IWS

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

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

ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2014

Annual results

- Revenue decreased by 16.2% to HK$480.6 million
- Gross profit decreased by 54.4% to HK$40.9 million
- Loss for the year attributable to equity holders of the Company was HK$484.9 million
- Loss from continuing operations amounted to HK$53.3 million
- Loss per share was HK20.1 cents

The Board does not recommend the payment of any dividend for the year ended 31 March 2014.

Auditor's Qualified Opinion

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

Shareholders should read the Auditor's report which will be included in the 2014 Annual Report.

The Board would like to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2014. The audit committee of the Company (the "Audit Committee") has reviewed the results and the financial statements of the Group for the year ended 31 March 2014 prior to recommending them to the Board for approval.

* *Chinese name for identification purpose*

I. AUDITOR'S OPINION

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

BASIS FOR QUALIFIED OPINION

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, pursuant to which Wealthy Peaceful agreed to dispose of its entire equity interests in Golddoor Company Limited ("Golddoor"). Golddoor holds the entire registered capital of Huizhou Fook Woo.

Given these circumstances, in preparing the consolidated financial statements for the years ended 31 March 2013 and 31 March 2014, 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 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 the events and 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 amounts due from De-consolidated Subsidiaries.

The exclusion of the financial position, results and cash flows of the De-consolidated Subsidiaries from the consolidated financial statements and the presentation of the amounts due from the De-consolidated Subsidiaries 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"). 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 the assets and liabilities of the disposal group classified as "held for sale" would have been presented separately from other assets and liabilities in the consolidated statement of financial position of the Group at 31 March 2014 and the net cashflows attributable to operating, investing and financing activities of the discontinued operations would have been presented separately in the consolidated statement of cashflows. 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, impairment losses of balances due from the De-consolidated Subsidiaries and loss on de-consolidation of the De-consolidated Subsidiaries

As set out in notes 2(a) and 25 to the consolidated financial statements, the Group and the Company recorded amounts due from De-consolidated Subsidiaries which are computed as the opening balance brought forward as at 1 April 2012 of HK$532,172,000 plus the net movement on the current account with the De-consolidated Subsidiaries arising from transactions since that date, less impairment losses of the amounts due from De-consolidated Subsidiaries.

Because of the loss of certain accounting books and records of Huizhou Fook Woo and the de-consolidation of the De-consolidated Subsidiaries, 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.

Any adjustment found necessary to the carrying amount of the amounts due from De-consolidated Subsidiaries as at 31 March 2013 would have a consequential impact on the impairment loss of the amounts due from De-consolidated Subsidiaries for the year ended 31 March 2014 and would have affected the net assets and retained earnings as at 31 March 2013 and loss for the years ended 31 March 2013 and 31 March 2014.

(c) Comparative information

The comparative figures disclosed in the consolidated financial statements are based on the audited consolidated financial statements of the Group for the year ended 31 March 2013 in respect of which our auditor's report dated 23 August 2013 expressed an adverse opinion. The matters which resulted in that adverse opinion included (a) de-consolidation of certain subsidiaries and (b) balances due from De-consolidated Subsidiaries, being the same unresolved issues which are set out above. Therefore the comparative figures shown may not be comparable and any adjustments to the opening balances as at 1 April 2013 would have consequential effect on the loss for the year ended 31 March 2014 and/or the net assets of the Group as at 31 March 2014.

Qualified opinion

In our opinion, except for the effect on the consolidated financial statements of the matters described in parts (a) and (c) of the "Basis for Qualified Opinion" paragraph and except for the possible effects 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 2014, 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.

Shareholders should read the Auditor's report which will be included in the 2014 Annual Report

II. ANNUAL RESULTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014
(Expressed in Hong Kong dollars)

	Note	**2014** **$'000**	2013 $'000
Continuing operations			
Revenue	3	**480,587**	573,274
Cost of sales		**(439,729)**	(483,766)
Gross profit		**40,858**	89,508
Other revenue		**27,507**	7,538
Other net gain		**2,283**	6,315
Selling and distribution expenses		**(52,800)**	(34,281)
Administrative and other operating expenses		**(79,232)**	(81,375)
Operating loss		**(61,384)**	(12,295)
Finance income	4(c)	**10,202**	14,397
Finance costs	4(a)	**–**	(216)
Share of loss of an associate		**(844)**	(56)
(Loss)/profit before taxation	4	**(52,026)**	1,830
Income tax	5	**(1,224)**	(4,952)
Loss from continuing operations		**(53,250)**	(3,122)
Discontinued operations			
Impairment loss on amounts due from De-consolidated Subsidiaries	2	**(431,638)**	(2,500)
Loss and total comprehensive income for the year		**(484,888)**	**(5,622)**

