	541
Sales of printed circuit boards	**–**	–	**43,006**	42,253	**43,006**	42,253
Total	**99,655**	136,028	**43,431**	42,794	**143,086**	178,822

5. SEGMENT INFORMATION

(a) Business segments

The Group's operating and reportable segments which are based on the types of products manufactured are as follows:

Continuing Operations

Wastes recycling: waste paper, scrap metal and consumable wastes recycling.

Discontinued Operations

Trading of laminates: trading of industrial laminates mainly for use in the manufacture of telecommunications, computer-related products, audio and visual household products; and

Manufacture and trading of PCBs: manufacture and trading of PCBs mainly for use in the manufacture of audio and visual household products.

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 March 2013

	Continuing Operations		Discontinued Operations			
	Wastes recycling	Sub-total	Trading of laminates	Manufacture and trading of PCBs	Sub-total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue:						
Sales to external customers	**99,655**	**99,655**	**425**	**43,006**	**43,431**	**143,086**
Intersegment sales	**–**	**–**	**–**	**–**	**–**	**–**
Elimination	**–**	**–**	**–**	**–**	**–**	**–**
Revenue from external customers	**99,655**	**99,655**	**425**	**43,006**	**43,431**	**143,086**
Segment results	**(58,244)**	**(58,244)**	**(1,204)**	**1,863**	**659**	**(57,585)**
Interest income						**874**
Loss on redemption of financial liabilities designated at fair value through profit or loss						**4,502**
Loss on change in fair value of financial liabilities designated at fair value through profit or loss						**(40,583)**
Increase in fair value of investment property						**5,670**
Other unallocated income						**8,104**
Impairment loss on goodwill						**(203,849)**
Impairment loss on available-for-sale investment						**(47,616)**
Other unallocated expense						**(23,382)**
Finance costs						**(16,089)**
Impairment loss on the Disposed Group						**(24,644)**
Loss before taxation						**(394,598)**
Taxation						**3,367**
Loss for the year						**(391,231)**

For the year ended 31 March 2012

	Continuing Operations		Discontinued Operations			
	Wastes recycling	Sub-total	Trading of laminates	Manufacture and trading of PCBs	Sub-total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue:						
Sales to external customers	136,028	136,028	541	42,253	42,794	178,822
Intersegment sales	–	–	–	–	–	–
Elimination	–	–	–	–	–	–
Revenue from external customers	136,028	136,028	541	42,253	42,794	178,822
Segment results	9,023	9,023	(1,832)	(939)	(2,771)	6,252
Interest income						580
Gain on redemption of financial liabilities designated at fair value through profit or loss						–
Gain on change in fair value of financial liabilities designated at fair value through profit or loss						77,658
Increase in fair value of investment property						770
Other unallocated income						2,513
Impairment loss on goodwill						–
Impairment loss on available-for-sale investment						(44,888)
Impairment loss on the Disposed Group						–
Other unallocated expenses						(21,645)
Finance costs						(12,019)
Profit before taxation						9,221
Taxation						(330)
Profit for the year						8,891

The following is an analysis of the Group's assets and liabilities by reportable segments:

	2013	2012
	HK$'000	*HK$'000*
Segment assets		
Wastes recycling	**84,870**	216,230
Total segment assets	**84,870**	216,230
Assets relating to the discontinued operations		
– Trading of laminates	**7,558**	20,010
– Manufacture and trading of PCBs	**17,098**	34,376
Unallocated	**445,942**	734,438
Total consolidated assets	**555,468**	1,005,054
Segment liabilities		
Wastes recycling	**72,259**	145,814
Total segment liabilities	**72,259**	145,814
Liabilities relating to the discontinued operations		
– Trading of laminates	**14,773**	17,098
– Manufacture and trading of PCBs	**11,229**	16,094
Unallocated	**295,229**	304,959
Total consolidated liabilities	**393,490**	483,965

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than certain pledged bank deposits, cash deposits held by securities broker and bank balances and cash, goodwill, intangible assets, investment property, available-for-sale investment, financial assets designated at fair value through profit or loss, certain other receivables, prepayments and deposits paid, and assets used jointly by reportable segments.

