中國水業集團有限公司*
CHINA WATER INDUSTRY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1129)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

The Board of Directors (the "**Board**") of China Water Industry Group Limited (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2014 together with comparative figures for the year ended 31 December 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	**2014** *HK$'000*	2013 *HK$'000*
Revenue	*3*	**507,963**	510,959
Cost of sales		**(308,573)**	(310,272)
Gross profit		**199,390**	200,687
Other operating income		**30,990**	40,467
Gain on disposal of subsidiaries		**116,783**	–
Waiver of loan interest and interest payables		**–**	59,748
Reversal of impairment loss recognised on trade and other receivables		**337**	21,071
Change in fair value of investment property		**605**	3,054
Selling and distribution expenses		**(29,286)**	(23,309)
Administrative expenses		**(146,300)**	(100,053)
Finance costs	*5*	**(21,670)**	(15,352)
Change in fair value of derivative financial instruments		**31,482**	(7,621)
Net gain on financial assets at fair value through profit or loss		**94,747**	–
Net gain on available-for-sale investments		**40,647**	6,823
Impairment loss recognised on:–			
– trade and other receivables		**(3,059)**	(30,590)
– available-for-sale investments		**(16,353)**	–
– goodwill		**(6,964)**	–
Share of profit (losses) of associates		**61**	(2,268)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	**2014**	2013
		HK$'000	*HK$'000*
Profit before taxation		**291,410**	152,657
Income tax	*6*	**(61,775)**	(46,697)
Profit for the year	*7*	**229,635**	105,960
Attributable to:			
Owners of the Company		**203,622**	61,419
Non-controlling interests		**26,013**	44,541
		229,635	105,960
Earnings per share (HK cents):	*9*		
Basic		**16.50**	5.53
Diluted		**14.11**	5.53

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 *HK$'000*	2013 *HK$'000*
Profit for the year	**229,635**	105,960
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of financial statements of overseas subsidiaries:–		
Exchange difference arising during the year	**(6,010)**	16,647
Reclassification adjustments relating to subsidiaries disposed of during the year	**(11,471)**	–
	(17,481)	16,647
Available-for-sale investments:		
Net gain arising on revaluation of available-for-sale investments during the year	**15,147**	9,147
Reclassification upon impairment	**16,353**	–
Reclassification adjustments relating to available-for-sale investments disposed of during the year	**(40,647)**	(1,110)
	(9,147)	8,037
Share of other comprehensive income of associates	**(558)**	2,117
Other comprehensive income for the year, net of income tax	**(27,186)**	26,801
Total comprehensive income for the year	**202,449**	132,761
Attributable to:		
Owners of the Company	**179,503**	79,960
Non-controlling interests	**22,946**	52,801
	202,449	132,761

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2014

	Note	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment		**159,310**	161,433
Deposits paid for acquisition of property, plant and equipment		**5,282**	272
Deposits paid for acquisition of prepaid lease payments		**–**	40,701
Prepaid lease payments		**25,110**	41,381
Concession intangible assets		**546,766**	622,630
Investment property		**21,457**	21,037
Other intangible assets		**176,111**	59,763
Available-for-sale investments		**26,016**	95,781
Interest in associates		**39,563**	32,680
Deferred tax assets		**1,327**	1,226
		1,000,942	1,076,904
Current assets			
Inventories		**184,036**	24,581
Financial assets at fair value through profit or loss		**238,527**	–
Trade and other receivables	*10*	**171,682**	108,364
Prepaid lease payments		**1,053**	1,307
Amounts due from customers for contract works		**12,898**	8,790
Cash held by financial institutions		**5,268**	8,797
Bank balances and cash		**318,798**	241,767
		932,262	393,606
Current liabilities			
Trade and other payables	*11*	**157,947**	157,459
Amounts due to customers for contract works		**58,421**	11,693
Bank borrowings		**49,258**	42,116
Other loans		**13,619**	65,722
Amounts due to non-controlling shareholders of subsidiaries		**59,532**	3,803
Loan from associates		**4,657**	3,178
Convertible bonds		**103,519**	107,352
Tax payables		**38,495**	41,508
		485,448	432,831
Net current assets (liabilities)		**446,814**	(39,225)
Total assets less current liabilities		**1,447,756**	1,037,679

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
AT 31 DECEMBER 2014

	2014	2013
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**666,166**	555,166
Share premium and reserves	**273,411**	(11,492)
Equity attributable to owners of the Company	**939,577**	543,674
Non-controlling interests	**330,417**	282,827
TOTAL EQUITY	**1,269,994**	826,501
Non-current liabilities		
Bank borrowings	**33,598**	26,710
Other loans	**59,270**	52,619
Government grants	**19,237**	95,980
Deferred tax liabilities	**65,657**	35,869
	177,762	211,178
	1,447,756	1,037,679

1. GENERAL

China Water Industry Group Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its principal place of business is located at Room 1207, 12th Floor, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong. The registered office of the company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"). Other than those subsidiaries established in the People's Republic of China (the "**PRC**") whose functional currency is Renminbi ("**RMB**"), the functional currency of the Company and its subsidiaries (collectively referred to as the "**Group**") is HK$.

The Group is principally engaged in (i) provision of water supply and sewage treatment and construction services; and (ii) exploitation and sale of renewable energy in the People's Republic of China (the "**PRC**").

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accounts ("**HKICPA**").

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) Investment Entities

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended HKFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on these financial statements as the Company does not qualify to be an investment entity.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

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

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or cash-generating unit the recoverable amount of which is based on fair value less costs of disposal. The Group early adopted the amendments in the annual financial statements for the year ended 31 December 2013.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The amendments to HKAS 39 provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendments do not have an impact on these consolidated financial statements as the Group does not have any derivatives that are subject to novation.

HK(IFRIC) – Int 21 Levies

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on these financial statements as the Group does not have any levy arrangements.

3. REVENUE

Revenue primarily represents revenue arising from the provision of water supply services, sewage treatment services, water supply related installation and construction income, and water supply and sewage treatment infrastructure construction income for the year.

An analysis of the Group's revenue for the year is as follows:

	2014	2013
	HK$'000	*HK$'000*
Water supply services	**159,217**	133,595
Sewage treatment services	**45,763**	47,035
Water supply related installation and construction income	**222,490**	222,295
Water supply and sewage treatment infrastructure construction income	**60,803**	102,369
Others	**19,690**	5,665
	507,963	510,959

Others represented sales of electricity to a provincial power grid company and tariff adjustment received and receivable from a relevant government authority.

4. SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the board of directors of the Company, being the chief operating decision maker, for the purposes of resources allocation and assessment of the performance of the Group's various lines of business and geographical locations. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

During the year ended 31 December 2014, the Group acquired Shenzhen City Li Sai and Huiming Technology, which is principally engaged in the provision of exploitation and sale of renewable energy in PRC. Thus, the executive directors consider provision of exploitation and sale of renewable energy in PRC is a new reportable and operating segment upon the acquisition. During the year ended 31 December 2013, there was no segment information disclosed as the Group's operation only comprised provision of water supply, sewage treatment and construction services (as defined below) and it is determined that the Group has only one operating segment. After the acquisition of Shenzhen City Li Sai and Huiming Technology, the executive directors separately assessed the segment results of water supply, sewage treatment and construction services from exploitation and sale of renewable energy (as defined below) as well as the corporate income and expenses. Figures in segment information for the year ended 31 December 2013 have been re-presented for comparative purposes.

The Group has identified the following reportable segments:

(i) "Provision of water supply, sewage treatment and construction services" segment, which derives revenues primarily from the provision of water supply and sewage treatment operations and related construction services; and

(ii) "Exploitation and sale of renewable energy" segment, which derives revenues primarily from sale of electricity from biogas power plants.

Information regarding the Group's reportable segments as provided to the board of directors of the Company for the purposes of resource allocation and assessment of segment performance is set out below.

Segment turnover and results

The following is an analysis of the Group's turnover and results by reportable and operating segments.

For the year ended 31 December 2014

	Provision of water supply, sewage treatment and construction services *HK$'000*	**Exploitation and sale of renewable energy** *HK$'000*	**Total** *HK$'000*
Reportable segment revenue	**488,273**	**19,690**	**507,963**
Reportable segment profit (loss)	**173,179**	**(5,756)**	**167,423**
Unallocated corporate expenses			**(9,245)**
Interest income			**460**
Imputed interest on convertible bonds			**(17,751)**
Change in fair value of derivative financial instruments			**31,482**
Net gain on financial assets at fair value through profit or loss			**94,747**
Net gain on available-for-sale investments investments			**40,647**
Impairment loss recognised on available-for-sale investments			**(16,353)**
Profit before taxation			**291,410**

4. SEGMENT REPORTING *(Continued)*

Segment turnover and results *(Continued)*

For the year ended 31 December 2013 (re-presented)

	Provision of water supply, sewage treatment and construction services *HK$'000*	Exploitation and sale of renewable energy *HK$'000*	Total *HK$'000*
Reportable segment revenue	505,294	5,665	510,959
Reportable segment profit	170,752	2,516	173,268
Unallocated corporate expenses			(15,334)
Interest income			7,926
Imputed interest on convertible bonds			(3,483)
Reversal of impairment loss recognised on trade and other receivables			19,078
Change in fair value of derivative financial instruments			(7,621)
Net gain on disposal of investments			6,823
Impairment loss recognised on trade and other receivable			(28,000)
Profit before taxation			**152,657**

Other segment information

For the year ended 31 December 2014

	Provision of water supply, sewage treatment and construction services ***HK$'000***	**Exploitation and sale of renewable energy** ***HK$'000***	**Corporate** ***HK$'000***	**Total** ***HK$'000***
Interest income	**18,773**	**–**	**460**	**19,233**
Interest expenses	**(3,462)**	**(457)**	**(17,751)**	**(21,670)**
Share of profits of associates	**61**	**–**	**–**	**61**
Gain on disposal of subsidiaries	**116,783**	**–**	**–**	**116,783**
Depreciation of property, plant and equipment	**(6,590)**	**(4,598)**	**(2,091)**	**(13,279)**
Amortisation of:				
– Prepaid lease payments	**(1,297)**	**–**	**–**	**(1,297)**
– Concession intangible assets	**(32,412)**	**–**	**–**	**(32,412)**
– Other intangible assets	**–**	**(3,899)**	**–**	**(3,899)**
Loss on disposal of property, plant and equipment and prepaid lease payments	**(82)**	**–**	**–**	**(82)**
Concession intangible assets written off	**(608)**	**–**	**–**	**(608)**
Impairment loss recognised on:				
– Trade and other receivables	**(3,059)**	**–**	**–**	**(3,059)**
– Goodwill	**(6,964)**	**–**	**–**	**(6,964)**
Reversal of impairment loss recognised on trade and other receivables	**337**	**–**	**–**	**337**
Additions to non-current segment assets	**111,073**	**197,381**	**2,048**	**310,502**

4. **SEGMENT REPORTING** *(Continued)*

Other segment information *(Continued)*

For the year ended 31 December 2013 (re-presented)

	Provision of water supply, sewage treatment and construction services	Exploitation and sale of renewable energy	Corporate	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Interest income	18,173	4	7,926	26,103
Interest expenses	(11,722)	(147)	(3,483)	(15,352)
Share of losses of associates	(2,268)	–	–	(2,268)
Depreciation of property, plant and equipment	(8,757)	(206)	(1,671)	(10,634)
Amortisation of:				
– Prepaid lease payments	(1,286)	–	–	(1,286)
– Concession intangible assets	(29,451)	–	–	(29,451)
– Other intangible assets	–	(583)	–	(583)
Gain on disposal of property, plant and equipment and prepaid lease payments	2,569	–	–	2,569
Concession intangible assets written off	(82)	–	–	(82)
Impairment loss recognised on trade and other receivables	(2,590)	–	(28,000)	(30,590)
Reversal of impairment loss recognised on trade and other receivables	1,993	19,078	–	21,071
Waiver of loan interest and interest payables	59,748	–	–	59,748
Additions to non-current segment assets	175,172	64,848	3,816	243,836

Segment revenue reported above represents revenue generated from external customers. There were no inter-segments sales in the current year (2013: nil).