	Note	2014 $'000	2013 $'000
Attributable to equity shareholders of the Company			
– Continuing operations		**(53,250)**	(3,122)
– Discontinued operations		**(431,638)**	(2,500)
		(484,888)	(5,622)
Basic and diluted loss per share	7		
Continuing operations		**(2.2) cents**	(0.1) cents
Discontinued operations		**(17.9) cents**	(0.1) cents
		(20.1) cents	(0.2) cents

Details of dividends payable to equity shareholders of the Company are set out in note 6.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014
(Expressed in Hong Kong dollars)

	Note	**2014** **$'000**	2013 $'000
Non-current assets			
Property, plant and equipment		**405,770**	175,976
Land use rights		**28,330**	28,244
Interests in an associate		**–**	844
Prepayments and other receivables		**9,818**	5,640
		443,918	210,704
Current assets			
Inventories		**5,345**	8,095
Trade and bills receivables	8	**77,453**	57,545
Other receivables, deposits and prepayments		**47,180**	36,924
Amounts due from related companies		**594**	601
Amounts due from De-consolidated Subsidiaries		**–**	641,089
Bank deposits and cash		**276,326**	548,041
Restricted and pledged bank deposits		**2,400**	1,650
		409,298	1,293,945
Assets and liabilities of disposal group classified as held for sale	10	**208,900**	–
		618,198	1,293,945
Current liabilities			
Trade payables	9	**12,058**	14,397
Other payables and accruals	9	**117,115**	66,688
Amounts due to related companies		**10**	5,273
Taxation payable		**3,035**	2,704
		132,218	89,062

	Note	**2014**	2013
	Note	***$'000***	*$'000*
Net current assets		**485,980**	1,204,883
Total assets less current liabilities		**929,898**	1,415,587
Non-current liabilities			
Deferred tax liabilities		**1,116**	1,917
NET ASSETS		**928,782**	1,413,670
CAPITAL AND RESERVES			
Share capital	11	**241,117**	241,117
Reserves		**687,665**	1,172,553
TOTAL EQUITY		**928,782**	1,413,670

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014
(Expressed in Hong Kong dollars)

	Share capital *(Note 11)* *$'000*	Share premium *$'000*	Capital reserve *$'000*	Accumulated losses *$'000*	Total *$'000*
At 1 April 2012	241,117	2,862,358	(964,044)	(720,139)	1,419,292
Loss and total comprehensive income for the year	–	–	–	(5,622)	(5,622)
At 31 March 2013	241,117	2,862,358	(964,044)	(725,761)	1,413,670
At 1 April 2013	241,117	2,862,358	(964,044)	(725,761)	1,413,670
Loss and total comprehensive income for the year	–	–	–	(484,888)	(484,888)
At 31 March 2014	241,117	2,862,358	(964,044)	(1,210,649)	928,782

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1 General information

Integrated Waste Solutions Group Holdings Limited (the "Company") was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 11 November 2009 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company is an investment holding company and is listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered address of the Company is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands.

The Company and its subsidiaries are collectively referred to as the "Group". The subsidiaries of the Group are principally engaged in the trading and manufacturing of tissue paper products, trading of recovered paper and materials and provision of confidential materials destruction services.

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

2 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 payment of RMB100,000,000 (approximately HK$120,000,000) from the books of 惠州福和紙業有限公司 ("Huizhou Fook Woo"), a wholly owned subsidiary of the Group (the "Incident"). Accordingly, in the interest of the Company and its shareholders, on 28 November 2011, the Company applied for suspension of trading in the Company's shares on the Stock Exchange.

On 29 November 2011, the Company received a cash deposit of HK$120,000,000 (approximately RMB100,000,000) (the "Deposit"). The Board represented that the Deposit was placed by a former director of the Company. The Deposit was recorded as amount due to Huizhou Fook Woo in the consolidated statement of financial position and the Company's statement of financial position as at 31 March 2012. On 2 December 2011, the Board established an independent special committee (the "Special Committee") to conduct an investigation into the Incident and the Deposit and to review the internal control system of the Company with the assistance of an independent accounting firm. On 27 April 2012, the Special Committee engaged another accounting firm to conduct a forensic review into the Incident and the Deposit (the "Forensic Review") following the preliminary investigation results of the previous independent accounting firm.