- all liabilities are allocated to reportable segments other than certain bank and other borrowings, tax payable, promissory notes payable, financial liabilities designated at fair value through profit or loss, unconvertible bonds and liabilities for which reportable segments are jointly liable.

(b) Geographical information

The Group's operations are mainly located in Hong Kong, the People's Republic of China ("PRC") and Europe.

The following table provides an analysis of the Group's revenue by geographic market, irrespective of the origin of customers:

	Hong Kong		PRC		Europe		Others		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Sales to external customers	**7,502**	9,992	**99,655**	137,090	**20,509**	24,369	**15,420**	7,371	**143,086**	178,822

The following is an analysis of the carrying amount of non-current assets (other than goodwill and intangible assets which are attributable to the wastes recycling segment in the PRC) analysed by the geographical areas in which the assets are located:

	Hong Kong		PRC		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information:						
Non-current assets	**155**	138,972	**106,172**	60,160	**106,327**	199,132

6. OTHER INCOME AND GAINS

	Continuing Operations		Discontinued Operations		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Bank interest income	**555**	143	**13**	151	**568**	294
Imputed interest income on amount due from a minority shareholder	**306**	286	**–**	–	**306**	286
Value added tax and other taxes refunded	**4,509**	4,869	**–**	–	**4,509**	4,869
Foreign exchange gain, net	**2,797**	–	**2,790**	–	**5,587**	–
Increase in fair value of investment property	**–**	–	**5,670**	770	**5,670**	770
Rental income	**–**	28	**248**	249	**248**	277
Gain on disposal of property, plant and equipment	**–**	–	**3**	–	**3**	–
Sale of scrap materials	**248**	–	**240**	118	**488**	118
Reversal of impairment on trade receivables	**–**	–	**–**	3,621	**–**	3,621
Others	**379**	1,555	**394**	563	**773**	2,118
	8,794	6,881	**9,358**	5,472	**18,152**	12,353

Note: The direct operating expenses from investment property that generated rental income amounted to approximately HK$40,000 (2012: HK$53,000).

7. FINANCE COSTS

	Continuing Operations		Discontinued Operations		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest expenses on:						
Bank and other borrowings wholly repayable within five years	**2,922**	3,399	**221**	470	**3,143**	3,869
Factoring arrangements	**–**	–	**19**	65	**19**	65
Obligations under finance leases	**–**	8	**28**	–	**28**	8
Promissory notes payable	**12,253**	7,993	**–**	–	**12,253**	7,993
Imputed interest on unconvertible notes	**646**	–	**–**	–	**646**	–
Imputed interest on convertible notes	**–**	84	**–**	–	**–**	84
	15,821	11,484	**268**	535	**16,089**	12,019

8. (LOSS)/PROFIT BEFORE TAXATION

The Group's (loss)/profit before taxation is arrived at after charging:

	Continuing Operations		Discontinued Operations		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Auditors' remuneration	**1,095**	1,147	**70**	422	**1,165**	1,569
Amortisation of prepaid lease payments	**–**	–	**33**	33	**33**	33
Amortisation of intangible assets included in administrative and other expenses	**4,216**	1,743	**–**	–	**4,216**	1,743
Cost of inventories recognised as an expense	**98,474**	116,999	**17,628**	22,068	**116,102**	139,067
Depreciation of property, plant and equipment	**5,559**	2,468	**3,075**	3,530	**8,634**	5,998
Direct operating expenses of investment property	**–**	–	**40**	53	**40**	53
Foreign exchange loss, net	**–**	5	**–**	1,429	**–**	1,434
Impairment loss recognised in respect of trade receivables included in administrative and other expenses	**5,754**	–	**434**	27	**6,188**	27
Impairment loss recognised in respect of other receivables included in administrative and other expenses	**35,555**	1,845	**–**	–	**35,555**	1,845
Operating lease rentals in respect of rental premises	**–**	–	**81**	176	**81**	176
Write down of inventories	**5,937**	–	**–**	657	**5,937**	657
Loss on disposal of financial assets at fair value through profit or loss	**–**	–	**–**	6	**–**	6
Loss on disposal of property, plant and equipment	**67**	173	**–**	19	**67**	192
Loss on early repayment of promissory notes payable	**489**	–	–	–	**489**	–

