



Global Energy Resources International Group Limited

formerly known as "UURG Corporation Limited"

(continued in Bermuda with limited liability)

Stock Code: 8192

Interim Report 2010



To help the Global Warming.....
Develop the Clean Energy

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (“Directors”) of Global Energy Resources International Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

RESULTS

The board of directors (the “Board” or the “Directors”) of Global Energy Resources International Group Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and six months ended 30 June 2010 respectively together with the comparative unaudited figures for the corresponding periods in 2009 as follows:

Unaudited Condensed Consolidated Statement of Comprehensive Income

	Note	Three months ended 30 June		Six months ended 30 June	
		2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Revenue	4	716	625	3,483	1,801
Other income	4	7	1	80	11
Depreciation		(79)	(18)	(80)	(36)
Materials and consumables used		(580)	(573)	(2,585)	(1,381)
Staff costs		(1,941)	(1,594)	(4,370)	(3,631)
Other operating expenses		(2,052)	(1,183)	(4,482)	(2,706)
Loss from operations		(3,929)	(2,742)	(7,954)	(5,942)
Finance costs		(51)	(64)	(125)	(126)
Loss before income tax	5	(3,980)	(2,806)	(8,079)	(6,068)
Income tax credit	6	29	11	29	21
Loss for the period		(3,951)	(2,795)	(8,050)	(6,047)
Other comprehensive loss for the period					
Translation difference		2	1	-	3
Total comprehensive loss for the period		(3,949)	(2,794)	(8,050)	(6,044)
Loss attributable to equity holders of the Company		(3,951)	(2,795)	(8,050)	(6,047)
Total comprehensive loss attributable to equity holders of the Company		(3,949)	(2,794)	(8,050)	(6,044)
Loss per share in HK cents	7				
– Basic (2009: restated)		(0.069)	(0.050)	(0.143)	(0.109)
– Diluted		N/A	N/A	N/A	N/A

Unaudited Condensed Consolidated Statement of Financial Position

	As at 30 June 2010 (Unaudited) HK\$'000	As at 31 December 2009 (Unaudited) HK\$'000
<i>Note</i>		
Non-current assets		
Property, plant and equipment	<u>787</u>	<u>6</u>
Current assets		
Inventories	743	489
Trade receivables	9 9,091	7,099
Other receivables, deposits and prepayments	803	658
Cash and cash equivalents	<u>46,089</u>	<u>8,097</u>
	<u>56,726</u>	<u>16,343</u>
Current liabilities		
Trade payables	10 6,356	6,158
Accruals and other payables	<u>1,337</u>	<u>1,529</u>
	<u>7,693</u>	<u>7,687</u>
Net current assets	<u>49,033</u>	<u>8,656</u>
Total assets less current liabilities	49,820	8,662
Non-current liabilities		
Convertible bonds	11 2,526	2,543
Deferred tax liabilities	<u>111</u>	<u>141</u>
	<u>2,637</u>	<u>2,684</u>
Net assets	<u>47,183</u>	<u>5,978</u>
Equity		
Equity attributable to the equity holders of the Company		
Share capital	3,074	2,784
Reserves	<u>44,109</u>	<u>3,194</u>
Total equity	<u>47,183</u>	<u>5,978</u>

Unaudited Condensed Consolidated Statement of Changes in Equity

	Share capital	Capital reserve	Share premium	Special reserve	Convertible bonds equity reserve	Exchange reserve	Accumulated losses	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2009	2,784	1,030	20,273	11	1,190	(3)	(10,010)	15,275
Total comprehensive loss for the period	-	-	-	-	-	3	(6,047)	(6,044)
At 30 June 2009	<u>2,784</u>	<u>1,030</u>	<u>20,273</u>	<u>11</u>	<u>1,190</u>	<u>-</u>	<u>(16,057)</u>	<u>9,231</u>
At 1 January 2010	2,784	1,030	20,273	11	1,190	9	(19,319)	5,978
Partial conversion of convertible bonds	200	-	42	-	(84)	-	-	158
Deferred tax on partial conversion of convertible bonds	-	-	-	-	-	-	-	-
Issue of new shares	90	-	49,410	-	-	-	-	49,500
Share issue expenses	-	-	(402)	-	-	-	-	(402)
Total comprehensive loss for the period	-	-	-	-	-	(1)	(8,050)	(8,051)
At 30 June 2010	<u>3,074</u>	<u>1,030</u>	<u>69,323</u>	<u>11</u>	<u>1,106</u>	<u>8</u>	<u>(27,369)</u>	<u>47,183</u>