The measure used for reporting segment profit is "adjusted profit before tax". To arrive at adjusted profit before tax the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as imputed interest on convertible bonds, change in fair value of derivative financial instruments, change in fair value of financial assets at fair value through profit or loss, net gain on disposal of investments, impairment loss recognised on available-for-sale investments, impairment loss recognised on trade and other receivable, reversal of impairment loss recognized on trade and other receivables, directors' and auditors' remuneration and other head office or corporate administration costs.

No geographical information is presented as the Group's business is principally carried out in the PRC (country of domicile) and the Group's revenue from external customers and non-current assets are in the PRC. No geographical information for other country is of a significant size to be reported separately.

For the years ended 31 December 2014 and 2013, the Group does not have any single significant customer with the transaction value of 10% or more of the turnover.

5. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Interest on:		
– convertible bonds	**43,399**	3,481
– bank borrowings wholly repayable within five years	**6,875**	10,620
– bank borrowings not wholly repayable within five years	**88**	–
– other loans wholly repayable within five years	**2,274**	3,371
– other loans wholly repayable after five years	**–**	–
– loan from an associate	**387**	154
Total borrowing cost	**53,023**	17,626
Less: interest capitalised included in construction in progress	**(31,353)**	(2,274)
	21,670	15,352

Included in construction-in-progress under concession intangible assets and property, plant and equipment is accumulated interest capitalised of HK$31,353,000 (2013: HK$2,274,000) at the capitalisation rates of 15.48% (2013: 2.33% to 20%) per annum.

6. INCOME TAX EXPENSE

	2014	2013
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax	**4,300**	**–**
PRC Enterprise Income Tax ("**EIT**") on disposal of Super Sino	**13,795**	**–**
Other PRC EIT	**26,825**	41,345
Under (over) provision of EIT in respect of prior years	**1,908**	(557)
Deferred tax	**14,947**	5,909
	61,775	46,697

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for 2014.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Company did not have assessable profits subject to Hong Kong Profits Tax for 2013.

6. INCOME TAX EXPENSE *(Continued)*

Under the Law of the PRC on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards. Accordingly, provision for PRC EIT for the PRC subsidiaries is calculated at 25% of estimated assessable profits for both years, except disclosed as follows.

Gaoming Huaxin, Nanjing Feng Shang and Huiming Technology are engaged in sewage treatment, provision of electricity supply and sale of renewable energy, respectively. They are entitled to tax concessions whereby the profit for the first three financial years beginning with the first profit-making year is exempted from EIT and the profit for each of the subsequent three years is taxed at 50% of the prevailing tax rate. The first profit-making year of Gaoming Huaxin, Nanjing Feng Shang and Huiming Technology were 2011, 2012 and 2012, respectively. Accordingly:

– Gaoming Huaxin is exempted from PRC income tax from 1 January 2011 to 31 December 2013 and is entitled to a 50% exemption of income tax from 1 January 2014 to 31 December 2016.

– Nanjing Feng Shang and Huiming Technology are exempted from PRC income tax from 1 January 2012 to 31 December 2014 and are entitled to a 50% exemption of income tax from 1 January 2015 to 31 December 2017.

According to the Circular on the State Administration of Taxation on Strengthening the Management of EIT Collection of Proceeds from Equity Transfers by Non-Resident Enterprises (Guoshuihan [2009] No. 698) ("Circular 698") Announcement [2011] No. 24 and the State Administration of Taxation Notice [2015] No. 7, a non-PRC Tax Resident Enterprise is subject to the PRC EIT on the taxable gain arising from a sale of transfer of any intermediate offshore company which directly or indirectly holds an interest, including any assets, subsidiaries, or other forms of business operations, in the PRC at a rate of 10%, or otherwise stipulated in an applicable tax treaty or arrangement. Circular 698 applies to all transactions conducted on or after January 1, 2008.

As such, included in the income tax expense for the year ended 31 December 2014 was an amount of HK$13,795,000 on the sale of Super Sino. The amount remained unpaid as of the date of this announcement. The Company has already submitted relevant documents to the PRC tax bureau regarding the sale of Super Sino.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss as follows:

	2014	2013
	HK$'000	*HK$'000*
Profit before taxation	**291,410**	152,657
Tax at the domestic income tax rate of 25% (2013: 25%)	**72,853**	38,164
Tax effect of share of results of associate	**(15)**	567
Tax effect of expenses not deductible for tax purposes	**17,174**	8,035
Tax effect of income not taxable for tax purposes	**(8,396)**	(511)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(18,832)**	2,447
Effect of tax exemption granted to PRC subsidiaries	**(1,511)**	(3,713)
Tax effect of tax losses and deductible temporary differences not recognised	**4,567**	2,522
Utilisation of tax losses previously not recognised	**(1,645)**	(4,383)
Deferred tax liabilities arising on undistributed profit of PRC subsidiaries	**1,146**	4,126
Under (over) provision in respect of prior years	**1,908**	(557)
Tax on disposal of Super Sino	**(5,474)**	–
	61,775	46,697

7. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2014	2013
	HK$'000	*HK$'000*
Staff costs excluding directors' and chief executive's emoluments		
– Salaries, wages and other benefits	**86,211**	72,532
– Retirement benefits scheme contributions	**20,935**	10,022
Total staff costs	**107,146**	82,554
Amortisation of:–		
– Prepaid lease payments	**1,297**	1,286
– Concession intangible assets (included in cost of sales)	**32,412**	29,451
– Other intangible assets	**3,899**	583
Concession intangible assets written off	**608**	82
Depreciation of property, plant and equipment	**13,279**	10,634
Loss (gain) on disposal of property, plant and equipment and prepaid lease payment	**82**	(2,569)
Auditors' remuneration – audit services	**900**	800
Minimum lease payments under operating leases	**7,257**	3,336
Cost of inventories sold	**88,044**	81,728

8. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2014, nor has any dividend been proposed since the end of the reporting period (2013: nil).

9. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2014	2013
	HK$'000	*HK$'000*
Profit attributable to the owners of the Company, used in the basic earnings per share	**203,622**	61,419
Change in fair value of derivative component of convertible bonds	**(31,482)**	–
Inputted interest on convertible bonds, net of interest capitalised	**17,737**	–
Profit attributable to the owners of the Company, used in the diluted earnings per share	**189,877**	61,419
	'000	*'000*
Weighted average number of ordinary shares – basic	**1,233,800**	1,110,332
Effect of dilutive potential ordinary shares:		
Convertible bonds	**111,669**	–
Weighted average number of ordinary shares – diluted	**1,345,469**	1,110,332
Earnings per share (HK cents):		
Basic	**16.50**	5.53
Diluted	**14.11**	5.53

Diluted earnings per share were the same as the basic earnings per share for the year ended 31 December 2013, as the effect of conversion of the Company's outstanding convertible bonds would result in an increase in earnings per share.

10. TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**35,912**	40,790
Less: Allowance for doubtful debts	**(5,659)**	(7,604)
	30,253	33,186
Consideration receivable	**88,304**	–
Other receivables *(a)*	**15,700**	38,273
Less: Allowance for doubtful debts	**(4,265)**	(9,090)
	11,435	29,183
Loans receivables	**69,847**	81,844
Less: Allowance for doubtful debts	**(54,844)**	(54,844)
	15,003	27,000
Deposits and prepayments *(b)*	**26,687**	18,995
	171,682	108,364

(a) Other receivables represented advances to staff and unrelated parties. Included in other receivables at 31 December 2013 was an amount due from a non-controlling shareholder of a subsidiary of approximately HK$17,816,000 which was unsecured, interest-free and repaid in 2014.

(b) Deposits and prepayments were mainly tender deposits paid to independent third parties for bidding construction projects.

The Group allows an average credit period of 30 days to 180 days to its customers.

An aged analysis of the trade receivables, net, as at the end of the reporting period, based on invoice date which approximates the respective revenue recognition date, is as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 90 days	**20,985**	22,512
91 to 180 days	**2,262**	6,483
181 to 365 days	**5,671**	3,890
Over 1 year	**1,335**	301
	30,253	33,186

10. **TRADE AND OTHER RECEIVABLES** *(Continued)*

An aged analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	2014	2013
	HK$'000	*HK$'000*
Neither past due nor impaired	**23,247**	28,995
Within 90 days	**4,450**	3,133
91 to 180 days	**1,221**	757
181 to 365 days	**745**	–
Over 1 year	**590**	301
	30,253	33,186

Trade receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default. The Group does not hold any collateral over these balances.

Trade receivables that were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balance are still considered fully recoverable. The Group does not hold any collateral over these balances.

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

The movements in the allowance of doubtful debts on trade receivables are as follows:

	2014	2013
	HK$'000	*HK$'000*
At 1 January	**7,604**	6,733
Impairment loss recognised	**3,059**	2,303
Reversal of impairment loss	**(337)**	(1,654)
Uncollectible amounts written off	**(2,074)**	–
Disposal of subsidiaries	**(2,527)**	–
Exchange realignment	**(66)**	222
At 31 December	**5,659**	7,604

Included in the impairment loss are individually impaired trade receivables with an aggregate balance of HK$5,659,000 (2013: HK$7,604,000) which are long outstanding.

10. TRADE AND OTHER RECEIVABLES *(Continued)*

The movements in the allowance of doubtful debts on other receivables are as follows:

	2014	2013
	HK$'000	*HK$'000*
At 1 January	**9,090**	9,453
Impairment loss recognised	**–**	287
Reversal of impairment loss	**–**	(339)
Uncollectible amounts written off	**(2,308)**	(376)
Disposal of subsidiaries	**(2,508)**	–
Exchange realignment	**(9)**	65
At 31 December	**4,265**	9,090

Included in the impairment loss are individually impaired other receivables with an aggregate balance of HK$4,265,000 (2013: HK$9,090,000) which are long outstanding. Other receivables of HK$11,435,000 (2013: HK$29,183,000) that were neither past due nor impaired relate to various debtors for whom there was no recent history of default. The Group does not hold any collateral over these balances.

The movements in the allowance of doubtful debts on loans receivables are as follows:

	2014	2013
	HK$'000	*HK$'000*
At 1 January	**54,844**	67,549
Impairment loss recognised	**–**	28,000
Reversal of impairment loss	**–**	(19,078)
Uncollectible amounts written off	**–**	(21,627)
At 31 December	**54,844**	54,844

Included in the impairment loss are individually impaired loans receivables with an aggregate balance of HK$54,844,000 (2013: HK$54,844,000) which are long outstanding. The Group does not hold any collateral over these balances.