Based on the results of the Forensic Review, the Board concluded that the payment relating to the Incident was not in fact made and the payment was not transferred out of the accounts of Huizhou Fook Woo and a number of documents related to the Incident were fabricated. In addition, the Forensic Review has revealed, among other things, certain irregular transactions entered into by Huizhou Fook Woo. Based on the results of the Forensic Review, the Board further concluded that, among other things, a substantial portion of the accounting books and records of Huizhou Fook Woo for the year ended 31 March 2012 and prior periods were missing.

Given the loss of a substantial portion of 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 announcement, 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.

Furthermore, on 31 January 2013, Wealthy Peaceful Company Limited ("Wealthy Peaceful"), a wholly owned subsidiary of the Group, commenced voluntary liquidation, 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 and the results, assets and liabilities of the De-consolidated Subsidiaries have not been included in the consolidated financial statements of the Group since 1 April 2011. The 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.

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.

As at 31 March 2013, the liquidation process of Wealthy Peaceful was still in progress and the Directors were not able to obtain sufficient documentary information to satisfy themselves about the transactions and balances with the De-consolidation Subsidiaries in prior years. Given this limitation, to avoid undue costs and delays in finalising the consolidated financial statements, the Directors presented the carrying value of the balances due from De-consolidated Subsidiaries at 31 March 2013 as the sum of the opening balance as at 1 April 2012 of HK$532,172,000 plus the net movement of the current account with the De-consolidated Subsidiaries resulting from the transactions during 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. Golddoor is interested in the entire registered capital of Huizhou Fook Woo. Given these circumstances, the Group presented the amounts due from De-consolidated Subsidiaries as "assets and liabilities of disposal group classified as held for sale" which were measured at the lower of the carrying amounts and the estimated recoverable amount from the disposal of Golddoor at 31 March 2014. The Group recognised an impairment loss of the amounts due from De-consolidated Subsidiaries amounting to HK$431,638,000 for the year ended 31 March 2014 following the assessment of the recoverable amounts due from De-consolidated Subsidiaries.

The exclusion of the financial position, results and cash flows of the De-consolidated Subsidiaries from the consolidated financial statements and the presentation of the amounts due from Deconsolidated Subsidiaries 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.

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 ("IFRS"), promulgated by the International Accounting Standards Board ("IASB"), IFRSs include International Accounting Standards ("IAS") and related Interpretations. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These 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 on-going 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.

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 1, *Presentation of financial statements – Presentation of items of other comprehensive income*

– IFRS 10, *Consolidated financial statements*

– IFRS 12, *Disclosure of interests in other entities*

– IFRS 13, *Fair value measurement*

Amendments to IAS 1, Presentation of financial statements – Presentation of items of other comprehensive income

The amendments to IAS 1 require entities to present the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met separately from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in these financial statements has been modified accordingly.

In addition, the Group has chosen to use the new title "statement of profit or loss and other comprehensive income" as introduced by the amendments in these financial statements.

IFRS 10, Consolidated financial statements

IFRS 10 replaces the requirements in IAS 27 "*Consolidated and separate financial statements*" relating to the preparation of consolidated financial statements and SIC 12 "*Consolidation – Special purpose entities*". It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of IFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 April 2013.

IFRS 12, Disclosure of interests in other entities

IFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by IFRS 12 are generally more extensive than those previously required by the respective standards. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in notes 16 and 25 to the consolidated financial statements.

IFRS 13, Fair value measurement

IFRS 13 replaces existing guidance in individual IFRSs with a single source of fair value measurement guidance. IFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. The adoption of IFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

The adoption of the other revisions, amendments and new standards has had no effect on the Group's financial statements for the year ended 31 March 2014.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Segment information

The Board of Directors of the Company, which is the chief operating decision maker of the Group, reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group is organised into three business segments:

– Recovered paper – sales of recovered papers

– Tissue paper products – manufacturing and sales of tissue paper products

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

Although the Group's products and services are sold/rendered to Hong Kong, the PRC and overseas markets, the chief operating decision maker of the Group regularly reviews the financial information by business segments to assess performance and make resources allocation decisions. It assesses the performance of the operating segments based on a measure of segment gross profits.

