

# 2015

Interim Report



**Enviro Energy**  
**International Holdings Limited**

環能國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1102)

# Contents

Corporate Information	3
Management Discussion and Outlook	4
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
Condensed Consolidated Statement of Financial Position	10
Condensed Consolidated Statement of Changes in Equity	11
Condensed Consolidated Statement of Cash Flows	13
Notes to the Condensed Consolidated Interim Financial Information	15
Other Information	31

## Abbreviations

In this interim report, the following abbreviations have the following meanings unless otherwise specified:

“Board”	the Board of Directors of the Company
“CAD”	Canadian dollars
“Company”	Enviro Energy International Holdings Limited
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$” and “HK cents”	Hong Kong dollars and cents
“%”	per cent.

# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Suen Cho Hung, Paul

*(Chairman)*

Mr. Sue Ka Lok

*(Chief Executive Officer)*

Mr. Lai Ming Wai

Mr. Zhu Lijia

*(appointed on 31 August 2015)*

Mr. Zhang Yuanqing

*(appointed on 31 August 2015)*

### Independent Non-executive Directors

Mr. David Tsoi

Mr. Chiang Bun

Ms. Leung Pik Har, Christine

## AUDIT COMMITTEE

Mr. David Tsoi *(Chairman)*

Mr. Chiang Bun

Ms. Leung Pik Har, Christine

## REMUNERATION COMMITTEE

Mr. Chiang Bun *(Chairman)*

Mr. David Tsoi

Ms. Leung Pik Har, Christine

## NOMINATION COMMITTEE

Ms. Leung Pik Har, Christine *(Chairman)*

Mr. David Tsoi

Mr. Chiang Bun

Mr. Sue Ka Lok

## COMPANY SECRETARY

Ms. Chan Yuk Yee

## TRADING OF SHARES

The Stock Exchange of Hong Kong Limited  
(Stock Code: 1102)

## REGISTERED OFFICE

Cricket Square, Hutchins Drive,

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1502, 15th Floor

Great Eagle Centre

23 Harbour Road

Wanchai, Hong Kong

## PRINCIPAL BANKERS

The Hongkong and Shanghai Banking  
Corporation Limited

Hang Seng Bank Limited

Bank of Communications Co., Ltd., Hong Kong Branch

## AUDITOR

PricewaterhouseCoopers

*Certified Public Accountants*

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company  
(Cayman) Limited

4th Floor, Royal Bank House

24 Shedden Road

George Town

Grand Cayman KY1-1111

Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited

Level 22, Hopewell Centre

183 Queen's Road East

Hong Kong

## WEBSITE

<http://www.enviro-energy.com.hk>

\* The above information is updated to 16 September 2015, the latest practicable date before printing of this interim report.

# Management Discussion and Outlook

## CONTINUING OPERATIONS

During the six months ended 30 June 2015, the Group continued to engage in investment holding, natural resources and information technology related businesses. For the review period, the Group reported revenue of HK\$184,000, decreased by 68% from the previous period (30 June 2014: HK\$571,000), and gross profit of HK\$142,000, showing a decrease of 18% compared to the prior period (30 June 2014: HK\$173,000). The decreases in the Group's revenue and gross profit were mainly attributed to the decrease in sales of marble products during the review period.

### Business Review

#### **Natural resources and related business**

##### *Marble business-operations*

The Group continues to advance its business plan for industrial minerals. The Company through a non-wholly owned subsidiary has a co-operation agreement with an Indonesian marble company whereby the Group has been appointed as the general distributor in Indonesia and exclusive distributor overseas for some marble products. The Group also has an exclusive right to use cutting and processing facilities as well as a warehouse, which are all located in the Jakarta area. The co-operation represents an excellent opportunity for the Group to move into a more integrated business model to secure a sustainable supply of quality marble products.

The Company through another subsidiary has a distribution arrangement with a company from the Sultanate of Oman that opened the Mideast marble market to the Company by appointing that company as a distributor of the Group's Indonesian marble products in Oman and the surrounding region. At the same time, the Group will broaden and expand its Asian market by becoming sole distributor of the Oman marble products in Indonesia and general distributor elsewhere.

During the period under review, the operation is still in the stage of developing various sale channels for its marble products. The operation recorded a 68% decrease in revenue to HK\$174,000 (30 June 2014: HK\$540,000), mainly because market conditions were sluggish, and loss of the operation was down to HK\$1,764,000 (30 June 2014: HK\$3,085,000), primarily due to the reduction of operating expenses during the review period.

##### *Marble business-resources and reserves*

As at 30 June 2015, the Company indirectly held approximately 90% of PT. Bara Hugo Energy ("BHE") which in turn held 37.5% of PT. Grasada Multinational ("GM"), which held a mining permit covering the Maros Marble Project in southwestern Sulawesi, Indonesia ("GM Quarry"). BHE also held warrants in GM which upon exercise will bring its shareholding in GM to 60%. As announced on 17 February 2014, the Company completed a competent person's report ("CPR") on the GM Quarry. According to the CPR, as of 30 November 2013, the total proved and probable gross (100%) mineable reserve of marble estimated was approximately 2,613,000 m<sup>3</sup>. Details of the resources from the CPR have been set out in the annual report of the Company for the year ended 31 December 2014. As at 30 June 2015, there were no material changes to these resource figures.

#### **Information technology and related business**

During the period under review, the revenue from the information technology and related business amounted to HK\$10,000 (30 June 2014: HK\$31,000), representing service income for providing system support to client, and operation's loss was decreased to HK\$586,000 (30 June 2014: HK\$1,064,000) which mainly due to the drop in staff costs during the current period.

# Management Discussion and Outlook

## DISCONTINUED OPERATION

### *Gas exploration segment*

On 24 November 2014, the Company announced a proposed distribution in specie to distribute its 100% equity interest in Aces Diamond International Ltd. (“Aces Diamond”) and Chavis International Ltd., being two former wholly owned subsidiaries of the Company which together held 71.61% equity interest in TerraWest Energy Corporation (“TWE”), to its shareholders (the “Distribution in Specie”). The transaction was approved by shareholders of the Company on 28 January 2015. On 29 January 2015, Aces Diamond subscribed for 95,923,930 ordinary shares of TWE and the Group’s controlling interests in TWE had increased from 71.61% to 77.97%. The Distribution in Specie was completed on 18 February 2015. Accordingly, the results of the operation of gas exploration in China are accounted for as discontinued operation in the condensed consolidated statement of profit or loss and other comprehensive income for the current period and the corresponding results of the prior period have also been restated. This discontinued operation did not generate any revenue for both the current and prior periods. For details of the Distribution in Specie, please refer to the Company’s circular dated 12 January 2015.

## OVERALL RESULTS

For the period ended 30 June 2015, the Group recorded a loss attributable to owners of the Company of HK\$19,239,000 (30 June 2014: HK\$18,576,000) and basic loss per share of HK0.37 cent (30 June 2014: HK0.53 cent) from continuing and discontinued operations. The increase in the Group’s loss for the period was mainly due to the rise in administrative and operating expenses, being mainly staff costs (including directors’ emoluments) and professional fees incurred in relation to the Distribution in Specie and the general offer extended to shareholders in June 2015, by 8% to HK\$22,963,000.

## OTHER COMPREHENSIVE LOSS AND INCOME

For the period ended 30 June 2015, the Group recorded an other comprehensive loss for the period, net of tax of HK\$58,353,000 (30 June 2014: other comprehensive income of HK\$4,020,000) which mainly due to the exchange losses arising on translation of the Group’s Indonesian marble operation and the discontinued Canadian TWE operation amounting to HK\$58,441,000 in aggregate (30 June 2014: exchange gain of HK\$4,082,000). During the review period, the Canadian dollar and Indonesian Rupiah had depreciated against the Hong Kong dollar, which resulted in exchange losses when translating the financial statements of these Indonesian and Canadian operations.

