

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



泛亞環保集團有限公司

Pan Asia Environmental Protection Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 556)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

FINANCIAL HIGHLIGHTS:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>	Variance
REVENUE	814,346	1,068,593	-23.8%
GROSS PROFIT	217,193	245,239	-11.4%
PROFIT FOR THE YEAR			
ATTRIBUTABLE TO OWNERS			
OF THE COMPANY			
– Continuing operations	75,443	66,821	
– Discontinued operations	–	3,039	
	75,443	69,860	8.0%
EARNINGS PER SHARE			
(Expressed in RMB cents per share)			
Basic earnings per share			
– From continuing operations	8.98	7.96	
– From discontinued operations	–	0.36	
	8.98	8.32	7.9%
Diluted earnings per share			
– From continuing operations	8.86	7.83	
– From discontinued operations	–	0.36	
	8.86	8.19	8.2%

RESULTS

The Board (the “Board”) of Directors (the “Directors”) of Pan Asia Environmental Protection Group Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (together the “Group”) for the year ended 31 December 2016 together with the comparative figures for the year ended 31 December 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	<i>Note</i>	2016 RMB'000	2015 RMB'000
Continuing operations:			
Revenue	3	814,346	1,068,593
Cost of sales and services rendered		(597,153)	(823,354)
Gross profit		217,193	245,239
Other income	3	17,457	18,089
Other net loss	3	(4,633)	(905)
Selling and distribution expenses		(38,724)	(62,805)
General and administrative expenses		(40,583)	(44,797)
Other operating expenses		(54,797)	(55,528)
Profit before taxation	5	95,913	99,293
Income tax expenses	8	(20,470)	(32,472)
Profit for the year from continuing operations		75,443	66,821
Discontinued operations:			
Profit for the year from discontinued operations	6	–	1,996
Profit for the year		75,443	68,817
Other comprehensive (loss)/income for the year (after tax and reclassification adjustments)			
<i>Item that will not be reclassified to profit or loss:</i>			
– Exchange differences on translation of financial statements to presentation currency		(583)	167
Total comprehensive income for the year		74,860	68,984

	<i>Note</i>	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Profit for the year attributable to owners of the Company arises from:			
– Continuing operations		75,443	66,821
– Discontinued operations		–	3,039
		<u>75,443</u>	<u>69,860</u>
Loss for the year attributable to non-controlling interests arises from:			
– Continuing operations		–	–
– Discontinued operations		–	(1,043)
		<u>–</u>	<u>(1,043)</u>
		<u>75,443</u>	<u>68,817</u>
Total comprehensive income/(loss) for the year attributable to:			
– Owners of the Company		74,860	70,027
– Non-controlling interests		–	(1,043)
		<u>74,860</u>	<u>68,984</u>
		<i>RMB cents</i>	<i>RMB cents</i>
EARNINGS PER SHARE			
Basic earnings per share			
– From continuing operations		8.98	7.96
– From discontinued operations		–	0.36
		<u>8.98</u>	<u>8.32</u>
Diluted earnings per share			
– From continuing operations		8.86	7.83
– From discontinued operations		–	0.36
		<u>8.86</u>	<u>8.19</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	<i>Note</i>	2016 RMB'000	2015 RMB'000
NON-CURRENT ASSETS			
Prepaid lease payments		50,958	52,146
Property, plant and equipment		399,098	428,836
Available-for-sale financial asset		—	—
Prepayments for consultation, marketing and promotional services	11	43,700	83,300
Trade receivables with extended credit terms	12	17,876	112,744
Deferred tax assets		1,328	6,192
		512,960	683,218
CURRENT ASSETS			
Prepaid lease payments		1,191	1,194
Inventories		197,984	238,605
Trade and other receivables	12	908,984	606,979
Pledged bank deposits		6,543	6,543
Tax recoverable		74,796	50,004
Cash and bank balances		349,740	275,964
		1,539,238	1,179,289
CURRENT LIABILITIES			
Trade and other payables	13	270,844	187,553
Deposits received and receipts in advance		365,656	331,329
Tax payable		10,888	10,888
		647,388	529,770
NET CURRENT ASSETS		891,850	649,519
TOTAL ASSETS LESS CURRENT LIABILITIES		1,404,810	1,332,737
NON-CURRENT LIABILITIES			
Deferred tax liabilities		(21,976)	(24,105)
Deferred government grants		(3,393)	(4,051)
		(25,369)	(28,156)
NET ASSETS		1,379,441	1,304,581
CAPITAL AND RESERVES			
Share capital		78,073	78,073
Reserves		1,301,368	1,226,508
TOTAL EQUITY		1,379,441	1,304,581

NOTES:

1. GENERAL INFORMATION

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Suite 6302, The Center, 99 Queen’s Road Central, Hong Kong, respectively.

The Group is principally engaged in the manufacture and sales of environmental protection (“EP”) products and equipment, undertaking of EP construction engineering projects, and manufacture and sales of EP construction materials in the People’s Republic of China (the “PRC”) and investment holding.

2. CHANGES IN ACCOUNTING POLICIES

The Hong Kong Institute of Certified Public Accountants has issued a number of amendments to Hong Kong Financial Reporting Standards that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group’s results and financial positions for the current or prior accounting periods have been prepared or presented.

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

3. REVENUE, OTHER INCOME AND OTHER NET LOSS

Continuing operations:

Revenue

Revenue from continuing operations represents the fair value of the amounts received and receivable for goods sold, and revenue from construction contracts, which excludes value-added and other sales taxes, and is after deduction of any goods returns and trade discounts.