Loans to Top Vision

As at 31 December 2010, loans receivables included HK$68,206,000 due from Top Vision Management Ltd ("**Top Vision**"). Prior to 1 January 2012, part of the aforesaid loan balance of HK$15,500,000 was used to set off the consideration paid to Top Vision for the acquisition of 70% equity interest in Gaoming Huaxin. In addition, another part of the loan balance of approximately HK$9,108,000 was assigned from Top Vision to Gaoming Huaxin upon the Group's acquisition of Gaoming Huaxin. On 21 August 2012, the Company and its subsidiary of Swift Surplus Holdings Limited ("**Swift Surplus**") (collectively the "**Lenders**") entered into another supplementary agreement with Top Vision, pursuant to which the outstanding balance carried interest rate of 4% per annum plus Hong Kong Interbank Offered Rate ("**HIBOR**"), repayable on or before 31 December 2012 and the settlement was guaranteed by 5 independent third parties. As at 31 December 2012, the remaining balance of HK$43,598,000 has not yet been settled. In the opinion of the directors of the Company, the possibility of the recovery of HK$15,598,000 out of the remaining balance of HK$43,598,000 was remote, therefore an allowance of approximately HK$15,598,000 in respect of the loan receivable was made as at 31 December 2012.

10. TRADE AND OTHER RECEIVABLES *(Continued)*

Loans to Top Vision *(Continued)*

On 22 March 2013, the Lenders have entered into supplemental deeds with Top Vision together with its respective guarantors, pursuant to which, approximately HK$18.03 million of the remaining loan receivables and underlying interests shall be repaid to the Lenders on or before 21 March 2014. Nevertheless, Swift Surplus and Top Vision and its guarantors could not reach an agreement in respect of the terms and date of the repayment of the outstanding balance of the remaining loan receivables and underlying interests.

On 14 May 2013, the Company instructed its legal counsel to file the writ of summons to the High Court of Hong Kong Special Administrative Region (the "**High Court**") to recover the outstanding loan balance from Top Vision. On 25 June 2013, the High Court adjudged a final judgment that Top Vision shall pay the outstanding balance to Swift Surplus (the "**Final Judgment**"). Up to the date of approval these financial statements, Top Vision has not performed the repayment obligation under the judgment issued by the High Court. The Company cannot locate any asset of Top Vision in Hong Kong. Without information on the assets of Top Vision in Hong Kong, the Company cannot enforce the Final Judgment against Top Vision.

As the major assets owned by the subsidiaries of Top Vision are located in Guangdong Province, the PRC, the Company will undertake recovery actions including but not limited to legal actions taken in PRC to collect the outstanding loan balance.

On 20 August 2014, a petition to wind up Top Vision was filed by one of its creditors. Top Vision has now been wound up by the High Court and the first meeting of creditors of Top Vision was held on 30 October 2014 for the appointment of provisional of liquidator. On 14 January 2015, the solicitors act for the creditors requested the High Court to have the hearing adjourned for the appointment of liquidators (the "Appointment") pending the alleged negotiation settlement between the Top Vision and all creditors including the Company and its subsidiary. The High Court hearing for the Appointment will be held on 4 May 2015. Although Top Vision was in liquidation, the Company has instructed its legal counsel to undertake the arbitration in Hong Kong to chase back the remaining loan receivables and the underlying interests from the respective guarantors.

As at December 31, 2013, a further impairment loss of approximately HK$28 million regarding the loan receivables from Top Vision has been provided. The Board determined to fully impair the remaining carrying amount of HK$28 million as it seems remote that the outstanding balance could be recovered from the actions taken against Top Vision. At 31 December 2014 and 2013, the loan receivables from Top Vision of HK$43,598,000 were fully impaired.

Other loans receivables

Also included in loans receivables brought forward from 1 January 2012 were amounts advanced to five independent third parties amounting to HK$10,000,000 ("**Borrower A**"), HK$2,513,000 ("**Borrower B**"), HK$42,446,000 ("**Borrower C**"), HK$9,575,000 ("**Borrower D**"), HK$5,720,000 ("**Borrower E**"), HK$24,412,000 ("**Borrower F**) and HK$14,647,000 ("**Borrower G**"), of which an allowance of HK$10,000,000, HK$600,000, HK$40,746,000, HK$9,275,000 and HK$5,720,000, respectively, was made on the respective loans. During the year ended 31 December 2012, a total of HK$14,390,000 was collected on these loans, and a reversal of impairment loss of the same amount was recognised.

As at 31 December 2012, outstanding balances from Borrower A, Borrower B, Borrower C and Borrower E were HK$10,000,000, HK$526,000, HK$40,705,000 and HK$720,000 respectively. These balances were fully impaired at 31 December 2012. The outstanding balance from Borrower D, Borrower F and Borrower G were fully settled during the year ended 31 December 2012.

In September 2013, the Company agreed to take one-half haircut on the debt plus any accrued interests owed by Borrower C. The Company recovered a total of HK$27 million (representing loans receivable of HK$19,078,000 and interest income of HK$7,922,000) in February 2014 pursuant to this agreement. As such, the Company recorded an interest income of HK$7,922,000, reversed impairment loss of HK$19,078,000 and wrote off the remaining balance of HK$21,627,000 in 2013.

10. TRADE AND OTHER RECEIVABLES *(Continued)*

Other loans receivables *(Continued)*

Outstanding balances from Borrower A, Borrower B, Borrower C, and Borrower E as at 13 December 2013, after write off and including accrued interests, totalled HK$38,246,000, of which HK$11,246,000 were impaired at 31 December 2014 and 2013.

Included in loan receivables as at 31 December 2014 was a loan to an unrelated party of HK$15,003,000 (2013: HK$nil), which was interest bearing fixed interest rate roughly at 43.2% per annum. This party has no recent history of default.

11. TRADE AND OTHER PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade payables	**17,540**	22,302
Other tax payables	**4,313**	3,796
Receipt in advance	**68,275**	60,434
Construction payables	**7,502**	8,882
Interest payables	**10,549**	16,013
Consideration payable	**13,237**	5,107
Accrued expenses	**17,578**	18,825
Forward sales deposits received	**2,379**	–
Other payables	**16,574**	22,100
	157,947	157,459

The following is an aged analysis of trade payables at the end of reporting period, based on invoice date:

	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**10,397**	11,922
31 to 90 days	**574**	2,436
91 to 180 days	**1,001**	758
181 to 365 days	**2,198**	2,213
Over 1 year	**3,370**	4,973
	17,540	22,302

The credit terms of trade payables vary according to the terms agreed with different suppliers. The Group has financial risk management policies in place to ensure that all payables are settled within the timeframe agreed with the respective suppliers.

12. CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2014 not provided for in the financial statements were as follows:

	2014	2013
	HK$'000	*HK$'000*
Contracted but not provided for:		
– Acquisition of prepaid lease payments	**–**	52,784
– Acquisition of concession intangible assets, plant and equipment	**92,393**	83,768
– Properties under development in relation to development cost of existing projects	**26,646**	–
	119,039	136,552

13. LITIGATIONS AND ARBITRATION

a. Technostore Limited (in liquidation), a subsidiary of the Company

On 30 May 2007, a Petition was filed under sections 168A and 177 of the predecessor Company Ordinance (Cap. 32) to windup Technostore Limited ("**Technostore**"), a company in which the Company held 50.01% of the issued shares. The Petition was commenced by Mr. Mao Chi Fai ("**Mr. Mao**"), the minority shareholder of Technostore holding 49.99% of the issued shares. Following court hearings regarding the winding-up proceeding in the preceding year, on 29 August 2008, the court made an order to appoint Kenny Tam & Company ("**Liquidator**"), Certified Public Accountant as a liquidator of Technostore and Happy Hour Limited and Mr. Mao to become members in the committee of inspection. In October 2009, all stocks of Technostore with costs valued at approximately HK$2.2 million transferred by the Official Receiver's Office to the Liquidator were disposed at the consideration of around HK$0.62 million by public tender. Preferential and ordinary dividends were distributed in November 2010. Further, a sum of less than HK$1,000 was realized from the bank accounts of Technostore. On 25 August 2011, the Liquidator indicated that no additional assets of Technostore have been realized and it anticipates that there will be no further assets for realization. The Liquidator has further indicated that it will apply to the Court for his release as the liquidator of Technostore after the determination of a validation order. On 29 February 2012, the Liquidator further advised that there was no additional assets realization since 25 August 2011. The Liquidators also advised that they are preparing an application for validation order and will file their release application pending sanction of the validation order by the Court. On 11th August 2012, the Liquidator also advised that they are in the course of preparing the application of the validation order. As at 11th August 2012, the Liquidator advised that the amount of the said validation order should be within HK$0.4 million. On 9th March 2013, the Liquidator advised that the said application of the validation order will not be pursued as there is no benefit to the creditors for taking further action on the same. The Liquidator also advised that, as a consequence, there will be no further outstanding assets to be handled and the Liquidator will proceed to make an application to the court for his release. As at 16 August 2013, the Liquidator informed the Company that it is presently not in position to make an application to the High Court to release the duty of Liquidator as the necessary documents from Mr. Mao not yet to receive. On 30 January 2014, advised by the Liquidator that the High Court would approve the application of releasing Liquidator and dissolution of Technostore within the next three months. On 25 July 2014, High Court issued the court order to confirm that Technostore was dissolved and the Liquidator was released on 2 July 2014. On 1 August 2014, Liquidator had published the notice on Gazette relating to the release of his duty.

The directors of the Company believe that no material future outflows resources from the Group is expected and sufficient provision on assets related to Technostore have been provided. It is unlikely that there will be a material adverse financial impact of the Group.

13. LITIGATIONS AND ARBITRATION *(Continued)*

b. Guangzhou Hyde Environmental Protection Technology Co., Ltd., an indirect wholly-owned subsidiary of the Company

Guangzhou Hyde Environmental Protection Technology Co. Ltd.* (廣州市海德環保科技有限公司) ("**Guangzhou Hyde**") (an indirect wholly-owned subsidiary of the Company) and Yunnan Chaoyue Gas Company Limited* (云南超越燃氣有限公司) ("**Yunnan Chaoyue Gas**") entered into the cooperation contract dated 13 October 2010, pursuant to which Guangzhou Hyde shall paid a refundable deposit of HK$10 million ("**Deposit**") to Yunnan Chaoyue Gas for the purpose of obtaining the operation and management right of the Yunnan Dian Lake project ("**Project**").

Pursuant to the cooperation contract, Yunnan Chaoyue Gas shall refund the Deposit to Guangzhou Hyde within nine months once it was unsuccessfully to obtain the Project. Yunnan Chaoyue Gas has failed to repay the aforesaid Deposit to Guangzhou Hyde when it fell due despite Guangzhou Hyde's repeated requests and demands.

The Deposit was classified as loan receivable and fully impaired in 2011.

The dispute over cooperative contract between Guangzhou Hyde and Yunnan Chaoyue Gas was applied to Guangzhou Arbitration Commission ("**Commission**") for arbitration on 24 February 2012. The Commission accepted the case and started a trail on 5 June 2012. After the trail, arbitration tribunal ruled an award on 12 June 2012, adjudging that Yunnan Chaoyue Gas should pay Guangzhou Hyde the principal of RMB8.56 million and overdue interests thereon; and the relevant arbitration fees.

The above award confirmed the amount to be paid by Yunnan Chaoyue Gas to Guangzhou Hyde should be settled in one-off manner within 10 days from the date on which this award is served. Late payment will result in proceedings set out in article 229 of Civil Procedure Laws of the People's Republic of China. As Yunnan Chaoyue Gas has not performed repayment obligation under the award on time, Guangzhou Hyde applied to Kunming Intermediate People's Court (the "**Kunming Court**") for civil enforcement on 21 July 2012, and Kunming Court has accepted such application.

On 13 May 2013, Yunnan Chaoyue Gas provided loan repayment plan (the "**Repayment Plan**") to Guangzhou Hyde. Owing to without information of the assets owned by Yunnan Chaoyue Gas and given the Repayment Plan, Kunming Court has stopped to execute the civil enforcement. Notwithstanding, the Company has reserved its right to petition the Kunming Court to resume the enforcement proceeding once locating any assets owned by Yunnan Chaoyue Gas in PRC. Up to the announcement date, Yunnan Chaoyue Gas has not performed the repayment obligation according to the Repayment Plan.