Unaudited Condensed Consolidated Statement of Cash Flows

	Six months ended	
	30 June	
<i>Note</i>	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cash flows from operating activities	(11,113)	(5,468)
Cash flows from investing activities	7	6
Cash flows from financing activities	49,098	–
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	37,992	(5,462)
Cash and cash equivalents at beginning of the period	8,097	17,495
Effect of foreign exchange rate changes	–	3
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	46,089	12,036
	<hr/>	<hr/>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	46,089	12,036
	<hr/>	<hr/>

Notes to the Condensed Consolidated Financial Statements

1. General Information

The Company is a limited liability company incorporated in the Cayman Islands and continued in Bermuda. The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is Unit 2803, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong. The Company's shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding. The subsidiaries are principally engaged in the provision of information technology and engineering consultancy services.

2. Basis of Preparation

The Group's unaudited condensed consolidated results have been prepared in accordance with the Hong Kong Financial Reporting Standards which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The unaudited condensed consolidated results also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

The accounting policies adopted in preparing the unaudited condensed consolidated results for the six months ended 30 June 2010 and 2009 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009. The condensed consolidated results are unaudited but have been reviewed by the audit committee of the Company.

3. Segment information

The Group's operation is regarded as a single business segment which is the provision of information technology and engineering consultancy services. Analysis of the Group's turnover and results as well as analysis of the carrying amount of segment assets and capital expenditure by geographical market have not been presented as they are substantially generated from or situated in Hong Kong.

4. Revenue

Revenue, which is also the Group's turnover, represents the aggregate of the amounts received and receivable from third parties in connection with the provision of information technology and engineering consultancy services. Revenue and other income recognised during the period are as follows:

	Three months ended 30 June		Six Months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Revenue				
Service income	<u>716</u>	<u>625</u>	<u>3,483</u>	<u>1,801</u>
Other revenue				
Interest income	<u>7</u>	<u>1</u>	<u>7</u>	<u>11</u>

5. Loss before Income Tax

The Group's loss before income tax is arrived at after charging:

	Three months ended 30 June		Six Months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Directors' remuneration	926	146	1,989	413
Other staff costs	1,015	1,448	2,381	3,218
Depreciation	79	18	80	36
Operating lease rental in respect of land and building	444	576	1,124	1,149
Effective interest expense on convertible bonds	42	64	111	126
	<u>444</u>	<u>64</u>	<u>111</u>	<u>126</u>

6. Income Tax Expense

No provision for income tax has been made as the Group had no assessable profits for the six months ended 30 June 2010 (six months ended 30 June 2009: Nil).

	Three months ended 30 June		Six Months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Deferred tax				
Reversal of deferred tax liabilities	30	11	30	21
	<u>30</u>	<u>11</u>	<u>30</u>	<u>21</u>
Total income tax credit	30	11	30	21

7. Loss Per Share

The calculation of basic loss per share for the three months and six months ended 30 June 2010 is based on the unaudited net loss for the three months and six months ended 30 June 2010 of approximately HK\$3,951,000 and HK\$8,050,000 (three months and six months ended 30 June 2009: loss of approximately HK\$2,795,000 and HK\$6,047,000) and the weighted average of ordinary shares for the three months and six months ended 30 June 2010 are 5,716,791,209 and 5,642,806,630 ordinary shares (three and six months ended 30 June 2009: 5,568,000,000 and 5,568,000,000 ordinary shares) in issue during the period.

No diluted loss per share has been presented because the potential ordinary shares had anti-dilutive effect during these periods.

8. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2010 (six months ended 30 June 2009: Nil).

9. Trade Receivables

As at 30 June 2010, the ageing analysis of trade receivables, based on invoice dates, is as follows:

	As at 30 June 2010 (Unaudited) HK\$'000	As at 31 December 2009 (Unaudited) HK\$'000
1-30 days	149	6,788
31-60 days	-	-
Over 60 days	<u>8,942</u>	<u>311</u>
	<u>9,091</u>	<u>7,099</u>

10. Trade Payables

As at 30 June 2010, trade payables were due within 30-60 days (31 December 2009: 30-60 days).

