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)

2015

Annual Report

This annual report is printed on environmentally friendly paper

Contents

Abbreviations

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

"Articles of Association"	the articles of association of the Company
"Board"	the Board of Directors of the Company
"Company"	Enviro Energy International Holdings Limited
"Companies Ordinance"	Chapter 622 of the Laws of Hong Kong
"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
"PRC"	the People's Republic of China
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK$" and "HK cent(s)"	Hong Kong dollar(s) and cent(s), the lawful currency of Hong Kong
"US$"	United States dollar(s), the lawful currency of the United States of America
"%"	per cent

Corporate INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS
Mr. Suen Cho Hung, Paul *(Chairman)*
Mr. Zhang Yuanqing *(Chief Executive Officer)*
Mr. Lai Ming Wai
Mr. Zhu Lijia

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 *(Chairlady)*
Mr. David Tsoi
Mr. Chiang Bun
Mr. Zhang Yuanqing

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

COMPANY WEBSITE
http://www.enviro-energy.com.hk

Chairman's Statement

Dear Shareholders,

On behalf of the Board, I am pleased to present to the shareholders the results of the Group for the year ended 31 December 2015.

RESULTS

For the year ended 31 December 2015, the Group recorded loss attributable to owners of the Company of HK$44,720,000 (31 December 2014: HK$84,431,000) and basic loss per share of HK0.74 cent (31 December 2014: HK2.28 cents) from continuing and discontinued operations.

Discontinued Operation

On 24 November 2014, the Board announced a proposed distribution in specie to distribute all of its equity interests in Aces Diamond International Ltd. ("Aces Diamond") and Chavis International Ltd., former subsidiaries of the Company which collectively held 71.61% equity interest in TerraWest Energy Corporation ("TWE"), to its shareholder upon the approval by the shareholders and the completion of a restructuring plan (the "Distribution in Specie"). The transaction was approved by shareholders of the Company on 28 January 2015. 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 consolidated income statement and consolidated statement of comprehensive income for the current and prior year. During the year, the Group recorded a profit attributable to owners of the Company of HK$211,000 (31 December 2014: HK$3,841,000) and earnings per share of HK0.01 cent (31 December 2014: earnings per share of HK0.10 cent) from discontinued operation. The discontinued operation did not generate any revenue for both the current and prior years. The Group recorded a total comprehensive loss attributable to owners of the Company of HK$42,024,000 for the year under review (31 December 2014: HK$36,842,000) from discontinued operation.

Continuing Operations

During the year, the Group recorded a loss attributable to owners of the Company of HK$44,931,000 (31 December 2014: HK$88,272,000) and basic loss per share of HK0.75 cent (31 December 2014: loss per share of HK2.38 cents) from continuing operations. The decrease in the Group's loss for the year was mainly due to the decrease in administrative and operating expenses, being mainly staff costs (including director's emoluments) and the non-recurrence in the current year the fair value loss in the issuance of unlisted warrants amounted to HK$38,931,000 recorded during the year ended 31 December 2014, which was partly offset by the impairment loss on exploration and evaluation assets amounted to HK$49,802,000. For the year under review, the Group reported revenue of HK13,171,000, increased by 1,163% over last year (31 December 2014: HK$1,043,000) and gross profit of HK$449,000, rose by 11% compared to the prior year (31 December 2014: HK$403,000). The surge of the Group's revenue was mainly due to the expansion of its scope of natural resources business to energy related products by engaging in sales of solar panels and base oils, which contributed revenue of HK$8,684,000 and HK$4,135,000 respectively to the Group during the year. The Group recorded a total comprehensive loss attributable to owners of the Company of HK$46,928,000 for the year under review (31 December 2014: HK$96,301,000) from continuing operations.

PROSPECTS

It is the intention of the management to continue the existing businesses of the Group and to explore investment opportunities in the natural resources and energy, information technology and property investment 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.

Chairman's Statement

APPRECIATION

I would like to take this opportunity to thank all shareholders, investors, bankers, business associates and customers for their continuing support to the Group, and to my fellow directors including the outgoing directors during the year for their valuable services to the Group and all staff members for their hard work during the past year.

Suen Cho Hung, Paul
Chairman

Hong Kong, 17 March 2016

Management Discussion and Analysis

BUSINESS REVIEW

Continuing Operations

During the year ended 31 December 2015, the Group continued to engage in investment holding, natural resources and energy and information technology related businesses, and has expanded into the business of property investment. For the year ended 31 December 2015, the Group reported revenue of HK$13,171,000, increased by 1,163% from the previous year (31 December 2014: HK$1,043,000), and gross profit of HK$449,000, showing an increase of 11% compared to the prior year (31 December 2014: HK$403,000). The increases in the Group's revenue and gross profit were mainly attributed to the increase in sales of energy related products during the year.

Natural resources and energy 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 year ended 31 December 2015, the operation is still in the stage of developing various sale channels for its marble products. The operation recorded a 66% decrease in revenue to HK$341,000 (31 December 2014: HK$991,000), mainly because market conditions were sluggish, and the loss of the operation was down to HK$3,463,000 (31 December 2014: HK$4,537,000), primarily due to the reduction of operating expenses during the year.

In December 2015, the Group has expanded its scope of natural resources business to energy related products by engaging in sale of solar panels and base oil, which contributed revenue of HK$8,684,000 and HK$4,135,000 respectively to the Group during the year. The solar panels traded by the Group are for the use by solar power plants in the PRC for building their power generation facilities whereas the base oil sold by the Group are for further processing into fuels and industrial lubricants.

Marble business-resources and reserves

As at 31 December 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 approximately 33 hectares at Selenrang, Bontoa, Maros Regency (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^3. 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 and are summarized as below.

Management Discussion and Analysis

Mineral resources and ore reserves defined for the GM quarry have been reviewed for conformity with the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code") prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia in 1999 and revised in 2004 and 2012. The JORC resource and reserve estimated as of 30 November 2013 were as follows:

JORC Resource	Marble resource (m^3)
Measured	5,820,100
Indicated	3,880,035
Total	9,700,135

JORC Reserve	Marble reserve (m^3)	Mineable reserve (m^3)
Proved	4,481,000	1,568,000
Probable	2,987,000	1,045,000
Total	7,468,000	2,613,000

Chapter 18 of the Listing Rules require disclosure of the key basis and assumptions adopted for the Competent Person's Report. The above figures are based on, among others, deposit geology, drilling results, downslope survey and sampling information performed at the GM Quarry. The total marble resource is estimated by parallel section and block model methods based on five diamond drill cores completed in December 2012, and five downslope profile geological surveys carried out by PT. Namsuma Luban Abadi in July 2013. Surface and drill core samples were collected for lithological analysis, joint analysis, and petrographic analysis. Geochemical tests, mechanical tests and radioactivity tests were performed by China National Stone Quality Supervision and Testing Centre (Guangdong). Testing items include mineralogical composition (SiO_2, $Al2O_3$, $Fe2O_3$, MgO, CaO, Na_2O, K2O, P_2O_5, and SO_3), bulk density, water absorption, compressive strength (dry and wet), flexural strength (dry and wet), abrasion resistance, internal exposure index and external exposure index. The marble reserve is then estimated based on four discounting factors, i.e. the karst, quality, joint opening, and weathering factors. The marble reserve as reported represents the volume of marble that is at economic value. The minable marble reserve is further estimated by considering the block recovery rate, which is the percentage of marble that can be extracted in the form of raw blocks.

As at 31 December 2015, there were no material changes to the above resource figures. There was no capital expenditure incurred in relation to the marble business during the year ended 31 December 2015 (31 December 2014: HK$1,128,000) and there was no operating cash flows (31 December 2014: Nil).

The Company originally planned to commence production of the Maros Marble Project in the first half of 2015. However, as a result of the downturn of global commodity prices (which included marble, and its price decrease became notable in the last quarter of 2015), and the fact that the economy and the property development sector in the target markets, where the marbles to be produced by the Group export to (namely China, Middle East and Southeast Asia), have been sluggish, management concluded that it might not be economically feasible to commence production in 2015 and had decided to put the production commencement on hold. Management will continue to monitor the marble market for an appropriate time to commence the production.

Management Discussion and Analysis

Taking into account the delay of the project as well as the fluctuation in the prices of marbles, as part of the assessment as to whether impairment indicators existed as at 31 December 2015, the management had determined that the performance of an impairment assessment was necessary and had engaged a professional valuer, Roma Appraisal Limited ("Roma"), to independently assess the value of the mining properties under the Maros Marble Project. As a result of the assessment, an impairment loss of HK$49,802,000 (the "Impairment Loss") was charged to the consolidated income statement.

The key assumptions and parameters in the valuation of the mining properties under the Maros Marble Project as at 31 December 2015 and 31 December 2014 are set out as below:

		31 December 2015	31 December 2014
Methodology		Income-based approach	Income-based approach
Key assumptions			
1.	Project starting date	First half of 2017	First half of 2015
2.	Marble price (per cubic metre)	USD600	USD650
3.	Discount rate (post-tax)	13.47%	12.50%

Comparing the assessment of value of the mining properties under the Maros Marble Project as at 31 December 2014 and 31 December 2015, the Impairment Loss was mainly resulted from (i) the decrease of projected selling price of marble from US$650 per cubic metre to US$600 per cubic metre in view of the downward trend of marble price in year 2015, in particular, during the last quarter of 2015; (ii) the delay of commencement of production of the mine which should took place in the first half of 2015 and (iii) the higher discount rate of 13.47% adopted by Roma in discounting the future cash flow of the mine project compared to 12.5% adopted in the assessment of value of the mine as at 31 December 2014. Determination of discount rate of 12.5% and 13.47% were both made with reference to the weighted average cost of capital of the Maros Marble Project, which were calculated based on market data and public data of comparable companies obtained from the market data provider. As discount rate of 12.5% adopted for the assessment as at 31 December 2014 is not comparable to the market conditions as that of 31 December 2015, Roma adjusted the discount rate to 13.47% for assessing the value of mine under the Maros Marble Project in accordance with market data and public data of comparable companies as at 31 December 2015 obtained from the market data provider.

Information technology and related business

During the year ended 31 December 2015, the revenue from the information technology and related business amounted to HK$11,000 (31 December 2014: HK$52,000), representing service income for providing system support to client, and operation's loss was decreased to HK$582,000 (31 December 2014: HK$2,087,000) which mainly due to the drop in staff costs during the current year.

Property investment

As the Group has intention to diversify its investments and broaden its income base, on 29 December 2015, Huan Neng International Trading (Yingkou) Company Limited ("HNYK"), an indirect wholly owned subsidiary of the Company, entered into the agreement with Yingkou Liaohai Property Development Co., Ltd (literal translation of the Chinese name) ("Yingkou LH"), pursuant to which HNYK had conditionally agreed to acquire 34 commercial units with a total floor area of approximately 12,223.06 square meters situated at Yingkou city, Liaoning province in the PRC from Yingkou LH at the consideration of RMB69,916,000 (equivalent to approximately HK$83,459,000 including stamp duties) in cash. On the same date, HNYK entered into the agreement with Mr. Li Yi Jia (literal translation of the Chinese name) ("Mr. Li"), pursuant to which HNYK had conditionally agreed to acquire 6 commercial units with a total floor area of approximately 1,959.08 square meters situated at Yingkou city, Liaoning province in the PRC from Mr. Li at the consideration of RMB11,245,000 (equivalent to approximately HK$13,423,000 including stamp duties) in cash. Both transactions were completed on 31 December 2015. The Group intends to refurbish the properties for leasing and earning rental income as well as potential capital gain. For details of the acquisition, please refer to the Company's announcements dated 29 December 2015 and 31 December 2015 respectively.

Management Discussion and Analysis

Discontinued Operation

Gas exploration segment

On 24 November 2014, the Board announced 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 consolidated income statement and consolidated statement of comprehensive income for the current and prior years. The discontinued operation did not generate any revenue for both the current and prior years. For details of the Distribution in Specie, please refer to the Company's circular dated 12 January 2015.

BUSINESS PROSPECTS

It is the intention of the management to continue the existing businesses of the Group and to explore investment opportunities in the natural resources and energy, information technology and property investment 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.

FINANCIAL REVIEW

Overall Results

For the year ended 31 December 2015, the Group recorded a loss attributable to owners of the Company of HK$44,720,000 (31 December 2014: HK$84,431,000) and basic loss per share of HK0.74 cent (31 December 2014: loss per share of HK2.28 cents) from continuing and discontinued operations. The decrease in the Group's loss for the year was mainly due to the decrease in administrative and operating expenses, being mainly staff costs (including directors' emoluments) and the non-recurrence in the current year the fair value loss in the issuance of unlisted warrants amounted to HK$38,931,000 recorded during the year ended 31 December 2014, which was partly offset by the impairment loss on exploration and evaluation assets amounted to HK$49,802,000.

Other Comprehensive Income

During the year ended 31 December 2015, exchange losses mainly arose from the exchange translation of the Indonesian mining operations and TWE totalling HK$62,288,000 (31 December 2014: HK$67,484,000) was recorded mainly because the Indonesian Rupiah depreciated by approximately 11% against the Hong Kong dollar.

Liquidity, Financial Resources and Capital Structure

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.

Pursuant to a placing agreement dated 17 September 2015 entered into between the Company and Get Nice Securities Limited, 1,048,000,000 ordinary shares of the Company were allotted and issued to not less than six independent investors at a placing price of HK$0.20 per share in October 2015 and the net proceeds received were approximately HK$204,240,000. All the new shares allotted and issued rank *pari passu* in all respects with the existing issued ordinary shares. Approximately HK$121.7 million have been used as general working capital of the Group and approximately HK$82.4 million have been used as the partial settlement of the consideration payables for the acquisitions of investment properties in Yingkou City as abovementioned. For details, please refer to the Company's announcements dated 17 September 2015, 2 October 2015 and 11 January 2016.

Management Discussion and Analysis

At 31 December 2015, the Group had current assets of HK$360,809,000 (31 December 2014: HK$33,270,000, excluding assets of disposal group classified as held for distribution) comprising bank balances and cash of HK$310,736,000 (31 December 2014: HK$29,033,000). The Group's current ratio, calculated based on current assets of HK$360,809,000 (31 December 2014: HK$33,270,000, excluding assets of disposal group classified as held for distribution) over current liabilities of HK$110,730,000 (31 December 2014: HK$23,455,000, excluding liabilities of disposal group classified as held for distribution), was at a healthy ratio of about 3.26 at the year end (31 December 2014: 1.42). At the year end, the Group's current liabilities increased by 372% to HK$110,730,000 over last year (31 December 2014: HK$23,455,000) was primarily due to the consideration payables for acquisition of investment properties. The considerations payables were fully settled after the year end.

At the year end, the equity attributable to owners of the Company amounted to HK$377,452,000 (31 December 2014: HK$64,601,000, excluding assets, liabilities and non-controlling interests of the disposal group classified as held for distribution). The increase in the equity attributable to owners of the Company was mainly a result of the aggregate amount of about HK$158,180,000 raised by the Company through the exercise of share options and warrants by respective holders and net proceeds of approximately HK$204,240,000 raised from the placement of shares as abovementioned.

As at 31 December 2015 and 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.

Charge on Group Assets

As at 31 December 2015, the Group did not have any charge on its assets (31 December 2014: Nil).