The aforesaid litigation is unlikely to have any significant material adverse financial impact on the Group.

Extract of Independent Auditor's Report

The following is an extract from the report issued by Crowe Horwath (HK) CPA Limited on the consolidated financial statements of the Group for the year ended 31 December 2014:

BASIS FOR QUALIFIED OPINION

The Group and the Company had loans receivables of approximately HK$43,598,000, of which HK$15,598,000 and HK$43,598,000 was impaired as at 31 December 2012 and 2013, respectively. There were no satisfactory audit procedures which could be adopted to ascertain the carrying amount of the loans receivables being fairly stated as at 31 December 2012 and the impairment loss for the year ended 31 December 2013. Our opinion on the current year's consolidated financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income.

The Group and the Company had investments in listed equity securities in Hong Kong with a carrying value of HK$29,898,000 as at 31 December 2013. The trading of these securities was suspended during the year ended 31 December 2013. The directors of the Company considered that there was no material change in the fair value of the listed equity investments. However, there were no satisfactory audit procedures which we could adopt to ascertain the fair value of these available-for-sale investments as at 31 December 2013. Any adjustments found to be necessary to the fair value of these available-for-sale investments as at 31 December 2013 would have a consequential effect on the Group's and the Company's net assets as at 31 December 2013, the Group's profit for the year ended 31 December 2014 and related disclosures in these financial statements.

QUALIFIED OPINION

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, 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 December 2014, and of the Group's profit 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.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

RESULTS

Financial Results

For the year ended 31 December 2014, the Group has recorded a consolidated net profit of HK$229.64 million. In comparison with the consolidated net profit of HK$105.96 million in the corresponding period of 2013, there was a substantial increase of HK$123.68 million. The board of directors ("**Board**") considered that the increase in consolidated net profit was mainly attributable to (i) the net gain on financial assets at fair value through profit or loss of HK$94.75 million, (ii) the increase of net gain on available-for-sale investments by HK$33.82 million, (iii) the increase of gain arising from the change in fair value of derivative financial instruments by HK$39.10 million; and (iv) the gain arising from the disposal of subsidiaries of HK$116.78 million. The Board also recognized that these positive contributions were offset by the following factors (a) absence of income relating to waiver of loan interest and interest payable of HK$59.75 million which was recognized in 2013, (b) the increase of selling and administrative expenses collectively by HK$52.22 million, (c) the increase of finance cost by HK$6.3 million due to imputed interest provided on convertible bonds, (d) impairment loss recognized on goodwill of HK$6.96 million, (e) impairment loss recognized on available-for-sale investments of HK$16.35 million and (f) reduction in reversal of impairment loss on trade and other receivables of HK$20.73 million.

Revenue and Gross Profit

The revenue and gross profit for the year ended 31 December 2014 are HK$507.96 million and HK$199.39 million respectively. These represented a slight reduction of 0.59% in revenue and 0.65% in gross profit from the previous year. The reduction was because to the major source of income generating from the construction services of water supply reduced by 12.74% despite of the increment of water tariff and the positive contribution from the exploitation and sale of renewable energy business. The main contributors were Yichun Water Industry Co., Ltd*（宜春市供水有限公司）(“**Yichun Water**”) and Yingtan Water Supply co., Ltd（鷹潭市供水有限公司）(“**Yingtan Water**”) which collectively accounted for 42.65% of the revenue and 54.86% of the gross profit. The summary of revenue and gross profit is as follows:

	Revenue				**Gross Profit**			
	2014		2013		**2014**		2013	
	HK$'M	*%*	*HK$'M*	*%*	***HK$'M***	*%*	*HK$'M*	*%*
Water supply business	**159.22**	**31.34**	133.60	26.15	**63.92**	**32.06**	49.32	24.58
Sewage treatment business	**45.76**	**9.01**	47.03	9.20	**20.50**	**10.28**	23.07	11.50
Construction services business	**283.29**	**55.77**	324.66	63.54	**109.39**	**54.86**	124.42	61.99
Exploitation and sale of renewable energy business	**19.69**	**3.88**	5.67	1.11	**5.58**	**2.80**	3.88	1.93
Total	**507.96**	**100**	510.96	100	**199.39**	**100**	200.69	100

Water supply business

The water supply business are supported by 5 water supply plants located in various provincial cities across China including Jiangxi, Shandong and Hainan (2013: 6 water supply plants). The daily aggregate water supply capacity was approximately 1.91 million tonne (including the capacity of 1.60 million tonne of associated companies) generating a revenue of HK$159.22 million, representing 31.34% of the Group's total revenue. The gross profit ratio was 40.15% (2013: 36.91%). The increase in revenue and gross profit by HK$25.62 million and HK$14.60 million respectively were primarily due to the increase of water tariffs in Hainan Danzhou Water Company Limited* (海南儋州自來水有限公司) (“**Hainan Danzhou Water**”) and Yingtan Water. The rates for the water supply ranged from HK$1.49 to HK$2.16 per tonne. During the year, the Company disposed the entire equity interests of Anhui Dang Shan Water Industry Company Limited* (安徽省碭山水業有限公司) (“**Dang Shan**”) and 70% of equity interest of Super Sino Investment Ltd. (“**Super Sino**”) together with its various wholly-owned subsidiaries (“**Super Sino Group**”). Following the disposal, the Company indirectly holds 30% equity interest in the Super Sino Group and Dang Shan ceased be a subsidiary of the Company.

Sewage treatment business

The sewage treatment business are supported by 3 treatment plants located in the Provinces of Jiangxi, Guangdong and Shandong. The daily aggregate sewage disposal capacity was approximately 130,000 tonne generating a revenue of HK$45.76 million, representing 9.01% of the Group's total revenue. The gross profit ratio was 44.80% (2013: 49.05%). The decrease in revenue and gross profit by HK$1.27 million and HK$2.57 million respectively were because of a newly imposed surcharge charged by the respective local government to Foshan City Gaoming Huaxin Sewage Treatment Company Ltd* (“**Foshan Gaoming**“), which was offset against revenues. The rates for sewage treatment ranged from HK$0.76 to HK$1.5 per tonne. During the year, Yichun Fangke Sewage Treatment Company Limited* (“宜春市方科污水處理有限公司”) was approved by the relevant government authority to increase sewage treatment fee.

Construction services for water supply and sewage treatment infrastructure

Construction services included water meter installation, and pipeline construction and repair. These were the Group's major sources of revenue contributing HK$283.29 million, representing 55.77% of the Group's total revenue. The gross profit ratio was 38.61% (2013: 38.32%). The drop in revenue and gross profit by HK$41.37 million and HK$15.03 million respectively were due to the decrease of construction work including water meter installation in Yichun Water.

Exploitation and sale of renewable energy business

In recent years, the development of the green economy and environmental protection industry have become the core priorities for China's future economic reforms and long-term development. The Group has formed a new business expansion strategy in 2013, believing that the environmental protection industry in China continues to benefit from favorable national policies and the demand for environmental protection and alternative energy across the country continuing to grow which is providing the Group with enormous market and development opportunities. To capture these potential opportunities, the Group has actively been exploring in the areas of environmental friendly renewable energy business and has stressed that this business will be the next major investment. Up to 31 December 2014, the Group has successfully secured 7 biogas power generation projects which located in various provincial cities across China including Jiangsu, Hunan and Guangdong. These projects add a total of designed annual household waste processing capacity of 4.54 million tonne and could extract biogas from the household waste of 252 million m^3 annually which in turn could annually generate 113.78 million kilowatt of on-grid electricity and 59.60 million m^3 of compress natural gas ("**CNG**"). Upon the commencement of commercial operation, the following projects could bring new income stream to the Group.

	Project name	Business mode	Equity interest held by Company *(%)*	Annual designed household waste processing capacity *(tonne)*	Estimated annual biogas output *(m^3)*	Estimated annual On-grid electricity *(kilowatt)*	Estimated annual CNG *(m^3)*	Commencement date of operation	The expiration date of exclusive right to collect landfill gas
1	Nanjing Jiaozishan	Power generation	100	584,000	16,000,000	25,120,000	–	October 2013	June 2025
2	ZhuZhou Biogas	Power generation	100	365,000	12,000,000	14,000,000	–	November 2014	October 2023
3	Shenzhen Pingshan	Power generation	100	237,300	8,000,000	21,660,000	–	December 2015	September 2024
4	Changsha Operation Contract*	Power generation	–	1,825,000	80,000,000	53,000,000	–	May 2014	October 2039
5	Changsha Qiaoyi Landfill Site*	CNG	91			–	22,000,000	May 2015	
6	Shenzhen Xiaping Landfill Site	CNG	88	1,275,000	120,000,000	–	28,800,000	March 2015	April 2030
7	Qingshan Landfill Site	CNG	100	255,500	16,000,000	–	8,800,000	September 2015	July 2024
				4,541,800	252,000,000	113,780,000	59,600,000		

* Projects Changsha Operation Contract and Changsha Qiaoyi Landfill Site are sharing household waste resources in the same site in Changsha.

During the year, the revenue and gross profit contributed from Nanjing Jiaozishan project and ZhuZhou Biogas project were HK$19.69 million and HK$5.58 million respectively from selling electricity to provincial power grid companies and receiving tariff adjustment from a relevant government authority. The increase in revenue and gross profit by HK$14.02 million and HK$1.70 million respectively due to Nanjing Jiaozishan Project commenced full year operation in 2014. As Zhuzhou project was acquired in November 2014, there was only two months contribution provided by this project. The gross profit ratio was 28.34% (2013: 68.43%) and the average electricity rate is HK$0.80 per kilowatt.

Other Operating Income

For the year ended 31 December 2014, other operating income was HK$30.99 million (2013: HK$40.47 million). The income included mainly interest income of HK$19.23 million, consultancy fee of HK$5.75 million for the provision of advisory services on sewage treatment monitoring control system, disinfection handling fees of HK$1.44 million and rental income of HK$1.42 million from investment property.

Net gain on financial assets through profit or loss

Included in net gain on financial assets comprised HK$74.27 million for investment funds and HK$20.47 million for listed equity securities. During the year, the Company has invested in total of HK$105 million into two unlisted US dollar based investment funds ("**Funds**"). The Funds primarily invest in listed securities in the Asian market. The fair value of these unlisted financial assets are based on the net asset value ("**NAV**") of the Funds calculated on the last day of each calendar month and reported by the Fund manager accordingly. As at 31 December 2014, the change in fair value on these unlisted financial assets were HK$74.27 million (2013: Nil) which are solely on the gain of the NAV of the Funds. The Funds and listed equity securities are held for trading purpose and classified as current assets of the Group.

Gain on disposal of subsidiaries

Included in the gain on disposal of subsidiaries were the disposal of (i) 70% of the equity interests in the Super Sino Group together with 70% of the entire loan due to the Group and (ii) 100% equity interest of Anhui Dang Shan Water Industry Company Limited ("**Dang Shan**") ("**Disposals**"). The total consideration for the Disposals were HK$213.77 million and recorded a gain of HK$116.78 million (2013: Nil).

Gain on available-for-sale investments

Included in the disposal of financial assets were the equity investments in three listed equity securities in Hong Kong. During the year, the disposal of these listed securities were on-market transactions through The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") and recorded a gain of HK$40.65 million (2013: HK$6.82 million).