## FINANCIAL REVIEW

### **Liquidity, Financial Resources and Capital Structure**

At 30 June 2015, the Group had current assets of HK\$47,943,000 (31 December 2014: HK\$33,270,000, excluding assets of disposal group classified as held for distribution) comprising bank balances and cash of HK\$45,601,000 (31 December 2014: HK\$29,033,000). The Group’s current ratio, calculated based on current assets of HK\$47,943,000 (31 December 2014: HK\$33,270,000, excluding assets of disposal group classified as held for distribution) over current liabilities of HK\$41,868,000 (31 December 2014: HK\$23,455,000, excluding liabilities of disposal group classified as held for distribution), was at a healthy ratio of about 1.15 at the period end (31 December 2014: 1.42). At the period end, the Group’s other payables increased by 79% to HK\$41,868,000 over last year (31 December 2014: HK\$23,455,000) that was primarily due to the aggregate amount of approximately HK\$31,729,000 received by the Company for the exercise of warrants and share options. The related shares have been issued and allotted to respective shareholders after the period end.

## Management Discussion and Outlook

At the period end, the equity attributable to owners of the Company amounted to HK\$53,380,000 (31 December 2014: HK\$64,601,000, excluding assets, liabilities and non-controlling interests of the disposal group classified as held for distribution). The decrease in the equity attributable to owners of the Company was mainly a result of the loss incurred by the Group during the review period, which had been partly offset by the aggregate amount of about HK\$12,874,000 raised by the Company through the exercise of share options and warrants by respective holders during the review period. Subsequent to 30 June 2015 and up to 26 August 2015, the date of issue of the Company's results announcement for the six months ended 30 June 2015, approximately 679,295,000 shares of the Company had been newly issued as a result of exercise of share options and warrants. The net proceeds received by the Company from the exercise of share options and warrants were in aggregate approximately HK\$142,748,000.

In November 2014, the Company issued 1,746,773,000 shares of the Company at the subscription price of HK\$0.02 per share by way of open offer and raised net proceeds of approximately HK\$33,597,000. Such proceeds were intended and have been applied as general working capital of the Group. During the review period, the Group incurred administrative and operating expenses of HK\$22,963,000, including staff costs and directors' emoluments of HK\$17,609,000 and legal and professional fees in relation to the Distribution in Specie and general offer extended to shareholders in June 2015 of about HK\$787,000.

As mentioned above, on 18 February 2015, the Distribution in Specie was completed and the Company's share premium account was reduced by approximately HK\$555,559,000, which represented the net assets value of the disposal group attributable to the owners of the Company at time of completion.

As at 30 June 2015 and 31 December 2014, the Group had no indebtedness and gearing ratio was not presented accordingly.

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

### Foreign Currency Management

During the review period, the Group mainly earned revenue and incurred costs in Hong Kong dollar, Indonesian Rupiah, Canadian dollar, Renminbi and United States dollar and no hedging measures had been undertaken. The management will continue to monitor closely the Group's foreign exchange risks by entering into forward contracts and utilizing applicable derivatives to hedge out foreign exchange risks when considers appropriate.

### Pledge of Assets

At 30 June 2015, the Group had no significant assets under pledge (31 December 2014: nil).

### Contingent Liabilities

At 30 June 2015, the Group had no significant contingent liabilities (31 December 2014: nil).

### Capital Commitments

At 30 June 2015, the Group had no significant capital commitments (31 December 2014: nil).

# Management Discussion and Outlook

## HUMAN RESOURCES AND REMUNERATION POLICY

At 30 June 2015, the Group's continuing operations had about 20 (30 June 2014: 29) employees including directors. For the review period, total staff costs of the continuing operations, including directors' emoluments, was HK\$17,609,000 (30 June 2014: HK\$13,637,000). Remuneration packages for employees and directors are structured by reference to market terms and individual competence, performance and experience. Benefits plans maintained by the Group include provident fund scheme, medical insurance, subsidized training program, share option schemes and discretionary bonuses.

## PROSPECTS

As announced by the Company and Able Victory Enterprises Limited ("Able Victory") jointly on 14 May 2015, Able Victory acquired a controlling interests in the Company from Colpo Mercantile Inc. and Mr. Chan Wing Him Kenny, the former chairman, and has become the controlling shareholder of the Company with its representatives have taken over the management of the Group since June 2015. It is the intention of the new management to continue the existing businesses of the Group and to explore investment opportunities in these natural resources and information technology segments or other new segments with good potentials with the view to enhance prosperity of the Group in terms of profitability and growth as well as shareholders' value.



## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015

		Six months ended 30 June	
	Notes	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited) (Restated)
<b>Continuing operations</b>			
Revenue	7	184	571
Cost of sales		(42)	(398)
Gross profit		142	173
Other income and gains		3,305	305
Selling and distribution expenses		(64)	(62)
Administrative and operating expenses		(22,963)	(21,264)
Loss before income tax	8	(19,580)	(20,848)
Income tax	9	-	-
Loss for the period from continuing operations		(19,580)	(20,848)
<b>Discontinued operation</b>			
Profit for the period from discontinued operation	10	4	752
<b>Loss for the period</b>		<b>(19,576)</b>	<b>(20,096)</b>
<b>Other comprehensive (loss)/income</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Fair value gain/(loss) on available-for-sale investment		88	(62)
Exchange differences arising from translation of foreign operations		(58,441)	4,082
Other comprehensive (loss)/income for the period, net of tax		(58,353)	4,020
<b>Total comprehensive loss for the period</b>		<b>(77,929)</b>	<b>(16,076)</b>
<b>Loss for the period attributable to:</b>			
Owners of the Company			
— Continuing operations		(19,450)	(20,569)
— Discontinued operation		211	1,993
		(19,239)	(18,576)
Non-controlling interests			
— Continuing operations		(130)	(279)
— Discontinued operation		(207)	(1,241)
		(337)	(1,520)
		(19,576)	(20,096)

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015

	Notes	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited) (Restated)
<b>Total comprehensive (loss)/income for the period attributable to:</b>			
Owners of the Company		(63,478)	(16,531)
Non-controlling interests		(14,451)	455
		(77,929)	(16,076)
<b>Total comprehensive (loss)/income for the period attributable to owners of the Company arising from:</b>			
Continuing operations		(21,454)	(19,530)
Discontinued operation		(42,024)	2,999
		(63,478)	(16,531)
<b>(Loss)/earnings per share attributable to owners of the Company</b> (expressed in HK cent per share)	12		
Basic			
— from continuing operations		(0.37)	(0.59)
— from discontinued operation		-	0.06
		(0.37)	(0.53)
Diluted			
— from continuing operations		(0.37)	(0.59)
— from discontinued operation		-	0.06
		(0.37)	(0.53)
Dividends	11	-	-

The notes on pages 15 to 30 form an integral part of this condensed consolidated interim financial information.