Foreign Exchange Exposure

During the year ended 31 December 2015, 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.

Capital Commitments

On 23 December 2015, Fine Sources Limited ("Fine Sources"), an indirect wholly owned subsidiary of the Company, entered into the agreement with Dalian Taiyuan Real Estate Development Co., Ltd (literal translation of the Chinese name) ("Dalian TY"), pursuant to which Fine Sources had conditionally agreed to acquire from Dalian TY the fourth and the fifth floors of Tower A, Bao Hua Wang Yuan situated at Dalian city, Liaoning province in the PRC at the consideration of HK$102,303,975.84 of which HK$0.15 of the consideration will be paid in cash and HK$102,303,975.69 will be settled by the allotment and issuance of the consideration shares at HK$0.21 each. The transaction was approved by the shareholders of the Company on 3 March 2016 and is yet to be completed. Accordingly, as at 31 December 2015, the Group has capital commitments of approximately HK$102,304,000 for acquisition of such investment properties (31 December 2014: Nil). For details, please refer to the Company's announcement dated 23 December 2015 and the circular dated 17 February 2016.

Contingent Liabilities

As at 31 December 2015, the Group had no contingent liabilities (31 December 2014: Nil).

EMPLOYEES INFORMATION

As at 31 December 2015, the Group had 15 full-time employees (31 December 2014: 20) working in Hong Kong, China and Indonesia. The Group remunerates its employees based on their performance, experience and the prevailing industry practice. Other benefits, such as medical and retirement benefits and training programs, are also provided.

RISK FACTORS

The Group has identified and is facing a number of significant risks during 2015. Some of these risks are ongoing factors which the industry has to cope with in medium to long term. Other risk factors are specific to the Group.

1. **Economic Risk**

   The world economy has suffered a large scale of contraction in 2015. Many of the countries of the world have adopted medium to long term monetary policy measures to stimulate their economy, but these measures will not cause significant impact in a short period of time. This factor is outside of the Group's control and would have a material adverse effect on the Group's overall performance in the short run.

2. **Market Risk**

   The Group is operating in a highly volatile market. The economy of the Company's target markets for its export of mined limestone blocks, namely, China, Middle East and Southeast Asia, remained sluggish in 2015 and thus their demands for marbles were low.

3. **Environmental Risk**

   The Group is constantly exposed to inherent risks such as pollution, mechanical breakdown of machinery, adverse weather conditions, fire or other calamity. During the production of the marble project or the refurbishment of the investment properties, the Group would expose to potential risks such as pollution, adverse weather conditions or earthquake etc. Any of these factors may cause disruptions to the Group's operations. The Group may also be liable for compensation payable, as a result, which may adversely affect its financial performance.

4. **Customer Risk**

   The Group has been relied on a small number of customers in the trading business. This has been limiting the Group's bargaining power on credit terms and discount rate. The Group may not be able to expand its customer base in the short term which may adversely affect its financial performance.

5. **Financial Risk**

   The Group is exposed to financial risks relating to foreign currency, interest rate, equity price, liquidity and credit risk in its ordinary course of business. For further details of such risks and relevant management policies, please refer to note 6 to the consolidated financial statements for details.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. During the year ended 31 December 2015, there were no significant dispute between the Group and its employees, customers and suppliers.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long term sustainability of the environment and communities in which it operates. In order to reduce the degree of environmental damage when developing the Group's business or commencing the production of the marble project, the Group strictly complies with the local law, rules and guidance in relation to environmental protection.

Corporate Governance Report

The Company is committed to attaining and maintaining a high standard of corporate governance, the principles of which are to uphold integrity, transparency and accountability in all aspects of business and to ensure that affairs are conducted in accordance with applicable laws and regulations. It believes that good corporate governance is fundamental to the success of the Company and to the enhancement of shareholders' value.

CORPORATE GOVERNANCE

Throughout the year ended 31 December 2015, the Company had complied with all the applicable code provisions (the "Code Provisions") of the Corporate Governance Code set out in Appendix 14 to the Listing Rules (the "CG Code"), except for certain deviations specified with considered reasons as explained below:

Chairman and chief executive

Under Code Provision A.2.1 of the CG Code, 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.

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 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, a former executive director of the Company, as the Chief Executive Officer, both effective on 8 June 2015. On 31 August 2015, Mr. Zhang Yuanqing, an Executive Director of the Company, was appointed as the Chief Executive Officer to fill the casual vacancy created by the resignation of Mr. Sue Ka Lok.

Nomination Committee

Under Code Provision A.5.1 of the CG Code, the Company 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.

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 of the Company (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.

MODEL CODE FOR SECURITIES TRANSACTIONS OF DIRECTORS

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 for Securities Transactions by Directors of Listed Issuers (the "Model Code"). Specific enquiries have been made with the directors and they have confirmed their compliance with the Own Code during the year ended 31 December 2015.

BOARD OF DIRECTORS

As at the date of this annual report, the Board comprises seven directors, including four Executive Directors, namely Mr. Suen Cho Hung, Paul, the Chairman of the Company (the "Chairman"), Mr. Zhang Yuanqing ,the Chief Executive Officer of the Company (the "CEO"), Mr. Lai Ming Wai and Mr. Zhu Lijia and three Independent Non-executive Directors (the "INED(s)"), namely Mr. David Tsoi, Mr. Chiang Bun and Ms. Leung Pik Har, Christine. Biographical details of the directors are set out in the Directors and Senior Management Profile section on pages 20 to 21 of this annual report.

Corporate Governance Report

Mr. Suen Cho Hung, Paul ("Mr. Suen"), the Executive Director and the Chairman of the Board and the ultimate beneficial owner of Able Victory Enterprises Limited, the controlling shareholder of the Company, holds/held shares in certain companies listed in Hong Kong, while Mr. Lai Ming Wai, Mr. Chiang Bun and Ms. Leung Pik Har, Christine is/was/were directors of some of the said companies. Mr. Suen is the ultimate beneficial owner of the substantial shareholder of Courage Marine Group Limited (stock code: 1145) ("Courage Marine"). Mr. Suen was also the ultimate beneficial owner of the controlling shareholder of Hailiang International Holdings Limited (formerly known as Sunlink International Holdings Limited) (stock code: 2336) ("Hailiang International") until April 2014; and was the ultimate beneficial owner of the substantial shareholder of Winshine Science Company Limited (formerly known as China Tycoon Beverage Holdings Limited) (stock code: 209) ("Winshine") until July 2015.

Mr. Suen was a non-executive director of Hailiang International until 3 June 2014, while Mr. Lai Ming Wai was an executive director of Hailiang International until 3 June 2014, Mr. Chiang Bun was an independent non-executive director of Hailiang International until 3 June 2014 and Ms. Leung Pik Har, Christine was an independent non-executive director of Winshine until 10 November 2014.

To the knowledge of the Directors, save for the aforesaid, there is no other financial, business, family or other material/relevant relationships between the Chairman and the CEO and among members of the Board.

The Board meets regularly and at least four times a year. The Board held eighteen meetings during the year ended 31 December 2015. The attendance of individual directors at the Board and general meetings during 2015 is set out in the following table:

	Meetings attended (Note)/ Number of meetings	
Name of directors	**Board**	**General Meeting**
Executive Directors		
Suen Cho Hung, Paul *(appointed on 8 June 2015)*	8/18	N/A
Zhang Yuanqing *(appointed on 31 August 2015)*	4/18	N/A
Lai Ming Wai *(appointed on 8 June 2015)*	8/18	N/A
Zhu Lijia *(appointed on 31 August 2015)*	4/18	N/A
Chan Wing Him Kenny *(resigned on 25 June 2015)*	11/18	1/2
Arthur Ross Gorrell *(resigned on 25 June 2015)*	11/18	1/2
Sue Ka Lok *(appointed on 8 June 2015 and resigned on 7 October 2015)*	5/18	N/A
Independent Non-executive Directors		
David Tsoi	18/18	1/2
Chiang Bun *(appointed on 8 June 2015)*	8/18	N/A
Leung Pik Har, Christine *(appointed on 8 June 2015)*	8/18	N/A
Lo Chi Kit *(resigned on 25 June 2015)*	11/18	2/2
Tam Hang Chuen *(resigned on 25 June 2015)*	11/18	2/2

Note: Directors may attend meetings in person, by phone or through other means of electronic communication in accordance with the Articles of Association.

Corporate Governance Report

During the year ended 31 December 2015, the directors also participated in the approval of routine and operational matters of the Company by way of written resolutions circulated to them together with supporting documents and briefings from the Chief Financial Officer of the Company (the "CFO") or the company secretary of the Company (the "Company Secretary"). The directors receive at least 14 days' prior written notice of a regular meeting and may propose matters for discussion to be included in the agenda. The agenda together with board papers are sent to the directors at least three days prior to a regular meeting.

The Board, led by the Chairman approves and monitors the Group's business strategies and policies, strategic decisions and directions, annual budget, and other major corporate matters. Besides, the Board delegated the management team, led by the CEO, with the authority and responsibility for the daily operations and administration of the Group.

The Company Secretary is responsible to the Board for ensuring that Board procedures are followed. The Board is briefed on all legislative, regulatory and corporate governance developments and the Board has regard to them when making decisions. The Company Secretary, together with the Board, are also directly responsible for the Group's compliance with the continuing obligations of listed issuers under the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs, the Companies Ordinance, the SFO and other applicable laws, rules and regulations.

Throughout the year ended 31 December 2015, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three INEDs with at least one INED possessing appropriate professional qualifications or accounting or related financial management expertise. In addition, more than one-third of the composition of the Board consisted of INEDs, so there is strong element of independence in the Board to exercise independent judgment. The Company has received from each INED an annual written confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the INEDs met the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with terms of the guidelines.

The Company has put in place appropriate insurance cover in respect of directors' liability.

CHAIRMAN AND CHIEF EXECUTIVE

Under the Code Provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year ended 31 December 2015, before the appointment of Mr. Suen Cho Hung, Paul as the Chairman of the Board and the appointment of Mr. Sue Ka Lok as the CEO, both effective on 8 June 2015, the roles of Chairman and CEO were taken up by Mr. Chan Wing Him, Kenny, the former executive director of the Company, who was responsible for corporate planning, business development strategy and overall direction of the Group as well as management of the Board and the day-to-day management of the Group's business. However, since 8 June 2015, the Group adopts a dual leadership structure in which the role of the Chairman is separated from that of the CEO. The Chairman is responsible for overseeing all Board functions, while the executive directors and senior management are under the leadership of the CEO to oversee the day-to-day operations of the Group and implement the strategies and policies approved by the Board.

As at the date of this annual report, the position of the Chairman of the Board is held by Mr. Suen Cho Hung, Paul and the position of CEO is held by Mr. Zhang Yuanqing.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All Executive Directors are not appointed for specific term and all INEDs are appointed for a term of twelve months period. All directors are subject to retirement by rotation and re-election at the annual general meeting of the Company at least once every three years in accordance with the Articles of Association and the CG Code.

BOARD DIVERSITY POLICY

The Board had adopted a policy concerning diversity of Board members (the "Board Diversity Policy"), a summary of which is set out below:

(a) Purpose: The Board Diversity Policy aims to set out the approach to achieve diversity on the Board;

(b) Vision: The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance;

(c) Policy Statement: With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board;

(d) Measurable Objectives: Selection of candidates will be based on a range of diversity perspectives, including but not limited to age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board;

(e) Monitoring and Reporting: The Board will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of the Board Diversity Policy; and

(f) Review of the Board Diversity Policy: The Board will review the Board Diversity Policy, as appropriate, to ensure its effectiveness. The Board will discuss any revisions that may be required.

The above objectives will be reviewed from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained. The Board will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

The Board will review its composition regularly to ensure that it has the aforesaid diversity to enhance the business of the Company.

The Board Diversity Policy is available on websites of the Stock Exchange and the Company for public information.

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

All directors must keep abreast of their collective responsibilities. Any newly appointed director would receive an induction package covering the Group's businesses and the statutory regulatory obligations of a director of a listed company. All directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. Directors are continually updated on developments in statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. The Company has provided timely technical updates, including the briefing on the amendments on the Listing Rules and the news released published by the Stock Exchange to the directors. Continuing briefings and professional development for directors are arranged where necessary.

COMPANY SECRETARY

Ms. Chan Yuk Yee had been appointed as Company Secretary on 3 December 2015.

In compliance with Rule 3.29 of the Listing Rules, Ms. Chan Yuk Yee had undertaken not less than 15 hours of relevant professional training during the year ended 31 December 2015.

The biographical details of Ms. Chan Yuk Yee are set out under the section headed "Directors and Senior Management Profile" on pages 20 to 21 of this annual report.

Corporate Governance Report

INDEPENDENT AUDITOR'S REMUNERATION

During the year ended 31 December 2015, the independent auditor provided the following audit and permissible non-audit services to the Company with remunerations as follows:

	2015 HK$'000	2014 HK$'000
Audit for current year	1,147	1,396
Non-audit service	118	308

BOARD COMMITTEES

The Board has established several committees. The authority and duties of the audit committee of the Company (the "Audit Committee"), remuneration committee of the Company (the "Remuneration Committee") and the Nomination Committee are set out in written terms of reference which are of no less exacting terms than those set out in the CG Code for the year ended 31 December 2015 and are posted on the websites of the Stock Exchange and the Company, respectively. All committees are provided with sufficient resources to discharge their duties.

AUDIT COMMITTEE

As at the date of this annual report, the Audit Committee comprises three INEDs, namely, Mr. David Tsoi, Mr. Chiang Bun and Ms. Leung Pik Har, Christine, with Mr. David Tsoi as the Chairman of the Audit Committee.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and the effectiveness of the Group's internal controls and risk management. The Audit Committee meets at least twice a year in reviewing the interim and annual reports of the Company before submission to the Board for approval. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with the accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual reports.

The Audit Committee meets regularly with management and external auditors and reviews their reports. During the year ended 31 December 2015, the Audit Committee met twice in reviewing the consolidated financial statements for the year ended 31 December 2014 and the unaudited condensed consolidated financial statements for the six months ended 30 June 2015, and the internal control, risk management and corporate governance issues related to financial reporting of the Company. The record of attendance of each member at the committee meetings is set out below.

Name of members	Meetings attended/ Number of meetings
David Tsoi	2/2
Chiang Bun *(appointed on 8 June 2015)*	1/2
Leung Pik Har, Christine *(appointed on 8 June 2015)*	1/2
Lo Chi Kit *(resigned on 25 June 2015)*	1/2
Tam Hang Chuen *(resigned on 25 June 2015)*	1/2

Full minutes of the Audit Committee meetings are kept by the Company Secretary. Draft and final versions of the minutes of the Audit Committee meetings are sent to all members of the Audit Committee for their comments and records, in both cases within a reasonable time after the meetings.

REMUNERATION COMMITTEE

As at the date of this annual report, the Remuneration Committee comprises three INEDs, namely, Mr. Chiang Bun, Mr. David Tsoi and Ms. Leung Pik Har, Christine, with Mr. Chiang Bun as the Chairman of the Remuneration Committee.

The Remuneration Committee should consult with the Chairman on its remuneration proposals for other Executive Directors, and have access to independent professional advice if necessary. The principal responsibilities of the Remuneration Committee include, among others, the recommendation to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, the review and approval of management's remuneration proposals with reference to the Board's corporate goals and objectives, and the determination, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management.