9. TAXATION

	Continuing Operations		Discontinued Operations		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong Profits Tax	**–**	–	**28**	327	**28**	327
PRC Enterprise Income Tax						
Current year	**–**	304	**–**	–	**–**	304
Overprovision in previous year	**(295)**	–	**–**	–	**(295)**	–
	(295)	304	**28**	327	**(267)**	631
Deferred tax credit	**(3,100)**	(301)	**–**	–	**(3,100)**	(301)
Tax (credit)/charge for the year	**(3,395)**	3	**28**	327	**(3,367)**	330

Hong Kong Profits Tax

Hong Kong Profits Tax has been provided for at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit the year.

PRC income tax

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation regulation of the EIT Law, the tax rate of subsidiaries of the Company in the PRC is 25%.

10. DISCONTINUED OPERATIONS

On 28 March 2013, the Company entered into a sale and purchase agreement with Nature Ample Limited, which is wholly owned by Mr. Lau Chung Yim, a former Director resigned on 15 March 2012, to dispose of 100% equity interest in and loans made to the Disposed Group for a cash consideration of HK$2 million. On the same date, the Group discontinued its businesses of trading of laminates and manufacture and trading of PCBs undertaken by the Disposed Group. An analysis of the loss for the year from the discontinued operations is as follows:

	2013	2012
	HK$'000	*HK$'000*
Profit/(loss) for the year from discontinued businesses *(Note a)*	**10,705**	(2,359)
Impairment loss recognised on the Disposed Group *(Note b)*	**(24,644)**	–
Loss for the year from discontinued operations	**(13,939)**	(2,359)

(a) The results of the discontinued businesses are analysed below:

	Trading of laminates		Manufacture and trading of PCBs		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover	**425**	541	**43,006**	42,253	**43,431**	42,794
Cost of sales	**(362)**	(441)	**(30,722)**	(35,035)	**(31,084)**	(35,476)
Gross profit	**63**	100	**12,284**	7,218	**12,347**	7,318
Other income and gains/(loss), net	**10,010**	1,721	**(652)**	3,751	**9,358**	5,472
Selling and distribution expenses	**(99)**	(65)	**(1,800)**	(1,616)	**(1,899)**	(1,681)
Administrative and other expenses	**(1,176)**	(1,868)	**(7,629)**	(10,738)	**(8,805)**	(12,606)
Finance costs	**(168)**	(323)	**(100)**	(212)	**(268)**	(535)
Profit/(loss) before taxation	**8,630**	(435)	**2,103**	(1,597)	**10,733**	(2,032)
Taxation	**–**	–	**(28)**	(327)	**(28)**	(327)
Profit/(loss) for the year	**8,630**	(435)	**2,075**	(1,924)	**10,705**	(2,359)
Profit/(loss) for the year attributable to owners of the Company	**8,630**	(435)	**2,075**	(1,924)	**10,705**	(2,359)

(b) The completion of the disposal took place on 10 April 2013. Impairment loss on the Disposed Group of HK$24,644,000, which represents the excess of the net assets of the Disposed Group and loans made to the Disposed Group by the Company at the completion date over the consideration for the disposal has been recognised in the current year.

11. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2013 (2012: Nil), nor has any dividend been proposed since the end of the reporting period (2012: Nil).

12. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company is as follows:

	Continuing and Discontinued Operations		Continuing Operations	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
(Loss)/earnings				
(Loss)/earnings for the purpose of basic (loss)/earnings per share				
Profit/(loss) for the year attributable to owner of the Company	**(378,820)**	7,842	**(364,881)**	10,201
Effect of dilutive potential ordinary shares:				
Gain on redemption of financial liabilities designated at fair value through profit or loss	**(4,502)**	–	**(4,502)**	–
(Loss)/profit on change in fair value of financial liabilities designated at fair value through profit or loss	**40,583**	(77,658)	**40,583**	(77,658)
(Loss)/earnings for the purpose of diluted loss per share	**N/A**	(69,816)	**N/A**	(67,457)

	2013	2012	**2013**	2012
	'000	*'000*	***'000***	*'000*
Number of shares				
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	**39,335**	8,276	**39,335**	8,276
Effect of dilutive potential ordinary shares:				
Convertible notes (classified as financial liabilities designated at fair value through profit or loss)	**81,039**	8,490	**81,039**	8,490
Weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share	**120,374**	16,766	**120,374**	16,766

The weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share has been adjusted for the consolidation of the Company's shares on the basis of 50 shares into one share made during the year.