11. Convertible Bonds

The convertible bonds recognized in the balance sheet are calculated as follows:

	As at 30 June 2010 (Unaudited) HK\$'000	As at 31 December 2009 (Unaudited) HK\$'000
Nominal value of convertible bonds	4,000	4,000
Equity components	<u>(1,676)</u>	<u>(1,676)</u>
Liability component on initial recognition	2,324	2,324
Exercise of the convertible bonds	(522)	(365)
Accumulated interest expenses recognized	<u>724</u>	<u>584</u>
Liability component	<u>2,526</u>	<u>2,543</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the provision of information technology and engineering consultancy services.

BUSINESS REVIEW AND PROSPECT

During the period under review, the Group's turnover amounted to approximately HK\$3,483,000, representing an increase of approximately 93% compared with the last corresponding period of approximately HK\$1,801,000.

The Group is slowly recovering from the economic downturn by making cost savings and seeking out additional business opportunities. The Group has successfully secured three key projects in the People's Republic of China (the "PRC") in the second quarter in both the southern and northern parts of the PRC. In the southern part of the PRC, the Group has secured the Guangzhou China Mobile Building project where the Group will advise on the natural and smoke ventilation solutions applied in the opening areas of the building, including the atrium and hallways. In the northern part of the PRC, the Group has secured work on the Air China Flight Simulation Training Center project in Beijing and Huawei Technologies Corporate Campus project in Beijing ("Beijing Huawei"). The Group's natural solutions deliver better quality internal environment, excellent indoor air quality and carbon efficient energy management.

The management team believes that concentrating on the Group's core business, while adopting a prudent approach to containing operating costs and seeking higher returns on investments.

FINANCIAL REVIEW

Results

For the six months ended 30 June 2010, the Group's unaudited consolidated turnover and loss attributable to equity holders of the Company were approximately HK\$3,483,000 (2009: HK\$1,801,000) and HK\$8,050,000 (2009: HK\$6,047,000) respectively which were increased by approximately 93% and 33% respectively comparing with the corresponding period last year.

Liquidity, financial resources and capital structure

As at 30 June 2010 the Group had assets of approximately HK\$57,512,000 (31 December 2009: approximately HK\$16,349,000), including net cash and bank balances of approximately HK\$46,089,000 (31 December 2009: approximately HK\$8,097,000). There was no charge on the Group's assets as at 30 June 2010 (31 December 2009: nil).

During the period under review, the Group financed its operations partially with internally generated cash flow and partially with the net proceeds from the Placing (as defined below). After the Placing (as defined below) completed on 19 April 2010, the financial resources of the Company has been strengthened and it is anticipated that the Group should have adequate resource to meet the requirement of its business activities and development. As of 30 June 2010, the liability component of the convertible bonds amounted to approximately HK\$2,526,000 (31 December 2009: approximately HK\$2,543,000) which were convertible to a maximum of 6,400,000,000 ordinary shares.

Placing of 180,000,000 New Shares

On 31 March 2010, the Company and the placing agent entered into a placing agreement (as supplemented by the supplemental agreement dated 8 April 2010) pursuant to which the Company agreed to place, through the placing agent, on a best efforts basis, a maximum of 180,000,000 new shares of the Company (the "Placing Shares") to independent third parties at a price of HK\$0.275 per Placing Share (the "Placing"). The net proceeds from the Placing was approximately HK\$49,100,000 which was intended to be used for general working capital of the Group and/or funding for any possible acquisition or investment plan of the Group in the future. The general mandate in respect of the issuance of the Placing Shares was approved by a resolution of the shareholders of the Company at the annual general meeting on 5 May 2009 and the Placing was completed on 19 April 2010. Details of the Placing were set out in the reports of the Company dated 31 March 2010, 8 April 2010 and 19 April 2010.

Capital Structure

During the six months ended 30 June 2010, an aggregate of 580,000,000 new Shares were issued by the Company, of which 180,000,000 new Shares were issued by the Company pursuant to the Placing and 400,000,000 new Shares were issued pursuant to the exercise of the convertible bonds by a bondholder.

Gearing

The gearing ratio of the Group, defined as the ratio between total borrowings and shareholders' equity, was 0% for the six months ended 30 June 2010 (31 December 2009: 0%) since the Group did not have any bank borrowings nor any banking facilities.

Significant investments

As at 30 June 2010, there was no significant investment held by the Group.