The amount of each significant category of revenue recognised in revenue from continuing operations during the year is as follow:

	2016 RMB'000	2015 RMB'000
Sales of EP products and equipment	637,846	864,588
Sales of EP construction materials	176,500	176,622
Revenue from EP construction engineering projects	—	27,383
	<u>814,346</u>	<u>1,068,593</u>

Continuing operations:

Other income

Interest income on bank deposits	1,223	1,513
Total interest income on financial assets not at fair value through profit or loss	1,223	1,513
Gain on early settlement of trade receivables with extended credit terms (Note 12(b))	5,004	—
Imputed interest on trade receivables with extended credit terms (Note 12(b))	10,249	3,947
Rental income from operating lease	103	103
Government grants [#]	658	936
Reversal of impairment loss on trade receivables (Note 12(a))	130	11,590
Reversal of impairment loss on other receivables	90	—
	<u>17,457</u>	<u>18,089</u>

[#] The amount included the government grants of approximately RMB658,000 (2015: RMB658,000) relating to the subsidies from the PRC government for acquisition of property, plant and equipment which was released from deferred government grants to profit or loss during the year ended 31 December 2016. The remaining balance of government grants amounting to approximately RMB278,000 (2016: Nil) during the year ended 31 December 2015 was mainly granted to the Group as subsidies to support the operations of the Company's subsidiary established in the PRC during that year and these government grants had no conditions or contingencies attached to them and they were non-recurring in nature.

	Note	2016 RMB'000	2015 RMB'000
Continuing operations:			
Other net loss			
Loss from litigation claim	4	(46,641)	—
Compensation of loss from indemnity	4	46,641	—
		—	—
Net exchange loss		(802)	(905)
Loss on disposals of property, plant and equipment		(3,831)	—
		<u>(4,633)</u>	<u>(905)</u>

4. LOSS FROM LITIGATION CLAIM AND COMPENSATION OF LOSS FROM INDEMNITY, NET

In 2007, Wuxi Pan Asia Environmental Protection Technologies Limited (“Wuxi Pan Asia”), an indirect wholly-owned subsidiary of the Company, undertook several sales of EP products and equipment to Guannan County Government (灌南縣人民政府). It was agreed that Guannan County Government would grant a specified area of land to Wuxi Pan Asia as settlement for the trade receivables arising from the sales of EP products and equipment. In anticipation of the grant of the land, Wuxi Pan Asia established two companies in the PRC, namely 連雲港泛亞置業有限公司 (Lianyungang Pan Asia Properties Limited) (“Pan Asia Properties”) and 連雲港民心置業有限公司 (Lianyungang Minxin Properties Limited) (“Minxin Properties”) for the purpose of transfer of the land. On 16 October 2007, Wuxi Pan Asia entered into an agreement (the “Agreement”) with two independent third parties (the “Plaintiffs”), with an aim to carry out a property development project on certain area of the land (the “First Land”). Under the Agreement, Wuxi Pan Asia was obliged to contribute the First Land to Pan Asia Properties as capital injection.

However, Wuxi Pan Asia failed to receive the First Land as specified in the Agreement from Guannan County Government and another parcel of land (the “Second Land”) was then granted by Guannan County Government to Wuxi Pan Asia. As the Second Land was not within the scope of the Agreement and with the view that the Agreement had no legal binding effect on the Second Land, Wuxi Pan Asia assigned the Second Land to Minxin Properties (the “Assignment”) on 28 December 2009. According to the Assignment, Minxin Properties should undertake, among other things, to compensate any loss Wuxi Pan Asia may incur in consequence of breaching the Agreement. On the same day, Wuxi Pan Asia disposed of its entire equity interests in Minxin Properties to an independent third party.

In 2014, a civil case was brought against Wuxi Pan Asia by the Plaintiffs for breach of the Agreement (the “Litigation”). After subsequent proceedings and appeals, the case was finally adjudicated by the Jiangsu Higher People’s Court (江蘇省高級人民法院). With reference to the Jiangsu Higher People’s Court’s judgment dated 26 December 2016, Wuxi Pan Asia is liable for a total claimed amount of approximately RMB70,754,000 (the “Claimed Amount”).

Part of the Claimed Amount amounting to approximately RMB24,113,000 was accrued by the Group as “other payables” and included in trade and other payables in the consolidated statement of financial position in previous years and was reclassified as “payable for legal fees and liabilities arising from litigation claim” and included in trade and other payables in the consolidated statement of financial position as at 31 December 2016 and 2015. The remaining balance of the Claimed Amount amounting to approximately RMB46,641,000 is provided for as “payable for legal fees and liabilities from litigation claim” and a loss from litigation claim amounting to approximately RMB46,641,000 was recognised in profit or loss during the year ended 31 December 2016.

In accordance with the Assignment, Minxin Properties is to compensate the loss of approximately RMB46,641,000 arising from the Litigation. On 28 December 2016, Minxin Properties signed an agreement with Wuxi Pan Asia and agreed to compensate the loss of approximately RMB46,641,000 arising from the Litigation, which was credited against the loss from the litigation claim in profit or loss and a receivable of compensation of loss from indemnity (note 12) was recorded by the Group. Minxin Properties subsequently settled the full amount to Wuxi Pan Asia on 27 March 2017.

5. PROFIT BEFORE TAXATION

Profit before taxation from continuing operations is arrived at after charging the following:

	2016 RMB’000	2015 RMB’000
Amortisation of prepaid lease payments	1,191	1,194
Depreciation of property, plant and equipment	26,215	26,954
Impairment loss on trade receivables*	47,131	23,116
Impairment loss on other receivables*	4,911	2,784
Impairment loss on available-for-sale financial asset*	–	9,000
Marketing and promotional expenses [#]	37,358	52,123
Research and development expenses*	2,695	20,286

* These items are included in other operating expenses in the consolidated statement of profit or loss and other comprehensive income.

[#] This item is included in selling and distribution expenses in the consolidated statement of profit or loss and other comprehensive income.