The computation of diluted earnings per share for both of the years presented does not assume the conversion of certain convertible notes of the Company since their exercise would result in an increase in earnings per share.

Diluted earnings per share from continuing and discontinued operations and from continuing operations for the current year are not presented because the Group sustained a loss for the year and the impact of conversion of convertible notes, if any, is regarded anti-dilutive.

13. TRADE AND BILLS RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade and bills receivables	**8,015**	54,413
Less: allowance for impairment loss	**5,800**	332
	2,215	54,081

Bills receivables are aged within 3 months from the invoice date.

The Group has a policy of allowing credit period ranging from 3 to 6 months to its trade customers. In addition, for certain customers with long-established relationship and good past repayment history, a longer credit period may be granted. The Group does not hold any collateral over the balances.

An aged analysis of trade and bills receivables net of impairment loss recognised at the end of reporting period, based on the invoice date, is as follows:

	2013	2012
	HK$'000	*HK$'000*
Within 3 months	**2,017**	36,661
4 to 6 months	**–**	16,975
Over 6 months	**198**	445
	2,215	54,081

14. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables at the end of reporting period, based on the invoice date, is as follows:

	2013	2012
	HK$'000	*HK$'000*
Within 3 months	**3,320**	57,968
4 to 6 months	**783**	26,087
Over 6 months	**10**	2,039
	4,113	86,094

The credit period on purchase of goods ranged from 60 to 90 days.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2013, and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards, and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 to the consolidated financial statements regarding the adoption of going concern basis on which the consolidated financial statements have been prepared. As at 31 March 2013, the Group and the Company had net current liabilities of approximately HK$270,604,000 and HK$261,321,000 respectively, including promissory notes payable of HK$122,000,000.

The conditions set out in Note 2 to the consolidated financial statements indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group and the Company to continue as a going concern. The consolidated financial statements do not include any adjustments that would result from a failure to obtain the fundings as referred to in Note 2 for financing the working capital and financial commitments of the Group and the Company for the foreseeable future. We consider that adequate disclosures have been made for the above matters in the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

On 28 March 2013, the Company has entered into a sale and purchase agreement to dispose of the Disposed Group, being the Company's subsidiaries mainly engaged in trading and manufacturing of printed circuit boards and trading of industrial laminates (the "Disposal"). The Disposal was completed on 10 April 2013. The principal activities of the Company become recycling of waste paper, scrap metal and consumable wastes subsequent to the completion of the Disposal.

The turnover of the Group for the year ended 31 March 2013 was HK$99,655,000, representing a 26.74% decrease as compared with HK$136,028,000 of the previous year. Gross profit from continuing operations was RMB952,000 equivalent to HK$1,181,000 (2012: RMB15,471,000 equivalent to HK$19,029,000) and gross margin was 1.19% (2012: 14%). The decrease in gross profit was attributable to the written down of inventories amounted to HK$5,937,000 during the year and keen competition in the market. Operating loss from continuing operations after tax of the Group was HK$377,292,000 which included a loss of HK$40,583,000 on change in fair value of financial liabilities designated at fair value through profit or loss (2012: gain of HK$77,658,000) and impairment loss of HK$47,616,000 on investment in electric car battery business (2012: HK$44,888,000) and HK$203,849,000 on goodwill arising from acquisition of recycling business respectively.

Administrative and other expenses were HK$76,524,000 (2012: HK$30,051,000). The increase in the expenses was attributable to the impairment loss recognised in respect of account receivables amounting to HK$6,188,000 and other receivables amounting to HK$35,555,000. Over 75% of the said impairment loss represents amounts being overdue more than one and a half year that related to recycling business before acquired by the Group.