The Remuneration Committee met four times during the year ended 31 December 2015 to review and approve the remuneration packages of directors and the bonus for certain director and senior management. The bonus granted was determined in accordance with the performance of the Group and the grantees. During the process, no individual director was involved in decisions relating to his/her own bonus or remuneration. The record of attendance of each member at the committee meetings is set out below.

Name of members	Meetings attended/ Number of meetings
Chiang Bun *(appointed on 8 June 2015)*	2/4
David Tsoi	2/4
Leung Pik Har, Christine *(appointed on 8 June 2015)*	2/4
Lo Chi Kit *(resigned on 25 June 2015)*	2/4
Tam Hang Chuen *(resigned on 25 June 2015)*	2/4
Chan Wing Him Kenny *(resigned on 25 June 2015)*	2/4

NOMINATION COMMITTEE

As at the date of this annual report, the Nomination Committee comprises three INEDs, namely Ms. Leung Pik Har, Christine, Mr. David Tsoi and Mr. Chiang Bun, and an Executive Director, namely Mr. Zhang Yuanqing, with Ms. Leung Pik Har, Christine as the Chairlady of the Nomination Committee.

The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of independent non-executive directors; and to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive officer.

The Nomination Committee will monitor the implementation of the Board Diversity Policy and will from time to time review the Board Diversity Policy, as appropriate, to ensure the effectiveness of the Board Diversity Policy.

The Nomination Committee met two times during the year ended 31 December 2015 to recommend the appointment of executive directors and the chief executive officer. The record of attendance of each member at the committee meetings is set out below.

Name of members	Meetings attended/ Number of meetings
Leung Pik Har, Christine *(appointed on 8 June 2015)*	2/2
David Tsoi	2/2
Chiang Bun *(appointed on 8 June 2015)*	2/2
Sue Ka Lok *(appointed on 8 June 2015 and resigned on 7 October 2015)*	1/2

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTIONS

The Company's corporate governance duties are carried out by the Board pursuant to the following terms of reference adopted by the Board:

(a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

(b) to review and monitor the training and continuous professional development of the directors and senior management;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Company's employees and directors; and

(e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

ACCOUNTABILITY AND AUDIT

The Board acknowledges its responsibility for preparing the consolidated financial statements of the Group and ensures that the consolidated financial statements have adopted the accounting principles generally accepted in Hong Kong and complied with the requirements of the Hong Kong Financial Reporting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Companies Ordinance and the Listing Rules.

The statement of the auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report section of this report.

There are no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

INTERNAL CONTROLS

The Board has overall responsibilities for maintaining an adequate and effective internal control system and for reviewing its effectiveness to safeguard the Group's assets against unauthorised use or disposition, and to protect the interests of shareholders. The Board through the Audit Committee had conducted an annual review on the systems of internal control and risk management in respect of the year ended 31 December 2015. The review covers all material controls, including financial, operational and compliance controls and risk management functions of the Group. The results of the review for the year ended 31 December 2015 have been reported to the Audit Committee and the Board. According to the results, the Audit Committee and the Board confirm that the systems and procedures of the Group's internal control are in good order and are able to identify, control and report on significant risks involved in achieving the Group's strategic objectives. Areas of improvement have been identified and appropriate measures have been put in place to manage the risks. No material deficiencies have been identified so far and there were no significant areas of concern which may affect the shareholders.

The Board considers that the Group's internal control system is adequate and effective and the Company has complied with the Code Provisions in respect of internal control under the CG Code for the year ended 31 December 2015.

SHAREHOLDERS' RIGHTS

The Board recognises the importance of good communication with shareholders. Information in relation to the Group which includes interim and annual reports, announcements and circulars, is disseminated to shareholders in a timely manner through the websites of the Stock Exchange and the Company, respectively.

The Company also acknowledges that general meetings are valuable forums for the Board to communicate directly with the shareholders and members of the Board and committees are encouraged to attend and answer questions at the general meetings.

Pursuant to Article 64 of the Articles of Association, extraordinary general meetings shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the directors or the company secretary for the purpose of requiring an extraordinary general meeting to be called by the directors for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the directors shall be reimbursed to the requisitionist(s) by the Company.

Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

As regards proposing a person for election as a director, please refer to the procedures for shareholders to propose a person for election as director of the Company available on the websites of the Stock Exchange and the Company, respectively.

Notice of general meetings and related circular are circulated to shareholders prior to the general meetings. Details of each resolution proposed and voting procedures (including procedures for demanding a poll) and other relevant information are clearly set out in the circular. The results of the voting by poll are published on the websites of the Stock Exchange and the Company on the day of the annual general meeting.

Shareholders may put forward their enquiries about the Company to the Board or the Company Secretary through the following channels:

1. By mail to the Company's principal place of business at Suite 1502, 15th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong;

2. By telephone number 3162 6668;

3. By fax number 3162 6663; or

4. By email at inquiry@enviro-energy.com.hk.

The Shareholders' Communication Policy adopted by the Company is publicly available on the websites of the Stock Exchange and the Company.

INVESTOR RELATIONS

The Company strives to maintain a close relationship with investors and potential investors. The management meets regularly with analysts and participates in investor conferences and gives appropriate presentations during the conferences. By taking these steps, the Company was able to attract high net worth individuals as well as institutional investors as shareholders.

The Company has established a sponsored Level 1 American Depositary Receipt facility with the Bank of New York Mellon, which has become effective since 27 January 2014.

As a channel to further enhance communications, the Company disseminates corporate information, including announcements, corporate notices, and other financial and non-financial information through the Company's website in a timely manner.

CONSTITUTIONAL DOCUMENTS

There had been no change in the Company's constitutional documents during the year ended 31 December 2015. A copy of the Company's latest constitutional documents is publicly available on the websites of the Stock Exchange and the Company, respectively.

Directors and Senior Management Profile

The biographical details of Directors and senior management as at 17 March 2016, the date of this annual report are set out below:

EXECUTIVE DIRECTORS

Mr. Suen Cho Hung, Paul ("Mr. Suen")

Aged 55, joined the Company as an Executive Director and the Chairman of the Board in June 2015 and is also a director of various subsidiaries of the Company. Mr. Suen holds a Master of Business Administration degree from the University of South Australia. Mr. Suen has extensive experience in managing metal, minerals and raw materials, electrical and electronic consumer products, energy and property business ventures as well as in strategic planning and corporate management of business enterprises in Hong Kong and the PRC. Mr. Suen is deemed to be a controlling shareholder of the Company via his interests in Able Victory Enterprises Limited, the controlling shareholder of the Company, which is ultimately wholly owned by Mr. Suen.

Mr. Zhang Yuanqing ("Mr. Zhang")

Aged 51, joined the Company as an Executive Director in August 2015 and was appointed as the Chief Executive Officer in October 2015 and is also a director of various subsidiaries of the Company and also a member of the Nomination Committee. Mr. Zhang holds a bachelor's degree in mechanical engineering from Shenyang University of Technology in the PRC. Mr. Zhang has held senior position in several financial companies in the PRC and has over 25 years of experience in the fields of engineering and industrial valuation.

Mr. Lai Ming Wai ("Mr. Lai")

Aged 56, joined the Company as an Executive Director in June 2015 and is also a director of various subsidiaries of the Company. Mr. Lai holds a bachelor's degree in Social Sciences from the University of Hong Kong. Mr. Lai was a senior executive of Bank of America and was primarily responsible for developing and managing the bank's business in southern region of the PRC. Mr. Lai has extensive experience in the banking and finance industry.

Mr. Zhu Lijia ("Mr. Zhu")

Aged 55, joined the Company as an Executive Director in August 2015. Mr. Zhu has over 30 years of experience in managing real estate, industrial and commercial projects as well as in providing business and financial consultancy services in the PRC. Mr. Zhu is the chairman of an investment company in the PRC.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. David Tsoi ("Mr. Tsoi")

Aged 68, joined the Company as an Independent Non-executive Director in July 2008 and is the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. Mr. Tsoi obtained a master's degree in business administration from the University of East Asia, Macau (currently known as University of Macau) in 1986. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong. He is also a member of the Institute of Chartered Accountants of England and Wales, CPA Australia, the Society of Chinese Accountants and Auditors and the Certified General Accountants Association of Canada, respectively. In addition, he is the managing director of Alliott, Tsoi CPA Limited.

Mr. Tsoi was appointed as an independent non-executive director of Guru Online (Holdings) Limited (stock code: 8121) on 28 May 2014. Mr. Tsoi was an independent non-executive director of CRRC Corporation Limited (stock code: 1766) until 16 June 2014. Both companies are listed in Hong Kong.

Directors and Senior Management Profile

Mr. Chiang Bun ("Mr. Chiang")

Aged 46, joined the Company as an Independent Non-executive Director in June 2015 and is the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. Mr. Chiang holds a bachelor's degree in Social Sciences from the University of Hong Kong and a LL.B. from Peking University. Mr. Chiang is also a Chartered Financial Analyst charter holder. Mr. Chiang has held senior roles in various international banks and financial institutions, primarily responsible for structured debt and/or equity financing. Mr. Chiang has extensive experience in the banking and finance industry.

Ms. Leung Pik Har, Christine ("Ms. Leung")

Aged 46, joined the Company as an Independent Non-executive Director in June 2015 and is the Chairlady of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee. Ms. Leung graduated from The Chinese University of Hong Kong with a bachelor's degree in business administration. She has over 20 years of experience in banking and financial services industries and held executive positions at several international financial institutions including Citibank, Bank of America, Industrial and Commercial Bank of China (Asia) Limited and Fubon Bank (Hong Kong) Limited.

SENIOR MANAGEMENT

Ms. Chan Yuk Yee ("Ms. Chan")

Aged 48, was appointed as the Company Secretary in December 2015. She holds a Master of Business Law degree from Monash University in Australia and is an associate member of both The Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Ms. Chan has over 15 years of experience in corporate administration and company secretarial practice.

Report of the Directors

The Directors hereby present their report and the audited consolidated financial statements for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding and the activities of its principal subsidiaries are set out in note 20 to the consolidated financial statements.

Further discussion and analysis of Group's activities as required by Schedule 5 to the Companies Ordinance, including a fair review of the business, a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the "Chairman's Statement" and "Management Discussion and Analysis" sections of this annual report. These sections form part of this report of the Directors.

RESULTS AND APPROPRIATIONS

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2015.

The results of the Group for the year ended 31 December 2015 are set out in the consolidated income statement and consolidated statement of comprehensive income on pages 35 to 36.

SHARE CAPITAL

Details of share issued during the year ended 31 December 2015 are set out in note 29 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save for the share option schemes as set out in "Share Option Schemes" section in this report and note 31 to the consolidated financial statements and the warrants issued by the Company as set out in note 9(b) to the consolidated financial statements, no equity-linked agreements were entered into by the Group, or existed during the year.

DISTRIBUTABLE RESERVES

As at 31 December 2015, the Company had no reserves available for distribution.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2015, sales to the Group's five largest customers accounted for approximately 100% of the Group's total sales and sales to the largest customer included therein accounted for approximately 66%.

During the year ended 31 December 2015, purchases from the Group's five largest suppliers accounted for approximately 100% of the Group's total purchases and purchases from the largest supplier included therein accounted for approximately 67%.

None of the directors or any of their close associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued shares) had any beneficial interest in the Group's five largest customers or suppliers during the year.

Report of the Directors

DIRECTORS

The directors of the Company during the year ended 31 December 2015 and up to the date of this report were:

Executive Directors:
Mr. Suen Cho Hung, Paul *(appointed on 8 June 2015)*
Mr. Zhang Yuanqing *(appointed on 31 August 2015)*
Mr. Lai Ming Wai *(appointed on 8 June 2015)*
Mr. Zhu Lijia *(appointed on 31 August 2015)*
Mr. Chan Wing Him Kenny *(resigned on 25 June 2015)*
Dr. Arthur Ross Gorrell *(resigned on 25 June 2015)*
Mr. Sue Ka Lok *(appointed on 8 June 2015 and resigned on 7 October 2015)*

Independent Non-executive Directors:
Mr. David Tsoi
Mr. Chiang Bun *(appointed on 8 June 2015)*
Ms. Leung Pik Har, Christine *(appointed on 8 June 2015)*
Mr. Lo Chi Kit *(resigned on 25 June 2015)*
Mr. Tam Hang Chuen *(resigned on 25 June 2015)*

In accordance with Article 108(A) of the Articles of Association, Mr. David Tsoi shall retire from his office at the forthcoming annual general meeting and, being eligible, will offer himself for re-election at the meeting.

In accordance with Article 112 of the Articles of Association, Mr. Suen Cho Hung, Paul, Mr. Zhang Yuanqing, Mr. Lai Ming Wai, Mr. Zhu Lijia, Mr. Chiang Bun and Ms. Leung Pik Har, Christine shall hold the office only until the forthcoming annual general meeting, and being eligible, offer themselves for re-election at the meeting.

The Company received from each of the independent non-executive directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considered all of the independent non-executive directors as independent.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Biographical details of the directors and senior management of the Group are set out on pages 20 to 21 of this annual report.

DIRECTORS' SERVICE CONTRACTS

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

UPDATES ON DIRECTORS' INFORMATION

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

1. Mr. Zhang Yuanqing ("Mr. Zhang") is entitled to receive a remuneration of HK$110,000 per month under his service contract with a subsidiary of the Company. The remuneration of Mr. Zhang has been approved by the Remuneration Committee.

2. Mr. Zhu Lijia ("Mr. Zhu") is entitled to receive a remuneration of HK$110,000 per month under his service contract with a subsidiary of the Company. The remuneration of Mr. Zhu has been approved by the Remuneration Committee.

3. Mr. Lai Ming Wai was appointed as an executive director and chief executive officer of Courage Marine Group Limited (stock code: 1145), a company listed in Hong Kong, on 14 October 2015.

Report of the Directors

DIRECTORS' REMUNERATION

Details of the directors' remuneration are set out in note 39(a) to the consolidated financial statements.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Save as disclosed in the section headed "Connected Transactions" in this report and in note 33 to the consolidated financial statements, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, its subsidiaries or its parent companies was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 December 2015.

SHARE OPTION SCHEMES

The purpose of each of the 2003 Share Option Scheme (hereinafter defined) and the 2011 Share Option Scheme (hereinafter defined) is to enable the Group to recognise the contribution of the participants to the Group and to motivate the participants to continuously work to the benefit of the Group by offering the participants an opportunity to have personal interest in the share capital of the Company.