Material acquisitions or disposals of subsidiaries and affiliated companies

There were no material acquisitions or disposal of subsidiaries and affiliated companies during the period under review.

Contingent liabilities

As at 30 June 2010, the Group had no material contingent liabilities.

Foreign exchange exposure

The Group's income and expenditure during the six months ended 30 June 2010 were denominated either in Hong Kong dollars ("HK\$") or Renminbi ("RMB"), and most of the assets and liabilities as at 30 June 2010 were denominated either in HK\$ or RMB. The Group did not experience any material impact or difficulties in liquidity on its operations resulting from the fluctuation in exchange rate, and no hedging transaction or forward contract arrangement was made by the Group during the period under review.

Treasury policies

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce its exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

Segment information

The Group's operation is regarded as a single business segment which is the provision of information technology and engineering consultancy services. Analysis of the Group's turnover and results as well as analysis of the carrying amount of segment assets and capital expenditures by geographical market have not been presented as they are substantially generated from or situated in Hong Kong.

Future plans for material investments

The Group is looking for ways to further improve its existing business, and is also searching for business opportunities elsewhere including investment opportunities in the energy and resources businesses such as the coalbed methane business to improve the financial performance and the shareholders' returns. The Company will continue to utilize most of its resources for the development of its principal activities of information technology and engineering consultancy services in both the Hong Kong and PRC market to capitalize on this emerging green building business sector.

On 26 July 2010, an indirect wholly owned subsidiary of the Company has signed a non-binding memorandum of understanding with a vendor and a confirmer for the possible acquisition of 51% of the entire equity interest of a target company, details of which are set out in the report of the Company dated 26 July 2010.

Employees and remuneration policies

As at 30 June 2010, the Group had 47 (31 December 2009: 32) full-time employees, including Directors. Total staff costs (including Directors' emoluments) were approximately HK\$4,370,000 for the six months ended 30 June 2010 (30 June 2009: approximately HK\$3,631,000). Remuneration is determined with reference to market terms and the performance, qualification and experience of the individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong and social insurance to its employees in the PRC, and are paid at appropriate levels.

DIVIDEND

The Company does not recommend the payment of an interim dividend for the six months ended 30 June 2010 (2009: nil).

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2010.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2010, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long positions in shares and underlying shares of the Company

Name	Number of Shares interested	Approximate Percentage of shareholding
Li Xiao Mei	9,270,000,000 (Notes 1 & 2)	150.78% (Note 2)

Notes:

- (1) These shares are owned by Sound Treasure Holdings Limited, a company wholly owned by Li Xiao Mei. The 9,270,000,000 shares of the Company which Sound Treasure Holdings Limited is interested in consist of (1) 3,470,000,000 shares of the Company; and (2) a zero coupon convertible bonds of the principal amount of HK\$2,900,000 which can be converted into 5,800,000,000 shares of the Company (subject to adjustment in accordance with the terms and conditions of the convertible bonds) during its conversion period of five years from 4 September 2007.
- (2) On 13 July 2010, Sound Treasure Holdings Limited transferred zero coupon convertible bonds of the principal amount of HK\$800,000 of the Company to individuals who are not connected persons (as defined in the GEM Listing Rules) of the Company (the "Transfer"). After the Transfer on 13 July 2010, the above number of shares interested and approximate percentage of shareholding have been reduced to 7,670,000,000 shares and 124.76% respectively.

Save as disclosed above, as at 30 June 2010, none of the Directors had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules.

SHARE OPTION SCHEME

A share option scheme was adopted and approved by the sole member of the Company on 26 October 2002 (the "Share Option Scheme"). No share options have been granted under the Share Option Scheme since its adoption.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2010, other than the interests of certain Directors as disclosed under the section headed "Directors' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" above, the interests or short positions of person in the shares and underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in shares and underlying shares of the Company

Name of Shareholder <i>(Note 4)</i>	Number of shares interested <i>(Note 4)</i>	Capacity in which shares are interested <i>(Note 4)</i>	Approximate percentage of issued share capital <i>(Note 4)</i>
Sound Treasure Holdings Limited	9,270,000,000 <i>(Notes 1 & 2)</i>	Beneficial owner	150.78% <i>(Note 2)</i>
Pong Wai San, Wilson	1,077,792,000 <i>(Note 3)</i>	Personal	17.53%
Tung Ching Yee, Helena	1,077,792,000 <i>(Note 3)</i>	Family Interest	17.53%