Recycling business

Pursuant to the sale and purchase agreement dated 9 May 2011, the Company acquired all indebtedness, obligations and liabilities due, owing or incurred by Ideal Market Holdings Limited ("Ideal Market") and its subsidiaries and shares of 80% of the issued share capital of Ideal Market (the "Acquisition"). Ideal Market indirectly holds Suzhou Baina Renewable Resources Co., Ltd, which is principally engaged in the recycling business of waste paper, scrap metal and consumable wastes. The vendors of the Acquisition have provided the Company with the profit guarantee, such that the actual amount of net profits after taxation of Ideal Market group for the period from 1 April 2011 to 31 March 2012, as shown in the accountants' reports of Ideal Market group in accordance with Hong Kong Financial Reporting Standards, shall not be less than RMB55 million (the "Profit Guarantee"). On 22 February 2013, the Board announced that from the audited consolidated financial statements of Ideal Market group for the year ended 31 March 2012, the net profits after taxation for the 12-month period ended 31 March 2012 was RMB11,239,190, which was less than the Profit Guarantee. A total audited shortfall of RMB43,760,810 was noted. As such, in May 2013, the Company repurchased at HK$1 the contingency note with a principal amount of HK$41,373,857, being part of the consideration of the Acquisition; and the remaining balance of the contingency note with a principal amount of HK$10,626,143, being another part of the consideration of the Acquisition, has been released to the vendors. The consideration of the Acquisition after adjustment as a result of the shortfall of the Profit Guarantee was approximately HK$808.6 million.

As sales of the paper manufacturing in the PRC has been decreased recently, the demand of waste paper in the recycling business had been worsened. The Board anticipates that there will be pressure on the business and profit margin of the recycling business. The Group will struggle hard to revitalize the business and to make adaptations or reform, whenever necessary, in order to strive for a breakthrough in profitability for this key business.

Electric car battery business

The Company acquired 9.9% of the issued share capital of Swift Profit International Limited ("Swift Profit") on 29 December 2010. Swift Profit has been granted an exclusive licence to apply the patent and the related technology for manufacturing electric car batteries. Due to the slowdown of the China economy and the increasing concern of consumers on the safety of electric cars, the market of electric cars in China shrank in demand. Therefore, the production expansion plan of Swift Profit has been deferred. The carrying value of the business was reduced by HK$47,616,000 to HK$82,081,000 by reference to a business valuation as prepared by an independent professional valuer.

Printed circuit boards and industrial laminates business

As mentioned above, on 28 March 2013, the Company entered into a sale and purchase agreement to dispose of the Disposed Group to Nature Ample Limited (the "Purchaser") at a consideration of HK$2,000,000. Given the unsatisfactory performance of the Disposed Group and continuing loss made by the Disposed Group, the Directors believe that it was in the interest of the Company and the shareholders of the Company as a whole to reallocate the Group's financial resources and human resources to strengthen the remaining recycling business after completing the Disposal. The Group incurred a loss of HK$24,644,000 on the Disposal and the Board would utilize the net proceeds from the Disposal as general working capital of the Group. The Disposal was completed on 10 April 2013 and the Disposed Group has ceased to be the Company's subsidiaries thereafter.

Outlook

In view of the deteriorating performance of the prevailing businesses of the Group, the Group has been exploring and pondering ways to strengthen the source of income and improve the financial position including but not limited to, as disclosed in the announcements of the Company dated 22 October 2012, 25 October 2012, 23 January 2013 and 22 April 2013, the Company's entering into a non-legal binding memorandum of understanding relating to the proposed acquisition of Altman Investment Limited and its subsidiaries which principally engage in energy conservation and development of new energy.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2013, the Group's total cash and bank balances, cash deposit held by securities broker and pledged fixed deposits amounted to HK$3,603,000 (2012: HK$94,830,000). Total bank loans, other borrowings, unconvertible bond, financial liabilities designated at fair value through profit or loss and promissory note payable amounted to HK$301,864,000 as at 31 March 2013 (2012: HK$323,021,000). The Group's gearing ratio, which is net debt divided by total shareholders' equity plus net debt, increased from 0.40 as at 31 March 2012 to 0.67 as at 31 March 2013. Net debt included bank and other borrowings, trade and bills payable, other payables and accruals, promissory note payable, financial liabilities designated at fair value through profit or loss and obligation under finance leases less cash and bank balances, cash deposits and pledged bank deposits. As at 31 March 2013, the Group had a current ratio of 0.26 (2012: 0.52) and net current liabilities of HK$270,604,000 (2012: HK$228,315,000).