Revenue consists of sales of recovered papers, tissue paper products and provision of confidential materials destruction services. The Group's revenue consists of the following:

	2014	2013
	$'000	*$'000*
Sales of recovered paper	**264,431**	339,103
Sales of tissue paper products	**211,264**	228,912
Provision of confidential materials destruction services and others	**4,892**	5,259
	480,587	573,274

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:

	2014	2013
	$'000	*$'000*
Hong Kong	**480,587**	573,274

For the year ended 31 March 2014, revenues of approximately HK$133,345,000 (2013: HK$248,969,000) are derived from an external customer and Golddoor. These revenues are attributable to the recovered paper and tissue paper products reportable segments and accounted for greater than 10% of the Group's revenue.

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 2013 and 31 March 2014.

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

	Recovered paper *$'000*	Tissue paper products *$'000*	CMDS *$'000*	Group *$'000*
Continuing operations				
Revenue	264,431	211,264	4,892	480,587
Cost of sales	(261,939)	(170,459)	(7,331)	(439,729)
Segment gross profit/(loss)	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 income tax				(52,026)
Income tax				(1,224)
Loss from continuing operations				(53,250)
Discontinued operations				
Impairment loss on amounts due from the De-consolidated Subsidiaries				(431,638)
Loss for the year				(484,888)

The segment results and other segment items included in the loss for the year ended 31 March 2013 are as follows:

	Recovered paper $'000	Tissue paper products $'000	CMDS and others $'000	Group $'000
Continuing operations				
Revenue	339,103	228,912	5,259	573,274
Cost of sales	(275,814)	(202,598)	(5,354)	(483,766)
Segment gross profit/(loss)	63,289	26,314	(95)	89,508
Unallocated operating costs				(101,803)
Share of loss of an associate				(56)
Finance income				14,397
Finance costs				(216)
Profit before taxation				1,830
Income tax				(4,952)
Loss from continuing operations				(3,122)
Discontinued operations				
Impairment loss on amounts due from the De-consolidated Subsidiaries				(2,500)
Loss for the year				(5,622)

The sales and purchases transactions between the Group and De-consolidated subsidiaries (i.e. discontinued operations) have been included as part of "continuing operations" since the sale and supply relationship between the Group and De-consolidated Subsidiaries will continue after the disposal. Revenue and cost of sales in respect of these transactions included in the continuing operations are analysed as follows:

	2014 **$'000**	2013 $'000
Sales to De-consolidated Subsidiaries	**56,977**	171,909
Purchase from De-consolidated Subsidiaries	**168,888**	202,367

4 Loss before taxation

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

		2014	2013
		$'000	*$'000*
(a)	**Finance costs**		
	Interest expenses on bank loans wholly repayable within 5 years	**–**	216
(b)	**Staff costs (excluding directors' emoluments)**		
	Salaries, wages and other benefits	**68,295**	57,751
	Contributions to defined contribution retirement plan	**2,516**	2,096
		70,811	59,847
	Staff costs included in:		
	Cost of sales	**33,169**	30,413
	Selling and distribution expenses	**9,778**	10,042
	Administrative and other operating expenses	**27,864**	19,392
		70,811	59,847
(c)	**Other items**		
	Amortisation of land use rights	**833**	825
	Depreciation of property, plant and equipment	**14,380**	8,839
	Impairment losses:		
	Trade receivables *(note 8)*	**388**	1
	Operating lease charges in respect of land and buildings	**38,371**	18,249
	Provision for loss on onerous contracts in respect of land and buildings	**8,236**	–
	Cost of inventories sold	**344,262**	401,976
	Auditor's remuneration		
	– Audit services	**4,010**	3,780
	– Other services	**164**	1,116
	Interest income from bank deposits	**(10,202)**	(14,397)

5 Income tax

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

	2014	2013
	$'000	*$'000*
Current income tax		
Hong Kong profits tax	**3,026**	1,650
Under/(over) provision in respect of prior years		
– Current income tax	**(1,260)**	–
– Penalty surcharge and interest	**259**	(866)
	2,025	784
Deferred tax		
– Origination and reversal of temporary differences	**(801)**	4,168
Income tax charge	**1,224**	4,952

(i) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the year ended 31 March 2014 (2013: 16.5%).

(ii) In prior years, certain subsidiaries of the Group received notices of additional assessments from the Hong Kong Inland Revenue Department ("IRD") for the years of assessment 2002/2003 to 2005/2006 demanding total additional profits tax payments amounting to HK$20,115,000 in respect of disputes over the deductibility of certain expenses made by subsidiaries of the Group (the "Additional Tax Assessments"). Notices of objections have been served for these notices of additional assessments. In prior years, the IRD granted unconditional holdover orders in respect of additional tax payments of HK$16,925,000. The remaining amounts of HK$3,190,000 could be held over on the condition that an equal amount of tax reserve certificate was purchased.