# Condensed Consolidated Statement of Financial Position

As at 30 June 2015

	Notes	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	13	892	1,278
Exploration and evaluation assets	14	131,179	141,070
Available-for-sale investment		435	347
Club memberships		330	2,700
Deposits		378	467
		<b>133,214</b>	<b>145,862</b>
<b>Current assets</b>			
Inventories		993	1,228
Trade receivables	15	87	108
Deposits, prepayments and other receivables		1,262	2,271
Financial asset at fair value through profit or loss		-	630
Bank balances and cash		45,601	29,033
		<b>47,943</b>	<b>33,270</b>
Assets of disposal group classified as held for distribution		-	977,157
		<b>47,943</b>	<b>1,010,427</b>
<b>Total assets</b>		<b>181,157</b>	<b>1,156,289</b>
<b>Current liabilities</b>			
Other payables		41,868	23,455
		<b>41,868</b>	<b>23,455</b>
Liabilities of disposal group classified as held for distribution		-	217,572
<b>Total liabilities</b>		<b>41,868</b>	<b>241,027</b>
<b>Net current assets</b>		<b>6,075</b>	<b>769,400</b>
<b>Total assets less current liabilities</b>		<b>139,289</b>	<b>915,262</b>
<b>Net assets</b>		<b>139,289</b>	<b>915,262</b>
<b>Equity</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	16	13,281	13,101
Reserves		40,099	613,541
		<b>53,380</b>	<b>626,642</b>
<b>Non-controlling interests</b>		<b>85,909</b>	<b>288,620</b>
<b>Total equity</b>		<b>139,289</b>	<b>915,262</b>

The notes on pages 15 to 30 form an integral part of this condensed consolidated interim financial information.

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Attributable to owners of the Company							Sub-total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Share options reserve HK\$'000	Translation reserve HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000			
As at 1 January 2014	8,734	929,450	19,980	84,445	19,001	11,112	(386,549)	686,173	310,144	996,317
<b>Comprehensive loss</b>										
Loss for the period	-	-	-	-	-	-	(18,576)	(18,576)	(1,520)	(20,096)
<b>Other comprehensive income/(loss)</b>										
Fair value loss on available-for-sale investment	-	-	-	-	-	(62)	-	(62)	-	(62)
Exchange differences arising from translation of foreign operations	-	-	-	-	2,107	-	-	2,107	1,975	4,082
Total other comprehensive income/(loss)	-	-	-	-	2,107	(62)	-	2,045	1,975	4,020
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	-	2,107	(62)	(18,576)	(16,531)	455	(16,076)
<b>Transactions with shareholders</b>										
Recognition of equity-settled share-based payments	-	-	-	538	-	-	-	538	-	538
Lapse of warrants	-	-	-	-	-	(125)	125	-	-	-
<b>Total transactions with shareholders</b>	-	-	-	538	-	(125)	125	538	-	538
As at 30 June 2014	8,734	929,450	19,980	84,983	21,108	10,925	(405,000)	670,180	310,599	980,779

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Attributable to owners of the Company									
	Share capital	Share premium	Capital reserve	Share options reserve	Translation reserve	Other reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2015	13,101	968,297	19,980	77,999	(29,711)	40,303	(463,327)	626,642	288,620	915,262
<b>Comprehensive loss</b>										
Loss for the period	-	-	-	-	-	-	(19,239)	(19,239)	(337)	(19,576)
<b>Other comprehensive (loss)/income</b>										
Fair value gain on available-for-sale investment	-	-	-	-	-	88	-	88	-	88
Exchange differences arising from translation of foreign operations	-	-	-	-	(44,327)	-	-	(44,327)	(14,114)	(58,441)
Total other comprehensive (loss)/income	-	-	-	-	(44,327)	88	-	(44,239)	(14,114)	(58,353)
<b>Total comprehensive (loss)/income for the period</b>	-	-	-	-	(44,327)	88	(19,239)	(63,478)	(14,451)	(77,929)
<b>Transactions with shareholders</b>										
Lapse of share options	-	-	-	(5,641)	-	-	5,641	-	-	-
Exercise of share options (note 16(a))	61	4,842	-	(2,017)	-	-	-	2,886	-	2,886
Exercise of warrants (note 16(b))	119	11,200	-	-	-	(1,331)	-	9,988	-	9,988
Purchase of non-controlling interests (note 11)	-	-	-	-	-	32,901	-	32,901	(32,901)	-
Distribution in specie (note 11)	-	(555,559)	-	-	-	-	-	(555,559)	(155,359)	(710,918)
Derecognition upon distribution in specie	-	-	-	-	55,707	(91,669)	35,962	-	-	-
Total transactions with shareholders	180	(539,517)	-	(7,658)	55,707	(60,099)	41,603	(509,784)	(188,260)	(698,044)
As at 30 June 2015	13,281	428,780	19,980	70,341	(18,331)	(19,708)	(440,963)	53,380	85,909	139,289

The notes on pages 15 to 30 form an integral part of this condensed consolidated interim financial information.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015

	Notes	For the six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
<b>Operating activities</b>			
Loss before taxation, including discontinued operation		(19,576)	(21,652)
<b>Adjustments for:</b>			
Bank interest income		(1)	(1)
Other interest income		(4)	(206)
Depreciation of property, plant and equipment		135	276
Gain on disposal of property, plant and equipment		(51)	–
Write down of inventories		216	–
Reversal of accrual for withholding tax		(3,157)	–
Share-based payments		–	538
Fair value gain on financial asset at fair value through profit or loss		–	(2)
Operating cash flow before movements in working capital		(22,438)	(21,047)
(Increase)/decrease in trade receivables		(62)	78
Increase in inventories		(62)	(1,487)
Decrease/(increase) in deposits, prepayments and other receivables		755	(519)
Increase/(decrease) in other payables		21,281	(4,461)
Net cash used in operating activities		(526)	(27,436)
<b>Investing activities</b>			
Purchase of property, plant and equipment	13	(1,037)	(23)
Proceeds from disposal of property, plant and equipment		238	–
Bank interest received		1	1
Proceeds from disposal of subsidiaries	17	4,095	–
Net cash generated from/(used in) investing activities		3,297	(22)
<b>Financing activities</b>			
Proceeds from exercise of warrants	16(b)	9,988	–
Proceeds from exercise of share options	16(a)	2,886	–
Cash outflow from distribution in specie	11	(112)	–
Net cash generated from financing activities		12,762	–

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015

	For the six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
<b>Net increase/(decrease) in bank balances and cash</b>	<b>15,533</b>	(27,458)
Bank balances and cash at beginning of the period including disposal group	29,166	37,493
Effect of foreign exchange rate changes, net	902	(15)
Bank balances and cash at end of the period	<b>45,601</b>	10,020

The notes on pages 15 to 30 form an integral part of this condensed consolidated interim financial information.

# Notes to the Condensed Consolidated Interim Financial Information

## 1 GENERAL INFORMATION

The Group is engaged in investment holding, natural resources and information technology related businesses.

The Company was incorporated as an exempted company in the Cayman Islands with limited liability under the Companies Law (Revised) of the Cayman Islands on 3 July 2002. The shares of the Company are listed on the Stock Exchange. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

This condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated.

## 2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standard 34, "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosures required by the Listing Rules. It should be read in conjunction with the annual financial statements for the year ended 31 December 2014, prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

## 3 PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

Amendments to HKFRSs effective for the financial year ending 31 December 2015 do not have a material impact on the Group.

The Group has not adopted any new HKFRSs that are not yet effective for the current accounting period.

## 4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.



## Notes to the Condensed Consolidated Interim Financial Information

### 5 FINANCIAL RISK MANAGEMENT

#### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: currency risk, interest rate risk, other price risk, credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014. There have been no significant changes in the risk management policies since the year end.

#### 5.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets that are measured at fair value at 30 June 2015 and 31 December 2014:

Asset	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>As at 30 June 2015</b>				
Available-for-sale investment	435	–	–	435
<b>As at 31 December 2014</b>				
Financial asset at fair value through profit or loss	–	–	630	630
Available-for-sale investment	347	–	–	347
	347	–	630	977

There were no transfers of financial assets between Level 1, Level 2 and Level 3 fair value hierarchy classification for the six months ended 30 June 2015 and 2014.