As at 31 March 2013, the outstanding amount due by the Company in form of promissory notes was HK$122,000,000 (2012: HK$260,023,000). During the year, an aggregate principal value of HK$138,023,000 of the promissory notes had been repaid.

As at the date of this announcement, the remaining promissory notes was HK$56,000,000 which comprised of HK$25,000,000, HK$20,000,000, HK$6,000,000 and HK$5,000,000 with maturity dates of 31 December 2013, 5 December 2013, 7 November 2013 and 31 January 2013 respectively.

As at 31 March 2013, redeemable convertible notes with principal amount of HK$58,000,000 due in November 2013 (2012: HK$160,000,000) and 8% coupon convertible notes with principal amount of HK$95,000,000 due in April 2014 (2012: Nil) were outstanding. During the year under review, an aggregate principal value of HK$102,000,000 of redeemable convertible notes had been converted into 449,339,204 ordinary shares.

In May 2013, as aforesaid, redeemable convertible notes with aggregate principal value of HK$52,000,000 had been redeemed/released due to the failure to meet the Profit Guarantee. As at the date of this announcement, redeemable convertible notes with principal amount of HK$6,000,000 due in November 2013 and 8% coupon convertible notes with principal amount HK$95,000,000 due in April 2014 were outstanding. Upon the proposed share subdivision to be approved by the shareholders of the Company at a special general meeting to be held on 17 July 2013 (the "Proposed Share Subdivision") becoming effective, the conversion price of the redeemable convertible notes and 8% coupon convertible notes is expected to be HK$2.8375 and HK$0.148 per subdivided share respectively.

CAPITAL STRUCTURE

On 1 June 2012, the Company entered into a placing agreement with FT Securities Limited in respect of a placing of unconvertible bonds due in Year 2017 with principal amounts of up to HK$200 million on a best effort basis. On 31 August 2012, the Company and FT Securities Limited entered into a supplemental agreement to extend the expiry date of placing period for the unconvertible bonds from 31 August 2012 to 28 February 2013. As at 31 March 2013, the Company has issued the unconvertible bonds due in Year 2017 in principal amount of HK$20 million.

On 26 June 2012, the Company entered into the subscription agreement with Pacific Plywood Holdings Limited (the "Subscriber") pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for the convertible notes due in Year 2014 in the aggregate principal amount of HK$95 million in cash. The subscription was completed on 12 October 2012. The proceeds raised from the subscription were used for the repayment of promissory notes in aggregate principal amount of HK$84 million. The conversion price of the convertible notes is HK$0.592 per conversion share. Upon the Proposed Share Subdivision becoming effective, the conversion price is expected to be adjusted from HK$0.592 per share to HK$0.148 per subdivided share and the number of convertible share will be adjusted from 160,472,972 shares to 641,891,888 subdivided shares.

On 3 August 2012, the Company announced to reorganize the share capital of the Company to implement a share consolidation scheme on the basis that every fifty (50) issued shares of HK$0.01 each in the share capital of the Company will be consolidated into one (1) consolidated share of HK$0.5 each (the "Consolidated Share") in the issued share capital of the Company, the issued share capital of the Company will then be reduced (i) by eliminating any fraction of a Consolidated Share in the issued share capital of the Company following the said share consolidation in order to round down the total number of Consolidated Shares to a whole number; and (ii) by cancelling the paid-up capital of the Company to the extent of HK$0.49 on each issued Consolidated Share so that the nominal value of each issued Consolidated Share will be reduced from HK$0.5 to HK$0.01. The credit of approximately HK$14.04 million arising from the capital reduction has been credited to the contributed surplus account of the Company. The capital reorganization was effected on 10 September 2012.