(1) Share option scheme adopted by the Company on 25 January 2003 ("2003 Share Option Scheme")

On 25 January 2003, the 2003 Share Option Scheme was approved pursuant to written resolutions of the Company. Details of movement of the options granted under the 2003 Share Option Scheme for the year ended 31 December 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 year	Lapsed during the year	Cancelled during the year	Exercised during the year	As at 31 December 2015
Directors									
David Tsoi	15/06/2009	15/06/2011 to 15/06/2019	0.5145	1,064,189[5]	–	–	–	–	1,064,189
	09/07/2010	09/07/2012 to 08/07/2020	0.3947	354,730[6]	–	–	–	–	354,730
Chan Wing Him Kenny	19/06/2008	19/06/2010 to 19/06/2018	0.1632	709,459[5]	–	–	(709,459)	–	–
(former director) (Note 1)	15/06/2009	15/06/2011 to 15/06/2019	0.5145	2,837,838[5]	–	–	(2,837,838)	–	–
	09/07/2010	09/07/2012 to 08/07/2020	0.3947	12,060,811[6]	–	–	(12,060,811)	–	–
Arthur Ross Gorrell	19/06/2008	19/06/2010 to 19/06/2018	0.1632	709,459[5]	–	(709,459)	–	–	–
(former director) (Note 2)	15/06/2009	15/06/2011 to 15/06/2019	0.5145	2,837,838[5]	–	(2,837,838)	–	–	–
	09/07/2010	09/07/2012 to 08/07/2020	0.3947	709,459[6]	–	(709,459)	–	–	–
Lo Chi Kit	15/06/2009	15/06/2011 to 15/06/2019	0.5145	851,351[5]	–	(851,351)	–	–	–
(former director) (Note 3)	09/07/2010	09/07/2012 to 08/07/2020	0.3947	141,892[6]	–	–	–	(141,892)[8]	–
Tam Hang Chuen	15/06/2009	15/06/2011 to 15/06/2019	0.5145	141,892[5]	–	(141,892)	–	–	–
(former director) (Note 4)	09/07/2010	09/07/2012 to 08/07/2020	0.3947	141,892[6]	–	–	–	(141,892)[8]	–
				22,560,810	–	(5,249,999)	(15,608,108)	(283,784)	1,418,919

Name or category of participants	Date of grant	Exercise period	Exercise price per share (HK$)	As at 1 January 2015	Granted during the year	Lapsed during the year	Cancelled during the year	Exercised during the year	As at 31 December 2015
Other employees									
In aggregate	15/06/2009	15/06/2011 to 15/06/2019	0.5145	42,568[5]	–	(42,568)	–	–	–
	04/02/2010	04/02/2012 to 04/02/2020	0.3622	3,093,243[5]	–	(255,405)	–	–	2,837,838
	09/07/2010	09/07/2012 to 08/07/2020	0.3947	3,079,054[6]	–	(241,216)	–	–	2,837,838
				6,214,865	–	(539,189)	–	–	5,675,676
Others									
In aggregate	19/06/2008	19/06/2010 to 19/06/2018	0.1632	709,459[5]	–	–	–	(709,459)[8]	–
	15/06/2009	15/06/2011 to 15/06/2019	0.5145	28,378,379[5]	–	–	–	–	28,378,379
	06/10/2009	06/10/2011 to 06/10/2019	0.5286	496,622[5]	–	–	–	–	496,622
	04/02/2010	04/02/2012 to 04/02/2020	0.3622	71,300,676[5]	–	–	–	–	71,300,676
	09/07/2010	09/07/2012 to 08/07/2020	0.3947	87,760,135[6]	–	–	–	–	87,760,135
				188,645,271	–	–	–	(709,459)	187,935,812
			Total:	217,420,946[7]	–	(5,789,188)	(15,608,108)	(993,243)	195,030,407[7]
		Weighted average exercise price per share (HK$)		0.40	–	0.45	0.41	0.23	0.40

Notes:

(1) Mr. Chan Wing Him Kenny resigned as an executive director of the Company on 25 June 2015.

(2) Dr. 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 31 December 2015, the Company had 195,030,407 (31 December 2014: 217,420,946) share options outstanding under the 2003 Share Option Scheme, which represented approximately 2.77% (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$0.3100.

Report of the Directors

(2) Share option scheme adopted by the Company on 12 May 2011 ("2011 Share Option Scheme")

The Company adopted the 2011 Share Option Scheme which was approved by shareholders in the Company's annual general meeting held on 12 May 2011. Details of movement of the options granted under the 2011 Share Option Scheme for the year ended 31 December 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$)	As at 1 January 2015	Granted during the year	Lapsed during the year	Cancelled during the year	Exercised during the year	As at 31 December 2015
Directors									
David Tsoi	23/06/2011	23/06/2012 to 22/06/2021	0.3066	212,838[6]	–	–	–	–	212,838
	31/12/2012	31/12/2013 to 30/12/2022	0.1149	496,622[5 & 6]	–	–	–	(496,622)[8]	–
Chan Wing Him Kenny *(former director) (Note 1)*	31/12/2012	31/12/2013 to 30/12/2022	0.1149	21,283,784[5 & 6]	–	–	(21,283,784)	–	–
Arthur Ross Gorrell *(former director) (Note 2)*	31/12/2012	31/12/2013 to 30/12/2022	0.1149	2,837,838[5 & 6]	–	(2,837,838)	–	–	–
Lo Chi Kit *(former director) (Note 3)*	23/06/2011	23/06/2012 to 22/06/2021	0.3066	141,892[6]	–	–	–	(141,892)[8]	–
	31/12/2012	31/12/2013 to 30/12/2022	0.1149	425,676[5 & 6]	–	–	–	(425,676)[8]	–
Tam Hang Chuen *(former director) (Note 4)*	23/06/2011	23/06/2012 to 22/06/2021	0.3066	141,892[6]	–	–	–	(141,892)[8]	–
	31/12/2012	31/12/2013 to 30/12/2022	0.1149	425,676[5 & 6]	–	–	–	(425,676)[8]	–
				25,966,218	–	(2,837,838)	(21,283,784)	(1,631,758)	212,838
Other employees									
In aggregate	23/06/2011	23/06/2012 to 22/06/2021	0.3066	5,320,945[6]	–	(86,459)	–	(268,270)[8]	4,966,216
	31/12/2012	31/12/2013 to 30/12/2022	0.1149	18,800,675[6]	–	(1,277,268)	–	(17,523,407)[8]	–
				24,121,620	–	(1,363,727)	–	(17,791,677)	4,966,216
Others									
In aggregate	23/06/2011	23/06/2012 to 22/06/2021	0.3066	64,347,974[6]	–	–	–	–	64,347,974
	31/12/2012	31/12/2013 to 30/12/2022	0.1149	6,030,405[6]	–	–	–	(4,966,216)[8]	1,064,189
				70,378,379	–	–	–	(4,966,216)	65,412,163
			Total:	120,466,217[7]	–	(4,201,565)	(21,283,784)	(24,389,651)	70,591,217[7]
		Weighted average exercise price per share (HK$)		0.23	–	0.12	0.11	0.12	0.30

Notes:

(1) Mr. Chan Wing Him Kenny resigned as an executive director of the Company on 25 June 2015.

(2) Dr. 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 31 December 2015, the Company had 70,591,217 (31 December 2014: 120,466,217) share options outstanding under the 2011 Share Option Scheme, which represented approximately 1.00% (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$0.3233.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2015, the interests and short positions of the directors and chief executive of the Company, if any, 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) 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 as set out in Appendix 10 to 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
Suen Cho Hung, Paul ("Mr. Suen")	Interest of a controlled corporation	2,207,485,423 *(Note 1)*	–	2,207,485,423	31.30%
David Tsoi ("Mr. Tsoi")	Beneficial owner	496,622	1,631,757 *(Note 2)*	2,128,379	0.03%

Notes:

1. 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 and Epic Wise were deemed to be interested in 2,207,485,423 shares of the Company under the SFO.

2. These represented the interests of Mr. Tsoi in 1,631,757 units of share options which carry the rights to subscribe 1,631,757 shares of the Company upon exercise in full of share options granted to him under the 2003 Share Option Scheme and the 2011 Share Option Scheme.

Save as disclosed above, as at 31 December 2015, none of the directors and chief executive of the Company had registered an interest or short position 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.

Report of the Directors

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "Share Option Schemes" and "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the year 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, and none of the directors or their respective spouses or minor children had any rights to subscribe for the securities of the Company, or had exercised any such rights during the year.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31 December 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 the SFO:

Long positions in the shares or underlying shares of the Company

Name of shareholders	Capacity and nature of interest	Number of shares or underlying shares held	Approximate % of shareholding
Mr. Suen	Interest of controlled corporation	2,207,485,423 *(Note 1)*	31.30%
Epic Wise	Interest of controlled corporation	2,207,485,423 *(Note 1)*	31.30%
Able Victory	Beneficial owner	2,207,485,423 *(Note 1)*	31.30%
Li, Stephen Hing Yue ("Mr. Stephen Li")	Interest of controlled corporation	452,400,000 *(Note 2)*	6.42%
Cool Legend Limited ("Cool Legend")	Beneficial owner	452,400,000 *(Note 2)*	6.42%
Dalian Taiyuan Real Estate Development Co., Ltd ("Dalian Taiyuan")	Beneficial owner	487,161,789 *(Note 3)*	6.91%
Hua Jun Property (Dalian) Co Limited ("Hua Jun Property")	Interest of controlled corporation	487,161,789 *(Note 3)*	6.91%
Hua Jun Holding Group Co. Limited ("Hua Jun Holding")	Interest of controlled corporation	487,161,789 *(Note 3)*	6.91%
Mr. Meng Guangbao ("Mr. Meng")	Interest of controlled corporation	487,161,789 *(Note 3)*	6.91%
Ms. Bao Le ("Ms. Bao")	Interest of controlled corporation	487,161,789 *(Note 3)*	6.91%

Notes:

1. 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 of the Company under the SFO.

2. These interests were held by Cool Legend, which was wholly owned by Mr. Stephen Li. Accordingly, Mr. Stephen Li was deemed to be interested in 452,400,000 shares of the Company under the SFO.

3. The 487,161,789 shares that Dalian Taiyuan is interested in represent the consideration shares to be issued by the Company at the issue price of HK$0.21 per share as the consideration for the acquisition set out in the Company's announcement dated 23 December 2015 and the Company's circular dated 17 February 2016. Dalian Taiyuan is a wholly owned subsidiary of Hua Jun Property which in turn is wholly owned by Hua Jun Holding. Mr. Meng and Ms. Bao (spouse of Mr. Meng) beneficially own the entire issued share capital of Hua Jun Holding. Accordingly, Hua Jun Property, Hua Jun Holding, Mr. Meng and Ms. Bao were deemed to be interested in 487,161,789 underlying shares of the Company under the SFO.

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

The interests of Mr. Stephen Li and Cool Legend in 452,400,000 shares of the Company referred to above related to the same parcel of shares.

The interests of Mr. Meng, Ms. Bao, Hua Jun Holding, Hua Jun Property and Dalian Taiyuan in 487,161,789 underlying shares of the Company referred to above related to the same parcel of underlying shares.

Save as disclosed above, as at 31 December 2015, the Company had not been notified of any other relevant interests or short positions in the shares or underlying shares of the Company as required to be recorded pursuant to Section 336 of the SFO.

GROUP'S EMOLUMENT POLICY

The Group adopted the following philosophies in determining its emolument policy:

- the Group adopts a performance driven policy so that each individual is motivated to perform to the best he/she can;

- individual competence, contribution and responsibility are taken into account when considering the remuneration level for each employee;

- the Company offers mandatory provident fund, medical insurance and leave benefits to provide basic coverage to staff for retirement, sickness, rest and relaxation reasons, respectively;

- share option grants are made from time to time to better link the corporate performance as reflected in the share price performance and the contributions made by the staff in the intermediate to longer time frame; and

- the economic factors and the affordability of the Group are taken into account in coming up with the overall remuneration budget for the Group.

The Group has also adopted a discretionary bonus scheme. Factors, such as overall financial performance, the affordability of the Company and individual performance, have been taken into account before determining the entitlement of each qualified employee.

The determination of directors' remuneration has taken into consideration of their respective responsibilities and contributions to the Company and with reference to market terms.

Report of the Directors

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every director or other officer of the Company for the time being acting in relation to any affairs of the Company shall be entitled to be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she shall or may incur or sustain in or about the execution of the duties of his/her office or otherwise in relation thereto provided that the indemnity shall not extend to any matter in respect of any fraud or dishonesty of the above persons. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and other officers of the Company during the year.

CONNECTED TRANSACTIONS

The related party transaction as disclosed in note 33(a) to the consolidated financial statements does not constitute a connected transaction under the Listing Rules whereas the related party transactions as disclosed in note 33(b) and (c) to the consolidated financial statements fall under the scope of connected transactions under the Listing Rules but are exempted from reporting, annual review, announcement or independent shareholders' approval requirements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2015, Mr. Chan Wing Him Kenny, the former executive director of the Company (who resigned on 25 June 2015) and Dr. Arthur Ross Gorrell, the former executive director of the Company (who resigned on 25 June 2015), via their executive positions and shareholding interests held in Petromin Resources Ltd ("Petromin") (as mentioned in note 33(a) to the consolidated financial statements), a company engaged in the business of acquisition and development of oil and gas properties, are considered to have interest in businesses which compete or are likely to compete, either directly or indirectly, with the oil and gas business of the Group.

The Board considered that business of acquisition and development of oil and gas properties of Petromin do not pose material competitive threat to the Group due to the reason that upon completion of the Distribution in Specie in February 2015 as mentioned in note 14 to the consolidated financial statements, the Group did not engage in oil and gas business during the year ended 31 December 2015.

Save as disclosed above, none of the directors of the Company had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group for the year ended 31 December 2015.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company during the year ended 31 December 2015.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information publicly available to the Company and within the knowledge of the Directors, at least 25% of the issued share capital of the Company was held by the public.

CORPORATE GOVERNANCE

The Company maintains a high standard of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 12 to 19 of this annual report.

FIVE YEARS FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years is set out on page 96.

EVENT AFTER BALANCE SHEET DATE

Event after balance sheet date of the Company is set out in note 37 to the consolidated financial statements.

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 December 2015 have been reviewed by the Audit Committee before they are duly approved by the Board under the recommendation of the Audit Committee.

AUDITORS

The consolidated financial statements for the year ended 31 December 2015 have been audited by PricewaterhouseCoopers.

PricewaterhouseCoopers will retire and a resolution for its re-appointment as an auditor of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Suen Cho Hung, Paul
Chairman

Hong Kong, 17 March 2016

Independent Auditor's Report

羅兵咸永道

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ENVIRO ENERGY INTERNATIONAL HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Enviro Energy International Holdings Limited and its subsidiaries set out on pages 34 to 95, which comprise the consolidated balance sheet as at 31 December 2015, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTOR'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purposes. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888

Independent Auditor's Report

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 17 March 2016

Consolidated Balance Sheet

	Notes	As at 31 December 2015 HK$'000	2014 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	760	1,278
Exploration and evaluation assets	17	77,500	141,070
Investment properties	18	96,882	–
Available-for-sale investment	21	290	347
Club memberships		330	2,700
Deposits	23	330	467
		176,092	145,862
Current assets			
Inventories	19	407	1,228
Trade receivables	22	6,932	108
Deposits, prepayments and other receivables	23	42,734	2,271
Financial asset at fair value through profit or loss	24	–	630
Bank balances and cash	25	310,736	29,033
		360,809	33,270
Assets of disposal group classified as held for distribution	28(a)	–	977,157
		360,809	1,010,427
Total assets		536,901	1,156,289
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	29(a)	17,630	13,101
Reserves	29(b)	359,822	613,541
		377,452	626,642
Non-controlling interests		48,719	288,620
Total equity		426,171	915,262
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	27	–	–
Current liabilities			
Trade and other payables	26	13,848	23,455
Consideration payables for acquisition of investment properties	26	96,882	–
		110,730	23,455
Liabilities of disposal group classified as held for distribution	28(a)	–	217,572
		110,730	241,027
Total liabilities		110,730	241,027
Total equity and liabilities		536,901	1,156,289

Suen Cho Hung, Paul
Director

Zhang Yuanqing
Director

The notes on pages 40 to 95 are an integral part of these consolidated financial statements.