6. DISCONTINUED OPERATIONS

On 1 December 2015, Wuxi Pan Asia entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interests in Wuxi Zhong Dian Kong Leng Technology Limited (“Wuxi Zhong Dian”) at a consideration of RMB800,000 (the “Disposal”). Wuxi Zhong Dian and its subsidiaries (collectively referred to as the “Disposal Group”) were principally engaged in provision of EP related professional services and undertaking of EP construction engineering projects in the PRC. The Disposal was completed on 22 December 2015 and the Group’s operations of provision of EP related professional services were classified as discontinued operations.

The results from the discontinued operations were analysed as follows:

	2015 RMB’000
Results from discontinued operations:	
Revenue	6,296
Cost of sales and services rendered	(1,870)
Gross profit	4,426
Other income	503
General and administrative expenses	(6,833)
Other operating expenses	(577)
Finance costs	(666)
Loss before taxation	(3,147)
Income tax expenses	(7)
	(3,154)
Gain on disposal of subsidiaries (<i>Note 7</i>)	5,150
Profit for the year from discontinued operations	1,996
Profit/(loss) for the year from discontinued operations attributable to:	
– Owners of the Company	3,039
– Non-controlling interests	(1,043)
	1,996

Loss before taxation from discontinued operations were arrived at after changing/(crediting) the following:

	2015 RMB’000
Depreciation of property, plant and equipment	338
Interest income	(6)
Reversal of impairment loss on other receivables	(380)

7. DISPOSAL OF SUBSIDIARIES

As disclosed in note 6, the Group discontinued its operations of provision of EP related professional services at the time of disposal of its entire equity interests in Wuxi Zhong Dian. The gain from disposal of the Disposal Group was analysed as follows:

	2015 RMB'000
Cash consideration received	800
Analysis of assets and liabilities over which control was lost:	
Prepaid lease payments	5,180
Property, plant and equipment	11,783
Trade and other receivables	181,801
Inventories	82,927
Cash and bank balances	1,673
Amount due from a fellow subsidiary	1,332
Trade and other payables	(55,328)
Short-term bank loan	(9,000)
Deposits received and receipts in advance	(232,727)
Amount due to an intermediate holding company	(22,921)
Amount due to a fellow subsidiary	(1,867)
Non-controlling interests	9,341
Net liabilities disposed of	(27,806)
Gain on disposal of subsidiaries:	
Cash consideration received	800
Net liabilities disposed of	27,806
Assignment of amount due from a fellow subsidiary	1,332
Assignment of amount due to an intermediate holding company	(22,921)
Assignment of amount due to a fellow subsidiary	(1,867)
Gain on disposal of subsidiaries (<i>Note 6</i>)	5,150
Net cash outflows arising on disposal:	
Cash consideration received	800
Less: Cash and cash equivalents disposed of	(1,673)
Net cash outflows from disposal of subsidiaries	(873)

The results of the Disposal Group, comprised only the operation of provision of EP related professional services, for the period from 1 January 2015 to the date of disposal were disclosed in note 6.

8. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Taxation relating to continuing operations in the consolidated statement of profit or loss and other comprehensive income represents:

	2016 RMB'000	2015 RMB'000
Current tax:		
PRC Enterprise Income Tax		
– Provision for the year	17,735	32,761
Deferred tax:		
Origination and reversal of temporary differences	3,279	(289)
Effect on change in tax rate	(544)	–
	<u>2,735</u>	<u>(289)</u>
Income tax expenses	<u>20,470</u>	<u>32,472</u>

- i) The Company and its subsidiaries incorporated in the British Virgin Islands are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.
- ii) PRC Enterprise Income Tax is calculated at 25% of the estimated assessable profits of the Company's subsidiaries established in the PRC during the years ended 31 December 2016 and 2015.
- iii) Pursuant to the relevant tax laws and regulations in the PRC, Wuxi Pan Asia is classified as foreign invested "High and New Technology Enterprises" and is entitled to a preferential income tax rate of 15% for a period of three years from 1 January 2016.
- iv) No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2016 and 2015 as the Group did not have assessable profits arising in Hong Kong during both years.
- v) The PRC Enterprise Income Tax Law also requires withholding tax of 10% upon distribution of profits by the PRC subsidiaries since 1 January 2008 to its overseas shareholders.

9. DIVIDENDS

(a) Dividend proposed

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

(b) Dividends declared and paid

	2016 RMB'000	2015 RMB'000
Final dividend for the year ended 31 December 2014 of HK2 cents per ordinary share (2015: Nil)	<u>–</u>	<u>13,761</u>

10. EARNINGS PER SHARE

From continuing and discontinued operations:

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

	2016 RMB'000	2015 RMB'000
Earnings		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	<u>75,443</u>	<u>69,860</u>
	2016	2015
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	840,000,000	840,000,000
Add: Effects of dilutive potential ordinary shares from share options	<u>11,455,388</u>	<u>12,853,988</u>
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share	<u>851,455,388</u>	<u>852,853,988</u>

From continuing operations:

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

Earnings figures are calculated as follows:

	2016 RMB'000	2015 RMB'000
Profit for the year attributable to owners of the Company from continuing and discontinued operations	75,443	69,860
Adjusted for: Profit for the year from discontinued operations attributable to owners of the Company	<u>—</u>	<u>(3,039)</u>
Earnings for the purposes of basic and diluted earnings per share from continuing operations	<u>75,443</u>	<u>66,821</u>

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.

From discontinued operations:

Basic earnings per share from discontinued operations for the year ended 31 December 2015 was RMB0.36 cents (2016: Nil) per share, based on the profit for the year from discontinued operations attributable to owners of the Company amounting to approximately RMB3,039,000 (2016: Nil) during that year and the denominators detailed above for basic earnings per share from continuing and discontinued operations.