On 8 October 2012, the Company entered into the placing agreement with Cheong Lee Securities Limited (the "Placing Agent") pursuant to which the Placing Agent has agreed to place, on a best effort basis, to independent placees for up to 8,146,941 new shares of the Company at the placing price of HK$0.57 per placing share. The net proceeds of HK$4.4 million raised from the placing of 8,100,000 shares were used for the working capital of the Group.

On 4 March 2013, the Company entered into the subscription agreement with Mr. Mei ChaoHui ("Mr. Mei") pursuant to which Mr. Mei has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 6,560,000 new shares in cash at the subscription price of HK$1.20 per subscription share. The subscription was completed on 11 March 2013. The Company utilized approximately HK$5 million of the net proceeds of the subscription for the repayment of debts owed by the Company and the balances for the working capital of the Group.

As at the date of this announcement, 56,330,932 shares were in issue.

FOREIGN EXCHANGE EXPOSURE

The Group mainly operates in Hong Kong and Mainland China, with revenue and expenditures denominated in Renminbi. During the year, the Group did not enter into any derivative contracts aimed at minimizing exchange rate risks. But the Group will continue to review its foreign exchange exposure regularly and might consider using financial instruments to hedge against foreign exchange exposure at appropriate times.

EVENTS AFTER THE REPORTING PERIOD

The following events took place subsequent to the end of the reporting period:

(a) On 29 May 2013, the Company announced to propose share subdivision, under which every existing issued and unissued shares of HK$0.01 each in the share capital of the Company be subdivided into four subdivided shares of HK$0.0025 each. The share subdivision is subject to the approval by the shareholders of the Company at its general meeting to be convened on 17 July 2013.

(b) In April 2013, the Company completed the disposal of the entire equity interests in the Disposed Group and the loans made to the Disposed Group by the Company, giving rise to sale proceeds of HK$2,000,000 (before expenses).

(c) On 1 May 2013, the Company entered into an agreement with an independent third party under which a loan facility of HK$82,000,000 was granted to the Company. The loan, which is secured by the mortgage of the shares in a subsidiary held by the Company, carries interest at 36% per annum and is wholly repayable on 19 September 2013. As at the date of approval of these consolidated financial statements, such loan to the extent of HK$68,000,000 has been withdrawn by the Company, of which HK$63,000,000 was applied for the repayment of the promissory notes referred to in (d) below.

(d) In June 2013, the holder of the promissory notes issued by the Company with the principal amount of HK$20,000,000 due on 14 May 2013 has transferred such promissory notes and the new note holder and the Company have agreed for the extension of the maturity date of such notes to 5 December 2013 with the other terms and conditions of the notes remained unchanged.

(e) In June 2013, the holder of the promissory notes issued by the Company with the principal amount of HK$72,000,000 due on 7 May 2013 has agreed for the extension of the maturity date of such notes to 7 November 2013 with the other terms and conditions of the notes remained unchanged. Subsequent to the extension of the maturity date, a substantial portion of these notes with the principal amount of HK$66,000,000, together with all the interests accrued thereof, were repaid by the Company on 21 June 2013 at a sum of HK$63,000,000 in cash.

(f) In June 2013, a securities firm has agreed, on the basis of no legal binding arrangement, to underwrite, on a best effort basis, the issue of new shares of the Company for a total proceeds of not less than HK$250,000,000.

CONTINGENT LIABILITIES

The Company did not have any contingent liabilities as at 31 March 2013. As at 31 March 2012, the Company had provided a corporate guarantee of Thai Baht 70,000,000 (equivalent to HK$17,633,000) to a bank for banking facilities granted by the bank to a former subsidiary of the Company.

CAPITAL COMMITMENTS

The Group had no material capital commitments as at 31 March 2013 and 31 March 2012.

PLEDGE OF ASSETS

As at 31 March 2013, no pledge of asset is noted (2012: pledged assets amounted to approximately HK$37,632,000).

DIVIDEND

No dividend for the year ended 31 March 2013 (2012: nil) is recommended by the Board.

EMPLOYMENT, TRAINING AND REMUNERATION POLICY

During the year under review, the Group continued to strengthen staff quality through staff development and training programmes. The Group had approximately 230 employees as at 31 March 2013 (2012: 452). Remunerations are commensurate with the nature of job, staff experience and market conditions.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year under review.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors (the "Own Code"). Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Own Code during the year under review.