Selling and distribution expenses and administrative expenses

For the year ended 31 December 2014, selling and distribution costs together with administrative expenses were collectively increased by HK$52.22 million to HK$175.59 million (2013: HK$123.36 million). The rise was mainly due to the acquisition and establishment of new companies in the PRC which caused the increment of staff cost and associated operating expenses. These expenses mainly consisted of staff costs of HK$90.04 million, legal and professional fee of HK$6.43 million, rent and rates of HK$7.26 million, repair and maintenance of HK$3.40 million and depreciation of HK$11.55 million.

Finance costs

For the year ended 31 December 2014, the finance costs of the Group were HK$21.67 million, representing an increase of HK$6.32 million from HK$15.35 million for the same period of last year. The finance costs were mainly contributed by imputed interest of HK$43.40 million and the interest of HK$9.62 million on loans. The increase was mainly due to the imputed interest charged on the convertible bonds ("**CB**") issued by the Company in 2013 and 2014. Only the coupon interest, but not the imputed interest affects the actual cashflow of the Group.

Impairment loss recognised on available-for-sale investments

The impairment loss of HK$16.35 million arose from the prolonged decline in the fair value of the equity investments at the end of the reporting period being less than the investment cost (2013: Nil). The fair value of the listed securities are determined based on the quoted market bid prices available on the Stock Exchange.

Impairment loss recognized on goodwill

During the year ended 31 December 2014, the Group recognized an impairment loss on goodwill of HK$6.96 million which was provided for the acquisition of Foshan Gaoming (2013: Nil). The impairment loss incurred as the recoverable amount of Foshan Gaoming was determined to be less than the carrying amount of the net asset value including goodwill.

Share of results from associates

The Group had three associated companies, including 35% equity interests in Jinan Hongquan Water Production Co. Ltd ("**Jinan Hongquan**"), 30% equity interest in Super Sino and 10% equity interests in Yu Jiang Hui Min Small Sum Loan Company Limited ("**Yu Jiang Hui Min**"). As at 31 December 2014, the Group shared the profit of HK$0.06 million (2013: loss of HK$2.27 million) which was mainly from the loss of HK$0.37 million from Jinan Hongquan and the profit of HK$0.43 million from Yu Jiang Hui Min respectively.

Income tax

For the year ended 31 December 2014, the income tax had increased by HK$15.10 million to HK$61.78 million (2013: HK$46.70 million). This was mainly due to the Hong Kong profits tax on the net gain on financial assets at fair value through profit or loss and the PRC income tax of HK$13.80 million charged on the gain on disposal of subsidiaries. In addition, certain subsidiaries such as Foshan Gaoming, Nanjing Feng Shang New Technology Limited Liability Company*("**Nanjing Feng Shang**") (南京豐尚新能源科技有限公司) and Hunan Huiming Environmental Technology Limited*("**Huiming Technology**") (湖南惠明環境科技有限公司) are entitled to have tax concessions benefit for the exemption to pay PRC income tax for three years for the first profit making year and followed by a 50% reduction for next three years. The PRC standard income tax rate is 25% in 2014.

Profit attributable to Owners of the Company

For the year ended 31 December 2014, profit attributable to owners of the Company was approximately HK$203.62 million (2013: HK$61.42 million.), grew by HK$142.20 million when compared to same period of last year.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2014, the Group recorded cash and bank balance including cash held at financial institutions of HK$324.07 million (compared with HK$250.56 million on 31 December 2013). The increase was mainly due to placing of new shares and issuance of Series B Bonds. With the steady cash flows, the Group will have sufficient working capital to meet its financial obligations in full as they fall due in the foreseeable future. The cash and bank balance were denominated in Hong Kong dollars and Renminbi.

The net current assets for the Group in 2014 were HK$446.81 million (2013: net current liabilities of HK$39.23 million). The improvement of current liquidity position of the Group was mainly attributable to the funds arising from placing of new shares, issuance of the Series B Bonds, gain on disposal of subsidiaries and gain on disposal of equity securities. The current ratio (current assets over current liabilities) is 1.92 times (2013: 0.91 times) as at 31 December 2014.

Net asset value was HK$1,269.99 million (2013: HK$826.50 million). Net asset per share was HK$0.95 (2013:HK$0.74), increased by 28.38% from the end of 2013.

The Group's consolidated non-current assets decreased by HK$75.96 million to HK$1,000.94 million (compared with HK$1,076.90 million on 31 December 2013). The decrease was mainly attributable to the disposal of subsidiaries and equity securities.

Total liabilities of the Group as at 31 December 2014 were HK$663.21 million (compared with HK$644.01 million on 31 December 2013). Total liabilities mainly comprised of the bank and other borrowings of HK$155.75 million (2013: HK$187.17 million), government grants of HK$19.24 million (2013: HK$95.98 million), trade and other payables of HK$157.95 million (2013: HK$157.46 million), Bonds of HK$103.52 million (2013: HK$107.35 million) and amounts due to non-controlling shareholders of HK$59.53 million (2013: HK$3.80 million). The decrease of government grants by HK$76.74 million was mainly due to repayment of government grants HK$61.77 million repaid by Yichun Water and disposal of subsidiaries. Except for the Bonds which are denominated in HK$, borrowings were mainly denominated in Renminbi.

As at 31 December 2014, the Group's total bank and other borrowings decreased by HK$31.42 million to HK$155.75 million (2013: HK$187.17 million), mainly due to the disposal of subsidiaries. For the maturity profile, refer to the table below:

Debt Analysis

	31 December 2014 *HK$'000*	31 December 2014 *%*	31 December 2013 *HK$'000*	31 December 2013 *%*
Classified by maturity				
– repayable within one year				
Bank borrowings	**49,258**	**31.63**	42,116	22.50
Other loans	**13,619**	**8.74**	65,722	35.11
	62,877	**40.37**	107,838	57.61
Classified by maturity				
– repayable more than one year				
Bank borrowings	**33,598**	**21.57**	26,710	14.27
Other loans	**59,270**	**38.06**	52,619	28.12
	92,868	**59.63**	79,329	42.39
Total bank and other borrowings	**155,745**	**100**	187,167	100
Classified by type of loans				
Secured	**82,856**	**53.20**	75,186	40.17
Unsecured	**72,889**	**46.80**	111,981	59.83
	155,745	**100**	187,167	100
Classified by type of interest				
Fixed rate	**44,490**	**28.57**	77,472	41.39
Variable-rate	**62,014**	**39.81**	61,898	33.07
Interest free rate	**49,241**	**31.62**	47,797	25.54
	155,745	**100**	187,167	100

The Group's gearing ratio as at 31 December 2014 was 34.31% (2013: 43.80%). The ratio was calculated by dividing total liabilities of HK$663.21 million over total assets of the Group of HK$1,933.20 million.

TRADE AND OTHER RECEIVABLES

As at 31 December 2014, the Group's trade and other receivables were approximately HK$171.68 million (31 December 2013: HK$108.36 million). These comprised of: (i) trade receivables of HK$30.25 million, (ii) consideration receivable relating to the disposal of Super Sino Group of HK$88.30 million, (iii) other receivables of HK$11.44 million, (iv) loan receivable of HK$15.00 million and (v) deposits and prepayments of HK$26.69 million. During the year, the trade receivables slightly decreased by HK$2.93 million to HK$30.25 million. The average turnover period of the trade receivables as at 31 December 2014 were 28 days (2013: 25 days). The Group allows a credit period of 30 to 180 days to its customers. The average turnover period of the trade receivables were shorter than the stipulated credit period. Other receivables represented advances to staff and unrelated parties which were unsecured, interest free and repayable on demand. Loans receivable of HK$15.00 million at 31 December 2014 was a loan to an unrelated party which was unsecured, interest bearing at 36% and repayable on demand. The deposits and prepayments increased by HK$7.69 million to HK$26.69 million (2013: HK$19.00 million), which was mainly contributed by tender deposits. Subsequent to 31 December 2014, the Company has received HK$65.13 million from Guangdong Water Group (HK) Limited ("**Guangdong Water**") to settle the consideration receivable. The remaining receivable balance will be settled by mid June 2015. The tender deposit of HK$13.62 million was refunded due to the unsuccessful tender bid.

INVENTORIES

As at 31 December 2014, inventories of HK$184.04 million (31 December 2013: HK$24.58 million) comprised of (i) properties under development for sale of HK$146.08 million, raw materials of HK$37.56 million and finished goods of HK$0.40 million. Properties under development for sale represented the construction of new commercial buildings for sale by Yingtan Xiang Rui Property Limited* (鷹潭祥瑞置業有限公司) ("**Xiang Rui Property**") at Yingtan, Jiangxi Province, the PRC, an indirect non wholly-owned subsidiary of the Company. The construction has commenced in February 2014 and is expected to be completed on or before 30 December 2015. This project made the inventories substantially increase by HK$159.46 million as comparing with prior year.

TRADE AND OTHER PAYABLES

As at 31 December 2014, the Group's trade and other payables were approximately HK$157,95 million (31 December 2013: HK$157.46 million). The credit terms of trade payables vary according to the terms agreed with different suppliers.

CAPITAL RAISING AND USE OF PROCEEDS

I. Issue of Convertible Bonds

On 16 October 2013, the Company, Prosper Talent Limited and the Subscriber entered into the Subscription Agreement in respect of the issue of and subscription for the CB to issue in two tranches in an aggregate principal amount of HK$200 million in cash, comprising of the Series A Bonds and the Series B Bonds. Assuming full conversion of the CB at the initial conversion price of HK$1.65 per share, a total of 121,212,120 shares will be allotted and issued under the general mandate. Following the completion of placing on 12 June 2014, the conversion price of the CB has been adjusted from the initial conversion price of HK$1.65 per share ("**Initial Conversion Price**") to HK$1.57 per share ("**Adjusted Conversion Price**") with effective 12 June 2014. The maximum number of shares issuable by the Company upon full conversion of the CB at the Adjusted Conversion Price will be 127,388,534 share. The purpose of use of proceed is for investment in, establishment and operation of water supply companies, sewage treatment companies and solid waste treatment companies only. Series A Bonds and Series B Bonds were issued on 30 October 2013 and 14 January 2014 respectively. The maturity date of CB will be expired of one year from the date of issue of the CB. Thus, the maturity falling for Series A Bonds and Series B Bonds will be due on 30 October 2014 and 14 January 2015 respectively, bears annual interest at 7.5% and, on maturity, the bond will be redeemed at an aggregate price of 100% of the outstanding principal amount plus an interest of 12% per annum, less the interest amount already paid on the CB. The net proceeds have been fully utilized by the Company as to (i) approximately HK$46.80 million for the establishment of a wholly-owned investment company named Greenspring (Nanjing) Recycling Resources Investment Co., Ltd.* ("**Greenspring (Nanjing)**" (青泓（南京）再生資源投資有限公司)) in Nanjing to acquire waste power generation and CNG business; (ii) approximately HK$19.80 million for the increase in the registered share capital of a wholly-owned subsidiary of the Company in Shenzhen which engages in the business of water supply and sewage treatment; (iii) approximately HK$46.80 million for the establishment of a wholly-owned investment company named Swan (Huizhou) Investment Company Limited ("**Swan (Huizhou)**") (鴻鵠（惠州）投資有限公司) in Huizhou to acquire renewable energy businesses; (iv) approximately HK$45.23 million for the first and second payments to acquire 88% equity interest in Shenzhen Li Sai as announced by the Company on 23 January 2014; (v) approximately HK$38.37 million for the formation of JV Company in Changsha and the first payment for the acquisition of Huiming Technology as announced by the Company on 21 March 2014. On 30 October 2014 and 14 January 2015, the Company has fully redeemed Series A Bonds and Series B Bonds, in accordance with their terms of Bonds Instrument (the "**Redemption of Bonds**"). Following the Redemption of Bonds, the Company has no outstanding Convertible Bonds.

