



Global Energy Resources International Group Limited

(continued in Bermuda with limited liability)

Stock Code: 8192



2017
FIRST QUARTERLY REPORT

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This report, for which the directors (the “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 (the “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 of the Company (the “Board”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months ended 31 March 2017, together with the comparative unaudited figures for the corresponding period in 2016 as follows:

Unaudited Condensed Consolidated Income Statement

		Three months ended	
		31 March	
	<i>Notes</i>	2017	2016
		HK\$'000	<i>HK\$'000</i>
Continuing operations			
Revenue	3	69,124	69,157
Cost of sales		(64,329)	(65,508)
		<hr/>	<hr/>
Gross profit		4,795	3,649
Other revenue	3	92	1
Other gains and losses	4	924	(1,678)
Selling and distribution expenses		(382)	(424)
Administrative expenses		(7,901)	(25,683)
		<hr/>	<hr/>
Loss from operations		(2,472)	(24,135)
Finance costs	6	(789)	(5)
		<hr/>	<hr/>
Loss before taxation	7	(3,261)	(24,140)
Taxation	8	–	(40)
		<hr/>	<hr/>
Loss for the period from continuing operations		(3,261)	(24,180)
		<hr/>	<hr/>
Discontinued operation			
Loss for the period from discontinued operation	9	–	(434)
		<hr/>	<hr/>
Loss for the period		(3,261)	(24,614)
		<hr/>	<hr/>

	Three months ended	
	31 March	
	2017	2016
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the period attributable to		
Owners of the Company	(2,081)	(23,493)
Non-controlling interests	(1,180)	(1,121)
	<u>(3,261)</u>	<u>(24,614)</u>
Loss per share for the period attributable to owners of the Company		
		<i>(restated)</i>
For continuing and discontinued operations		
– Basic and diluted (HK cents)	<i>10</i> <u>(0.29)</u>	<u>(3.83)</u>
For continuing operations		
– Basic and diluted (HK cents)	<i>10</i> <u>(0.29)</u>	<u>(3.79)</u>

Unaudited Condensed Consolidated Statement of Comprehensive Income

	Three months ended	
	31 March	
	2017	2016
<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
Loss for the period	(3,261)	(24,614)
Other comprehensive income for the period, net of income tax		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of foreign operations	<u>1,184</u>	<u>288</u>
Total comprehensive loss for the period	<u>(2,077)</u>	<u>(24,326)</u>
Total comprehensive loss for the period attributable to		
Owners of the Company	(821)	(23,207)
Non-controlling interests	<u>(1,256)</u>	<u>(1,119)</u>
	<u>(2,077)</u>	<u>(24,326)</u>

Notes to the Unaudited 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 HM 11, Bermuda and its principal place of business is Room 3008-10, 30th Floor, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares have been listed on GEM of the Stock Exchange with effect from 29 November 2002.

The principal activity of the Company is investment holding. The subsidiaries are principally engaged in (i) rental of energy-saving air-conditioners, (ii) trading business, (iii) the operations of carbon emission trading platform and related services, (iv) money lending business and (v) securities trading business.

2. Basis of Preparation

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

The accounting policies adopted in preparing the unaudited condensed consolidated financial statements for the three months ended 31 March 2017 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016 ("the 2016 Financial Statements"), except for the amendments and interpretations of HKFRSs issued by HKICPA which have become effective in this period as detailed in the notes of the 2016 Financial Statements. The adoption of the New HKFRSs has no material impact on the accounting policies in the Group's condensed consolidated financial statements for the period.

3. Revenue

Continuing operations:

Revenue, which is also the Group's turnover, represents the aggregate of the amounts received and receivable from third parties. Revenue and other revenue recognised from continuing operations during the period are as follows:

	Three months ended 31 March	
	2017 HK\$'000	2016 HK\$'000
Revenue		
Rental of air-conditioners	807	381
Trading business	66,837	66,852
Money lending business	861	1,924
Securities trading business	619	–
	<u>69,124</u>	<u>69,157</u>
Other revenue		
Interest income	17	1
Sundry income	75	–
	<u>92</u>	<u>1</u>

4. Other Gains and Losses

Continuing operations:

	Three months ended 31 March	
	2017	2016
	HK\$'000	HK\$'000
Exchange (loss)/gain, net	(1)	8
Unrealised gain/(loss) on financial assets at fair value through profit or loss	925	(1,686)
	924	(1,678)

5. Segment Information

Information reported to executive director and chief executive officer of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable segments under HKFRS 8 are as follows:

- Rental of energy-saving air-conditioners ("Rental of air-conditioners")
- Trading business
- Operations of the carbon emission trading platform and related services ("Operations of the CETP")
- Money lending business
- Securities trading business ("Securities trading")

The segment of manufacturing and sales of air-conditioners and related products was discontinued during the year ended 31 December 2016. The corresponding information for the period ended 31 March 2016 has been re-presented accordingly.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments.

For the period ended 31 March 2017:

	Continuing operations					Total HK\$'000
	Rental of air-conditioners HK\$'000	Trading business HK\$'000	Operations of the CETP HK\$'000	Money lending business HK\$'000	Securities trading HK\$'000	
Segment revenue	807	66,837	-	861	619	69,124
Segment results	(2,410)	2,786	(485)	533	(642)	(218)
Other revenue						92
Other gains and losses						(1)
Unrealised gain on financial assets at fair value through profit or loss						925
Central administrative costs						(3,270)
Finance costs						(789)
Loss before taxation						(3,261)

For the period ended 31 March 2016:

	Continuing operations					Total HK\$'000
	Rental of air-conditioners HK\$'000	Trading business HK\$'000	Operations of the CETP HK\$'000	Money lending business HK\$'000	Securities trading HK\$'000	
Segment revenue	381	66,852	-	1,924	-	69,157
Segment results	(3,090)	532	(1,131)	1,411	-	(2,278)
Other revenue						1
Other gains and losses						8
Unrealised loss on financial assets at fair value through profit or loss						(1,686)
Central administrative costs						(20,180)
Finance costs						(5)
Loss before taxation						(24,140)

All of the segment revenue reported above is generated from external customers.

6. Finance Costs

Continuing operations:

	Three months ended 31 March	
	2017 HK\$'000	2016 HK\$'000
Interest on other borrowings		
– secured and wholly repayable within one year	320	-
– unsecured and wholly repayable within one year	465	-
Interest expenses on finance leases payables	4	5
	789	5

7. Loss before Taxation

Continuing operations:

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

	Three months ended 31 March	
	2017 HK\$'000	2016 HK\$'000
Directors' remuneration	634	785
Staff costs	3,030	3,691
Equity-settled share-based payments	–	16,100
Depreciation		
– Owned property, plant and equipment	2,646	1,941
– Leased property, plant and equipment	34	34
Operating lease rentals in respect of rented premises	1,140	1,961
Legal and professional fees	320	787
	320	787

8. Taxation

Continuing operations:

	Three months ended 31 March	
	2017 HK\$'000	2016 HK\$'000
Current tax		
PRC enterprise income tax	–	–
Hong Kong profits tax	–	40
	–	40

Hong Kong profits tax was calculated at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits in Hong Kong. No taxation on Hong Kong profits tax for the three months ended 31 March 2017 was provided as there were no estimated assessable profits in Hong Kong.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2016: 25%). No provision for the PRC enterprise income taxes was provided for the three months ended 31 March 2017 as the Group has tax losses brought forward to offset against the estimated assessable profit in the PRC. No provision for the PRC enterprise income taxes was provided for the three months ended 31 March 2016 as the subsidiaries operated in the PRC had no assessable profits.

9. Discontinued Operation

During the second half of year 2016, the board of directors of the Company approved to abandon and ceased the manufacturing and sales of air-conditioners segment.

The comparative unaudited condensed consolidated income statement and related notes have been re-presented as if the operation had been discontinued at the beginning of the comparative period.