The financial statements on pages 34 to 95 were approved by the Board of Directors on 17 March 2016 and were signed on its behalf.

Consolidated Income Statement

	Notes	Year ended 31 December 2015 HK$'000	2014 HK$'000
Continuing operations:			
Revenue	8	13,171	1,043
Cost of sales		(12,722)	(640)
Gross profit		449	403
Other gains, net	9(a)	45	1,737
Fair value loss in issuance of unlisted warrants	9(b)	–	(38,931)
Impairment loss on exploration and evaluation assets	17	(49,802)	–
Selling and distribution expenses		(156)	(447)
Administrative and operating expenses		(29,033)	(51,556)
Finance income	11	188	19
Loss before taxation	10	(78,309)	(88,775)
Income tax	12	–	–
Loss for the year from continuing operations		(78,309)	(88,775)
Discontinued operation:			
Profit for the year from discontinued operation	28(b)	4	1,592
Loss for the year		(78,305)	(87,183)
Attributable to:			
Owners of the Company			
Continuing operations		(44,931)	(88,272)
Discontinued operation		211	3,841
		(44,720)	(84,431)
Non-controlling interests			
Continuing operations		(33,378)	(503)
Discontinued operation		(207)	(2,249)
		(33,585)	(2,752)
		(78,305)	(87,183)
(Loss)/earnings per share attributable to owners of the Company (expressed in HK cent(s) per share)	15		
Basic and diluted — from continuing operations		(0.75)	(2.38)
Basic and diluted — from discontinued operation		0.01	0.10
Basic and diluted — from loss for the year		(0.74)	(2.28)
Dividends		–	–

The notes on pages 40 to 95 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Loss for the year	**(78,305)**	(87,183)
Other comprehensive loss		
Items that may be reclassified to profit or loss:		
Exchange differences arising from translation of foreign operations	**(62,288)**	(67,484)
Other comprehensive loss for the year, net of tax	**(62,288)**	(67,484)
Total comprehensive loss for the year	**(140,593)**	(154,667)
Attributable to:		
Owners of the Company	**(88,952)**	(133,143)
Non-controlling interests	**(51,641)**	(21,524)
Total comprehensive loss for the year	**(140,593)**	(154,667)
Total comprehensive loss attributable to owners of the Company arises from:		
Continuing operations	**(46,928)**	(96,301)
Discontinued operation	**(42,024)**	(36,842)
	(88,952)	(133,143)

The notes on pages 40 to 95 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Attributable to owners of the Company									
	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$'000	Total HK$'000	Non–controlling interests HK$'000	Total HK$'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
Comprehensive loss										
Loss for the year	–	–	–	–	–	–	(84,431)	(84,431)	(2,752)	(87,183)
Other comprehensive loss										
Exchange differences arising from translation of foreign operations	–	–	–	–	(48,712)	–	–	(48,712)	(18,772)	(67,484)
Total comprehensive loss for the year	–	–	–	–	(48,712)	–	(84,431)	(133,143)	(21,524)	(154,667)
Transactions with owners in their capacity as owners										
Recognition of equity-settled share-based payments	–	–	–	1,082	–	–	–	1,082	–	1,082
Lapse of share options	–	–	–	(7,528)	–	–	7,528	–	–	–
Exercise of warrants (Note 29(a)(iii))	–	2	–	–	–	–	–	2	–	2
Lapse of warrants	–	–	–	–	–	(125)	125	–	–	–
Issuance of subscribed offer shares and bonus issue of warrants (Note 29(a)(i))	4,367	38,845	–	–	–	29,316	–	72,528	–	72,528
Total transactions with owners in their capacity as owners	4,367	38,847	–	(6,446)	–	29,191	7,653	73,612	–	73,612
As at 31 December 2014	13,101	968,297	19,980	77,999	(29,711)	40,303	(463,327)	626,642	288,620	915,262

Consolidated Statement of Changes in Equity

	Attributable to owners of the Company									
	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$'000	Total HK$'000	Non–controlling interests HK$'000	Total HK$'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
Comprehensive loss										
Loss for the year	–	–	–	–	–	–	(44,720)	(44,720)	(33,585)	(78,305)
Other comprehensive loss										
Exchange differences arising from translation of foreign operations	–	–	–	–	(44,232)	–	–	(44,232)	(18,056)	(62,288)
Total comprehensive loss for the year	–	–	–	–	(44,232)	–	(44,720)	(88,952)	(51,641)	(140,593)
Transactions with owners in their capacity as owners										
Lapse/cancellation of share options	–	–	–	(6,926)	–	–	6,926	–	–	–
Exercise of share options (Note 29(a)(ii))	63	5,224	–	(2,149)	–	–	–	3,138	–	3,138
Exercise of warrants (Note 29(a)(iii))	1,846	173,848	–	–	–	(20,652)	–	155,042	–	155,042
Placing of shares (Note 29(a)(iv))	2,620	201,620	–	–	–	–	–	204,240	–	204,240
Purchase of non-controlling interests (Note 14)	–	–	–	–	–	32,901	–	32,901	(32,901)	–
Distribution in specie (Note 14)	–	(555,559)	–	–	–	–	–	(555,559)	(155,359)	(710,918)
Derecognition upon distribution in specie (Note 14)	–	–	–	–	55,707	(91,669)	35,962	–	–	–
Total transactions with owners in their capacity as owners	4,529	(174,867)	–	(9,075)	55,707	(79,420)	42,888	(160,238)	(188,260)	(348,498)
As at 31 December 2015	17,630	793,430	19,980	68,924	(18,236)	(39,117)	(465,159)	377,452	48,719	426,171

The notes on pages 40 to 95 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Notes	Year ended 31 December 2015 HK$'000	2014 HK$'000
Operating activities			
Loss before taxation, including discontinued operation		(78,305)	(89,793)
Adjustments for:			
Finance income		(188)	(19)
Depreciation of property, plant and equipment		175	602
(Gain)/loss on disposal of property, plant and equipment		(51)	117
Share-based payments		–	1,082
Impairment loss on exploration and evaluation assets		49,802	–
Fair value loss in issuance of unlisted warrants		–	38,931
Write down of inventories		216	–
Write back of accrual of withholding tax		(3,157)	–
Fair value changes on financial asset at fair value through profit or loss		–	270
Impairment loss on available-for-sale investment		57	30
Provision for trade and other receivables		–	1,870
Write back of other payables		–	(1,964)
Operating cash flow before movements in working capital		(31,451)	(48,874)
Decrease/(increase) in inventories		605	(1,228)
Increase in trade receivables		(6,907)	(20)
(Increase)/decrease in deposits, prepayments and other receivables		(39,789)	975
(Decrease)/increase in trade and other payables		(6,739)	6,554
Net cash used in operating activities		(84,281)	(42,593)
Investing activities			
Purchase of property, plant and equipment	16	(1,037)	(1,158)
Proceeds from disposal of property, plant and equipment	16	304	1,229
Proceeds from disposal of subsidiaries, net of professional expenses incurred and bank balances and cash on disposal	30	4,095	–
Bank interest received	11	188	–
Net cash generated from investing activities		3,550	71
Financing activities			
Proceeds from issuance of ordinary shares, net of issuance costs	29(a)(i)	–	33,597
Proceeds from exercise of share options	29(a)(ii)	3,138	–
Proceeds from exercise of warrants	29(a)(iii)	155,042	2
Proceeds from placing of shares	29(a)(iv)	204,240	–
Cash outflow from distribution in specie	14	(112)	–
Net cash generated from financing activities		362,308	33,599
Net increase/(decrease) in bank balances and cash		281,577	(8,264)
Bank balances and cash at beginning of year		29,166	37,493
Exchange difference on bank balances and cash		(7)	596
Bank balances and cash at end of year including disposal group		310,736	29,166
Bank balances and cash of disposal group classified as held for distribution	28(a)	–	133
Bank balances and cash other than disposal group at end of year	25	310,736	29,033
Bank balances and cash at end of year including disposal group		310,736	29,166

The principal non-cash transaction is the consideration of the addition of investment properties discussed in Note 18 to the consolidated financial statements.

The notes on pages 40 to 95 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

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 Group is principally engaged in investment holding, property investment, natural resources and energy and information technology related businesses.

As at 31 December 2015, the Board considers that Able Victory Enterprises Limited and Epic Wise International Limited, each a company incorporated in the British Virgin Islands, as the immediate and ultimate holding company of the Company, respectively, and Mr. Suen Cho Hung, Paul, an Executive Director and the Chairman of the Board, as the ultimate controlling party of the Company.

These consolidated financial statements are presented in thousands of Hong Kong dollars (HK$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board on 17 March 2016.

2 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale investment, financial asset at fair value through profit or loss and investment properties which are carried at fair value and assets/liabilities of disposal group classified as held for distribution.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

As at 31 December 2015, the Group's mining properties amounted to HK$77,500,000 after an impairment loss amounted to HK$49,802,000 was recognised in the consolidated income statement for the year ended 31 December 2015. The mining permit associated with such mining properties will expire on 22 January 2017. While a plan to pursue the required extension is underway and the extension is not yet secured, management has performed the impairment review with the assumption that the validity of the permit will be extended beyond 22 January 2017. Other than the aforementioned impairment loss, the consolidated financial statements do not include any adjustment on the carrying amount of the mining properties of the Group as at 31 December 2015 that would be required if the mining permit is not extended.

(a) Changes in accounting policy and disclosures

(i) The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2015:

HKAS 19 (Amendment)	Defined benefit Plans: Employee contributions
Annual Improvement Project	Annual improvements 2010–2012 cycle
	Annual improvements 2011–2013 cycle

2 BASIS OF PREPARATION *(Continued)*

(a) Changes in accounting policy and disclosures *(Continued)*

(ii) The following new, revised and amended standards that are effective and have not been early adopted by the Group:

HKAS 1 Amendment	Disclosure initiative[1]
HKAS 16 and HKAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortisation[1]
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer plants[1]
HKAS 27 (Amendment)	Equity method in separate financial statements[1]
HKFRS 9	Financial instruments[2]
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture[3]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment entities: Applying the consolidation exception[1]
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations[1]
HKFRS 14	Regulatory deferral accounts[1]
HKFRS 15	Revenue from contracts with customers[2]
Annual Improvement Project	Annual improvements 2012–2014 cycle[1]

Notes:

1. Effective for annual periods beginning on or after 1 January 2016

2. Effective for annual periods beginning on or after 1 January 2018

3. The amendments were originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted.

Management is in the process of making an assessment of the impact of these new standards, interpretations and amendments to the standards and is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

(iii) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation

(i) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Consolidated Financial Statements

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(a) Consolidation *(Continued)*

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposals of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(b) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Chief Executive Officer (the "CEO") who makes strategic decisions.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

All foreign exchange gains and losses, including foreign exchange gains and losses that related to cash and cash equivalents, recognised in the income statement within "administrative and operating expenses".

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Foreign currency translation *(Continued)*

(ii) Transactions and balances *(Continued)*

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in equity.

(e) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation.

Depreciation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives, as follows:

— Land	Indefinite useful life
— Leasehold improvements	3 years or over the lease term, whichever is shorter
— Plant and machinery	5 years
— Computer equipment and software	2–3 years
— Furniture and fixtures	5 years
— Office equipment	5 years
— Motor vehicles	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Notes to the Consolidated Financial Statements

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(e) Property, plant and equipment *(Continued)*

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain and loss on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains, net" in the consolidated income statement.

(f) Exploration and evaluation assets

The Group's exploration and evaluation assets comprised of mining properties. All costs of acquisition of exploration for and evaluation of mining reserves are capitalised and accumulated on a field-by-field basis. Such costs include licence and land acquisitions, geological and geophysical activity and exploratory drilling. The Group does not have any costs of unproved properties capitalised in exploration and evaluation assets.

No amortisation is charged on the exploration and evaluation assets during the exploration and evaluation phase.

Exploration and evaluation properties are reviewed for impairment when there are indicators that impairment exists. Impairment of mining properties is assessed at each field within the marble mining operating segment level. An impairment loss is recognised for the amount by which the exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation assets' fair value less costs to sell and their value in use.

(g) Investment properties

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group. They also include properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the income statement as part of a valuation gain or loss in "Other gains, net".

(h) Club memberships

Club memberships with indefinite useful life are stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the club memberships have suffered an impairment loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method, which comprises invoiced cost and other incidental expenses. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) Impairment of non-financial assets other than exploration and evaluation assets

Assets that have an indefinite useful life — for example, goodwill or intangible assets not ready to use — are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

(k) Disposal group classified as held for distribution

A disposal group is classified as held for distribution to owners when distribution of the disposal group to the owners is considered highly probable. The assets must be available for immediate distribution in their present condition and the distribution must be highly probable. For the distribution to be considered highly probable, actions to complete the distribution must have been initiated and should be expected to be completed within one year from the date of classification. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will be withdrawn. The probability of shareholders' approval (if required in the jurisdiction) should be considered as part of the assessment of whether the distribution is highly probable.

A disposal group classified as held for distribution to owners is measured at the lower of its carrying amount and fair value less costs to distribute.

A disposal group classified as held for distribution is presented separately from other assets in the consolidated balance sheet. The liabilities of the disposal group classified as held for distribution are presented separately from other liabilities in the consolidated balance sheet. Those assets and liabilities are not offset and presented as a single amount.

(l) Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographic area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount is presented in the consolidated income statement, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the disposal group constituting the discontinued operation.

(m) Financial assets

The Group's financial assets are mainly loans and receivables, available-for-sale investment and financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Recognition and measurement

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as "Other gains, net".

Notes to the Consolidated Financial Statements

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(n) Impairment of financial assets

(ii) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(iii) Assets carried as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(o) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(p) Bank balances and cash

Bank balances and cash include cash in hand and deposits held at call with banks.

(q) Share capital and equity instruments

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, from the proceeds.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs. Warrants issued by the Company that will be settled by a fixed amount of cash for a fixed number of the Company's own equity instruments are classified as equity instruments ("other reserve"). The reserve will be transferred to the share capital and share premium accounts upon the exercise of the warrants.

On the commitment day for the issuance of equity instruments by the Company, a derivative for the commitment arises, which will be measured as financial liability at fair value through profit or loss, is recognised at fair value. Upon the issuance of these equity instruments, such financial liability is remeasured at fair value and the fair value change is recognised in the profit or loss. The financial liability is then derecognised and recorded as equity instruments.

(r) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(s) Other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer).

Notes to the Consolidated Financial Statements

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(t) Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(iii) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(u) Employee benefits

(i) Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following period. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(u) Employee benefits *(Continued)*

(ii) Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

(iii) Share-based payments — share options granted to employees

For grants of share options which are conditional upon satisfying specified vesting conditions, the fair value of services received in exchange for the grant of the options is recognised as an expense over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied, with a corresponding increase in equity (share options reserve). The impact of the revision of the original estimates during the vesting period, if any, is recognised in the consolidated income statement with a corresponding adjustment to equity.