In February 2013, the Group reached a settlement with the IRD and the total claim (including the penalties surcharge and interest) amounted to HK$9,055,000 of which HK$8,443,000 was settled during the year ended 31 March 2013, by additional cash payments of HK$5,253,000 and tax reserve certificates of HK$3,190,000 already purchased in prior years. The Group made a provision of HK$9,921,000 in respect of the tax assessments and penalties in prior years and accordingly, the over-provision of tax of HK$866,000 had been credited to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2013.

(iii) 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 years of assessment from 2003/2004 to 2009/2010 in respect of the Additional Tax Assessments referred in note 5(a)(ii).

Given the circumstances as disclosed in note 2(a) of 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 arose from the Additional Tax Assessments has been 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 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.

(b) Reconciliation between tax expense and (loss)/profit before taxation at applicable tax rates:

	2014	2013
	$'000	*$'000*
(Loss)/profit before taxation	**(52,026)**	1,830
Tax calculated at tax rates of 16.5% (2013: 16.5%)	**(8,584)**	302
Tax effects of non-taxable income	**(2,092)**	(3,563)
Tax effect of non-deductible expenses	**4,916**	8,386
Tax effect of tax losses not recognised	**8,947**	1,398
Tax effect of tax unrecognised tax losses utilised	**(1,392)**	(2,465)
Penalty surcharge and interest	**259**	(866)
Under-provision in respect of prior years	**(1,260)**	–
Others	**430**	1,760
Income tax expense	**1,224**	4,952

6 Dividends

No dividends had been paid or declared by the Company for the year ended 31 March 2014 (2013: Nil).

7 Basic and diluted loss per share

The calculation of basic loss per share is based on the loss for the year attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the year.

	2014	2013
	$'000	*$'000*
Loss attributable to the equity holders of the Company	**(484,888)**	(5,622)
Weighted average number of ordinary shares in issue (thousand shares)	**2,411,167**	2,411,167
Basic loss per share	**(20.1) cents**	(0.2) cents

Diluted loss per share is the same as basic loss per share as there were no potential dilutive ordinary shares outstanding during the year (2013: Nil).

8 Trade and bills receivables – Group

	2014	2013
	$'000	*$'000*
Trade and bills receivables	**82,823**	62,537
Less: Provision for impairment	**(5,370)**	(4,992)
Trade and bills receivables – net	**77,453**	57,545

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:

	2014	2013
	$'000	$'000
0 – 30 days	**33,906**	36,495
31 – 60 days	**18,058**	7,918
61 – 90 days	**12,184**	5,571
91 – 120 days	**5,299**	3,396
Over 120 days	**13,376**	9,157
	82,823	62,537
Less: Provision for impairment	**(5,370)**	(4,992)
	77,453	57,545

As at 31 March 2014, trade receivables of approximately HK$36,085,000 (2013: HK$30,016,000) 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:

	2014	2013
	$'000	$'000
1 – 30 days	**14,711**	24,168
31 – 60 days	**6,673**	3,569
61 – 90 days	**8,012**	391
91 – 120 days	**3,188**	1,575
Over 120 days	**3,501**	313
	36,085	30,016

As at 31 March 2014, trade receivables of approximately HK$5,370,000 (2013: HK$4,992,000) 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:

	2014	2013
	$'000	*$'000*
Over 120 days	**5,370**	4,992

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

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

	2014	2013
	$'000	*$'000*
At 1 April	**4,992**	4,991
Impairment loss recognised	**388**	1
Exchange difference	**(10)**	–
At 31 March	**5,370**	4,992

At 31 March 2014, 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.

9 Payables and accruals

	Group	
	2014	2013
	$'000	*$'000*
Trade payables	**12,058**	14,397
Other payables and accruals:		
– Construction cost payables	**81,489**	28,148
– Accrued expenses	**24,073**	32,368
– Receipts in advance from customers	**2,776**	4,888
Provision for loss on onerous contracts *(note 4(c))*	**8,236**	–
Others	**541**	1,284
	117,115	66,688
	129,173	81,085

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

	Group	
	2014	2013
	$'000	*$'000*
Current	**2,437**	8,964
1 – 30 days	**6,811**	1,554
31 – 60 days	**24**	997
61 – 90 days	**69**	123
91 – 120 days	**2**	21
Over 120 days	**2,715**	2,738
	12,058	14,397

As at 31 March 2014, the fair values of the trade and other payables approximate their carrying amounts (2013: same).