An analysis of the results of discontinued operation is set out below:

	Three months ended 31 March	
	2017	2016
	HK\$'000	<i>HK\$'000</i>
Revenue	-	-
Cost of sales	-	-
	<hr/>	<hr/>
Gross profit	-	-
Other revenue	-	8
Other gains and losses	-	2
Selling and distribution expenses	-	(2)
Administrative expenses	-	(442)
	<hr/>	<hr/>
Loss before taxation	-	(434)
Taxation	-	-
	<hr/>	<hr/>
Loss for the period from discontinued operation	-	(434)
	<hr/>	<hr/>
Loss for the period from discontinued operation attributable to		
Owners of the Company	-	(221)
Non-controlling interests	-	(213)
	<hr/>	<hr/>
	-	(434)
	<hr/>	<hr/>

10. Loss per Share

	Three months ended 31 March	
	2017	2016 <i>(restated)</i>
Loss for the period attributable to the owners of the Company (HK\$)		
– for continuing and discontinued operations	(2,081,000)	(23,493,000)
– for continuing operations	(2,081,000)	(23,272,000)
	<u>713,333,286</u>	<u>613,766,689</u>
Weighted average number of ordinary shares in issue		
	<u>713,333,286</u>	<u>613,766,689</u>
Basic loss per share (HK cents)		
for continuing and discontinued operations	(0.29)	(3.83)
for continuing operations	(0.29)	(3.79)
	<u>(0.29)</u>	<u>(3.79)</u>

Basic loss per share is calculated by dividing the loss attributable to the owners of the Company over the weighted average number of ordinary shares in issue during the period under review.

Pursuant to the share consolidation became effective on 8 December 2016, the issued share capital of the Company was consolidated from 4,606,129,000 shares of HK\$0.005 each to 575,766,125 consolidated shares of HK\$0.04 each.

On 4 January 2017, the Company and the subscribers entered into the subscription agreements pursuant to which the Company issued 115,153,225 new ordinary shares of the Company of HK\$0.04 each at the subscription price of HK\$0.329 per subscription share on 18 January 2017.

On 29 March 2017, the Company entered an underwriting agreement with an underwriter in connection with the Rights Issue (as defined below). The Company proposed to issue a total of 345,459,675 new ordinary shares of the Company of HK\$0.04 each at a subscription price of HK\$0.30 per rights share to the shareholders of the Company on the basis of one rights share for every two shares held on the record date, 13 April 2017 (the "Rights Issue"). All conditions set out in the underwriting agreement have been fulfilled on 5 May 2017 and the rights shares will be issued on 12 May 2017.

The weighted average number of ordinary shares for the three months ended 31 March 2017 are 713,333,286 ordinary shares (three months ended 31 March 2016: 613,766,689 ordinary shares (restated)) in issue during the period.

The basic and diluted loss per share for the three months ended 31 March 2017 are the same because the effect of the assumed conversion of all dilutive potential ordinary shares outstanding during the period under review was anti-dilutive (31 March 2016: same).

11. Dividend

The Board does not recommend the payment of dividend for the three months ended 31 March 2017 (three months ended 31 March 2016: Nil).

12. Unaudited Condensed Consolidated Statement of Changes in Equity

Movements in reserves during the periods are as follows:

	Attributable to owners of the Company									Non-controlling interests	Total
	Share capital	Capital reserve	Share premium	Special reserve	Statutory reserve	Share-based		Accumulated losses	Subtotal		
						payment reserve	Exchange reserve				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2016 (Audited)	23,031	1,030	514,940	11	324	18,775	(7,380)	(211,526)	339,205	2,732	341,937
Issuance of share options	-	-	-	-	-	16,100	-	-	16,100	-	16,100
Transaction with owners	-	-	-	-	-	16,100	-	-	16,100	-	16,100
Net loss for the period	-	-	-	-	-	-	-	(23,493)	(23,493)	(1,121)	(24,614)
Other comprehensive income, net of income tax: Exchange differences on translating foreign operations	-	-	-	-	-	-	286	-	286	2	288
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	286	(23,493)	(23,207)	(1,119)	(24,326)
At 31 March 2016 (Unaudited)	<u>23,031</u>	<u>1,030</u>	<u>514,940</u>	<u>11</u>	<u>324</u>	<u>34,875</u>	<u>(7,094)</u>	<u>(235,019)</u>	<u>332,098</u>	<u>1,613</u>	<u>333,711</u>
At 1 January 2017 (Audited)	23,031	1,030	514,940	11	324	34,875	(16,461)	(286,580)	271,170	(7,463)	263,687
Issue of shares by subscription of new shares	4,606	-	33,279	-	-	-	-	-	37,885	-	37,885
Transaction costs attributable to subscription of new shares	-	-	(7)	-	-	-	-	-	(7)	-	(7)
Transaction with owners	4,606	-	33,202	-	-	-	-	-	37,808	-	37,808
Net loss for the period	-	-	-	-	-	-	-	(2,061)	(2,061)	(1,180)	(3,261)
Other comprehensive income/(loss), net of income tax: Exchange differences on translating foreign operations	-	-	-	-	-	-	1,260	-	1,260	(76)	1,184
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	1,260	(2,061)	(821)	(1,256)	(2,077)
At 31 March 2017 (Unaudited)	<u>27,637</u>	<u>1,030</u>	<u>548,142</u>	<u>11</u>	<u>324</u>	<u>34,875</u>	<u>(15,201)</u>	<u>(288,661)</u>	<u>308,157</u>	<u>(8,739)</u>	<u>299,418</u>