## Notes to the Condensed Consolidated Interim Financial Information

### 5 FINANCIAL RISK MANAGEMENT (Continued)

#### 5.2 Fair value estimation (Continued)

The following table presents the changes in level 3 instruments for the six months ended 30 June 2015 and 2014:

	For the six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Opening balance at 1 January	630	900
Fair value gain recognised in profit or loss	-	2
Disposal of subsidiaries	(630)	-
Closing balance at 30 June	-	902
Total gain for the period included in profit or loss for assets held at the end of the reporting period	-	2
Total unrealised gain for the period included in profit or loss at the end of the reporting period	-	2

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity investment classified as available-for-sale investment denominated in Canadian dollar.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, the financial instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the financial instrument is included in level 3.

#### 5.3 Fair value of financial assets and liabilities measured at amortised cost

The fair values of the club memberships, trade and other receivables, bank balances and cash and other payables as at 30 June 2015 and 31 December 2014 approximate to their carrying amounts.

## Notes to the Condensed Consolidated Interim Financial Information

### 6 SEGMENT INFORMATION

In a manner consistent with the way in which information is reported internally to the Company's chief operating decision maker, the Group has presented the following reportable segments:

- (i) Natural resources and related business
- (ii) Information technology and related business
- (iii) Exploration, development and production of coalbed methane and natural gas in China (discontinued operation (note 10))

For the purposes of assessing segment performance and allocating resources between segments, the chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

- (a) Segment assets include all assets except for available-for-sale investment, club memberships, financial asset at fair value through profit or loss and other unallocated corporate assets.
- (b) Segment liabilities include all liabilities except for unallocated corporate liabilities.
- (c) Segment results are allocated to reportable segments with reference to sales generated and expenses incurred by those segments, together with other income and gains, selling and distribution expenses, administrative and operating expenses and income tax.

## Notes to the Condensed Consolidated Interim Financial Information

### 6 SEGMENT INFORMATION (Continued)

An analysis of the Group's revenue, results, assets, liabilities and capital expenditures by reportable segments is as follows:

	Continuing operations		Discontinued operation		Consolidated HK\$'000
	Information technology and related business HK\$'000	Natural resources and related business HK\$'000	Sub-total HK\$'000	Gas exploration in China HK\$'000	
<b>For the six months ended 30 June 2015</b>					
Segment revenue	10	174	184	-	184
Gross profit	9	133	142	-	142
Other income and gains	32	62	94	5	99
Selling and distribution expenses	-	(64)	(64)	-	(64)
Administrative and operating expenses	(627)	(1,895)	(2,522)	(1)	(2,523)
Segment results	(586)	(1,764)	(2,350)	4	(2,346)
Unallocated:					
Other income and gains					3,211
Administrative and operating expenses					(20,441)
Loss before income tax					(19,576)
Income tax					-
Loss for the period					(19,576)
<b>As at 30 June 2015</b>					
Segment assets	-	134,297	134,297	-	134,297
Unallocated assets					46,860
Total assets					181,157
Segment liabilities	-	9,144	9,144	-	9,144
Unallocated liabilities					32,724
Total liabilities					41,868
	Continuing operations		Discontinued operation		Consolidated HK\$'000
	Information technology and related business HK\$'000	Natural resources and related business HK\$'000	Gas exploration in China HK\$'000	Unallocated HK\$'000	
<b>For the six months ended 30 June 2015</b>					
Capital expenditures	-	-	-	1,037	1,037

## Notes to the Condensed Consolidated Interim Financial Information

### 6 SEGMENT INFORMATION (Continued)

	Continuing operations		Sub-total HK\$'000	Discontinued operation	Consolidated HK\$'000
	Information technology and related business HK\$'000	Natural resources and related business HK\$'000		Gas exploration in China HK\$'000	
<b>For the six months ended 30 June 2014</b>					
Segment revenue	31	540	571	–	571
Gross profit	22	151	173	–	173
Selling and distribution expenses	–	(62)	(62)	–	(62)
Administrative and operating expenses	(1,086)	(3,174)	(4,260)	(804)	(5,064)
Income tax	–	–	–	1,556	1,556
Segment results	(1,064)	(3,085)	(4,149)	752	(3,397)
Unallocated:					
Other income and gains					305
Administrative and operating expenses					(17,004)
Loss before income tax					(20,096)
Income tax					–
Loss for the period					(20,096)
<b>As at 31 December 2014</b>					
Segment assets	6,177	144,612	150,789	977,157	1,127,946
Unallocated assets					28,343
Total assets					1,156,289
Segment liabilities	1,449	828	2,277	217,572	219,849
Unallocated liabilities					21,178
Total liabilities					241,027
	Continuing operations		Sub-total HK\$'000	Discontinued operation	Consolidated HK\$'000
	Information technology and related business HK\$'000	Natural resources and related business HK\$'000		Gas exploration in China HK\$'000	
<b>For the six months ended 30 June 2014</b>					
Capital expenditures	–	–	–	23	23

## Notes to the Condensed Consolidated Interim Financial Information

### 6 SEGMENT INFORMATION *(Continued)*

The Group's revenue for the six months ended 30 June 2015 is mainly derived from the natural resources and related businesses (2014: same). The Group's non-current assets other than available-for-sale investment as at 30 June 2015 and 31 December 2014 are analysed as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Hong Kong (place of domicile)	729	3,388
Indonesia	132,050	142,127
	<b>132,779</b>	145,515

### 7 REVENUE

Revenue represents amount receivable for goods sold and services provided in the normal course of business.

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

	For the six months ended 30 June 2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Continuing operations:		
Sale of marble products	174	540
Network infrastructure maintenance	10	31
	<b>184</b>	571

## Notes to the Condensed Consolidated Interim Financial Information

### 8 LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging/(crediting) the following:

	Continuing operations		Discontinued operation		Total	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of inventories sold	42	389	-	-	42	389
Depreciation of property, plant and equipment	135	276	-	-	135	276
Fair value gain on financial asset at fair value through profit or loss	-	(2)	-	-	-	(2)
Operating lease payments	919	1,309	-	173	919	1,482
Investor relations expenses						
— Cash payments	273	615	-	-	273	615
— Share-based payments	-	63	-	-	-	63
Staff costs, including directors' emoluments						
— Salaries, allowances and other benefits (note)	17,544	13,072	-	226	17,544	13,298
— Retirement benefit scheme contributions	65	90	-	-	65	90
— Share-based payments	-	475	-	-	-	475
Gain on disposal of property, plant and equipment	(51)	-	-	-	(51)	-
Exchange (gain)/loss, net	-	114	(5)	-	(5)	114
Write down of inventories	216	-	-	-	216	-
Reversal of accrual for withholding tax	(3,157)	-	-	-	(3,157)	-

Note: During the six months ended 30 June 2015, Mr. Chan Wing Him Kenny, the former chairman and chief executive officer of the Company, and Dr. Arthur Ross Gorrell, a former executive director of the Company, waived emoluments of approximately HK\$1,981,000 and HK\$13,000 respectively (30 June 2014: nil).

### 9 INCOME TAX

The Company was incorporated in the Cayman Islands and is exempted from taxation in the Cayman Islands until 2021. The Company's subsidiaries established in the British Virgin Islands were incorporated under the International Business Companies Acts of the British Virgin Islands and accordingly are exempted from the payment of the British Virgin Islands income taxes.

No Hong Kong profits tax has been provided as the Group did not have any assessable profits in Hong Kong for the six months ended 30 June 2015 (30 June 2014: nil).

Enterprise income tax has not been provided for the subsidiary in China as it did not generate any assessable profits during the six months ended 30 June 2015 (30 June 2014: nil).