10 Assets and liabilities of disposal group classified as held for sale

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 Company Limited. In April 2014, the liquidators of Wealthy Peaceful Limited entered into a binding agreement with an independent third party, pursuant to which Wealthy Peaceful Limited agreed to dispose of its entire equity interests in Golddoor Company Limited (together with its subsidiary, Huizhou Fook Woo) for a consideration of $200,000,000 (the "Sale Transaction").

On 27 June 2014, the liquidators of Wealthy Peaceful Limited informed that the purchaser had remitted the consideration and would proceed to completion of the Sale Transaction.

11 Share capital

(a) Authorised share capital of the Company

	2014	2013
	$'000	*$'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 2012, 31 March 2013, 1 April 2013 and 31 March 2014	**2,411,167,000**	241,116,700

MANAGEMENT DISCUSSION AND ANALYSIS

Group Overview

By dint of the concerted efforts during the fiscal year ended 31 March 2014 to remedy and straighten out the unfortunate governance issues left behind by the former Chairman, the incumbent Board of Directors has succeeded in resuming its share-trading on the Hong Kong Stock Exchange on 23rd January 2014. What it comes down to is what strategic direction the Company and its subsidiaries (collectively the "Group") should take to develop its strategic capability to improve its financial performance, product development, market penetration and diversification in new business arenas in the long run. As can be seen, the name change of the Group manifests not only its business scope and direction, but also the resolve to anoint the Group as a forerunner in providing integrated waste solutions. In the interest of all shareholders, the Group believes that it is now time that business development shift should be put in front of its other on-going business models such that the Group can stand comparison with other competitive waste management industries and look forward to a brighter future.

Financial Review

The loss of the Group for the year ended 31 March 2014 ("FY2014") amounted to HK$484.9 million, a substantial loss increase of HK$479.3 million when compared to the net loss for the year ended 31 March 2013 ("FY2013"). The substantial loss in FY2014 was primarily due to the recognition of an impairment loss of HK$431.6 million in respect of the disposal of Golddoor Company Limited ("Golddoor") by Wealthy Peaceful Company Limited (in voluntary winding up and dissolution) ("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. 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"). On 27 June 2014, the Liquidators of Wealthy Peaceful informed the Company that the Purchaser had remitted the consideration and would proceed to completion of the sale and purchase agreement.

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

In view of the sale and purchase agreement entered into between Wealthy Peaceful and the Purchaser, the Group presented the amounts due from the De-consolidated Subsidiaries as "assets and liabilities of disposal group 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. Accordingly, the Group recognised impairment loss of the amounts due from De-consolidated Subsidiaries amounting to HK$431.6 million in FY2014 following the assessment of the recoverable amounts due from De-consolidated Subsidiaries.

On the operational front, sales revenue of recovered paper continued to be affected by the overall reduction in demand for recovered paper, especially in Mainland China. More stringent controls on importing waste materials were imposed by the Mainland authorities in recent months and coupled with a general decline in selling prices, the revenue of recovered paper has reduced substantially. Total sales revenue of recovered paper amounted to approximately HK$264.4 million, a drop of approximately HK$74.7 million or 22% when compared to FY2013. Moreover, the increase in the cost of sales in terms of soared labour costs and rental expenses has significantly eaten into the gross profit margin of recovered paper sales.

Performance of Tissue Paper segment was satisfactory with gross profit margin recorded at 19%. The gross profit margin improved by 8%, when compared to FY2013, due to better control on the purchase prices and focus on high margin customers.

Service income of our Confidential Materials Destruction Service ("CMDS") remains at around HK$5 million. Although the revenue contribution from this business is relatively small during FY2014, its potential should not be underestimated following our entry into other non-paper CMDS.

Liquidity and Financial Resources

As at 31 March 2014, the Group had unrestricted bank deposits and cash of approximately HK$276.3 million (2013: HK$548.0 million). The Group had no bank loans and overdrafts as at 31 March 2014 (2013: Nil).

As at 31 March 2014, the Group had net current assets of approximately HK$486.0 million, as compared to net current assets of approximately HK$1,204.9 million as at 31 March 2013. The significant decrease was due to the impairment loss made against the amounts due from De-consolidated Subsidiaries and the increase in payable of construction costs in respect of the industrial development in Tseung Kwan O ("Project TKO"). The current ratio of the Group was 4.7 as at 31 March 2014 as compared to 14.5 as at 31 March 2013.