Notes:

- (1) These shares are owned by Sound Treasure Holdings Limited, a company wholly owned by Li Xiao Mei. The 9,270,000,000 shares of the Company which Sound Treasure Holdings Limited is interested in consist of (1) 3,470,000,000 shares of the Company; and (2) a zero coupon convertible bonds of the principal amount of HK\$2,900,000 which can be converted into 5,800,000,000 shares of the Company (subject to adjustment in accordance with the terms and conditions of the convertible bonds) during its conversion period of five years from 4 September 2007.
- (2) On 13 July 2010, Sound Treasure Holdings Limited transferred zero coupon convertible bonds of the principal amount of HK\$800,000 of the Company to individuals who are not connected persons (as defined in the GEM Listing Rules) of the Company. After the Transfer on 13 July 2010, the above number of shares interested and approximate percentage of shareholding have been reduced to 7,670,000,000 shares and 124.76% respectively.
- (3) The 1,077,792,000 shares which Pong Wai San, Wilson is interested consist of (1) 477,792,000 shares of the Company; and (2) a zero coupon convertible bonds of the principal amount of HK\$300,000 which can be converted into 600,000,000 shares of the Company (subject to adjustment in accordance with the terms and conditions of the convertible bonds) during its conversion period of five years from 4 September 2007. Tung Ching Yee, Helena is the wife of Pong Wai San, Wilson and accordingly deemed to be interested in the shares beneficially owned by Pong Wai San, Wilson in his own capacity under SFO.
- (4) The table above does not show the interest of Chen Shuang Quan who became personally interested in 400,000,000 shares which is equal to approximately 6.51% of the issued share capital on 13 July 2010. After the Transfer on 13 July 2010, Chen Shuang Quan holds a zero coupon convertible bond of the principal amount of HK\$200,000 which can be converted into 400,000,000 shares of the Company (subject to adjustment in accordance with the terms and conditions of the convertible bonds) during its conversion period of five years from 4 September 2007.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed in the section headed "Directors' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" above, at no time during the reporting period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Saved as disclosed in the section headed "Directors' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" above, at no time during the reporting period had the Directors and chief executives of the Company (including their spouses and children under 18 years of age) any interest in, or been granted, or exercised any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company and its associated corporations (within the meaning of the SFO).

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors of the Company and their respective associates (as defined in the GEM Listing Rules) have any business or interest in companies that competes or may compete with the business of the Group or any other conflict of interests with the Group.

CONNECTED TRANSACTION

No contracts of significance to which the Company or its subsidiaries, was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the six months ended or at any time during the six months ended 30 June 2010.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules. Except as noted below, the Company has applied the principles in the CG Code and complied with the code provisions set out in the CG Code for the six months ended 30 June 2010.

DISTINCTIVE ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The code provision A2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The Board has appointed Ms. Li Xiao Mei as the Chairman of the Board. On 6 May 2010, Mr. Chan Wai Keung resigned as the chief executive officer of the Company. On 30 July 2010, Mr. Zhang Shi Min was appointed as the new chief executive officer of the Company.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the provisions set out in the CG Code particularly C.3.3 of the CG Code and Rules 5.28 and 5.33 of the GEM Listing Rules and which had been revised on 1 March 2008. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, and provide advice and comments on the Company's draft annual reports and accounts, half year reports and quarterly reports to the Directors. As at the date of this Report, the Audit Committee comprises three members, Mr. Leung Wah, Mr. Fung Hoi Wing, Henry and Mr. Cheung Chung Leung, Richard, all of them are independent non-executive Directors. The chairman of the Audit Committee is Mr. Leung Wah. The Audit Committee has reviewed the Group's unaudited quarterly results for the three months ended 31 March 2010 and the unaudited interim results for the six months ended 30 June 2010.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions throughout the period ended 30 June 2010.

As at the date of this report, the Board comprises the following Directors:

Executive Directors:

Ms. Li Xiao Mei
Mr. Zhang Shi Min

Non-executive Directors:

Mr. Wu Gao Yuan
Mr. Wen Wei Zhong
Mr. Qie Bing Bing

Independent non-executive Directors:

Mr. Leung Wah
Mr. Fung Hoi Wing, Henry
Mr. Cheung Chung Leung, Richard

By order of the Board
Global Energy Resources International Group Limited
Li Xiao Mei
Chairman

Hong Kong, 13 August 2010