Corporate income tax has not been provided for the subsidiaries in Indonesia as they did not generate any assessable profits during the six months ended 30 June 2015 (30 June 2014: nil).

## Notes to the Condensed Consolidated Interim Financial Information

### 10 DISCONTINUED OPERATION

On 24 November 2014, the Board announced a proposed distribution in specie to distribute all of its equity interests of Aces Diamond International Ltd. (“Aces Diamond”) and Chavis International Ltd. (“Chavis”), former subsidiaries of the Company which collectively held 71.61% equity interest in TerraWest Energy Corporation (“TWE”), to its shareholders upon the approval by the shareholders and the completion of a restructuring plan. The distribution in specie was approved by the shareholders of the Company on 28 January 2015 and was completed on 18 February 2015 (note 11). Therefore its results are presented as a discontinued operation in the condensed consolidated interim financial information. Comparative figures have been restated.

	For the six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Expenses	(1)	(804)
Other income	5	–
Profit/(loss) before income tax from discontinued operation	4	(804)
Income tax credit	–	1,556
Profit for the period from discontinued operation	4	752
Profit/(loss) for the period from discontinued operation attributable to:		
— Owners of the Company	211	1,993
— Non-controlling interests	(207)	(1,241)
	4	752
Cash flow from discontinued operation:		
Net cash (used in)/generated from investing activities	(1,388)	5,939

### 11 DIVIDENDS AND DISTRIBUTION IN SPECIE

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2015 (30 June 2014: nil).

On 24 November 2014, the Board announced a proposed dividend by way of distribution in specie to distribute all of its equity interests of Chinook Holdings Limited, Aces Diamond and Chavis, former subsidiaries of the Company which collectively held 71.61% equity interest in TWE, all together known as “Chinook Group”, to its shareholders upon the approval by the shareholders and the completion of a restructuring plan.



## Notes to the Condensed Consolidated Interim Financial Information

### 11 DIVIDENDS AND DISTRIBUTION IN SPECIE *(Continued)*

On 29 January 2015, Aces Diamond subscribed for 95,923,930 ordinary shares of TWE through exercise of 90,000,000 warrants C and 5,923,930 warrants D of TWE at an aggregate considerations of approximately CAD6,892,000 (equivalent to approximately HK\$43,032,000). The considerations were fully set off by the debt owed by TWE to the Company. After the subscription, the Group's controlling interests in TWE had increased from 71.61% to 77.97%. The difference between the considerations paid and the additional share of the carrying value of the net assets of TWE acquired of approximately HK\$32,901,000 was recorded in equity.

On 18 February 2015, all of the Company's equity interests of Chinook Group were distributed to the owners of the Company. The net assets value of Chinook Group attributable to the owners of the Company at the date of distribution was approximately HK\$555,559,000, which was directly deducted from equity.

The net assets of the Chinook Group at the date of completion of distribution in specie:

	<i>HK\$'000</i>
Exploration and evaluation assets	914,421
Bank balances and cash	112
Other payables	(9,322)
Deferred tax liabilities	(194,293)
Net assets	710,918
Non-controlling interests	(155,359)
<b>Net assets attributable to the owners of the Company</b>	<b>555,559</b>
<b>Net cash outflow from distribution in specie:</b>	
Outflow of cash and cash equivalents from distribution in specie	(112)

## Notes to the Condensed Consolidated Interim Financial Information

### 12 (LOSS)/EARNINGS PER SHARE

- (a) Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2015 and 2014.

The calculation of the basic (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Unaudited)
(Loss)/profit attributable to owners of the Company for the purpose of calculating basic (loss)/earnings per share (HK\$'000)		
— Continuing operations	(19,450)	(20,569)
— Discontinued operation	211	1,993
	(19,239)	(18,576)
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share ('000)	5,247,136	3,493,546
Effect of dilutive potential ordinary shares:		
Share options	2,477	—
Weighted average number of ordinary shares for the purpose of calculating diluted (loss)/earnings per share ('000)	5,249,613	3,493,546

- (b) The Group had share options and warrants outstanding as at 30 June 2015. The warrants did not have dilutive effect on (loss)/earnings per share for the six months ended 30 June 2015 (30 June 2014: the share options and warrants did not have dilutive effect on (loss)/earnings per share).

## Notes to the Condensed Consolidated Interim Financial Information

### 13 PROPERTY, PLANT AND EQUIPMENT

	For the six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
<b>Net book value</b>		
At 1 January	1,278	2,078
Additions	1,037	23
Disposals	(187)	–
Disposal of subsidiaries	(1,037)	–
Depreciation charge	(135)	(276)
Exchange differences	(64)	21
At 30 June	892	1,846

### 14 EXPLORATION AND EVALUATION ASSETS

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Mining properties	131,179	141,070

Movement of the mining properties during the period is as follows:

	For the six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
At cost		
At 1 January	141,070	143,462
Exchange differences	(9,891)	2,394
At 30 June	131,179	145,856

## Notes to the Condensed Consolidated Interim Financial Information

### 15 TRADE RECEIVABLES

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Trade receivables	195	216
Less: Provision for impairment	(108)	(108)
	<b>87</b>	108

The Group's trading terms with its customers are mainly on credit for which the credit period is generally for a period of 30 to 60 days.

The ageing analysis of the trade receivables of the Group as at the reporting date, based on invoice date, is as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
31–60 days	3	86
Over 60 days	84	22
	<b>87</b>	108

## Notes to the Condensed Consolidated Interim Financial Information

### 16 SHARE CAPITAL

	Number of shares (‘000)	Nominal value of ordinary shares HK\$‘000 (Unaudited)
<b>Authorised:</b>		
Ordinary shares of HK\$0.0025 each		
At 31 December 2014 and 30 June 2015	20,000,000	50,000
<b>Issued and fully paid:</b>		
At 1 January 2015	5,240,327	13,101
Issuance of new shares upon exercise of share options (note (a))	24,647	61
Issuance of new shares upon exercise of warrants (note (b))	47,568	119
At 30 June 2015	5,312,542	13,281
At 1 January 2014 and 30 June 2014	3,493,546	8,734

Notes:

- (a) During the six months ended 30 June 2015, the Company issued approximately 24,647,000 shares of the Company of HK\$0.0025 each for proceeds of approximately HK\$2,886,000, as a result of exercise of share options. The weighted average exercise price was approximately HK\$0.12 per share.
- (b) During the six months ended 30 June 2015, approximately 47,568,000 shares of the Company were issued as a result of exercise of approximately 47,568,000 units of warrants by warrant holders. The proceeds from the exercise of the warrants was approximately HK\$9,988,000. As at 30 June 2015, the Company had approximately 1,000,487,000 units of warrants outstanding, which represented approximately 18.83% of the Company’s shares in issue as at that date.

## Notes to the Condensed Consolidated Interim Financial Information

### 17 DISPOSAL OF SUBSIDIARIES

During March and April 2015, the Group disposed of the entire issued share capital of (i) STCC Limited; (ii) Sun Ray (China) Limited; (iii) Dragon Bounty Company Limited; and (iv) Sys Solutions Limited, all were wholly owned subsidiaries of the Company which major assets comprised of several motor vehicles, a club membership, a convertible debenture and balances at bank, to Sun Ray Capital Investment Corporation, which is beneficially owned by Mr. Chan Wing Him Kenny, the former chairman and chief executive officer of the Company, at an aggregate consideration of approximately HK\$2,984,000. There was no gain or loss on disposal of these subsidiaries. These transactions constitute related party transactions of the Group (note 18).