For share options which are vested at the date of grant, the fair value of the share options granted is expensed immediately to the consolidated income statement.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

(iv) Share-based payments — share options granted to non-employees

Share options issued in exchange for services are measured at the fair values of the services received, unless that fair value cannot be reliably measured, in which case the services received are measured by reference to the fair value of the share options granted. The fair values of the services received are recognised as expenses with a corresponding increase in equity (share options reserve) when the counterparties render services or over the period when the non-employees render services, unless the services qualify for recognition as assets.

(v) Bonus plans

The Group recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that created a constructive obligation.

(v) Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Notes to the Consolidated Financial Statements

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(w) Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic resources can be estimated reliably, the obligation is disclosed as a contingent liability.

(x) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

(y) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amount receivable for goods sold and services provided in the normal course of business, net of sales related taxes, if any.

Revenue from the sales of marble products, solar panels and base oil are recognised when the customer has accepted the goods together with significant risks and rewards of ownership.

Revenue from the rendering of network maintenance services is recognised on a time proportion basis over the period of the contract, or when the related services are rendered.

(z) Interest income

Interest income is recognised using the effective interest method.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimation of mining reserves

Mining reserves is a key factor in the Group's investment decision-making process. Estimates of mining reserves are an important element in determining their economic value. Proved plus probable reserves and unrisked prospective resources estimates are subject to revision, either upward or downward, based on new information, such as from production activities or from changes in economic factors, including product mining rock prices, contract terms and development plans. In general, changes in the technical maturity of mining reserves resulting from new information becoming available from development and production activities have tended to be the most significant cause of revisions.

(b) Impairment assessment of mining properties

At each balance sheet date, the Group reviews internal and external sources of information to identify indications that the Group's mining properties may be impaired.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the consolidated income statement whenever the carrying amount of an asset exceeds its recoverable amount. The sources utilised to identify facts and circumstances that indicate impairment are often subjective in nature and the Group is required to use judgement in applying such information to its business. The Group's interpretation of this information has a direct impact on whether an impairment assessment has to be performed as at any given balance sheet date.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(b) Impairment assessment of mining properties *(Continued)*

PT. Grasada Multinational ("GM") holds the mining permit covering approximately 33 hectares at Selenrang, Bontoa, Maros Regency, Indonesia (the "Maros Marble Project").

For the mining properties under the Maros Marble Project, the Group has considered the following factors when assessing whether an impairment indicator existed at 31 December 2015:

(i) The mining permit held by GM will expire on 22 January 2017. Management is in the progress of applying an extension of the mining permit which is subject to the approval by the Sulawesi Provincial Government of Indonesia. The Group has obtained legal opinion from its Indonesian Legal Counsel that by obtaining the power of attorney ("POA") from GM's board of directors, the Group has the full authority to submit an extension application of the mining permit to the Sulawesi Provincial Government of Indonesia within six months prior the expiration;

(ii) There was no significant change that had taken place since the acquisition (except those mentioned in paragraph (iii) and (iv) below) or is expected to take place in the near future, that would create an adverse effect in the technological market, economic or legal environments in which GM operates;

(iii) There were delay of the project and changes in the prices of marbles which indicate that the economic performance of the mining properties is, or will be, worse than expected; and

(iv) There were changes in market participant's data which are likely to affect the discount rate used in calculating the value in use of the mine and would decrease the mining properties' recoverable amount.

As mentioned above and further discussed in Note 17, while there is uncertainty as to when the exploration period will be extended, management assessed that the approval of the extension by the Sulawesi Provincial Government of Indonesia is highly probable. Taking into account the delay of the project as well as the fluctuation in the prices of marbles, management had determined that the performance of an impairment assessment was necessary. Management had engaged Roma Appraisal Limited ("Roma") to assist them in performing an impairment assessment and as a result of the assessment, the Group made an impairment loss of HK$49,802,000 on the mining properties during the year ended 31 December 2015 (Note 17).

(c) Estimation of fair value of investment properties

The fair values of investment properties are determined by independent valuers in an open market for existing use basis. In making the judgement, the independent valuers consider information from a variety of sources including:

(i) current prices in an active market for properties of a different nature, condition, location, adjusted to reflect those differences;

(ii) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

(iii) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Details of the judgement and assumptions have been disclosed in Note 18.

The carrying amount of investment properties as at 31 December 2015 was HK$96,882,000 (2014: Nil).

Notes to the Consolidated Financial Statements

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(d) Valuation of share options granted

The fair value of share options granted was priced using a binomial option pricing model which requires the management's estimates and assumptions on significant calculation inputs, including the estimated life of share options granted, the volatility of share price and expected dividend yield. Changes in the subjective input assumptions could materially affect the fair value estimate, which would in turn affect the share-based payment expense recognised for the period and its corresponding impact on the share option reserve. Estimates relating to the evaluation of share options are discussed in Note 31(c).

5 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists solely of equity attributable to owners of the Company, comprising issued share capital and reserves. Capital as at 31 December 2015 amounted to HK$377,452,000 (2014: HK$626,642,000).

The Directors review the cost of capital and the associated risks on a regular basis, and take appropriate actions to adjust the Group's capital structure in a timely manner.

In order to fund the Group's natural resources and energy related business and current development, significant amounts of capital in the form of borrowing or equity, or a combination of both, are considered to be necessary in the future. The Directors consider such funding for the future development of marble business will be available as and when required.

6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Financial risk factors

The Group's major financial instruments include available-for-sale investment, financial asset at fair value through profit or loss, trade receivables, other receivables, deposits, bank balances and cash, trade and other payables. Details of these financial instruments are disclosed in respective notes.

The risks associated with these financial instruments include market risk (currency risk, interest rate risk, other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Group's management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(i) Currency risk

The Directors monitor the related foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The assets are primarily denominated in Canadian dollars ("CAD") and United States dollars ("USD") (2014: Renminbi ("RMB"), CAD and Indonesian Rupiah ("IDR")).

As HK$ is pegged to USD, foreign exchange exposure is considered as minimal.

At 31 December 2015, if the HK$ had weakened/strengthened by 10% against the CAD with all other variables held constant, post-tax loss for the year would have been HK$31,000 lower/higher.

6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(Continued)*

(a) Financial risk factors *(Continued)*

(i) ***Currency risk*** *(Continued)*

At 31 December 2014, if the HK$ had weakened/strengthened by 10% against the RMB with all other variables held constant, post-tax loss for the year would have been HK$103,000 higher/lower.

At 31 December 2014, if the HK$ had weakened/strengthened by 10% against the CAD with all other variables held constant, post-tax loss for the year would have been HK$101,000 lower/higher.

At 31 December 2014, if the HK$ had weakened/strengthened by 10% against the IDR with all other variables held constant, post-tax loss for the year would have been HK$29,000 lower/higher.

(ii) ***Interest rate risk***

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing financial assets, mainly the interest bearing bank balances at prevailing market interest rates. The management monitors interest rate exposures and will consider hedging significant interest rate risk should the need arise.

The sensitivity analysis below has been determined based on the exposure to interest rates for interest bearing bank balances at the balance sheet date. The analysis is prepared assuming the relevant assets outstanding at the balance sheet date were outstanding for the whole year. If interest rates had been 1% higher/lower and all other variables were held constant, the loss for the year ended 31 December 2015 would decrease/increase by approximately HK$1,518,000 (2014: HK$214,000).

(iii) ***Other price risk***

The Group is exposed to equity price risk through their investment in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on its investment in the equity securities of Petromin Resources Ltd ("Petromin"), a company operating in resources sector and whose shares are quoted in the Toronto Stock Exchange ("TSX") Venture Exchange. The Group considers its exposure to equity price risk is not significant.

(iv) ***Credit risk***

At the balance sheet date, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet.

There is concentration of credit risk on liquid funds which are deposited with several banks. The credit risk on liquid funds is limited because the counterparties are banks with high credit standing.

As at 31 December 2015, in respect of trade receivables, the Group is exposed to concentration of credit risk to the extent that HK$6,838,000 of trade receivables is attributable by the top two customers. In order to minimise the credit risk, the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider the Group's credit risk is significantly reduced and no significant default payment is noted. As at 31 December 2014, the Group did not have any other significant concentration of credit risk.

Notes to the Consolidated Financial Statements

6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(Continued)*

(a) Financial risk factors *(Continued)*

(v) Liquidity risk

The Directors have built a liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The maturity dates of all financial liabilities are within one year as at the respective balance sheet dates, and the undiscounted cash flows equal their carrying values, as the impact of discounting is not significant.

In order to fund the development of the Group's natural resources and energy related business and also other normal operating disbursements, management will consider if additional capital in the form of borrowing or equity, or a combination of both, will be necessary in the future. The Directors consider such capital will be available as and when required. Management is also implementing more stringent measures to reduce normal operating disbursement in order to reduce liquidity risk.

(b) 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 assets that are measured at fair value:

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
As at 31 December 2015				
Asset				
Available-for-sale investment	290	–	–	290
As at 31 December 2014				
Assets				
Financial asset at fair value through profit or loss	–	–	630	630
Available-for-sale investment	347	–	–	347

There were no transfers of financial assets between Level 1, Level 2 and Level 3 fair value hierarchy classification.

6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(Continued)*

(b) Fair value estimation *(Continued)*

The following table presents the changes in Level 3 instruments for the year ended 31 December 2015 and 2014.

	2015 HK$'000	2014 HK$'000
Opening balance	630	900
Fair value loss recognised in profit or loss	–	(270)
Disposal of subsidiaries	(630)	–
Closing balance	–	630
Total loss for the year included in profit or loss for assets held at the end of the year	–	(270)
Changes in unrealised loss for the year included in profit or loss at the end of the year	–	(270)

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 CAD.

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 an instrument are observable, the instrument is included in level 2.

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

Notes to the Consolidated Financial Statements

6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(Continued)*

(c) Categories of financial instruments

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
Financial assets		
Loans and receivables		
Trade receivables	6,932	108
Deposits and other receivables	804	1,839
Bank balances and cash	310,736	29,033
Financial asset at fair value through profit or loss	–	630
Available-for-sale investment	290	347
	318,762	31,957
Financial liabilities		
Amortised cost		
Trade and other payables	13,436	23,327
Consideration payables for acquisition of investment properties	96,882	–
	110,318	23,327

Except for financial asset at fair value through profit or loss and available-for-sale investment which are carried at fair value, all financial assets and liabilities are carried at amortised cost.

7 SEGMENT INFORMATION

In a manner consistent with the way in which information is reported internally to the CEO, the Group has presented the following reportable segments:

(i) Natural resources and energy related business

(ii) Information technology and related business

(iii) Property investment

(iv) Exploration, development and production of CBM and natural gas in China (discontinued operation)

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

(a) Segment assets include all tangible and intangible assets and current assets with the exception of 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 gains/(losses), net, selling and distribution expenses and administrative and operating expenses.

In December 2015, the Group has expanded its scope of natural resources business to the sale of energy related products, namely solar panels and base oil.

The amounts provided to the CEO with respect to the information mentioned above are measured in a manner consistent with that of the consolidated financial statements.

Notes to the Consolidated Financial Statements

7 SEGMENT INFORMATION *(Continued)*

An analysis of the Group's revenue, loss and certain assets, liabilities and expenditure information for the Group's reportable segments is as follows:

	Continuing operations				Discontinued operation	
	Natural resources and energy related business HK$'000	Information technology and related business HK$'000	Property investment HK$'000	Subtotal HK$'000	Gas exploration in China HK$'000	Consolidated HK$'000
For the year ended 31 December 2015						
Segment revenue	13,160	11	–	13,171	–	13,171
Gross profit	440	9	–	449	–	449
Other gains, net	24	32	–	56	5	61
Impairment loss on exploration and evaluation assets	(49,802)	–	–	(49,802)	–	(49,802)
Selling and distribution expenses	(156)	–	–	(156)	–	(156)
Administrative and operating expenses	(3,011)	(623)	(359)	(3,993)	(1)	(3,994)
Segment results	(52,505)	(582)	(359)	(53,446)	4	(53,442)
Unallocated:						
Other losses, net						(11)
Administrative and operating expenses						(25,040)
Finance income						188
Loss before taxation						(78,305)
Income tax						–
Loss for the year						(78,305)
As at 31 December 2015						
Segment assets	283,700	–	96,882	380,582	–	380,582
Unallocated assets						156,319
Total assets						536,901
Segment liabilities	(11,697)	–	(97,227)	(108,924)	–	(108,924)
Unallocated liabilities						(1,806)
Total liabilities						(110,730)

	Continuing operations				Discontinued operation		
	Natural resources and energy related business HK$'000	Information technology and related business HK$'000	Property investment HK$'000	Subtotal HK$'000	Gas exploration in China HK$'000	Unallocated HK$'000	Consolidated HK$'000
For the year ended 31 December 2015							
Capital expenditures	–	–	–	–	–	1,037	1,037

7 SEGMENT INFORMATION *(Continued)*

	Continuing operations				Discontinued operation	
	Natural resources and energy related business HK$'000	Information technology and related business HK$'000	Property investment HK$'000	Subtotal HK$'000	Gas exploration in China HK$'000	Consolidated HK$'000
For the year ended 31 December 2014						
Segment revenue	991	52	–	1,043	–	1,043
Gross profit	362	41	–	403	–	403
Other losses, net	(249)	–	–	(249)	–	(249)
Selling and distribution expenses	(447)	–	–	(447)	–	(447)
Administrative and operating expenses	(4,203)	(2,128)	–	(6,331)	(1,018)	(7,349)
Income tax	–	–	–	–	2,610	2,610
Segment results	(4,537)	(2,087)	–	(6,624)	1,592	(5,032)
Unallocated:						
Other gains, net						1,986
Fair value loss in issuance of unlisted warrants						(38,931)
Administrative and operating expenses						(45,225)
Finance income						19
Loss before taxation						(87,183)
Income tax						–
Loss for the year						(87,183)
As at 31 December 2014						
Segment assets	144,612	6,177	–	150,789	977,157	1,127,946
Unallocated assets						28,343
Total assets						1,156,289
Segment liabilities	828	1,449	–	2,277	217,572	219,849
Unallocated liabilities						21,178
Total liabilities						241,027

	Continuing operations				Discontinued operation		
	Natural resources and energy related business HK$'000	Information technology and related business HK$'000	Property investment HK$'000	Subtotal HK$'000	Gas Exploration in China HK$'000	Unallocated HK$'000	Consolidated HK$'000
For the year ended 31 December 2014							
Capital expenditures	1,128	–	–	1,128	–	30	1,158

Notes to the Consolidated Financial Statements

7 SEGMENT INFORMATION *(Continued)*

The Group's non-current assets other than available-for-sale investment and that of disposal group held for distribution as at 31 December 2015 and 2014 are further analysed as follows:

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
Hong Kong (place of domicile)	**660**	3,388
PRC	**96,882**	–
Indonesia	**78,260**	142,127
	175,802	145,515

8 REVENUE

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

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

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Continuing operations:		
Sale of solar panels	**8,684**	–
Sale of base oil	**4,135**	–
Sale of marble products	**341**	991
Network infrastructure maintenance	**11**	52
	13,171	1,043

Revenue individually generated from the following customers contributed more than 10% of the total revenue of the Group:

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Customer A	**8,684**	–
Customer B	**4,135**	–

9 OTHER GAINS, NET AND FAIR VALUE LOSS IN ISSUANCE OF UNLISTED WARRANTS

(a) Other gains, net

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Continuing operations:		
Fair value loss on financial asset at fair value through profit or loss	–	(270)
Impairment loss on available-for-sale investment	(57)	(30)
Gain/(loss) on disposal of property, plant and equipment	51	(117)
Gain on write back of other payables	–	1,964
Others	51	190
	45	1,737

(b) Fair value loss in issuance of unlisted warrants

On 13 October 2014, the shareholders of the Company approved the issuance of approximately 1,048,064,000 unlisted warrants in conjunction with the open offer for the issuance of 1,746,773,000 new shares of the Company at HK$0.02 per share (on the basis of three warrants for every five new shares of the Company issued). The warrants entitled the holders thereof to subscribe in cash for new shares of the Company at a subscription price of HK$0.21 per new share up to an aggregate amount of approximately HK$220,093,000. The new shares may fall to be allotted and issued upon the exercise of the subscription rights attached to the warrants for a period of 2 years commencing from the date of issue of the warrants. The above commitment to issue warrants constituted a derivative on the day when the open offer was approved (13 October 2014). On 17 November 2014, upon the issuance of the shares pursuant to the open offer, the abovementioned warrants were issued, which resulted in a fair value loss of HK$38,931,000 recognised in the consolidated income statement for the year ended 31 December 2014. As at 31 December 2014, the warrants were recognised as equity instrument.