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 2014, the Group recorded a net foreign exchange gain of HK$2.0 million (2013: gain of HK$5.0 million). 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 FY2014, the Group incurred HK$201.7 million for the construction expenditure in respect of the Project TKO, which is expected to complete in late 2014. As at 31 March 2014, the Group has capital commitments of HK$282.4 million, which are mainly related to the Project TKO.

Pledge of Assets

As at 31 March 2014, the Group had restricted bank deposits amounted to HK$2.4 million (2013: HK$1.7 million) which were pledged with banks for issuing guarantees to suppliers to secure supply.

Capital Structure

Details of the capital structure of the Company are set out in Note 11.

Contingent Liabilities

At 31 March 2014, 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 328 employees in Hong Kong as at 31 March 2014. Employee costs, excluding directors' emoluments, amounted to HK$70.8 million for FY2014 (FY2013: HK$59.8 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"). During the year under review, no share option was granted. 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, subject to the acceptance of the grantee(s). 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.

PROSPECTS

Notwithstanding that challenges from a turbulent economic environment have tethered the recycling market, the Group continues to operate diligently its core businesses, including (i) waste materials collecting and packaging depots in Hong Kong; (ii) provision of confidential materials destruction services ("CMDS") in Hong Kong; and (iii) marketing and selling of tissue paper products in Hong Kong, Macau and other overseas countries. The Group recognizes that enhancing the business hardware is only one side of the equation. Of equal significance has been the efforts made in the software side in the past year to position itself as a forerunner in integrated solid waste management. The Board of Directors acknowledges the strategic importance to align the Group with its environments by flexibly adapting and adjusting strategic choices so as to maintain its competitiveness over the long run. It is against this background, the Group will, for 2014 and counting, strive to keep all comparative running costs at a viable level, put strong focus on sustainability, and reach out into areas where the Group believes they can bring the most benefit over time.

The Group recognizes the need to achieve an adequate margin of profit, and will therefore set high governance standards in its planning, implementation and management to ensure the most efficient use of its resources. In January 2014, the Group submitted a joint-venture bid for the HKSARG long-term contract on Waste Electrical and Electronic Equipment (WEEE) Treatment Facility. By all measures, the bid signifies anew the Group's capacity and resolve to enter new solid waste management spheres which should bode well for its entrepreneurial development. While a good way-forward, much work remains to be done.

As an aside, the construction of the Group's industrial development in the Project TKO is in full swing which should complete by the end of this year. The Group believes that the synergistic benefits concomitant of the completion of the said project should help a long way in generating revenue and retrenching operating costs.

The general state of the Group's finances, as detailed in this year's financial statements, has not been satisfactory revenue-wise. However, the Group feels positive about its future given its strategic repositioning into new solid waste management spheres which should generate sustainable revenue over time. Now that the Group has survived its trading suspension, the Board of Directors venture to say that a certain amount of financial stress is understandably inevitable if revenue is to occur in the long run.

DIVIDEND

The Board does not recommend the payment of any dividend in respect of the year ended 31 March 2014 (2013: Nil).

EVENT AFTER THE REPORTING PERIOD

Except for matters disclosed elsewhere in this announcement, the Group had no other post balance sheet events to disclose.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 1 September 2014 to Friday, 5 September 2014 both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible for attending and voting at the 2014 annual general meeting of the Company to be held on Friday, 5 September 2014, unregistered holders of shares of the Company should ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 29 August 2014.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's share during the year ended 31 March 2014.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has continued to emphasise and maintain a high standard of corporate governance by strengthening its risk management and internal control systems without prejudice to the principles and code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has complied with the code provisions set out in the CG Code throughout the year ended 31 March 2014, except code provisions A.6.7 and C.1.2 of the CG Code. Key corporate governance principles and practices of the Company as well as the particulars of the foregoing deviations and the reasons thereof are detailed below.

Code provision A.6.7 of the CG Code stipulates that independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to other engagement, Mr. Lau Shun Chuen, an independent non-executive Director of the Company (resigned on 10 October 2013), was unable to attend the annual general meeting of the Company held on 30 September 2013.