Diluted earnings per share from discontinued operations for the year ended 31 December 2015 was RMB0.36 cents (2016: Nil) per share, based on the profit for the year from discontinued operations attributable to owners of the Company amounting to approximately RMB3,039,000 (2016: Nil) during that year and the denominators detailed above for diluted earnings per share from continuing and discontinued operations.

11. PREPAYMENTS FOR CONSULTATION, MARKETING AND PROMOTIONAL SERVICES

- (a) Movements of prepayments for consultation, marketing and promotional services, based on estimated dates of services rendered, during the year are as follows:

	2016 RMB'000	2015 RMB'000
As at 1 January	125,757	216,500
Refund of prepayments (<i>Note</i>)	–	(13,150)
Utilised and charged to profit or loss	(42,457)	(77,593)
	<u>83,300</u>	<u>125,757</u>
As at 31 December	<u>83,300</u>	<u>125,757</u>
<i>Analysed for reporting purposes as follows:</i>		
Non-current portion	43,700	83,300
Current portion (included in trade and other receivables (<i>Note 12</i>))	39,600	42,457
	<u>83,300</u>	<u>125,757</u>
Total	<u>83,300</u>	<u>125,757</u>

- (b) The analysis of the carrying amount of prepayments for consultation, marketing and promotional services which will be charged to profit or loss is as follows:

	2016 RMB'000	2015 RMB'000
Within one year	39,600	42,457
After one year but less than two years	39,600	39,600
After two years but less than five years	4,100	43,700
	<u>83,300</u>	<u>125,757</u>

Prepayments for consultation, marketing and promotional services represent the prepayments made by the Group to several independent architectural research and design institutes and universities in the PRC (the “Parties”) for providing consultation services to set up and establish industry standards and national criteria with respect to applications of wood wool cement board (“WWCB”) related materials on different aspects, and for providing marketing and promotional services to the Group.

During the year ended 31 December 2014, the Group entered into several agreements (the “Agreements”) with the Parties for the purpose of (i) providing consultation services to the Group so as to set up and establish industry standards and national criteria for applications of WWCB related materials in the PRC and (ii) rendering marketing and promotional services to the Group for enhancing the development of the Group’s WWCB related materials and market penetration in the PRC during the years from 2015 to 2019. The total consideration of the Agreements is RMB266,000,000 of which RMB230,500,000 was paid by the Group during the year ended 31 December 2014. Pursuant to the Agreements, the Group has reserved the rights to recall part of or all of the prepayments already made to the Parties if the Parties cannot fulfill the conditions as stated in the Agreements.

During the year ended 31 December 2016, the expenses for consultation services of approximately RMB2,857,000 (net of tax of approximately RMB2,695,000) (2015: approximately RMB22,343,000 (net of tax of approximately RMB20,286,000)) and the expenses for marketing and promotional services of approximately RMB39,600,000 (net of tax of approximately RMB37,358,000) (2015: approximately RMB55,250,000 (net of tax of approximately RMB52,123,000)) were recognised as “research and development expenses” and “marketing and promotional expenses” in profit or loss respectively.

Note: On 30 June 2015, two of the Parties entered into an agreement with the Group and agreed to refund part of the prepayments for consultation, marketing and promotional services amounting to approximately RMB13,150,000 to the Group as a result of non-fulfilment of certain conditions as stated in the Agreements and the amount was fully received by the Group in August 2015.

12. TRADE AND OTHER RECEIVABLES

	2016 RMB'000	2015 RMB'000
Trade receivables with normal credit terms (<i>Note a</i>)	597,273	334,820
Trade receivables with extended credit terms (<i>Note b</i>)	95,286	216,334
Total trade receivables	692,559	551,154
Less: Allowance for doubtful debts	(78,323)	(31,322)
Total trade receivables, net of allowance for doubtful debts	614,236	519,832
Less: Non-current portion of trade receivables with extended credit terms	(17,876)	(112,744)
Current portion of trade receivables	596,360	407,088
Other receivables	27,871	29,487
Less: Allowance for doubtful debts	(7,605)	(2,784)
	20,266	26,703
Receivable of compensation of loss from indemnity (<i>Note 4</i>)	46,641	–
Retention receivables	88,582	35,839
Amounts due from related companies	–	1,016
Amounts due from customers for contract work	–	962
Loans and receivables	751,849	471,608
Prepayments for consultation, marketing and promotional services (<i>Note 11</i>)	39,600	42,457
Prepayments and deposits	47,845	47,631
Other tax recoverables	69,690	45,283
	908,984	606,979

The Group generally allows credit period ranging from 0 to 365 days to its trade customers with normal credit terms and credit period up to three years to its trade customers with extended credit terms which is based on the contractual repayment schedule.

The following is an ageing analysis of trade receivables with normal credit terms and trade receivables with extended credit terms, net of allowance for doubtful debts, respectively, presented based on the invoice date at the end of the reporting period which approximated the respective revenue recognition dates:

	Normal credit terms		Extended credit terms		Total	
	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
0 – 30 days	72,496	3,717	–	–	72,496	3,717
31 – 60 days	29,712	25,200	–	–	29,712	25,200
61 – 90 days	133,315	38,952	–	128,254	133,315	167,206
91 – 180 days	119,145	154,318	–	88,080	119,145	242,398
181 – 365 days	78,382	81,311	–	–	78,382	81,311
Over 365 days	85,900	–	95,286	–	181,186	–
	518,950	303,498	95,286	216,334	614,236	519,832

a) Trade receivables with normal credit terms

The ageing analysis of trade receivables with normal credit terms that are neither individually nor collectively considered to be impaired is as follows:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Neither past due nor impaired	181,846	272,946
Less than 1 month past due	140,009	4,781
1 to 3 months past due	130,584	3,018
4 to 6 months past due	31,271	11,770
More than 6 months past due	35,240	10,983
	518,950	303,498

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate 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 balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

Impairment losses in respect of trade receivables with normal credit terms 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 movement in the allowance for doubtful debts of trade receivables with normal credit terms during the year, including both specific and collective loss components, is as follows:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
As at 1 January	31,322	27,226
Impairment loss recognised	47,131	23,116
Reversal of impairment loss	(130)	(11,590)
Eliminated on disposal of subsidiaries	–	(7,430)
As at 31 December	78,323	31,322

Reversal of impairment loss on trade debtors represents the recovery of debts due from these debtors previously considered to be impaired. An allowance for these receivable amounts that had been made in previous years was reversed back accordingly.