13. Comparatives

The comparative unaudited condensed consolidated financial statements have been re-presented as the segment of the manufacturing and sales of air-conditioners was discontinued during the year 2016. Certain comparative amounts have been reclassified to conform to the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in (i) rental of energy-saving air-conditioners, (ii) trading business, (iii) the operations of carbon emission trading platform and related services, (iv) money lending business and (v) securities trading business.

BUSINESS REVIEW AND PROSPECT

Rental of Air-conditioners

The Group recorded approximately HK\$807,000 of revenue from the rental business of energy-saving air-conditioners for the period ended 31 March 2017, representing an increase of approximately 111.81% compared with the last corresponding period of approximately HK\$381,000. Loss of this segment decreased by approximately 22.01% from approximately HK\$3,090,000 for the period ended 31 March 2016 to approximately HK\$2,410,000 for the period ended 31 March 2017. The Group expected that the revenue of this segment will grow at a reasonable rate.

Trading Business

During the period under review, revenue from trading business was a major revenue of the Group amounted to approximately HK\$66,837,000, representing a decrease of approximately 0.02% compared with the last corresponding period of approximately HK\$66,852,000. The Group's trading business includes trading of some computer related products. Profit of this segment increased by approximately 423.68% from approximately HK\$532,000 for the period ended 31 March 2016 to approximately HK\$2,786,000 for the period ended 31 March 2017. The improved performance for this segment was due to the higher gross profit margin and the benefits of cost cutting measures.

The Operations of Carbon Emission Trading Platform and Related Services

The Group has no revenue from the operations of carbon emission trading platform ("CETP") for the periods ended 31 March 2017 and 2016. Loss of this segment decreased by approximately 57.12% from approximately HK\$1,131,000 for the period ended 31 March 2016 to approximately HK\$485,000 for the period ended 31 March 2017. The Group is considering different ways to broaden the revenue base of the CETP.

Money Lending Business

The Group recorded loans interest income of approximately HK\$861,000 from the money lending business for the period ended 31 March 2017, representing a decrease of approximately 55.25% compared with the last corresponding period of approximately HK\$1,924,000. The profit of this segment decreased by approximately 62.23% from approximately HK\$1,411,000 for the period ended 31 March 2016 to approximately HK\$533,000 for the period ended 31 March 2017. The Group will expand the money lending business when the Group has sufficient fund.

Securities Trading Business

The Group commenced its securities trading business to provide brokerage services and securities margin financing to clients in July 2016. The Group recorded approximately HK\$619,000 of revenue from securities trading business for the period ended 31 March 2017. The loss of this segment was approximately HK\$642,000 for the period ended 31 March 2017. The Group expects to expand its securities margin financing to clients and to provide online trading services in July 2017 in order to facilitate the ease of securities trading and hence improve the performance of this segment.

Notwithstanding the difficult challenges ahead, the Group will use its best endeavours to take all necessary effective actions and measures that the Board thinks fit with the aim to ensuring the sustainability of the Group's business development. The Group will actively identify potential investment opportunities for the further development of the Group and for the benefit of our shareholders as a whole.