Code provision C.1.2 of the CG Code requires the management of the Company to provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13. During the year ended 31 March 2014, except for the first 4 months during which updates were made bi-monthly, the management of the Company provided monthly updates to all members of the Board as required by the code provision C.1.2. As all the executive Directors were involved in the daily operation of the Group, they were fully aware of the performance, position and prospects of the Company, and the management has provided to all Directors (including non-executive Directors and independent non-executive Directors) timely and comprehensive updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail during the regular Board meetings of the Company. In addition, the management has provided all members of the Board, in a timely manner, updates on any material changes to the performance, position and prospects of the Company and sufficient background or explanatory information for matters brought before the Board.

The Company will continue to bolster its corporate governance practices that are conducive to the conduct and growth of its business and to regularly review its corporate governance practices to ensure straight compliance with all the regulatory requirements, thereby meeting the expectations of shareholders and investors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code for dealing in securities of the Company by the Directors.

Having made specific enquiries by the Company with the Directors (including the former Directors who resigned during the year ended 31 March 2014) in the year ended 31 March 2014, all Directors (including the former Directors who resigned during the year ended 31 March 2014) have confirmed that they have complied with the Model Code throughout the year ended 31 March 2014.

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 price-sensitive 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 2014.

UPDATE ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the Company's 2013 annual report are set out below:

1. At the annual general meeting of the Company held on 30 September 2013, Mr. Tam Sui Kin, Chris was appointed as an executive Director of the Company.

2. At the annual general meeting of the Company held on 30 September 2013, Mr. Cheng Chi Ming, Brian, a retiring Director, who had been a non-executive Director of the Company since 1 January 2011, was re-elected as a non-executive Director of the Company.

3. At the annual general meeting of the Company held on 30 September 2013, Mr. Lau Sai Cheong, a retiring Director, who had been an executive Director of the Company since 16 October 2012, was re-elected as an executive Director of the Company.

4. At the annual general meeting of the Company held on 30 September 2013, Mr. Lau Shun Chuen, a retiring Director, who had been an independent non-executive Director of the Company since 1 October 2010, was re-elected as an independent non-executive Director of the Company. Subsequently, he resigned as an independent non-executive Director, the chairman of the remuneration committee, a member of the audit committee and a member of the nomination committee of the Company with effect from 10 October 2013.

5. Mr. Lai Hau Yin resigned as an executive Director with effect from 30 September 2013.

6. Mr. Chow Shiu Wing, Joseph was appointed as an independent non-executive Director, the chairman of the nomination committee, a member of the audit committee and a member of the remuneration committee of the Company with effect from 10 October 2013.

7. Mr. Wong Man Chung, Francis was appointed as an independent non-executive Director, the chairman of the audit committee, a member of the nomination committee and a member of the remuneration committee of the Company with effect from 10 October 2013.

8. Mr. Nguyen Van Tu, Peter, an independent non-executive Director of the Company was re-designated from the chairman of the nomination committee of the Company to the chairman of the remuneration committee of the Company with effect from 10 October 2013. He remains a member of the nomination committee and a member of the audit committee.

9. Mr. Chung Wai Kwok, Jimmy resigned as an independent non-executive Director, the chairman of the audit committee, a member of the nomination committee and a member of the remuneration committee of the Company with effect from 10 October 2013.

AUDIT COMMITTEE

The Audit Committee of the Company, which comprises three independent non-executive Directors, namely, Mr. Wong Man Chung, Francis (Chairman of the Audit Committee), Mr. Nguyen Van Tu, Peter and Mr. Chow Shiu Wing, Joseph; and one non-executive Director, namely, Mr. Cheng Chi Ming, Brian, has reviewed the consolidated financial statements of the Group for the year ended 31 March 2014 and discussed with the management of the Company on the accounting principles and practices adopted by the Group and internal controls and financial reporting matters.

RESUMPTION OF TRADING IN SHARES OF THE COMPANY

Trading in the shares of the Company was resumed on 23 January 2014.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the Company (www.iwsgh.com). The annual report of the Company for the year ended 31 March 2014 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

By Order of the Board
INTEGRATED WASTE SOLUTIONS GROUP HOLDINGS LIMITED
Cheng Chi Ming, Brian
Chairman

Hong Kong, 30 June 2014

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Suen Wing Yip, Mr. Lau Sai Cheong, Mr. To Chun Wai and Mr. Tam Sui Kin, Chris; two non-executive directors, namely, Mr. Cheng Chi Ming, Brian (Chairman) and Mr. Tsang On Yip, Patrick; and three independent non-executive directors, namely, Mr. Nguyen Van Tu, Peter, Mr. Chow Shiu Wing, Joseph and Mr. Wong Man Chung, Francis.