An independent valuation on the warrants issued in accordance with the terms of the warrants was performed by the valuer, Vigers Appraisal & Consulting Limited, using binomial option pricing model with certain assumptions, including expected volatility of the share price, the dividends expected on the shares, the risk-free interest rate during the life of the warrants. With regard to the valuation report of the warrants, management verified all major inputs to the independent valuation report and held discussions with the independent valuer.

Notes to the Consolidated Financial Statements

10 LOSS BEFORE TAXATION

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

	Continuing operations Year ended 31 December		Discontinued operation Year ended 31 December		Total Year ended 31 December	
	2015 HK$'000	2014 HK$'000	2015 HK$'000	2014 HK$'000	2015 HK$'000	2014 HK$'000
Cost of inventories sold	12,720	629	–	–	12,720	629
Depreciation of property, plant and equipment	175	596	–	6	175	602
Auditor's remuneration						
— Audit services	1,147	1,367	–	29	1,147	1,396
— Non-audit services	118	308	–	–	118	308
Operating lease payments	2,514	2,448	–	314	2,514	2,762
Legal and professional fees	3,105	1,649	–	–	3,105	1,649
Investor relations expenses						
— Cash payments	273	1,075	–	–	273	1,075
— Share-based payments	–	128	–	–	–	128
Staff costs, including directors' emoluments						
— Salaries, allowances and other benefits	18,075	23,586	–	121	18,075	23,707
— Retirement benefit scheme contributions	249	180	–	–	249	180
— Share-based payments	–	954	–	–	–	954
— Discretionary and performance related incentive payments	2,877	7,716	–	–	2,877	7,716
Exchange (gain)/loss, net	(86)	164	(6)	61	(92)	225
Write down of inventories	216	–	–	–	216	–
Write-back of accrual of withholding tax (Note)	(3,157)	–	–	–	(3,157)	–
Provision for trade and other receivables	–	1,870	–	–	–	1,870

Note: During the year ended 31 December 2015, the Group wrote-back an accrual of withholding tax amounted to HK$3,157,000 in relation to consultancy fee payable from TerraWest Energy Corporation ("TWE").

11 FINANCE INCOME

	Continuing operations Year ended 31 December		Discontinued operation Year ended 31 December		Total Year ended 31 December	
	2015 HK$'000	2014 HK$'000	2015 HK$'000	2014 HK$'000	2015 HK$'000	2014 HK$'000
Bank interest income	188	–	–	–	188	–
Others	–	19	–	–	–	19
	188	19	–	–	188	19

12 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 year ended 31 December 2015 (2014: Nil).

Enterprise Income Tax has not been provided for the subsidiaries in China as they did not generate any assessable profits during the year ended 31 December 2015 (2014: Nil).

Corporate Income Tax has not been provided for the subsidiaries in Indonesia as they did not generate any assessable profits during the year ended 31 December 2015 (2014: Nil).

The tax on the Group's losses before taxation differs from the theoretical amount that would arise using domestic income tax rate applicable to losses/profits of the consolidated entities as follows:

	Continuing operations		Discontinued operation		Total	
	Year ended 31 December		Year ended 31 December		Year ended 31 December	
	2015	2014	2015	2014	2015	2014
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
(Loss)/profit before taxation	(78,309)	(88,775)	4	(1,018)	(78,305)	(89,793)
Tax at the domestic income tax rate of 16.5% (2014: 16.5%)	12,921	14,648	(1)	168	12,920	14,816
Effect of different tax rates of subsidiaries operating in other jurisdictions	264	337	1	953	265	1,290
Tax effect of:						
— income not subject to tax	31	–	–	–	31	–
— expenses not deductible	(9,156)	(11,868)	–	(1)	(9,156)	(11,869)
— effect of tax losses not recognised	(4,060)	(3,117)	–	1,490	(4,060)	(1,627)
Income tax	–	–	–	2,610	–	2,610

The Group has unrecognised deferred tax assets from estimated tax losses of approximately HK$13,182,000 (2014: HK$9,122,000) that are available for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time. Included in unrecognised tax losses are losses arising from the subsidiaries in the PRC of approximately HK$90,000 (2014: HK$35,000) that will expire in five years from the respective year of loss. Also included in unrecognised tax losses are losses relating to Hong Kong of approximately HK$9,215,000 (2014: HK$5,890,000) that have no expiry date. The unrecognised tax losses related to Indonesia operations which will expire in 5 years of which approximately HK$473,000, HK$1,814,000, HK$910,000 and HK$680,000 (2014: HK$473,000, HK$1,814,000, and HK$910,000) will expire in 2017, 2018, 2019 and 2020 respectively (2014: 2017, 2018 and 2019 respectively). During the year ended 31 December 2015, none of the previously recognised tax losses have expired (2014: Nil).

There is no tax impact relating to components of other comprehensive loss for the year ended 31 December 2015 (2014: Nil).

Notes to the Consolidated Financial Statements

13 DIVIDENDS

No dividend was paid or proposed for the year ended 31 December 2015 (2014:Nil).

14 DISTRIBUTION IN SPECIE

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

On 29 January 2015, Aces Diamond subscribed for 95,923,930 ordinary shares of TWE through exercise of 90,000,000 C Warrants and 5,923,930 D Warrants of TWE at an aggregate consideration 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 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 completion 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:

	HK$'000
Exploration and evaluation assets — oil and gas properties	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)
Net assets attributable to the owners of the Company	555,559
Net cash outflow from distribution in specie:	
Outflow of cash and cash equivalents from distribution in specie	(112)

15 (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 years ended 31 December 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:

	Year ended 31 December	
	2015	2014
(Loss)/profit attributable to equity holders of the Company for the purpose of basic (loss)/earnings per share (HK$'000)		
— Continuing operations	**(44,931)**	(88,272)
— Discontinued operation	**211**	3,841
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share ('000)	**5,963,358**	3,704,116

(b) The Group had share options and warrants outstanding as at 31 December 2015. The share options and warrants did not have a dilutive effect on loss per share for the year ended 31 December 2015 (2014: the share options and warrants did not have a dilutive effect on loss per share).

Notes to the Consolidated Financial Statements

16 PROPERTY, PLANT AND EQUIPMENT

	Land (Note (iii)) HK$'000	Leasehold improve-ments HK$'000	Plant and machinery HK$'000	Computer equipment and software HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
At 1 January 2014								
Cost	735	1,107	208	1,098	517	514	4,669	8,848
Accumulated depreciation	–	(1,096)	(32)	(1,023)	(507)	(303)	(3,809)	(6,770)
Net book amount	735	11	176	75	10	211	860	2,078
Year ended 31 December 2014								
Opening net book amount	735	11	176	75	10	211	860	2,078
Exchange differences	(12)	–	3	–	–	(1)	–	(10)
Additions	–	–	1,127	17	13	1	–	1,158
Disposals	–	–	(1,130)	–	–	–	(216)	(1,346)
Depreciation charge for discontinued operation (Note (ii))	–	–	–	(6)	–	–	–	(6)
Depreciation charge for continuing operations (Note (ii))	–	(9)	(141)	(37)	(4)	(69)	(336)	(596)
Closing net book amount	723	2	35	49	19	142	308	1,278
At 31 December 2014								
Cost	723	1,107	82	1,087	530	510	3,873	7,912
Accumulated depreciation	–	(1,105)	(47)	(1,038)	(511)	(368)	(3,565)	(6,634)
Net book amount	723	2	35	49	19	142	308	1,278

Notes to the Consolidated Financial Statements

16 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Land (Note (iii)) HK$'000	Leasehold improve-ments HK$'000	Plant and machinery HK$'000	Computer equipment and software HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Year ended 31 December 2015								
Opening net book amount	723	2	35	49	19	142	308	1,278
Exchange differences	(71)	–	(5)	(4)	–	(9)	(1)	(90)
Additions	–	–	–	16	–	2	1,019	1,037
Disposals	–	–	–	(34)	(17)	(15)	(187)	(253)
Disposals through disposal of subsidiaries (Note 30)	–	–	–	(1)	(2)	(2)	(1,032)	(1,037)
Depreciation charge (Note (i))	–	(2)	(15)	(15)	–	(58)	(85)	(175)
Closing net book amount	652	–	15	11	–	60	22	760
At 31 December 2015								
Cost	652	1,107	74	49	–	255	89	2,226
Accumulated depreciation	–	(1,107)	(59)	(38)	–	(195)	(67)	(1,466)
Net book amount	652	–	15	11	–	60	22	760

Notes:

(i) During the year ended 31 December 2015, the depreciation charge for continuing operations amounted to HK$175,000 was charged to the administrative and operating expenses in the consolidated income statement.

(ii) During the year ended 31 December 2014, the depreciation charge for continuing operations amounted to HK$596,000 was charged to the administrative and operating expenses in the consolidated income statement. The depreciation charge for discontinued operation was HK$6,000.

(iii) The Group's interests in land in Indonesia are freehold.

Proceeds from sales of property, plant and equipment

	Year ended 31 December 2015 HK$'000	2014 HK$'000
Net book amount	253	1,346
Gain/(loss) on disposal of property, plant and equipment	51	(117)
Proceeds from disposal of property, plant and equipment	304	1,229

Notes to the Consolidated Financial Statements

17 EXPLORATION AND EVALUATION ASSETS

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
Mining properties (Note i)	77,500	141,070
Oil and gas properties (Note ii)	–	–
	77,500	141,070

Notes:

(i) Mining properties

On 15 May 2012, CCST Singapore Pte. Ltd., an indirect wholly owned subsidiary of the Company, acquired 95% of the issued share capital of Hugo Link Global Investments Limited ("Hugo Link").

As a result of the completion of the acquisition, Hugo Link holds 95% of PT. Bara Hugo Energy ("BHE") which in turn holds 37.5% of GM.

The intangible assets relevant to the mining rights of the Maros Marble Project are the exploration and evaluation assets of the mining properties, which amounted to HK$180,758,000, as at the date of acquisition.

Below is the movement of the carrying value of the mining properties, reported under the "Natural resources and energy related business", since the date of acquisition, i.e. 15 May 2012, to 31 December 2015:

	HK$'000
At acquisition date 15 May 2012	180,758
Addition in 2012	795
Addition in 2013	344
Exchange differences in 2013	(38,435)
Exchange differences in 2014	(2,392)
Exchange differences in 2015	(13,768)
At 31 December 2015 (before impairment)	127,302
Impairment Loss	(49,802)
At 31 December 2015	77,500

The Company originally planned to commence production of the Maros Marble Project in the first half of 2015. However, as a result of the downturn of global commodity prices (which included marble, and its price decrease became notable in the last quarter of 2015), and the fact that the economy and the property development sector in the target markets, where the marbles to be produced by the Group export to (namely China, Middle East and Southeast Asia), have been sluggish, management had decided to put the production commencement on hold. Management will continue to monitor the marble market before determining an appropriate time to commence production.

Taking into account the delay of the project as well as the fluctuation in the prices of marbles, management had determined that the performance of an impairment assessment was necessary and had engaged Roma to assist them on the assessment. Management adopted US$600 per cubic metre as the marble price for the purpose of valuation, which represented a decrease of 8% from US$650 per cubic metre as stated in the Competent Person's Report of the Maros Marble Project issued in February 2014 and used in previous valuations of the mine.

The discount rate used was 13.47% compared to 12.50% used in the previous impairment assessments and the calculation of weighted average cost of capital was based on market participant's data. Except for the delay of the project as well as the fluctuation in the prices of marbles, there has been no change in the valuation methodology and only minor changes in other miscellaneous factors in comparison to the previous valuations.

17 EXPLORATION AND EVALUATION ASSETS *(Continued)*

Notes: *(Continued)*

(i) Mining properties (Continued)

An independent valuation on the recoverable value of the mining properties was performed by the valuer, Roma, based on "value-in-use" calculations. As a result of the assessment, an impairment loss of HK$49,802,000 was charged to the consolidated income statement for the year ended 31 December 2015.

All expenditures in relation to mining properties were capitalised and there was no operating cash flow for the year ended 31 December 2015 (2014: Nil).

The mining permit associated with the mining properties will expire on 22 January 2017, and the required extension is subject to approval by the Sulawesi Provincial Government of Indonesia. As of the date of the approval of the consolidated financial statements, a plan to pursue the required extension is underway. Despite the fact that the approval from the required government authority is not certain, the consolidated financial statements of the Group do not include any adjustment on the carrying amount of the mining properties as at 31 December 2015 that would be required if the mining permit is not extended.

(ii) Oil and gas properties

Movement of the oil and gas properties is as follows:

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
At cost		
At beginning of the year	–	1,061,728
Additions	–	–
Exchange differences	–	(50,613)
Transferred to assets of disposal group classified as held for distribution	–	(1,011,115)
At end of the year	–	–

On 24 November 2014, the Group issued an announcement in relation to a proposed distribution in specie, where equity interest of certain group companies including TWE, was distributed to the shareholders of the Company, so that these interests were held by shareholders of the Company separately from the Company in future. Accordingly, the oil and gas properties were reclassified to "Assets of disposal group classified as held for distribution" in accordance with HKFRS 5 since 24 November 2014. The distribution was completed on 18 February 2015.

Notes to the Consolidated Financial Statements

18 INVESTMENT PROPERTIES

	HK$'000
At fair value	
Balance at 1 January 2014, 31 December 2014 and 1 January 2015	–
Acquisitions	96,882
Balance at 31 December 2015	**96,882**

On 29 December 2015, a wholly owned subsidiary of the Group, Huan Neng International Trading (Yingkou) Company Limited ("HNYK") acquired 34 commercial units situated at Yingkou city, Liaoning province in the PRC from an independent third party, Yingkou Liaohai Property Development Co., Ltd for a consideration of RMB69,916,000 (equivalent to HK$83,459,000 including stamp duties). On the same day, HNYK acquired another 6 commercial units situated at the same area in Yingkou city from an independent third party, Mr. Li Yi Jia at a consideration of RMB11,245,000 (equivalent to HK$13,423,000 including stamp duties).