FINANCIAL REVIEW

For the three months ended 31 March 2017, the Group's unaudited consolidated revenue from continuing operations was approximately HK\$69,124,000 (31 March 2016: approximately HK\$69,157,000) which decreased approximately by 0.05% comparing with the corresponding period last year. The administrative expenses of the Group for the three months ended 31 March 2017 amounted to approximately HK\$7,901,000 (31 March 2016: approximately HK\$25,683,000) representing a decrease of approximately 69.24% comparing with the corresponding period last year. The decrease in administrative expenses was mainly due to no equity-settled share-based payments recognised for the period ended 31 March 2017 (31 March 2016: approximately HK\$16,100,000).

The improvement in other gains and losses was mainly due to the record of approximately HK\$925,000 of unrealised gain on financial assets at fair value through profit or loss for the period ended 31 March 2017 (31 March 2016: unrealised loss of approximately HK\$1,686,000).

Loss attributable to owners of the Company for the three months ended 31 March 2017 amounted to approximately HK\$2,081,000 (31 March 2016: approximately HK\$23,493,000), representing a decrease in loss of approximately 91.14% comparing with the corresponding period last year. Excluding the effect of equity-settled share-based payments and unrealised gain or loss on financial assets at fair value through profit or loss, non-cash items, the loss attributable to owners of the Company for the three months ended 31 March 2017 amounted to approximately HK\$3,006,000 (31 March 2016: approximately HK\$5,707,000), representing a decrease in loss of approximately 47.33% comparing with the corresponding period last year. The decrease in the loss attributable to owners of the Company was mainly due to the decrease in administrative expenses such as staff costs, legal and professional fees and rental expenses and the improved performance of trading business.

DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 March 2017 (2016: Nil).

MAJOR EVENTS DURING THE REPORTING PERIOD

Subscription of new shares under general mandate

On 4 January 2017, the Company and the subscribers entered into the subscription agreements pursuant to which the Company has conditionally agreed to allot and issue, and the subscribers have agreed to subscribe for a total of 115,153,225 new ordinary shares of nominal value of HK\$4,606,129 in the capital of the Company at the subscription price of HK\$0.329 per subscription share. The gross proceeds raised from the subscription in aggregate amount was approximately HK\$37,885,000. The subscription was completed on 18 January 2017. Details of the subscription are set out in the Company's announcements dated 4 January 2017 and 18 January 2017.

Rights issue

On 29 March 2017, the Company entered an underwriting agreement with an underwriter in connection with the Rights Issue (as defined below). The Company proposed to issue a total of 345,459,675 new ordinary shares of nominal value of HK\$13,818,387 in the capital of the Company at a subscription price of HK\$0.3 per rights share to the shareholders of the Company on the basis of one rights share for every two shares held on the record date, 13 April 2017 ("Rights Issue"). The net proceeds raised from the Rights Issue was approximately HK\$99,690,000 which was intended to be used (i) as to approximately HK\$50,000,000 for the development of securities trading business; (ii) as to approximately HK\$25,000,000 for the development of money lending business; (iii) as to approximately HK\$3,000,000 for the operations of carbon emission trading platform; and (iv) as to the remaining balance of approximately HK\$21,690,000 for general working capital and the future business development of the Group. The Rights Issue will be completed on 12 May 2017, details please refer to the announcements of the Company dated 29 March 2017 and 11 May 2017; and the prospectus of the Company dated 18 April 2017.

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 three months ended 31 March 2017.

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

As at 31 March 2017, 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 (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 were as follows:

Long positions in shares and underlying shares of the Company

Name of Directors	Number of underlying shares held under share options	Number of shares held	Percentage of the issued share capital of the Company
Chan Kwok Wing	9,321,875	–	1.35%
Shi Guang Rong	–	86,364,919	12.50%

Save as disclosed herein, neither the directors nor any of their associates had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations as at 31 March 2017 as defined in Section 352 of the SFO. In addition, 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).

Save as disclosed 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.