II. Placing of New Shares of The Company

On 30 May 2014, the Company entered into the placing agreement with placing agent, pursuant to which, the Company had through placing agent to place out 222,000,000 new ordinary shares at placing price of HK$1 each to independent third parties. The transaction was completed on 12 June 2014. The net proceeds from the Placing was approximately HK$216.4 million which have been fully utilized by the Group as to (i) approximately HK$60 million for the increase in the registered share capital of Greenspring (Nanjing); (ii) approximately HK$100 million for the repayment of Series A Bonds; (iii) approximately HK$30.52 million for the final payment to acquire Shenzhen Li Sai; and (iv) approximately HK$25.48 million for general working capital of the Group including office operating expenses and repayment of CB interests.

Save as disclosed above, the Company has not conducted any equity fund raising activities during the year.

During the year, the Group incurred capital expenditures amounting to HK$58.83 million (2013: HK$102.37 million) for acquisition of concession intangible assets.

MAJOR EVENTS DURING THE YEAR UNDER REVIEW

A(I): Acquisition of Biogas Power Generation Projects:

a. Acquisition of Shenzhen Xiaping Landfill Site Project

On 23 January 2014, Greenspring (Nanjing) entered into the Sale and Purchase Agreement with Mr. Huang Han Jian and Ms. Xiao Ying for the purpose of acquiring approximately 88% of the issued share capital of the Shenzhen City Li Sai Industrial Development Limited* ("**Shenzhen Li Sai**") (深圳市利賽實業發展有限公司) at an aggregate consideration of RMB59,840,000. Shenzhen Li Sai obtained the exclusive operation rights for the project of conversion of the Shenzhen City Xiaping Solid Waste Landfill Site* 深圳市下坪固体廢棄物填埋場 (the "**Shenzhen Xiaping Landfill Site**") into CNG in the Shenzhen Xiaping Landfill Site for a term of 17 years until 1 April 2030. In addition, Shenzhen Li Sai has also entered into a purchase and sale agreement of gas in related to the conversion of the landfill gas into CNG with Shenzhen Gas Corporation Ltd. The acquisition was completed in August 2014.

b. Acquisition of Zhuzhou Biogas Project

On 21 March 2014, Greenspring (Nanjing) entered into the Sale and Purchase Agreement with Hunan Huiming Environmental Energy Limited* ("**Hunan Huiming**") (湖南惠明環保能源有限公司) and Mr. Huang Jian Xin* (黃建新) to acquire the entire issued share capital of Hunan Huiming Environmental Technology Limited ("**Hunan Technology**") for a consideration of RMB15,000,000. Huiming Technology currently possesses of a waste landfill biogas resource utilization project in Zhuzhou (the "**Zhuzhou Biogas Project**") and has the right for the exclusive use of all the biogas resources from the waste landfill sites in the city of Zhuzhou for a period until 1 October 2023. The acquisition was completed in November 2014.

c. ***Acquisition of Liuyang Biogas Project***

On 21 March 2014, Greenspring (Nanjing) entered into the Sale and Purchase Agreement with Hunan Huiming and Mr. Huang Jian Xin* (黃建新) to acquire the entire issued share capital of Hunan Feng Ming Energy Technology Limited* (the "**Feng Ming Technology**") (湖南豐銘能源科技有限公司) for an aggregate consideration of RMB3,000,000. Feng Ming Technology is principally engaged in (i) the development of eco-products; (ii) research and development of new energy sources. Feng Ming Technology currently possesses of a solid waste disposal sites biogas resource utilization project in Liuyang (the "**Liuyang Biogas Project**"). As the conditions for completion have not been fulfilled by the Vendors, the Group has not paid any consideration and the acquisition is not completed.

d. ***Formation of Joint Venture Company for Changsha Qiaoyi Landfill Site Project***

On 21 March 2014, Greenspring (Nanjing) and Hunan Huiming entered into the JV Agreement pursuant to which Greenspring and Hunan Huiming have agreed to establish the JV Company which will be owned as to 91% by Greenspring (Nanjing) and as to 9% by Hunan Huiming. Pursuant to the terms of the JV Agreement, the registered capital of the JV Company will be RMB30,000,000. Pursuant to the Changsha Contracts, Hunan Huiming has been granted the exclusive rights to operate and utilize the landfill gas collected from the solid wastes in the Changsha Qiaoyi Solid Waste Landfill Site (長沙橋驛固體廢棄物填埋場) ("**Changsha Qiaoyi Landfill Site**") for an exclusivity period of 35 years expiring on 10 October 2039. Apart from the landfill gas resources which has been exploited for the operation of the power plants owned by Hunan Huiming, other landfill gas resources in the Changsha Qiaoyi Landfill Site are not yet exploited and utilized (the "**Unexploited Landfill Gas Resources**"). The JV Company will be established for carrying out the purification process and exploitation of the Unexploited Landfill Gas Resources. Hunan Huiming agreed to transfer the exclusive rights relating to the operation and utilization the Unexploited Landfill Gas Resources to the JV Company at RMB23,000,000. The Group has paid its registered capital of RMB27.00 million and the JV Company named Changsha Huiming Recycling Resources Technology Limited* (長沙惠明再生資源科技有限公司) has been formed in April 2014.

e. ***Acquisition of Qingshan Landfill Site Project***

On 26 July 2014, Greenspring (Nanjing) entered into a outsource procurement contract for landfill gas detoxification, deodorization and resources recycling project in the Qingshan Municipal Solid Waste Landfill Site in Qingyuan with the Solid Waste Management Centre of Qingyuan City* (清遠市固體廢棄物管理中心) ("**Qingyuan Management Centre**"). Qingyuan Management Centre has awarded Greenspring (Nanjing) the exclusive right for the collection and exclusive and comprehensive utilization of landfill gas in Qingshan Municipal Solid Waste Landfill Site* (青山城市生活垃圾衛生填埋場) ("**Qingshan Landfill Site**") for power generation, compression and purification, production of automobile gas and residential natural gas or for other purposes for a period of 10 years until 25 July 2024 at nil consideration. In September 2014, Greenspring (Nanjing) has formed a company named Qingyuan City Greenspring Environmental Technology Limited* 清遠市青泓環保科技有限公司 to carry out construction works and production in Qingshan Landfill Site.

f. Acquisition of Shenzhen Pingshan Project

On 16 September 2014, Pingshan New District City Administration Bureau* 坪山新區城市管理局 ("**Pingshan Administration Bureau**") and Greenspring (Nanjing) entered into an innocuous deodorization and resource recycling utilisation agreement for the garbage gas at Yahu Household Garbage Landfill Site in Pingshan New District ("**Shenzhen Pingshan Project**"). Pingshan Administration Bureau has engaged Greenspring (Nanjing) to collect and conduct innocuous deodorization treatment for all garbage gas generated from Yahu Landfill (鴨湖填埋場) ("**Yahu Landfill Site**"). Greenspring (Nanjing) has the right to conduct comprehensive resource recycling utilisation for the garbage gas collected and obtain benefits therefrom. The comprehensive utilisation methods include but not limited to power generation, compression and purification, generation of vehicle gas and civil gas and other utilisation methods. During the term of this contract, Pingshan Administration Bureau will transfer all the garbage gas generated from Yahu Landfill Site to Greenspring (Nanjing) at no consideration for its exclusive collection with proprietary gaining right. Greenspring (Nanjing) is responsible for the investment and construction of the biogas power generation plant for the Shenzhen Pingshan Project. Its power generation capacity is 3,000 kilowatt per hour and the term of this contract is 10 years until 15 September 2024. In September 2014, Greenspring (Nanjing) has formed a project company named Shenzhen City Greenspring Recycling Resources Technology Limited*（深圳市青泓再生資源科技有限公司）to carry out construction works and production in the Yahu Landfill Site.

A(II). Changsha Operation Contract

On 21 March 2014, Hunan Huiming and Nanjing Fengshang entered into an operation guarantee service cooperation contract ("**Operation Contract**"). Hunan Huiming has the exclusive right to use the landfill gas resources at Changsha Qiaoyi Landfill Site. It has constructed and is operating a garbage landfill gas power generation plant at Changsha Qiaoyi Landfill Site. The plant has a total of 6 generator set units with a total capacity of 8,000 kilowatt per hour. According to the Operation Contract, Nanjing Fengshang has sub-contracted these 6 generator set units at its own costs and expenses. Under the circumstance that the garbage landfill volume at Changsha Qiaoyi Landfill Site is no less than 5,000 tons/day and is in normal landfill operation, Nanjing Fengshang shall ensure that the total annual power generation capacity of Hunan Huiming's in-house generator sets shall not be less than 53,000,000 kilowatt ("**Guaranteed Annual Capacity**") during the operation period. If the power generation capacity is higher or lower than the Guaranteed Annual Capacity, according to the Operation Contract, a premium will be awarded for any surplus over the Guaranteed Annual Capacity, while a penalty will be made for any shortfall below the Guaranteed Annual Capacity. Hunan Huiming shall pay Nanjing Fengshang RMB0.334 per kilowatt as service fee for the operation. The operation period is from the effective date of this contract to 10 October 2039.

B: Disposal of subsidiaries of the Company

I. Disposal 70% equity interest of Super Sino Investment Limited

On 15 September 2014, the Billion City Investments Limited ("**Billion City**"), a direct wholly-owned subsidiary of the Company, the Company as Guarantor and the Guangdong Water entered into the Sale and Purchase Agreement ("**Agreement**") for the purpose of disposal 70% of the entire issued share capital of the Super Sino Group, and 70% of the entire loan due to the Billion City by the Super Sino as at the date of the Agreement, at an aggregate consideration of RMB175 million (equivalent to approximately HK$213.77 million) ("**Initial Consideration**") subject to the price adjustment. Before the disposal, Super Sino has held 100% equity interest of Danzhou Water, Danzhou Lian Shun Tong Water Pipe Company Limited and Danzhou QingQuan Water Testing Company Limited. The disposal of Super Sino Group was completed in December 2014. Up to the announcement date, Guangdong Water has paid 90% of Initial Consideration to Billion City ("**90% of net proceeds**") and the remaining balance will be paid the end of 6 months upon the completion of disposal. After completion of the disposal, the Company holds 30% of the entire issued share capital of the Super Sino Group which becomes an associate of the Company. The 90% of net proceeds of HK$196.60 million has been utilized by the Group as to (i) approximately HK$108 million for the repayment of Series B Bonds and CB interest; and (ii) approximately HK$50.70 million for the increase of registered capital in Swan (Huizhou). The unutilized net proceeds of HK$37.90 million are held in bank for future use.

II. Disposal of 100% equity interest of Anhui Dang Shan Water Industry Company Limited

On 22 September 2014, Super Sino and Dang Shan Construction Investment Limited Co.* 碭山縣建設投資有限公司 ("**Dang Shan Construction**") entered into an agreement for the purpose of disposing the entire issued share capital of Dang Shan for a consideration of RMB1. The disposal was completed in November 2014. Upon completion of the disposal, Dang Shan ceased be a subsidiary of the Company.

C: Termination of Acquisition of Yingtan City Run De Property Company Limited

On 19 March 2014, Jiangxi Shunda Construction Engineering Limited* 江西省順大建築安裝工程有限公司 ("**Jiangxi Shunda**"), an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement ("**S&P agreement**") with Mr. Dong Gao Zhong* (董高忠) and Mr. Chen Su Jiang* (陳蘇江) for the purpose of acquiring approximately 80% of the issued share capital of the Yingtan City Run De Property Company Limited* ("**Run De Property**") (鷹潭市潤德置業有限公司) for an aggregate consideration of RMB30,000,000. Run De Property is principally engaged in the property development and sales of the Xinduhui Real Estate Project* (the "**Project**") ("**新都滙房地產項目**") in Guixi, the PRC. Upon the signing of the S&P agreement, the Company had performed the due diligence review on the Run De Property and concluded that it was unsatisfied with the results of the due diligence review. On 30 December 2014, Jiangxi Shunda and the vendors have reached mutually agreement to terminate the S&P Agreement.