In addition, on 26 March 2015, the Group disposed of the entire issued share capital of Basic Corporation Limited, a wholly owned subsidiary of the Company which major assets comprised of two club memberships, to Mr. Chan Wan Tsun Adrian Alan, the former chief financial officer of the Company, at a consideration of approximately HK\$2,249,000. There was no gain or loss on disposal of this subsidiary. This transaction constitutes a related party transaction of the Group (note 18).

The aggregated net assets of the subsidiaries at the date of disposal were as follows:

	<i>HK\$'000</i>
Property, plant and equipment	1,037
Club memberships	2,370
Deposits	278
Trade receivables	83
Deposits, prepayments and other receivables	64
Financial asset at fair value through profit or loss	630
Bank balances and cash	1,138
Other payables	(367)
	5,233
Gain on disposal of subsidiaries	-
Net proceeds received from disposal of subsidiaries	5,233
<b>Satisfied by:</b>	
Cash consideration	5,233
<b>Net cash inflow from disposal of subsidiaries:</b>	
Cash consideration received	5,233
Cash and cash equivalents disposed of	(1,138)
	4,095

## Notes to the Condensed Consolidated Interim Financial Information

### 18 RELATED PARTY TRANSACTIONS

#### (a) Rental expenses to a related company

Particulars of significant transactions between the Group and a related party during the period were as follow:

	For the six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Operating lease payments to a related company ( <i>note</i> )	–	50

*Note:* Rental expenses were paid to a related company controlled by the former chairman and chief executive officer of the Company, determined based on prevailing market rent.

#### (b) Key management personal compensation

Key management compensation, including share-based payments and accrued bonuses, amounted to approximately HK\$12,606,000 for the six months ended 30 June 2015 (30 June 2014: HK\$10,926,000).

#### (c) Disposal of subsidiaries

During the six months ended 30 June 2015, the Group disposed of certain subsidiaries to its former chairman and chief executive officer and former chief financial officer of the Company at an aggregate consideration of approximately HK\$5,233,000 (*note* 17).

### 19 OPERATING LEASE COMMITMENTS

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
	Within one year	1,220
After one year but within five years	831	1,721
	<b>2,051</b>	3,404

### 20 EVENTS AFTER THE END OF THE REPORTING PERIOD

After the end of the reporting period, approximately 678,559,000 shares were issued as a result of exercise of approximately 678,559,000 units of warrants by warrant holders. The proceeds from the exercise of warrants were in aggregate approximately HK\$142,497,000. In addition, approximately 736,000 shares were issued as a result of exercise of approximately 736,000 units of share options by option holders. The proceeds from the exercise of share options were in aggregate approximately HK\$251,000.

### 21 APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The unaudited condensed consolidated interim financial information is approved and authorised for issue by the Board on 26 August 2015.

## Other Information

### INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2015 (30 June 2014: nil).

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

#### Long positions of directors in the shares and underlying shares of the Company

Name of director	Capacity and nature of interest	Number of shares held	Number of underlying shares held	Total	Approximate % of shareholding
Mr. Suen Cho Hung, Paul ("Mr. Suen")	Interest of controlled corporation	2,207,485,423 (Note 1)	446,474,532 (Notes 1 & 2)	2,653,959,955	49.96%
Mr. David Tsoi ("Mr. Tsoi")	Beneficial owner	496,622	1,631,757 (Note 3)	2,128,379	0.04%

Notes:

- These interests were held by Able Victory Enterprises Limited ("Able Victory"), which was a wholly owned subsidiary of Epic Wise International Limited ("Epic Wise") which in turn was wholly owned by Mr. Suen. Mr. Suen was the sole director of Able Victory and Epic Wise. Accordingly, Mr. Suen was deemed to be interested in 2,207,485,423 shares and 446,474,532 underlying shares of the Company under the SFO.
- These represented the interests of Able Victory in 446,474,532 units of warrants which carry the rights to subscribe for 446,474,532 shares of the Company at the subscription price of HK\$0.21 (the "Subscription Price") per share during the period from 21 November 2014 to 20 November 2016 (both days inclusive) (the "Subscription Period").
- These represented the interests of Mr. Tsoi in 1,631,757 units of share options which carry the rights to subscribe for 1,631,757 shares of the Company upon exercise in full of share options granted to him under the 2003 Share Option Scheme (hereinafter defined) and the 2011 Share Option Scheme (hereinafter defined).

Save as disclosed above, as at 30 June 2015, none of the directors or chief executive of the Company had registered an interest or 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) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



## Other Information

### SHARE OPTION SCHEMES

On 25 January 2003 and 12 May 2011, share option schemes (“2003 Share Option Scheme” and “2011 Share Option Scheme”, respectively) were approved and adopted pursuant to resolutions of the Company. The purpose of the 2003 Share Option Scheme and the 2011 Share Option Scheme is to enable the Group to recognise the contribution of the participants to the Group and to motivate the participants to continue working for the benefit of the Group by offering the participants an opportunity to have personal interest in the share capital of the Company.

#### (1) 2003 Share Option Scheme

Details of movement of the options granted under the 2003 Share Option Scheme for the six months ended 30 June 2015 were as follows:

##### *Movement in the 2003 Share Option Scheme*

Name or category of participants	Date of grant	Exercise period	Exercise price per share (HK\$)	As at 1 January 2015	Granted during the period	Lapsed during the period	Cancelled during the period	Exercised during the period	As at 30 June 2015
<b>Directors</b>									
David Tsoi	15/06/2009	15/06/2011 to 15/06/2019	0.5145	1,064,189 <sup>(5)</sup>	-	-	-	-	1,064,189 <sup>(5)</sup>
	09/07/2010	09/07/2012 to 08/07/2020	0.3947	354,730 <sup>(6)</sup>	-	-	-	-	354,730 <sup>(6)</sup>
Chan Wing Him Kenny (ex-director) (Note 1)	19/06/2008	19/06/2010 to 19/06/2018	0.1632	709,459 <sup>(5)</sup>	-	-	(709,459) <sup>(5)</sup>	-	-
	15/06/2009	15/06/2011 to 15/06/2019	0.5145	2,837,838 <sup>(5)</sup>	-	-	(2,837,838) <sup>(5)</sup>	-	-
	09/07/2010	09/07/2012 to 08/07/2020	0.3947	12,060,811 <sup>(6)</sup>	-	-	(12,060,811) <sup>(6)</sup>	-	-
Arthur Ross Gorrell (ex-director) (Note 2)	19/06/2008	19/06/2010 to 19/06/2018	0.1632	709,459 <sup>(5)</sup>	-	-	-	-	709,459 <sup>(5)</sup>
	15/06/2009	15/06/2011 to 15/06/2019	0.5145	2,837,838 <sup>(5)</sup>	-	-	-	-	2,837,838 <sup>(5)</sup>
	09/07/2010	09/07/2012 to 08/07/2020	0.3947	709,459 <sup>(6)</sup>	-	-	-	-	709,459 <sup>(6)</sup>
Lo Chi Kit (ex-director) (Note 3)	15/06/2009	15/06/2011 to 15/06/2019	0.5145	851,351 <sup>(5)</sup>	-	-	-	-	851,351 <sup>(5)</sup>
	09/07/2010	09/07/2012 to 08/07/2020	0.3947	141,892 <sup>(6)</sup>	-	-	-	(141,892) <sup>(6)</sup>	-
Tam Hang Chuen (ex-director) (Note 4)	15/06/2009	15/06/2011 to 15/06/2019	0.5145	141,892 <sup>(5)</sup>	-	-	-	-	141,892 <sup>(5)</sup>
	09/07/2010	09/07/2012 to 08/07/2020	0.3947	141,892 <sup>(6)</sup>	-	-	-	(141,892) <sup>(6)</sup>	-
				22,560,810	-	-	(15,608,108)	(283,784)	6,668,918