SHARE OPTION SCHEME

A share option scheme has been adopted and approved by the shareholders of the Company at the annual general meeting held on 9 May 2012 (the "Share Option Scheme"). As at 31 March 2017, the Company has 40,608,625 options outstanding which represented approximately 5.88% of the total number of issued shares of the Company as at that date.

The following table discloses movements in the Company's share options during the period ended 31 March 2017:

Category of participants	Date of share options granted	Outstanding at beginning of the period	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at end of the period	Exercise price HK\$	Exercise period
Directors	8 January 2015	5,286,375	-	-	(1,714,500)	3,571,875	1.752	8 January 2015 – 9 May 2022
	18 January 2016	11,500,000	-	-	(5,750,000)	5,750,000	0.520	18 January 2016 – 9 May 2022
Employees and adviser	8 January 2015	9,784,080	-	-	(1,497,330)	8,286,750	1.752	8 January 2015 – 9 May 2022
	18 January 2016	34,237,657	-	-	(11,237,657)	23,000,000	0.520	18 January 2016 – 9 May 2022
		<u>60,808,112</u>	<u>-</u>	<u>-</u>	<u>(20,199,487)</u>	<u>40,608,625</u>		

Adjustments will be made to the exercise price and the number of shares of the Company comprised in the outstanding share options which may be allotted and issued upon exercise as a result of the rights issue to be completed on 12 May 2017. Details of the adjustments to the outstanding share options, please refer to the announcement of the Company dated 11 May 2017.

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

As at 31 March 2017, the interests and 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 shareholders	Number of shares interested	Capacity in which shares are held	Approximate percentage of issued share capital
Mr. Shi Guang Rong (note 1)	86,364,919	Beneficial owner	12.50%
Yuxing InfoTech Investment Holdings Limited (note 2)	53,920,000	Interest in controlled corporation	7.80%
Yuxing Group (International) Limited (note 2)	53,920,000	Interest in controlled corporation	7.80%
Yuxing Technology Company Limited (note 2)	53,920,000	Beneficial owner	7.80%
Ms. Sun Fengna	40,002,000	Beneficial owner	5.79%

Notes:

- Mr. Shi Guang Rong is the substantial shareholder and the non-executive Director of the Company.
- 53,920,000 shares of the Company are held by Yuxing Technology Company Limited which is a wholly-owned subsidiary of Yuxing Group (International) Limited, which in turn is wholly owned by Yuxing InfoTech Investment Holdings Limited. By virtue of the provisions of Part XV of the SFO, each of Yuxing Group (International) Limited and Yuxing InfoTech Investment Holdings Limited was deemed to be interested in the shares of the Company in which Yuxing Technology Company Limited was interested.

Save as disclosed above, as at 31 March 2017, the Directors were not aware of any other person who had an interest or short position in the shares or underlying shares 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.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors and the substantial shareholders 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 which any such person has or may have with the Group.

CONNECTED TRANSACTIONS

No contract 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 three months ended or at any time during the three months ended 31 March 2017.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions as set out in Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules for the three months ended 31 March 2017, other than the code provision A.2.1 of the CG Code as disclosed below.

DISTINCTIVE ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

As at the date of this report, Mr. Chan Kwok Wing is the chief executive officer of the Group. The position of the chairman of the Board is vacant. The Board will appoint a chairman to fill the vacancy when the appropriate candidate has been identified.

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 to 5.33 of the GEM Listing Rules. As at the date of this report, the Audit Committee comprises three members, Mr. Leung Wah (Chairman), Ms. Sun Ching and Ms. Wong Mei Ling, all of them are independent non-executive Directors.

The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal controls system and risk management 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. The Audit Committee has reviewed the Group’s unaudited first quarterly results for the three months ended 31 March 2017 and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as 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 31 March 2017.

Global Energy Resources International Group Limited

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

Executive Directors:

Mr. Chan Kwok Wing

Mr. Wang An Zhong

Non-executive Director:

Mr. Shi Guang Rong

Independent non-executive Directors:

Mr. Leung Wah

Ms. Sun Ching

Ms. Wong Mei Ling

By order of the Board

Global Energy Resources International Group Limited

Chan Kwok Wing

Chief Executive Officer and Executive Director

Hong Kong, 11 May 2017