LITIGATIONS AND ARBITRATION

a. Technostore Limited (in liquidation), a subsidiary of the Company

On 30 May 2007, a Petition was filed under sections 168A and 177 of the predecessor Company Ordinance (Cap. 32) to windup Technostore Limited ("**Technostore**"), a company in which the Company held 50.01% of the issued shares. The Petition was commenced by Mr. Mao Chi Fai ("**Mr. Mao**"), the minority shareholder of Technostore holding 49.99% of the issued shares. Following court hearings regarding the winding-up proceeding in the preceding year, on 29 August 2008, the court made an order to appoint Kenny Tam & Company ("**Liquidator**"), Certified Public Accountant as a liquidator of Technostore and Happy Hour Limited and Mr. Mao to become members in the committee of inspection. In October 2009, all stocks of Technostore with costs valued at approximately HK$2.2 million transferred by the Official Receiver's Office to the Liquidator were disposed at the consideration of around HK$0.62 million by public tender. Preferential and ordinary dividends were distributed in November 2010. Further, a sum of less than HK$1,000 was realized from the bank accounts of Technostore. On 25 August 2011, the Liquidator indicated that no additional assets of Technostore have been realized and it anticipates that there will be no further assets for realization. The Liquidator has further indicated that it will apply to the Court for his release as the liquidator of Technostore after the determination of a validation order. On 29 February 2012, the Liquidator further advised that there was no additional assets realization since 25 August 2011. The Liquidators also advised that they are preparing an application for validation order and will file their release application pending sanction of the validation order by the Court. On 11th August 2012, the Liquidator also advised that they are in the course of preparing the application of the validation order. As at 11th August 2012, the Liquidator advised that the amount of the said validation order should be within HK$0.4 million. On 9th March 2013, the Liquidator advised that the said application of the validation order will not be pursued as there is no benefit to the creditors for taking further action on the same. The Liquidator also advised that, as a consequence, there will be no further outstanding assets to be handled and the Liquidator will proceed to make an application to the court for his release. As at 16 August 2013, the Liquidator informed the Company that it is presently not in position to make an application to the High Court to release the duty of Liquidator as the necessary documents from Mr. Mao not yet to receive. On 30 January 2014, advised by the Liquidator that the High Court would approve the application of releasing Liquidator and dissolution of Technostore within the next three months. On 25 July 2014, High Court issued the court order to confirm that Technostore was dissolved and the Liquidator was released on 2 July 2014. On 1 August 2014, Liquidator had published the notice on Gazette relating to the release of his duty. The directors of the Company believe that no material future outflows resources from the Group is expected and sufficient provision on assets related to Technostore have been provided. It is unlikely that there will be a material adverse financial impact of the Group.

b. Swift Surplus Holdings Limited, an indirect wholly-owned subsidiary of the Company

On 21 August 2012, the Company and its subsidiary of Swift Surplus Holdings Limited ("**Swift Surplus**") (collectively as the "Lenders") entered into repayment agreements (the "**Repayment Agreements**") with the Sihui Sewage Treatment Co. Ltd.* (四會市城市污水處理有限公司) and Top Vision Management Limited ("**Top Vision**") (collectively as the "**Borrowers**") together with their respective guarantors, pursuant to which, the Borrowers shall repay to the Lenders the loan receivables of approximately HK$58.43 million together with interest accrued thereon (the "**Loan Receivables**"). HK$5 million of the Loan Receivables will be repaid on or before 30 September 2012 and the remaining Loan Receivables shall be repaid on or before 31 December 2012. On 29 August 2012, the Company only received HK$5 million of the Loan Receivables. However, the remaining Loan Receivables of HK$53.43 (the "Remaining Loan Receivables") plus underlying interests were not yet received on 31 December 2012. (the "**Remaining Loan Receivables**"). On 22 March 2013, the Lenders have entered into supplemental deeds with the Borrowers together with their respective guarantors, pursuant to which, approximately HK$18.03 million of the Remaining Loan Receivables and underlying interests shall be repaid to the Lenders on or before 21 March 2014 (the "**Partial Payment of the Remaining Loan Receivables**"). Nevertheless, the Swift Surplus and Top Vision and its guarantors could not reach an agreement in respect of the terms and date of the repayment of the outstanding balance of HK$35.40 million of the Remaining Loan Receivables and underlying interests (the "**Outstanding Balance**"). Despite the Company several requests and demands, Top Vision failed to effect payment of the Outstanding Balance. On 14 May 2013, the Company instructed its legal counsel to file the writ of summons (the "**Writ**") to the High Court of Hong Kong Special Administrative Region (the "**High Court**") to recover the Outstanding Balance from Top Vision. On 25 June 2013, the High Court adjudged a final judgment that Top Vision shall pay the Outstanding Balance to Swift Surplus (the "**Final Judgement**"). Top Vision has not performed the repayment obligation under the judgment issued by the High Court. The Company cannot locate any asset of Top Vision in Hong Kong. As advised by the legal counsel, without information on the assets of Top Vision in Hong Kong, the Company cannot enforce the Final Judgment against Top Vision. As the major assets owned by the subsidiaries of Top Vision are located in Guangdong Province, the PRC, the Company had undertaken recovery actions including but not limited to legal actions taken in PRC to collect the Remaining Loan Receivables. As advised by the PRC lawyer, the Final Judgment relating to the settlement of HK$35.40 million by Top Vision to Swift Surplus could not be executed in Mainland China because the Repayment Agreements stated that "Parties of the Repayment Agreements irrevocably consent that the Courts of the HKSAR will have the non-exclusive jurisdiction to solve any disputes which may be caused or are caused by the Repayment Agreements". The PRC lawyer considered that the non-exclusive jurisdiction stated in the Repayment Agreement does not comply with PRC law. Therefore, the PRC lawyer further reckoned that the Final Judgment will be neither recognized nor executed by Zhaoqing Intermediate People's Court.

On 20 August 2014, a petition was filed by Galaxaco Reservior Holdings Limited ("**Galaxaco**") to wind up Top Vision, one of the creditors of Top Vision. Top Vision has now been wound up by the High Court by a Winding-up Order under Companies Winding-up Proceedings No.157/2014 and the first meeting of creditors of Top Vision was held on 30 October 2014 for the appointment of provisional of liquidator. On 14 January 2015, the solicitors act for Galaxaco requested the High Court to have the hearing adjourned for the appointment of liquidators (the "**Appointment**") pending the alleged negotiation settlement between the Top Vision and all creditors including the Company and its subsidiary of Swift Surplus and Galaxaco. The High Court hearing for the Appointment will be held on 4 May 2015. Although the Top Vision was in liquidation, the Company has instructed its legal counsel to undertake the arbitration in Hong Kong to chase back the Remaining Loan Receivables and the underlying interests from the respective guarantors. As at 31 December 2013, the loan receivables from Top Vision of HK$44.32 million were fully impaired. The Board believed that no significant financial impact will be affected on the Group as sufficient impairment loss on the Loan Receivables has been provided.

c. Guangzhou Hyde Environmental Protection Technology Co., Ltd., an indirect wholly-owned subsidiary of the Company

Guangzhou Hyde Environmental Protection Technology Co. Ltd.* (廣州市海德環保科技有限公司) ("**Guangzhou Hyde**") (an indirect wholly-owned subsidiary of the Company) and Yunnan Chaoyue Gas Company Limited* (云南超越燃氣有限公司) ("**Yunnan Chaoyue Gas**") entered into the cooperation contract dated 13 October 2010, pursuant to which Guangzhou Hyde shall paid a refundable deposit of HK$10 million ("**Deposit**") to Yunnan Chaoyue Gas for the purpose of obtaining the operation and management right of the Yunnan Dian Lake project ("Project").

Pursuant to the cooperation contract, Yunnan Chaoyue Gas shall refund the Deposit to Guangzhou Hyde within nine months once it was unsuccessfully to obtain the Project. Yunnan Chaoyue Gas has failed to repay the aforesaid Deposit to Guangzhou Hyde when it fell due despite Guangzhou Hyde's repeated requests and demands.

The Deposit was classified as loan receivable and fully impaired in 2011.

The dispute over cooperative contract between Guangzhou Hyde and Yunnan Chaoyue Gas was applied to Guangzhou Arbitration Commission ("**Commission**") for arbitration on 24 February 2012. The Commission accepted the case and started a trail on 5 June 2012. After the trail, arbitration tribunal ruled an award on 12 June 2012, adjudging that Yunnan Chaoyue Gas should pay Guangzhou Hyde the principal of RMB8.56 million and overdue interests thereon; and the relevant arbitration fees.

The above award confirmed the amount to be paid by Yunnan Chaoyue Gas to Guangzhou Hyde should be settled in one-off manner within 10 days from the date on which this award is served. Late payment will result in proceedings set out in article 229 of Civil Procedure Laws of the People's Republic of China. As Yunnan Chaoyue Gas has not performed repayment obligation under the award on time, Guangzhou Hyde applied to Kunming Intermediate People's Court (the "**Kunming Court**") for civil enforcement on 21 July 2012, and Kunming Court has accepted such application.

On 13 May 2013, Yunnan Chaoyue Gas provided loan repayment plan (the "**Repayment Plan**") to Guangzhou Hyde. Owing to without information of the assets owned by Yunnan Chaoyue Gas and given the Repayment Plan, Kunming Court has stopped to execute the civil enforcement. Notwithstanding, the Company has reserved its right to petition the Kunming Court to resume the enforcement proceeding once locating any assets owned by Yunnan Chaoyue Gas in PRC. Up to the announcement date, Yunnan Chaoyue Gas has not performed the repayment obligation according to the Repayment Plan. The aforesaid litigation is unlikely to have any significant material adverse financial impact on the Group.

Save as disclosed above, the Company is not aware of any other significant proceedings instituted against the Company.

PROSPECTS

2014 was another successful year for the Group. Not only had we achieved satisfactory profits, we also opened a new business segment in new energy industry, the garbage resource utilization segment.

The management formulated a 3-year development plan for the Company at the end of 2011:

2012 Clean-up and rectification, laying a firm foundation, strengthening management, preserving profits.

2013 Expanding business and coverage, increasing profitability, maintaining growth.

2014 Innovative development, economies of scale, enhancing brand image, sustainability.

2014 was the final year of the 3-year plan, under which we should ensure profit growth and lay a solid foundation for our industry development in future.

Yingtan Water has always been an outstanding member of the Group, after successfully completed the adjustment of the water tariffs in 2013, Yingtan Water achieved excellent performance on its waterworks business. Apart from the investment in waterworks, the company also accomplished in the investments in other aspects, such as property development and small amount guaranteed loans which have yielded generous returns.

The water tariffs of Yichun Water was way too low due to non-completion of water tariffs adjustment, and coupled with the settlement of historical issue, its profit performance was lack lustre in 2014. However, with its imminent water tariffs adjustment, we believe Yichun Water's profit will improve in 2015.

Under the strong support of the Group, Hainan Danzhou Water strived to settle its historical debts issue. The management of Hainan Danzhou Water is back on track and its operation condition is improving gradually. However, as Danzhou City is undergoing rapid urban development, the investments in water infrastructure is huge and it will take quite some time before making a profit. In 2014, the Group decided to introduce Guangdong Water Group as the strategic partner of Hainan Danzhou Water through disposing of its 70% equity interest held by Super Sino. Such move was believed to be a win-win proposal for the parties.