As at 31 December 2016, trade receivables with normal credit terms of approximately RMB78,323,000 (2015: RMB31,322,000) were individually determined to be impaired. These individually impaired receivables were outstanding for over 365 days as at the end of the reporting period or were due from debtors with financial difficulties. The Group does not hold any collateral over these balances.

b) Trade receivables with extended credit terms

The amount represented the carrying amount of trade receivables arising from the sales of EP products and equipment to certain government authorities in the PRC during the year ended 31 December 2015. At initial recognition, the consideration to be received by the Group was RMB237,050,000 which will be settled by several instalments as stipulated in the sale contracts in which the last settlement date will be on or before 31 October 2018. The fair value of the consideration recognised at the initial recognition was approximately RMB212,387,000, determined using discounted cash flows at an imputed rate of interest. The difference of approximately RMB24,663,000 between the nominal value of the consideration and the fair value of the consideration at the initial recognition was debited to revenue.

The movements of trade receivables with extended credit terms during the year are as follows:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
As at 1 January	216,334	–
Fair value of the consideration at initial recognition	–	212,387
Imputed interest recognised during the year (<i>Note 3</i>)	10,249	3,947
Gain on early settlement of trade receivables with extended credit terms (<i>Note 3</i>)	5,004	–
Settlement from customers (including the portion of early settlement of trade receivables)	(136,301)	–
	<u>95,286</u>	216,334
Less: Amounts due within one year included in trade receivables – current	<u>(77,410)</u>	(103,590)
Amounts shown under non-current assets	<u><u>17,876</u></u>	<u><u>112,744</u></u>

At the end of the reporting period, the Group has trade receivables with extended credit terms which fall due as follows:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Within one year	77,410	103,590
After one year but less than two years	17,876	85,920
After two years but less than three years	–	26,824
	<u><u>95,286</u></u>	<u><u>216,334</u></u>

As at 31 December 2016 and 2015, no allowance for doubtful debts was provided for trade receivables with extended credit terms.

The ageing analysis of trade receivables with extended credit terms that are neither individually nor collectively considered to be impaired is as follows:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Neither past due nor impaired	<u><u>95,286</u></u>	<u><u>216,334</u></u>

As at 31 December 2016, the trade receivables with extended credit terms of approximately RMB95,286,000 (2015: RMB216,334,000) were due from certain government authorities in the PRC which will be settled by several instalments up to three years.

13. TRADE AND OTHER PAYABLES

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Trade payables (<i>Note a</i>)	109,609	109,160
Accruals and other payables	51,281	31,068
Amounts due to directors	2,512	2,876
Amounts due to related companies	34,363	16,339
Amounts due to customers for contract work	–	1,657
Payable for legal fees and liabilities from litigation claim (<i>Note 4</i>)	70,754	24,113
Financial liabilities measured at amortised cost	268,519	185,213
Other PRC tax payables	2,325	2,340
	270,844	187,553

a) Ageing analysis of trade payables

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

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
0 – 30 days	4,822	253
31 – 60 days	7,042	11,155
61 – 90 days	6,150	7,574
91 – 180 days	22,011	11,549
181 – 365 days	4,557	36,471
Over 365 days	65,027	42,158
	109,609	109,160

14. SEGMENT REPORTING

The Group manages its business by divisions and all those divisions are located in the PRC. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker ("CODM") for the purposes of resources allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Sales of EP products and equipment: this segment involves the sales of EP products and equipment to external customers.
- Manufacture and sales of EP construction materials: this segment involves the manufactures and sales of EP construction materials to external customers, and the main product is WWCB.
- EP construction engineering projects: this segment undertakes the EP construction engineering projects for external customers.

An operating segment regarding the provision of EP related professional services was discontinued during the year ended 31 December 2015. The segment information reported in this note does not include any amounts for the discontinued operation, which are described in more details in note 6.

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resources allocation and assessment of segment performance for the years ended 31 December 2016 and 2015 is set out below:

Continuing operations:	Sales of EP products and equipment		Manufacture and sales of EP construction materials		EP construction engineering projects		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Reportable segment revenue from external customers	637,846	864,588	176,500	176,622	–	27,383	814,346	1,068,593
Inter-segment revenue	–	–	–	–	–	–	–	–
Reportable segment revenue	<u>637,846</u>	<u>864,588</u>	<u>176,500</u>	<u>176,622</u>	<u>–</u>	<u>27,383</u>	<u>814,346</u>	<u>1,068,593</u>
Reportable segment profit (adjusted EBITDA)	<u>107,490</u>	<u>163,109</u>	<u>45,356</u>	<u>8,395</u>	<u>–</u>	<u>820</u>	<u>152,846</u>	<u>172,324</u>
Depreciation and amortisation	(61)	(80)	(23,986)	(24,478)	–	–	(24,047)	(24,558)
Impairment loss on trade receivables	(38,129)	(19,276)	(9,002)	(271)	–	(3,569)	(47,131)	(23,116)
Impairment loss on other receivables	(4,911)	–	–	–	–	–	(4,911)	–
Reversal of impairment loss on trade receivables	<u>–</u>	<u>8,785</u>	<u>130</u>	<u>–</u>	<u>–</u>	<u>2,805</u>	<u>130</u>	<u>11,590</u>
Reportable segment assets	<u>745,883</u>	<u>667,641</u>	<u>699,669</u>	<u>766,869</u>	<u>18,606</u>	<u>6,898</u>	<u>1,464,158</u>	<u>1,441,408</u>
Additions to non-current segment assets during the year	<u>–</u>	<u>–</u>	<u>246</u>	<u>5,668</u>	<u>–</u>	<u>–</u>	<u>246</u>	<u>5,668</u>
Reportable segment liabilities	<u>470,468</u>	<u>416,135</u>	<u>35,611</u>	<u>34,080</u>	<u>14,162</u>	<u>36,688</u>	<u>520,241</u>	<u>486,903</u>