CORPORATE GOVERNANCE

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules during the year ended 31 March 2013, except for the following deviations:

Code provision A.2.1

This code provision stipulates that the roles of chairman and chief executive of a listed issuer should be separate and should not be performed by the same individual. Currently, Ms. Chen Tong ("Ms. Chen") holds the offices of Chairman and Chief Executive Officer of the Company, which constitutes a deviation from the above-mentioned code provision of the CG Code. Ms. Chen has extensive experience in management and over 30 years' business experience. The Board believes that it is in the interests of the Group to have an executive Chairman with in-depth management experiences to guide discussion among Board members on the Group development and planning, as well as to execute business strategies of the Group.

Code provision A.4.1

This code provision stipulates that non-executive directors of a listed issuer should be appointed for a specific term, subject to re-election. Mr. Liang Jian Hua, Mr. Ong King Keung and Ms. Kwok Wing Kiu are engaged for a term of one year, which are automatically renewable for successive terms of one year upon the expiry of the then current term; whereas the other non-executive directors of the Company, namely Ms. Yao Zhengwei, Mr. Wang Zhenghua, Mr. Tse Kwong Chan and Ms. Zhou Jue, are not appointed for a specific term. However, all of the Company's non-executive directors are subject to retirement by rotation and re-election by shareholders at the annual general meeting pursuant to the Company's Bye-laws. Accordingly, the Board considers that the Company meets the objective of the code provision A.4.1.

Code provision A.6.7

This code provision requires that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of views of shareholders. Due to other business engagements, (i) Mr. Wang Zhenghua and Ms. Yao Zhengwei, the non-executive Directors, and Ms. Zhou Jue, the independent non-executive Director, had not attended the Company's special general meetings (the "SGM") held on 7 and 26 September 2012 and 21 January 2013 and the Company's annual general meeting held on 26 September 2012 (the "2012 AGM"); and (ii) Mr. Chan Ying Kay and Mr. Tse Kwong Chan, the independent non-executive Directors, had not attended the SGM held on 7 September 2012.

Code provision E.1.3

This code provision requires that the issuer should arrange for the notice to shareholders to be sent for annual general meeting at least 20 clear business days before the meeting. As additional time was required for finalizing the Company's financial statements for the year ended 31 March 2012, there was a delay in sending the Company's annual report for the year ended 31 March 2012 and the notice for convening the 2012 AGM (the "Notice") to the Company's shareholders. Though the Notice was sent to the shareholders on 3 September 2012, which was less than 20 clear business days before the 2012 AGM, the Company gave not less than 21 clear days' notice pursuant to the Bye-laws of the Company.

AUDIT COMMITTEE

The Audit Committee of the Company comprises four members, being the four independent non-executive Directors, namely Mr. Ong King Keung (Chairman of the Audit Committee), Mr. Tse Kwong Chan, Ms. Zhou Jue and Ms. Kwok Wing Kiu. The Audit Committee has reviewed the Company's audited consolidated financial statements for the year ended 31 March 2013 and discussed auditing, financial and internal control, and financial reporting matters of the Company.

REVIEW OF RESULTS

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2013 as set out in the preliminary announcement have been agreed by the Group's auditor, CCTH CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year.

PUBLICATION OF THE AUDITED ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.986.com.hk). The annual report for the year ended 31 March 2013 will be dispatched to the shareholders of the Company and will be available on the above websites in due course.

On behalf of the Board
China Environmental Energy Investment Limited
Chen Tong
Chairman

Hong Kong, 28 June 2013

As at the date of this announcement, the Board comprises four executive Directors, namely Ms. Chen Tong (Chairman), Ms. Chan Ching Ho, Kitty, Ms. Li Lin and Mr. Xiang Liang; three non-executive Directors, namely Ms. Yao Zhengwei, Mr. Wang Zhenghua and Mr. Liang Jian Hua; and four independent non-executive Directors, namely Mr. Ong King Keung, Mr. Tse Kwong Chan, Ms. Zhou Jue and Ms. Kwok Wing Kiu.