In 2014, the Group successfully settled the debts issue with Birmingham International Holdings Limited ("**BIHL**"), through waiving parts of the debts owed by BIHL and BIHL shares being resumed trading. BIHL also gave priority in repaying the amount due to us, and coupled with the successful disposition of certain BIHL shares held by the Group at higher prices, we achieved a satisfactory gain for sale of these BIHL shares.

The Group established a headquarter in Nanjing in 2013, and incorporated Greenspring (Nanjing). Greenspring (Nanjing) will become the investment entity of the Group in the new energy companies in future. It will conduct resource integration of landfill gas industry and facilitate the development of the Group in garbage resource recycling.

In 2014, the Group successfully acquired the 88% equity interest in Shenzhen Li Sai, for which the Group owns the right to use its landfill gas. This was a landmark project for the Group as Xiaping Waste Landfill Site (下坪垃圾填埋場) is one of the few modern garbage landfill sites in China with international standards. It is constructed according to the standards of developed countries and will become a standard of China's waste landfill industry. The Group planned to invest and construct a large landfill gas generates natural gas project, for which phase I project had officially put into operation in March 2015. The compressed natural gas generated is sold to market directly, and phase II project will supply gas directly to residents through pipelines. Such project is the largest landfill gas generating natural gas in China, having tremendous demonstration effect and guiding significance. Such project will also generate sound economic benefits in 2015.

The Changsha garbage landfill gas project will be another key project for the Group. Changsha Qiaoyi Landfill Site (長沙橋驛填埋場) or Changsha Qiaoyi Solid Waste Landfill Site (長沙橋驛固體廢氣物填埋場) is the only garbage landfill site in Changsha, with garbage handling capacity of over 5,000 tons/day. The Group has reached a cooperation with Hunan Huiming to expand the compressed natural gas project while maintaining the existing power generation of 10MW. Such project is planned to be put into operation by May 2015. The landfill gas project of 5,000 m^3/hour is also one of largest natural gas projects in China. We believe it will contribute a certain proportion of profit to the Group upon its operation.

In the six comprehensive utilisation of garbage resources, apart from the existing seven projects in six cities, we will continue to further expand our scale through acquisitions and new constructions to speed up replicating our approach and occupy the market. Our aim is become a leading enterprise in comprehensive garbage resources utilisation industry in two years' time.

Currently, the Group has 7 existing garbage resources projects under full operation. Not only will they bring profits to the Group, but also reduce directly carbon dioxide emission of nearly 3 million tons. If such emission reduction can be sold, it will also bring tremendous economic benefits. Therefore, the garbage resources projects of the Group also contribute a lot to the environmental governance.

For garbage resource recycling, apart from the existing garbage-to-power project and garbage landfill gas generates natural gas project that the Group has invested and constructed, the Group and the Chinese Academy of Engineering also jointly established the academician workstation to increase the scientific research investments, striving to find a way more suitable to the garbage resource utilization situation in China. The Group plans to achieve a breakthrough in new garbage sorting and stale garbage sorting. Through intelligent sorting, garbage resource utilization will become the future development direction. Our philosophies are to deploy landfill or incineration for suitable garbage and no landfill or incineration for those that not suitable.

For future development, the Group will continue to maintain a sustained growth in waterworks and focus on supporting Yingtan Water and Yichun Water companies to become bigger and stronger. The Group will continue to put importance on waterworks and acquire sizable water companies.

For garbage resource utilization, the future development objectives are scale expansion, industrialization, demonstration and internationalization.

Scale Expansion:	Focus on resource recycling projects of large-scale landfill without ignoring small projects and at the same time, integrate the capacity in striving to become industry leader;
Industrialization:	Focus on comprehensive solutions of garbage resource recycling, new garbage sorting and resource recycling, stale garbage sorting and resourceful recycling, complete garbage resource utilization at all stages to maximize resource utilization and establish a garbage resource utilization business;
Demonstration:	Establish a demonstration base to demonstrate the application of advanced technology in garbage resource utilization, through the effect of demonstration project to quickly expand business size to earn market share;
Internationalization:	Expand international markets actively while making accomplishments for projects in Mainland China. In 2015, the Group plans to enter into international markets with Jakarta, Indonesia to start with and expects profits from international projects in next three years will represent one-third of the total profits from garbage resource utilization;

Garbage resource recycling refers to a new, clean, renewable and recyclable energy resource beneficial to both the nation and its people and receiving great support from the nation. There are many problems in domestic garbage resource recycling market at present, such as landfill sites is heavily polluted and direct incineration also poses a lot of problems. Therefore, the potential market for garbage resource recycling in future is huge.

"Under the Dome" is a contemporary popular environmental documentary, which mainly shows the impact of smog on people's livelihood. Smog was caused by air pollution, its main source is undoubtedly industrial pollution. Nevertheless, if we could find a good solution for garbage resource recycling and prevents landfill gas from polluting the air, we are contributing a lot in smog reduction. Solving the garbage problem can also reduce the pollution to land and rivers, and therefore, the Group has a new vision of "making the world endowed with clean water, blue sky and vivid green land".

Through three years of comprehensive management and development, the Group had created a continuous development momentum with its core competitiveness emerging. With a development direction, the next stage is rapid development. The Group began to make profit since 2012 with a significant increase year by year. I hope to start from 2015, the Group's profit can achieve a continuous and considerable growth each year.

Finally, on behalf of the Board and management, I hereby express my gratitude to our shareholders, investors and business partners for their all along trust and support, to the local governments for their support and help to our subsidiaries, and to our staff for their valuable contributions. I sincerely wish everyone will work and progress together with the Group in the future.

PURCHASES, REDEMPTIONS OR SALES OF COMPANY'S LISTED SECURITIES

There were no purchases, redemptions or sales of the Company's listed securities by the Company or any of its subsidiaries during the year.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2014 (2013: Nil).

CORPORATE GOVERNANCE

The board believes that good corporate governance enhances credibility and improves shareholders' and other stakeholders' interests. Maintaining a good, solid, and sensible framework of corporate governance is one of the Company's prime tasks. The Board believed that the Company has complied with the code provisions of Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the year ended 31st December 2014, except for deviations from the CG Code A.2.1, A.4.1 and A.6.7 as below:

- Pursuant to the Code Provision of A.2.1 of the CG Code, the roles of the Chairman and Chief Executive Officer (the "**CEO**") of the Company should be separate and should not be performed by the same individual. On 19 July 2012, Mr. Wang De Yin ("**Mr. Wang**"), currently is the Chairman of the Company, was appointed as a CEO. The Board has evaluated the current situation of the Group and taken into account of the experience and past performance of Mr. Wang, the Board was of the opinion that it was appropriate and in the best interest of the Company at the present stage for vesting the roles of the Chairman and the CEO of the Company in the same person as it helps to facilitates the execution of the Group's business strategies and maximizes the effectiveness of its operation. The Board will nevertheless review this structure from time to time and will consider the segregation of the two roles at the appropriate time.

- Pursuant to the Code Provision of A.4.1 of the CG Code, non-executive Directors should be appointed for a specific term, subject to re-election while all Directors should be subject to retirement by rotation at least once every three years. All independent non-executive Directors of the Company were not appointed for a specific term but they are subject to retirement by rotation and re-election at annual general meetings (the "**AGM**") of the Company in line with the Company's Article of Association.

- Pursuant to code provision A.6.7 of the CG Code, the independent non-executive Directors and other non-executive Directors should attend general meetings. At the extraordinary general meetings held on 14 March 2014 and 7 November 2014 ("**2014 EGMs**"), and AGM held on 13 June 2014 ("**2014 AGM**"), Mr. Guo Chao Tian ("**Mr. Guo**") was unable to attend 2014 EGMs and 2014 AGM and Mr. Li Jian Jun ("**Mr. Li**") was unable to join 2014 AGM due to their business engagement in China. Mr. Guo and Mr. Li are independent non-executive Directors of the Company. Except for them, all Directors of the Company had attended the 2014 EGMs and 2014 AGM, at which the Directors had communicated with and developed a balanced understanding of the views of shareholders. The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

FOREIGN EXCHANGE RISK

The Group's exposure to foreign exchange risk is minimal as most of the Group's subsidiaries operate in the PRC and most of the transactions, assets and liabilities are denominated in Renminbi. Accordingly, the Group does not have derivative financial instruments to hedge its foreign currency risks.

CAPITAL COMMITMENTS

As at 31 December 2014, the Group has the capital commitments contracted but not provided for acquisition of land approximately HK$nil (2013: HK$52.80 million), the acquisition of property, plant and equipment approximately HK$92.39 million (2013: HK$83.80 million) and properties under development in relation to development costs of existing projects of HK$26.65 million (2013: HK$nil).

CONTINGENT LIABILITIES

As at 31 December, the Group did not have any significant contingent liabilities (2013: Nil).

PLEDGE OF ASSETS

The Group's bank loans and other loans of HK$82.86 million in total as at 31 December 2014 (2013: HK$75.19 million) were secured by charges over:

(i) property, plant and equipment in which their carrying amount was HK$0.75 million (2013: HK$1.03 million);

(ii) properties under development with a carrying amount of approximately HK$146.08 million have been pledged to secure a personal loan granted to Zhou Ping Hua, a non-controlling shareholder of a subsidiary of the Company.

NO MATERIAL CHANGE

Save as disclosed above, during the year ended 31 December 2014, there has been no material change in the Group's financial position or business since the publication of the latest annual report of the Company for the year ended 31 December 2013.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the full set of Model Code set out in Appendix 10 of the Listing Rules as the code of the conduct for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"). The prohibitions on securities dealing and disclosure requirements in the Model Code apply to specified individuals including the Group's senior management and also persons who are privy to price sensitive information of the Group. Having made specific enquiry of all directors, the Board confirmed that directors of the Company had complied with the Model Code regarding directors' securities transactions during the year and up to the date of announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules for the year ended 31 December 2014.

EMPLOYEES

As at 31 December 2014, excluding jointly controlled entities and associates, the Group had 1,002 (2013: 1,138) employees, of which 10 (2013: 9) are Hong Kong employees. During the year, total employee benefit expenses, including directors' emoluments and provident funds, was HK$110.64 million (2013: HK$88.93 million). Employees were remunerated on the basis of their performance and experience. Remuneration packages include salary and a year-end discretionary bonus, which are determined with reference to the Group's operating results, market conditions and individual performance. Remuneration packages are normally reviewed as an annual basis by the Remuneration Committee. During the year, all of the Hong Kong employees have participated in the Mandatory Provident Fund Scheme, and a similar benefit scheme is offered to employees in Mainland China. In addition, the Group encourage employees' participation in continuing training programmes, seminars and e-learning through which their career, knowledge and technical skills can be enhanced with the development of individual potentials.

AUDIT COMMITTEE

The Audit Committee of the Company reviewed the Annual Results including the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters as well as the audited financial statements for the year ended 31 December 2014.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.chinawaterind.com). The annual report will be dispatched to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

By order of the Board
China Water Industry Group Limited
Wang De Yin
Chairman and Chief Executive Officer

Hong Kong, 27 March 2015

As at the date of this announcement, the Board comprises Mr. Wang De Yin, Mr. Lin Yue Hui, Mr. Liu Feng, Ms. Chu Yin Yin, Georgiana and Ms. Deng Xiao Ting, all being executive Directors, and Mr. Guo Chao Tian, Mr. Li Jian Jun and Mr. Wong Siu Keung, Joe, all being independent non-executive Directors.

* *For identification purpose only*