Geographical information

(i) *Revenue from external customers*

The following table sets out information about the geographical location of the Group's revenue from continuing operations from external customers. The geographical location of customers is based on the location at which the services were provided or the goods were delivered.

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Mainland China (place of domicile)	811,235	1,067,628
South Korea	2,997	941
Others	114	24
	814,346	1,068,593

(ii) *Specified non-current assets*

The Group's specified non-current assets comprise property, plant and equipment, prepaid lease payments, and prepayments for consultation, marketing and promotional services.

The geographical location of these specified non-current assets is based on (i) the physical location of the assets, in the case of property, plant and equipment and prepaid lease payments, and (ii) the location of the services to be provided by the service providers, in the case of prepayments for consultation, marketing and promotional services.

The following table sets out information about the geographical location of the specified non-current assets.

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Mainland China (place of domicile)	493,507	563,942
Hong Kong	249	340
	493,756	564,282

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the year ended 31 December 2016, the Group achieved a total revenue of RMB814.3 million, declining by 23.8% as compared to RMB1,068.6 million in 2015, primarily due to two government project contracts being secured in 2015 while no new government project contracts were awarded for the reporting year. Gross profit decreased to about RMB217.2 million (2015: RMB245.2 million) and gross profit margin was 26.7% (2015: 22.9%). The Group recorded a profit attributable to owners of the Company of RMB75.4 million (2015: RMB69.9 million). Profit for the year increased due to improving gross profit margin and preferential income tax rate of 15% entitled by Wuxi Pan Asia. The basic earnings per share were RMB8.98 cents (2015: RMB8.32 cents).

Final Dividend

The Board does not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil) as the capital will be reserved for the development of the Group's business operations.

Business Review

The Group is an integrated EP services and eco-friendly construction materials provider in the PRC. The Group is principally engaged in the provision of EP construction engineering solutions and services to customers, and the development, manufacturing and sales of new eco-friendly construction materials.

Sales of EP Products and Equipment

During the year under review, sales of EP products and equipment remained as the largest income contributor of the Group. This segment recorded a revenue of RMB637.8 million, accounting for approximately 78.3% of the Group's total revenue. The gross profit amounted to RMB135.2 million, with a gross profit margin of 21.2%.

Sales of Water Treatment Products and Equipment

Water treatment systems are mainly used for treating industrial and urban waste water. During the year under review, the Group completed 16 water treatment-related sales contracts, and the business generated a revenue of approximately RMB533.4 million, accounting for approximately 65.5% of the Group's total revenue.

Sales of Flue Gas Treatment Products and Equipment

The Group's comprehensive flue gas treatment supply chain provides related products and equipment plus services ranging from engineering design to maintenance support. During the year under review, the Group completed 12 projects relating to sales of flue gas treatment equipment and this segment recorded a revenue of approximately RMB104.4 million, accounting for about 12.8% of the Group's total revenue.

EP Construction Engineering Projects

Armed with extensive industry expertise, professional research and development capabilities and technologies, the Group provides one-stop EP solutions to a diverse range of clients. Most of the projects in this segment spanned over different financial periods and are booked to the accounts according to the stage of completion. During the year under review, this segment did not record any revenue.

Manufacture and Sale of EP Construction Materials

In view of the huge opportunities in the EP construction materials industry, the Group has been active in promoting WWCB in the domestic market to help the development of its EP related businesses with particularly high growth potential and to boost the Group's capability to capture business opportunities bred by national policies. During the year under review, this segment recorded a revenue of approximately RMB176.5 million (2015: RMB176.6 million), accounting for approximately 21.7% of the Group's total revenue.

WWCB is an eco-friendly inorganic energy-conserving construction material made by compressing cement, eco-friendly fast growing timber and non-toxic additives together under super high pressure. WWCB enjoys distinctive features of heat insulation and is fire resistant, sound-proof, moisture-proof, mould-proof and has insect repelling properties. With such outstanding features, it is widely used in residential and commercial buildings, noise barriers along highways and railways, and can be used as acoustic materials for music halls, railway stations and car parks. WWCB has a lower engineering cost than traditional construction materials. As WWCB can be re-processed into decoration materials and building panels and blocks, it has high redevelopment and application value, hence also high capacity to generate profit in the market.

The Group's collaboration with the industry leader from the Netherlands continues. All the six production lines imported from the Netherlands, each with an annual output capacity of approximately 140,000m³, were in commercial operation during the year under review. Five of them are standard lines that produce WWCB of thickness between 10mm to 100mm. The sixth production line is the most advanced and a fully automated large wall component production line which can manufacture large wall components of maximum dimensions of 3m x 6m x 40cm that can be installed on buildings directly. With WWCB showing great market potential, production lines will be modified and reformed to meet related market demands. Smart production will be achieved to enhance the flexibility of automated production lines and reduce production manpower, the aim of which is to build a highly automated and efficient factory.