## Other Information

### SHARE OPTION SCHEMES (Continued)

#### (1) 2003 Share Option Scheme (Continued)

##### Movement in the 2003 Share Option Scheme (Continued)

Name or category of participants	Date of grant	Exercise period	Exercise price per share (HK\$)	As at 1 January 2015	Granted during the period	Lapsed during the period	Cancelled during the period	Exercised during the period	As at 30 June 2015
<b>Other employees</b>									
In aggregate	15/06/2009	15/06/2011 to 15/06/2019	0.5145	42,568 <sup>(5)</sup>	-	-	-	-	42,568 <sup>(5)</sup>
	04/02/2010	04/02/2012 to 04/02/2020	0.3622	3,093,243 <sup>(5)</sup>	-	-	-	-	3,093,243 <sup>(5)</sup>
	09/07/2010	09/07/2012 to 08/07/2020	0.3947	3,079,054 <sup>(6)</sup>	-	-	-	-	3,079,054 <sup>(6)</sup>
				6,214,865	-	-	-	-	6,214,865
<b>Others</b>									
In aggregate	19/06/2008	19/06/2010 to 19/06/2018	0.1632	709,459 <sup>(5)</sup>	-	-	-	(709,459) <sup>(5)</sup>	-
	15/06/2009	15/06/2011 to 15/06/2019	0.5145	28,378,379 <sup>(5)</sup>	-	-	-	-	28,378,379 <sup>(5)</sup>
	06/10/2009	06/10/2011 to 06/10/2019	0.5286	496,622 <sup>(5)</sup>	-	-	-	-	496,622 <sup>(5)</sup>
	04/02/2010	04/02/2012 to 04/02/2020	0.3622	71,300,676 <sup>(5)</sup>	-	-	-	-	71,300,676 <sup>(5)</sup>
	09/07/2010	09/07/2012 to 08/07/2020	0.3947	87,760,135 <sup>(6)</sup>	-	-	-	-	87,760,135 <sup>(6)</sup>
				188,645,271	-	-	-	(709,459)	187,935,812
				Total: 217,420,946 <sup>(7)</sup>	-	-	(15,608,108)	(993,243)	200,819,595 <sup>(7)</sup>
			Weighted average exercise price per share (HK\$)	0.40	-	-	0.41	0.23	0.40

## Other Information

### SHARE OPTION SCHEMES *(Continued)*

#### (1) 2003 Share Option Scheme *(Continued)*

##### *Movement in the 2003 Share Option Scheme (Continued)*

Notes:

- (1) Mr. Chan Wing Him Kenny resigned as an executive director of the Company on 25 June 2015.
- (2) Mr. Arthur Ross Gorrell resigned as an executive director of the Company on 25 June 2015.
- (3) Mr. Lo Chi Kit resigned as an independent non-executive director of the Company on 25 June 2015.
- (4) Mr. Tam Hang Chuen resigned as an independent non-executive director of the Company on 25 June 2015.
- (5) 50% of the share options are exercisable in a period commencing two (2) years from the date of grant and expiring on the tenth anniversary from the date of grant. The balance of 50% of the share options are exercisable in a period commencing three (3) years from the date of grant and expiring on the tenth anniversary from the date of grant.
- (6) 50% of the share options are exercisable in a period commencing two (2) years from the date of grant and expiring on the day falling one day preceding the tenth anniversary from the date of grant. The balance of 50% of the share options are exercisable in a period commencing three (3) years from the date of grant and expiring on the day falling one day preceding the tenth anniversary from the date of grant.
- (7) As at 30 June 2015, the Company had 200,819,595 (31 December 2014: 217,420,946) share options outstanding under the 2003 Share Option Scheme, which represented approximately 3.78% (31 December 2014: approximately 4.15%) of the Company's shares in issue on that date.
- (8) The weighted average closing price per share quoted on the Stock Exchange on the trading dates before the dates on which the share options were exercised was HK\$0.3050.

## Other Information

### SHARE OPTION SCHEMES (Continued)

#### (2) 2011 Share Option Scheme

Details of movement of the options granted under the 2011 Share Option Scheme for the six months ended 30 June 2015 were as follows:

#### Movement in the 2011 Share Option Scheme

Name or category of participants	Date of grant	Exercise period	Exercise price per share (HK\$)	As at 1 January 2015	Granted during the period	Lapsed during the period	Cancelled during the period	Exercised during the period	As at 30 June 2015
<b>Directors</b>									
David Tsoi	23/06/2011	23/06/2012 to 22/06/2021	0.3066	212,838 <sup>(6)</sup>	-	-	-	-	212,838 <sup>(6)</sup>
	31/12/2012	31/12/2013 to 30/12/2022	0.1149	496,622 <sup>(5 &amp; 6)</sup>	-	-	-	(496,622) <sup>(5 &amp; 6)</sup>	-
Chan Wing Him Kenny (ex-director) (Note 1)	31/12/2012	31/12/2013 to 30/12/2022	0.1149	21,283,784 <sup>(5 &amp; 6)</sup>	-	-	(21,283,784) <sup>(5 &amp; 6)</sup>	-	-
Arthur Ross Gorrell (ex-director) (Note 2)	31/12/2012	31/12/2013 to 30/12/2022	0.1149	2,837,838 <sup>(5 &amp; 6)</sup>	-	-	-	-	2,837,838 <sup>(5 &amp; 6)</sup>
Lo Chi Kit (ex-director) (Note 3)	23/06/2011	23/06/2012 to 22/06/2021	0.3066	141,892 <sup>(6)</sup>	-	-	-	(141,892) <sup>(6)</sup>	-
	31/12/2012	31/12/2013 to 30/12/2022	0.1149	425,676 <sup>(5 &amp; 6)</sup>	-	-	-	(425,676) <sup>(5 &amp; 6)</sup>	-
Tam Hang Chuen (ex-director) (Note 4)	23/06/2011	23/06/2012 to 22/06/2021	0.3066	141,892 <sup>(6)</sup>	-	-	-	(141,892) <sup>(6)</sup>	-
	31/12/2012	31/12/2013 to 30/12/2022	0.1149	425,676 <sup>(5 &amp; 6)</sup>	-	-	-	(425,676) <sup>(5 &amp; 6)</sup>	-
				25,966,218	-	-	(21,283,784)	(1,631,758)	3,050,676
<b>Other employees</b>									
In aggregate	23/06/2011	23/06/2012 to 22/06/2021	0.3066	5,320,945 <sup>(6)</sup>	-	-	-	(268,270) <sup>(6)</sup>	5,052,675 <sup>(6)</sup>
	31/12/2012	31/12/2013 to 30/12/2022	0.1149	18,800,675 <sup>(6)</sup>	-	(1,277,027) <sup>(6)</sup>	-	(17,523,407) <sup>(6)</sup>	241 <sup>(6)</sup>
				24,121,620	-	(1,277,027)	-	(17,791,677)	5,052,916
<b>Others</b>									
In aggregate	23/06/2011	23/06/2012 to 22/06/2021	0.3066	64,347,974 <sup>(6)</sup>	-	-	-	-	64,347,974 <sup>(6)</sup>
	31/12/2012	31/12/2013 to 30/12/2022	0.1149	6,030,405 <sup>(6)</sup>	-	-	-	(4,966,216) <sup>(6)</sup>	1,064,189 <sup>(6)</sup>
				70,378,379	-	-	-	(4,966,216)	65,412,163
				Total: 120,466,217 <sup>(7)</sup>	-	(1,277,027)	(21,283,784)	(24,389,651)	73,515,755 <sup>(7)</sup>
			Weighted average exercise price per share (HK\$)	0.23	-	0.11	0.11	0.12	0.30

## Other Information

### SHARE OPTION SCHEMES *(Continued)*

#### (2) 2011 Share Option Scheme *(Continued)*

##### *Movement in the 2011 Share Option Scheme (Continued)*

Notes:

- (1) Mr. Chan Wing Him Kenny resigned as an executive director of the Company on 25 June 2015.
- (2) Mr. Arthur Ross Gorrell resigned as an executive director of the Company on 25 June 2015.
- (3) Mr. Lo Chi Kit resigned as an independent non-executive director of the Company on 25 June 2015.
- (4) Mr. Tam Hang Chuen resigned as an independent non-executive director of the Company on 25 June 2015.
- (5) Pursuant to acceptance letters dated 17 January 2013 signed by respective directors, they accepted the offer of share options granted to them on 17 January 2013.
- (6) 50% of the share options are exercisable in a period commencing one (1) year from the date of grant and expiring on the day falling one day preceding the tenth anniversary from the date of grant. The balance of 50% of the share options are exercisable in a period commencing two (2) years from the date of grant and expiring on the day falling one day preceding the tenth anniversary from the date of grant.
- (7) As at 30 June 2015, the Company had 73,515,755 (31 December 2014: 120,466,217) share options outstanding under the 2011 Share Option Scheme, which represented approximately 1.38% (31 December 2014: 2.30%) of the Company's shares in issue on that date.
- (8) The weighted average closing price per share quoted on the Stock Exchange on the trading dates before the dates on which the share options were exercised was HK\$0.2523.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" and the "Share Option Schemes" above, at no time during the six months ended 30 June 2015 was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors of the Company or their spouse or minor children had any rights to subscribe for the securities of the Company, or had exercised any such rights during the period.

## Other Information

### INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2015, the following interests of more than 5% of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of SFO:

#### Long positions in the shares and underlying shares of the Company

Name of shareholder	Capacity and nature of interests	Number of shares held	Number of underlying shares held	Total	Approximate % of shareholding
Mr. Suen	Interest of controlled corporation	2,207,485,423 (Note 1)	446,474,532 (Notes 1 & 2)	2,653,959,955	49.96%
Epic Wise	Interest of controlled corporation	2,207,485,423 (Note 1)	446,474,532 (Notes 1 & 2)	2,653,959,955	49.96%
Able Victory	Beneficial owner	2,207,485,423 (Note 1)	446,474,532 (Notes 1 & 2)	2,653,959,955	49.96%
Cool Legend Limited	Beneficial owner	452,400,000	–	452,400,000	8.52%

Notes:

- These interests were held by Able Victory, which was a wholly owned subsidiary of Epic Wise which in turn was wholly owned by Mr. Suen. Mr. Suen was the sole director of Able Victory and Epic Wise. Accordingly, Mr. Suen and Epic Wise were deemed to be interested in 2,207,485,423 shares and 446,474,532 underlying shares of the Company under the SFO.
- These represented the interests of Able Victory in 446,474,532 units of warrants which carry the rights to subscribe for 446,474,532 shares of the Company at the Subscription Price during the Subscription Period.

The interests of Mr. Suen, Epic Wise and Able Victory in 2,207,485,423 shares and 446,474,532 underlying shares of the Company referred to above related to the same parcel of shares and underlying shares.

Save as disclosed above, the Company had not been notified of other relevant interests or short positions in the shares and underlying shares of the Company as at 30 June 2015 as required pursuant to section 336 of the SFO.

## Other Information

### CORPORATE GOVERNANCE

The Company has complied with all the applicable provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Listing Rules for the six months ended 30 June 2015 except for the following deviations with reasons as explained:

#### Chairman and chief executive

##### *Code Provision A.2.1*

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.

##### *Deviation*

There had been a deviation from the code provision A.2.1 since Mr. Chan Wing Him Kenny, the former executive director of the Company, had served both roles of the chairman and the chief executive officer of the Company until 8 June 2015. However, the aforesaid deviation was rectified and the code provision A.2.1 has been complied with following the appointment of Mr. Suen Cho Hung, Paul, an Executive Director of the Company, as the Chairman of the Board and the appointment of Mr. Sue Ka Lok, an Executive Director of the Company, as the Chief Executive Officer of the Company, both effective on 8 June 2015.

#### Nomination committee

##### *Code Provision A.5.1*

Code provision A.5.1 of the CG Code stipulates that issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors.

##### *Deviation*

There had been a deviation from the code provision A.5.1 since the Company did not have a nomination committee before 25 June 2015 and the Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the succession planning of directors and assessing the independence of independent non-executive directors before the establishment of the Nomination Committee. However, the aforesaid deviation was rectified and the code provision A.5.1 has been complied with following the establishment of the Nomination Committee on 25 June 2015. The Nomination Committee comprises three Independent Non-executive Directors, namely Mr. David Tsoi, Mr. Chiang Bun and Ms. Leung Pik Har, Christine and one Executive Director, namely Mr. Sue Ka Lok and Ms. Leung Pik Har, Christine is the Chairman of the Nomination Committee.

### MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding directors' dealing in the Company's securities (the “Own Code”) on terms no less exacting than the required standard set out in the Model Code. Specific enquiries have been made with the Directors and they have confirmed their compliance with the Own Code during the six months ended 30 June 2015.

## Other Information

### UPDATES ON DIRECTORS' INFORMATION

The following is updated information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

1. Mr. Suen Cho Hung, Paul ("Mr. Suen") is entitled to receive a remuneration of HK\$80,000 per month under his service contract with a subsidiary of the Company. The remuneration of Mr. Suen has been approved by the Remuneration Committee.
2. Mr. Sue Ka Lok ("Mr. Sue") is entitled to receive a remuneration of HK\$50,000 per month under his service contract with a subsidiary of the Company. The remuneration of Mr. Sue has been approved by the Remuneration Committee.

Mr. Sue was appointed as an executive director of Eyang Holdings (Group) Co., Limited (stock code: 117), a listed company in Hong Kong, on 3 July 2015.

Mr. Sue resigned as an executive director of BEP International Holdings Limited (stock code: 2326), a listed company in Hong Kong, on 13 July 2015.

Mr. Sue has become a fellow of the Hong Kong Securities and Investment Institute.

3. Mr. Lai Ming Wai ("Mr. Lai") is entitled to receive a remuneration of HK\$40,000 per month under his service contract with a subsidiary of the Company. The remuneration of Mr. Lai has been approved by the Remuneration Committee.

Mr. Lai was appointed as a non-executive director of Hong Wei (Asia) Holdings Limited (stock code: 8191), a listed company in Hong Kong, on 10 July 2015.

4. Mr. Chiang Bun ("Mr. Chiang") is entitled to receive a director's fee of HK\$12,500 per month under his letter of appointment with the Company. The director's fee of Mr. Chiang has been recommended by the Remuneration Committee and approved by the Board.

Mr. Chiang resigned as an independent non-executive director of Burwill Holdings Limited (stock code: 24), a listed company in Hong Kong, on 2 July 2015.

5. Ms. Leung Pik Har, Christine ("Ms. Leung") is entitled to receive a director's fee of HK\$12,500 per month under her letter of appointment with the Company. The director's fee of Ms. Leung has been recommended by the Remuneration Committee and approved by the Board.



## Other Information

### **AUDIT COMMITTEE**

The unaudited condensed consolidated interim financial information of the Company for the six months ended 30 June 2015 have not been audited, but have been reviewed by the Audit Committee of the Company and are duly approved by the Board under the recommendation of the Audit Committee.

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

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board

**Enviro Energy International Holdings Limited**

**Suen Cho Hung, Paul**

*Chairman*

Hong Kong, 26 August 2015