Being the largest and most advanced WWCB producer in the world, the Group was enlisted to help compile the National Industry Standard "Technological Specifications for Application of WWCB" (「木絲水泥板應用技術規程」) which has been implemented since 1 August 2016 for WWCB construction and inspection. The Group's instrumental role in the work affirmed its leadership in the environmental construction materials industry, and with the Standard set and implemented, market penetration of WWCB will accelerate and innovation that can revolutionize construction materials will reign. These developments are favourable for the Group with established advantages in WWCB and are expected to bring long-term return to the Group in the future.

Given the rosy prospect of WWCB, the Group has put more effort in establishing closer relationship with its existing customers and reaching out to different potential clients with the aim to expand its client portfolio and obtain more projects in the public and private sectors. The introduction of high-speed rail (“HSR”) in China, in particular, presents enormous opportunities. During the year under review, WWCB obtained national accreditation qualifying it for proceeding into a more advanced stage. With WWCB’s excellence in sound insulation and the successful example of its application in the Jiamin Highway project, the Group is confident of its chance to participate in HSR sound barrier construction projects. A project which involves the construction of sound barriers for two HSR stations, and which will potentially be followed by works for other HSR stations, is pending confirmation. Participation in government or government-supported projects is expected to sustain the growth of the Group’s revenue.

Drawing on its expertise in producing large wall components, the Group has developed new integrated wall component products with decorative and heat insulation features, thus providing notable cost efficiency to construction companies and contractors. On 22 December 2016, the Group signed a strategic cooperation framework agreement with China Triumph International Engineering Company Limited (“China Triumph”), in relation to new houses with prefabricated construction materials. Pursuant to the agreement, cooperation between the two companies will begin in various areas to promote the development of prefabricated construction materials that meet the applicable standards, and which are affordable, safe, green and with attractive appearance. China Triumph has also agreed to pursue the launch of a system for breathable and ecological new houses with superb indoor “breathability” which allows optimum humidity control. These innovative concepts promise to provide a more comfortable living environment for people. In addition, both parties are committed to supporting new rural reconstruction, general construction of small towns, development of tourist attractions and lake attractions in the Yangtze Delta and construction of the Yangtze ecological corridor, as well as establishing new concept modern enterprises. Going forward, the Group intends to focus on the market of new wall material products and is looking to groom the business into a new growth driver.

Prospects

EP Construction Engineering Project Business

Environmental pollution remains serious, and in particular, some areas are frequently hit by heavy smog in China. To improve air quality and to increase the number of “blue sky” days remain the top environmental priorities according to Premier Li Keqiang’s speech at the 2017 National People’s Congress. The country is seeking to switch from an economy that relies on heavily polluting industries to a consumer-driven green economy. This transition should significantly stimulate domestic demand for EP products.

To tackle water pollution, the Central Government of the PRC (the “Government”) has published the “Notice of the State Council on Issuing the Action Plan for Prevention and Control of Water Pollution” (《國務院關於印發水污染防治行動計劃的通知》), “Proposal for Setting up Monitoring Network of Environmental Quality for Surface Water under the State’s 13th Five-Year Plan” (《十三五國家地表水環境質量監測網設置方案》) and “Guidance for Urban Black and Odorous Water Body Treatment” (《城市黑臭水體整治工作指南》) for setting up more stringent requirements on the prevention of industrial pollution and treatment of urban living waste. With extensive experience in the provision of EP products and services as well the strong support of favourable national policies, the Group continues to tap on the trend of environmental protection in order to fully exploit the enormous potential of the market. Currently, the Group has 63 uncompleted water and flue gas treatment contracts on hand with a total value of approximately RMB612.3 million. In particular, the Group is devoting efforts to expand the Public Private Partnership (“PPP”) projects in Xinjiang Province in order to capture business opportunities brought about by Government policies. The Group is actively expanding its customer portfolio to broaden the income streams and increase their contribution to the total revenue. Such measures are expected to facilitate long-term healthy growth of the Group’s business.

Eco-friendly Construction Materials Business

With the aim of helping to achieve China's target of having 30% of the new construction projects attaining a green certification by 2020, the Group was engaged in aggressive expansion of its eco-friendly construction materials business. Having the exclusive right to import WWCB production facilities from the Netherlands and to manage business operations for the facilities and products in the PRC, the Group has helped to compile the National Industry Standard for WWCB construction and inspection which has been implemented since 1 August 2016. Furthermore, the Ministry of Housing and Urban-Rural Development of the PRC has recently announced a series of regulations and standards for buildings including the "Technical Code for Prefabricated Timber Buildings" (《装配式木結構建築技術規範》), the "Technical Code for Prefabricated Steel Buildings" (《装配式鋼結構建築技術規範》) and the "Technical Code for Prefabricated Concrete Buildings" (《装配式混凝土結構建築技術規範》) which will be effective on 1 June 2017. Fuelled by further market penetration of WWCB with the publication of the National Industry Standard, the Group intends to continuously expand its core business and improve its brand image to further tap on the EP industry which has been progressively regarded as a potentially profitable sector in recent years and a driver for sustainable economic development in China.

In view of the increasing favourable policy support, the Group has been vigorously introducing WWCB to governments, developers and construction contractors across China. Given the abundant experience in WWCB production, the Group has obtained quality certification from the China High-speed Railway (CHR). At present, the Group is engaged in further negotiation with CHR for building 6-storey WWCB buildings around all train stations of the CHR network. China has the world's largest high-speed rail network stretching more than 22,000km. The length of high-speed railways in operation is expected to be around 30,000km, connecting more than 80% of the big cities by 2020, or specifically 255 big and mega cities according to the statistics released by the Information Office of the State Council of the PRC. This creates huge opportunity for the Group's eco-friendly construction materials business in the near future.

On the other hand, the proportion of Chinese people living in cities is expected to rise from 50% to 65% by 2030, and the Government has outlined plans in the 13th Five-Year Plan to ensure that new and existing buildings shall meet certain environmental standards. WWCB not only enables the Group to seize opportunities to expand and boost revenues, but also to make a greater contribution to China's strategy to go green. Up to now, the Group has successfully extended its business presence into Inner Mongolia, Shijiazhuang, Nanjing and Chengdu and will strive to expand its network. The Group believes that this sector will continue to have many opportunities for expansion and the Group will strive to grasp such opportunities to drive long-term growth.

Liquidity and Financial Resources

As at 31 December 2016, total assets of the Group amounted to RMB2,052.2 million, an increase of RMB189.7 million as compared to RMB1,862.5 million in 2015. The increase was mainly due to the increase in trade and other receivables, tax recoverable and cash and bank balances of the Group. The Group's total liabilities as at 31 December 2016 amounted to RMB672.8 million, an increase of RMB114.9 million as compared to RMB557.9 million in 2015. The main reason for this increase in total liabilities was due to the increase in trade and other payables and deposits received and receipts in advance. The Group's total equity as at 31 December 2016 was RMB1,379.4 million (2015: RMB1,304.6 million). As at 31 December 2016, the Group had no bank borrowings (2015: Nil) and its gearing ratio calculated on the basis of total borrowings over total equity was nil (2015: Nil). The Group's cash and cash equivalents amounted to RMB349.7 million as at 31 December 2016 (2015: RMB276.0 million).

Exposure to Exchange Rate Fluctuation

The Group adopts a conservative financial policy. Business transactions and liabilities of the Group are largely denominated in Renminbi and Hong Kong Dollar, and so is the majority of the Group's bank deposits. As at 31 December 2016, the Group did not have any foreign currency bank liabilities, foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes. Nevertheless, the management will continue to monitor the Group's foreign exchange exposure and will take relevant measures with prudence as and when appropriate. As at 31 December 2016, the Group did not hold any derivatives for hedging against interest rate and foreign exchange risks.

Capital Commitments and Contingent Liabilities

As at 31 December 2016, the Group had capital expenditure commitment in respect of the acquisition of property, plant and equipment in the total amount of RMB9.7 million (2015: RMB9.7 million). The Group provides product maintenance services to customers of flue gas desulphurization construction projects and certain EP products for a period ranging from six months to two years after a project is completed or a product is delivered. At the same time, the Group enjoys warranties for the work and equipment from its sub-contractors and suppliers. The Directors of the Company believe that the amount of warranty liabilities, if any, in excess of the amount covered by the warranties given by sub-contractors and suppliers would not have any adverse material effect on the overall financial position or operating results of the Group.

Pledge of Assets

A bank deposit of the Company's subsidiary of approximately RMB6.5 million as at 31 December 2016 (2015: RMB6.5 million) was pledged to a bank to secure a facility granted to the subsidiary.

Events after the Reporting Period

Since the end of the year under review, no important event with material impact on the Group has occurred.

Relationship with Employees and Key Stakeholders

As at 31 December 2016, the Group had approximately 130 employees. Salaries of employees were maintained at competitive levels and are reviewed annually, with close reference to the relevant labour market and economic situations. Remuneration of the Directors is determined based on a variety of factors such as market conditions and the specific responsibilities of the individual Director. Apart from the basic remuneration and benefits required by law, the Group also provides discretionary bonuses based on its results and the performance of the individual employee. The Group also has an employee share option scheme in place. Total remuneration costs, including Directors' remuneration, for the year ended 31 December 2016 were RMB15.4 million (2015: RMB17.1 million). During the year under review, the Group organized professional and vocational trainings for its employees. The Directors believe that the Group has admirable relations with its employees.

In addition, the Group understands that in order to achieve its long-term goals, it is important to maintain good relationship with business partners, shareholders, investors and bankers. Thus the Group has formulated an investor relations scheme to help it foster close relationship with shareholders and investors. Tailored activities are organized from time to time to communicate with and rally rapport of key stakeholders.

Purchase, Sales or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2016.

Audit Committee

An audit committee comprising three independent non-executive directors has been established by the Company to review the financial reporting process, risk management and internal control systems of the Group. The audit committee had reviewed the annual results of the Group for the year ended 31 December 2016.

Corporate Governance

In the opinion of the Board, throughout the year ended 31 December 2016, the Company had complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange, save for the code provision E.1.2. Code provision E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting. Mr. Jiang Quanlong, Chairman of the Board, was unable to attend the 2016 annual general meeting due to a business trip and Mr. Jiang Lei, the then executive director and Chief Executive Officer, had been delegated to attend and answer questions on his behalf at the 2016 annual general meeting. Mr. Jiang Quanlong will use his best endeavours to attend all future shareholders' meetings of the Company.

Closure of Register of Members

The annual general meeting ("AGM") of the Company is scheduled to be held on Friday, 16 June 2017. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 13 June 2017 to Friday, 16 June 2017, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 12 June 2017.

Publication of Annual Results and Annual Report

This annual results announcement will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.paep.com.cn) and the 2016 Annual Report will be despatched to the shareholders and published on the above-mentioned websites in due course.

By order of the Board
Pan Asia Environmental Protection Group Limited
JIANG Quanlong
Chairman

Hong Kong, 30 March 2017

As at the date of this announcement, the Directors of the Company are:

Executive Directors:

Mr. JIANG Quanlong
Mr. JIANG Xin
Mr. CHO Yu Chung

Independent Non-executive Directors:

Mr. LAI Wing Lee
Mr. LEUNG Shu Sun, Sunny
Professor WANG Guozhen

Non-executive Director:

Mr. FAN Yajun