Pursuant to the sale and purchase agreement, HNYK shall pay the consideration within 45 business days from the date that the property certificate of these commercial units have been duly registered under the name of HNYK. As at 31 December 2015, all these commercial units were registered under the name of HNYK and consideration payables of HK$96,882,000 (including stamp duties) were recorded in the consolidated balance sheet (Note 26). On 14 January 2016, the consideration payables were fully settled.

The considerations were arrived at arm's length and the Group has taken into account (i) the total appraisal value of these commercial units based on the valuation as assessed by an independent valuer and (ii) the market value of the properties in the similar nature in the regions that these commercial units situated at.

(a) Amounts recognised in profit and loss for investment properties

There were no rental income and direct expenses recognised in profit and loss for investment properties during the year ended 31 December 2015.

As at 31 December 2015, the Group had no unprovided contractual obligations for future repairs and maintenance.

(b) Fair value hierarchy

An independent valuation of the investment properties was performed by an independent valuer, RHL Appraisal Limited to determine the fair value of the investment properties as at 31 December 2015. The following table analyses the investment properties carried at fair value.

	Fair value measurements at 31 December 2015 using significant other observable inputs (Level 2) HK$'000
Recurring fair value measurements	
Investment properties	96,882

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There was no transfer between Level 1, 2 and 3 during the year.

18 INVESTMENT PROPERTIES *(Continued)*

(c) Valuation process of the Group

RHL Appraisal Limited holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued.

The Group's finance department reviews the valuations performed by the independent valuer for financial reporting purposes. The finance department reports directly to the CEO. Discussions of valuation processes and results are held between the CEO, finance department and the independent valuer on a regular basis.

At each financial year end the finance department:

- Verifies all major inputs to the independent valuation report;
- Holds discussions with the independent valuer.

(d) Valuation method

The valuation method is based on comparing the properties to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments under observable inputs are required to allow for any qualitative differences that may affect the price likely to be achieved by the properties under consideration.

19 INVENTORIES

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
Marbles	**407**	1,228

During the year ended 31 December 2015, the Group has written down inventories of HK$216,000 (2014: Nil) in the administrative and operating expenses in the consolidated income statement.

Notes to the Consolidated Financial Statements

20 SUBSIDIARIES

Details of the principal subsidiaries held by the Group as at 31 December 2015 are as follows:

Name	Place of incorporation and kind of legal entity	Particulars of issued/ registered share capital	Percentage of equity attributable to the Company		Principal activities and place of operation
			Direct	Indirect	
Rich Concept Technology Limited	BVI, limited liability company	10,000 Ordinary shares of 1 US dollar each	100	–	Investment holding in Hong Kong
CCST Singapore Pte. Ltd.	Singapore, limited liability company	10,000 Ordinary shares of 1 Singaporean dollar each	–	100	Environmental projects in South East Asia
BHE	Indonesia, limited liability company	600,000 Ordinary shares of 9,052 IDR	–	90.3	Investment holding in Indonesia
GM	Indonesia, limited liability company	24,000,000 Ordinary shares of 100 IDR each	–	33.8[(a)]	Marble rock mining in Indonesia
Enviro Energy Management Services Limited	Hong Kong, Limited liability company	1 Ordinary share	–	100	Provision of management service in Hong Kong
Enviro Energy Information Technology Limited	Hong Kong, Limited liability company	1 Ordinary share	–	100	Trading of information technology related product in PRC
Enviro Energy Minerals Limited	Hong Kong, Limited liability company	1 Ordinary share	–	100	Investment holding and trading of base oil in PRC
HNYK	PRC, Limited liability company	RMB100,000,000	–	100	Property investment in the PRC

20 SUBSIDIARIES *(Continued)*

(a) Ordinary shares and warrants in GM

GM was acquired on 15 May 2012 through acquisition of subsidiaries.

GM has 13,500,000 outstanding warrants as at 31 December 2015 (2014: 13,500,000) which are currently exercisable. Assuming the full conversion of all outstanding warrants of GM, the Group would hold approximately 54.15% (2014: 54.15%) controlling interest of the enlarged capital and have control over the financial and operating decisions of GM. Accordingly, the Group consolidates its interest in GM as a subsidiary.

	Number of ordinary shares with par value		Number of warrants	
	As at 31 December 2015 ’000	As at 31 December 2014 ’000	**As at 31 December 2015 ’000**	As at 31 December 2014 ’000
Issued and outstanding:				
At the beginning of year and end of year				
Ordinary shares with par value	**24,000**	24,000	**13,500**	13,500
Number of ordinary shares and warrants owned by the Group as at end of the year	**9,000**	9,000	**13,500**	13,500

Details of outstanding warrants of GM and their respective exercise price are detailed as follows:

	Expiration of warrants	Outstanding ('000) at 31 December 2015 and 2014	Exercise price (IDR per share)
A Warrant	3 months after commencement of marble production	**2,250**	**444**
A Warrant	3 months after commencement of marble production	**2,250**	**888**
B Warrant	6 months after commencement of marble production	**2,250**	**888**
B Warrant	6 months after commencement of marble production	**2,250**	**1,333**
C Warrant	12 months after commencement of marble production	**4,500**	**1,779**
		13,500	

Notes to the Consolidated Financial Statements

20 SUBSIDIARIES *(Continued)*

(b) Material non-controlling interests

The total non-controlling interest as at 31 December 2015 is 48,719,000, which is attributed to BHE and its subsidiary GM (together, the "BHE Group").

The total non-controlling interest as at 31 December 2014 was HK$288,620,000, of which HK$197,544,000 was attributable to TWE and HK$91,076,000 was attributable to the BHE Group.

Set out below are the summarised financial information of each subsidiary group that has non-controlling interest that are material to the Group.

Summarised balance sheet	BHE Group		TWE
	As at 31 December 2015 HK$'000	As at 31 December 2014 HK$'000	As at 31 December 2014 HK$'000
Current			
Assets	1,123	2,391	56
Liabilities	(17,591)	(16,203)	(56,657)
Total current net liabilities	(16,468)	(13,812)	(56,601)
Non-current			
Assets	3,802	4,427	123,753
Liabilities	–	–	–
Total non-current net assets	3,802	4,427	123,753
Net (liabilities)/assets	(12,666)	(9,385)	67,152

Summarised income statement	BHE Group		TWE	
	For the year ended 31 December 2015 HK$'000	For the year ended 31 December 2014 HK$'000	For the year ended 31 December 2015 HK$'000	For the year ended 31 December 2014 HK$'000
Revenue	342	941	–	–
Loss for the year	(4,324)	(5,041)	(723)	(7,977)
Other comprehensive (loss)/income	(1,129)	281	(3,660)	(5,916)
Total comprehensive loss	(5,453)	(4,760)	(4,383)	(13,893)
Group level adjustments	(63,240)	(1,991)	(42,002)	(56,831)
Total comprehensive loss allocated to non-controlling interests	(42,357)	(4,311)	(9,284)	(17,213)

Notes to the Consolidated Financial Statements

20 SUBSIDIARIES *(Continued)*

(b) Material non-controlling interests *(Continued)*

Summarised cash flows	BHE Group		TWE
	For the year ended 31 December 2015 HK$'000	For the year ended 31 December 2014 HK$'000	For the year ended 31 December 2014 HK$'000
Net cash used in operating activities	(808)	(5,763)	(8,425)
Net cash (used in)/generated from investing activities	(3)	444	–
Net cash generated from financing activities	817	4,820	7,175
Net increase/(decrease) in cash and cash equivalents	6	(499)	(1,250)
Bank balances and cash at beginning of the year	126	625	1,305
Bank balances and cash at end of the year	132	126	55

21 AVAILABLE-FOR-SALE INVESTMENT

	Year ended 31 December	
	2015 HK$'000	2014 HK$'000
At beginning of the year	347	377
Impairment loss (Note 9(a))	(57)	(30)
At end of the year	290	347

Available-for-sale investment comprises:

	As at 31 December	
	2015 HK$'000	2014 HK$'000
Listed security, reporting as non-current assets:		
— Equity security — listed overseas	290	347

The equity securities represented approximately 2.0% (2014: 2.4%) equity interests in Petromin, a former related company of the Group (Note 33(a)).

As at the balance sheet date, the available-for-sale investment is measured at fair value. The equity securities are denominated in CAD.

Notes to the Consolidated Financial Statements

22 TRADE RECEIVABLES

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
Trade receivables	6,932	216
Less: Provision for impairment	–	(108)
	6,932	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 balance sheet date, based on invoice date, is as follows:

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
Within 30 days	6,838	–
31–60 days	–	86
Over 60 days	94	22
	6,932	108

As at 31 December 2015, trade receivables of HK$94,000 (2014: HK$22,000) were past due but not impaired. These relate to independent customers with no recent history of default. The ageing analysis of these trade receivables is as follows:

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
Current	–	–
Over 60 days	94	22
	94	22

As at 31 December 2015, no trade receivables were impaired. As at 31 December 2014, trade receivables of HK$108,000 were impaired and provided for. These receivables were aged over 60 days.

22 TRADE RECEIVABLES *(Continued)*

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
HK$	2,703	22
IDR	94	86
USD	4,135	–
	6,932	108

Movement on the Group's provision for impairment of trade receivables are as follows:

	2015	2014
	HK$'000	HK$'000
At 1 January	108	–
Provision for impairment	–	108
Reversal of provision for impairment	(108)	–
At 31 December	–	108

23 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
Non-current		
Deposits	330	467
	330	467
Current		
Deposits	41	464
Prepayments	925	899
Prepayment for purchases of inventories	41,335	–
Other receivables	433	908
	42,734	2,271
Total deposits, prepayments and other receivables	43,064	2,738

24 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial asset at fair value through profit or loss as at 31 December 2014 represents investment in a convertible debenture issued by Petromin. During the year ended 31 December 2015, the subsidiary that held the investment was disposed (Note 30).

Notes to the Consolidated Financial Statements

25 BANK BALANCES AND CASH

	2015 HK$'000	2014 HK$'000
Cash at banks and in hand	**310,736**	29,033

The carrying amounts of bank balances and cash are denominated in the following currencies:

	2015 HK$'000	2014 HK$'000
HK$	**310,479**	28,658
USD	**176**	119
IDR	**44**	129
CAD	**20**	34
Singapore dollars	**17**	93
	310,736	29,033

26 TRADE AND OTHER PAYABLES

	As at 31 December	
	2015 **HK$'000**	2014 HK$'000
Trade payables	**3,013**	–
Other payables	**830**	1,851
Consideration payable	**7,800**	7,800
Accrued liabilities	**2,205**	13,804
	13,848	23,455
Consideration payables for acquisition of investment properties	**96,882**	–
	110,730	23,455

The amounts are repayable according to normal trade terms from 30 to 60 days.

As at 31 December 2015, the ageing analysis of the trade payables based on invoice date is as follows:

	As at 31 December	
	2015 **HK$'000**	2014 HK$'000
Within 30 days	**3,013**	–

27 DEFERRED INCOME TAX

The movement in deferred tax assets and liabilities during the year ended 31 December 2014, without taking into consideration the offsetting of balances within the same taxation jurisdiction, is as follows:

Deferred tax liabilities

	Oil and gas properties (Note) Year ended 31 December 2014 HK$'000
At beginning of the year	236,282
Exchange differences	(11,264)
Transferred to liabilities of disposal group classified as held for distribution	(225,018)
At end of the year	–

Note:

Deferred tax liabilities arose from the difference between the carrying value of oil and gas properties and their tax bases.

Deferred tax assets

	Tax losses Year ended 31 December 2014 HK$'000
At beginning of the year	7,854
Exchange differences	(289)
Credited to consolidated income statement	2,422
Transferred to liabilities of disposal group classified as held for distribution	(9,987)
At end of the year	–

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Deferred tax assets and liabilities of the Group are expected to be recovered after more than 12 months.

Notes to the Consolidated Financial Statements

28 ASSETS/LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR DISTRIBUTION AND DISCONTINUED OPERATION

On 24 November 2014, the Board announced a proposed Distribution in Specie to distribute all of its equity interests of Aces Diamond and Chavis, subsidiaries of the Company which collectively held 71.61% equity interest in TWE, to its shareholder upon the approval by the shareholders and the completion of a restructuring plan. On the same date, all assets and liabilities of the aforementioned subsidiaries to be distributed were reclassified to "Assets/Liabilities of disposal group classified as held for distribution". The Distribution in Specie was approved by the shareholders on 28 January 2015. Therefore its results were presented as a discontinued operation for the year ended 31 December 2015 and 2014 and its assets and liabilities were classified as "Assets/liabilities of disposal group classified as held for distribution" in the consolidated financial statements as at 31 December 2014.

(a) Assets and liabilities of disposal group classified as held for distribution

	As at 31 December 2014 HK$'000
Exploration and evaluation assets	
Assets	
Oil and gas properties	977,023
Deposits, prepayments and other receivables	1
Bank balances and cash	133
Total	977,157
Liabilities	
Other payables	9,978
Deferred tax liabilities	207,594
Total	217,572

(b) Analysis of the results of discontinued operation

	Year ended 31 December 2015 HK$'000	Year ended 31 December 2014 HK$'000
Other gains	5	–
Administrative and operating expenses	(1)	(1,018)
Profit/(loss) before tax from discontinued operation	4	(1,018)
Income tax credit	–	2,610
Profit for the year from discontinued operation	4	1,592

The Group recognised deferred tax asset in respect of the tax losses accumulated at TWE, to offset against TWE's deferred tax liability arising from the business combination in 2008, under the Income Tax Act (Canada).

28 ASSETS/LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR DISTRIBUTION AND DISCONTINUED OPERATION *(Continued)*

(c) Cumulative gain recognised in other comprehensive income related to discontinued operation

	Year ended 31 December 2015 HK$'000	2014 HK$'000
Translation reserve	–	3,806

(d) Analysis of cash flows

	Year ended 31 December 2015 HK$'000	2014 HK$'000
Operating cash outflows	21	8,428

29 SHARE CAPITAL AND RESERVES

(a) Share Capital

	Number of shares (thousands)	Share capital HK$'000
Authorised		
At 1 January 2014, 31 December 2014 and 31 December 2015, ordinary shares of HK$0.0025 each	20,000,000	50,000
Issued and fully paid		
At 1 January 2014	3,493,546	8,734
Issuance of subscribed offer shares on 17 November 2014 (Note (i))	1,746,773	4,367
Issuance of new shares upon exercise of warrants (Note (iii))	8	–
At 31 December 2014	5,240,327	13,101
Issuance of new shares upon exercise of share options (Note (ii))	25,383	63
Issuance of new shares upon exercise of warrants (Note (iii))	738,297	1,846
Issuance of new shares upon placement (Note (iv))	1,048,000	2,620
At 31 December 2015	7,052,007	17,630

Notes to the Consolidated Financial Statements

29 SHARE CAPITAL AND RESERVES *(Continued)*

(a) Share Capital *(Continued)*

Notes:

(i) During the year ended 31 December 2014, 1,746,773,000 ordinary shares were issued at the subscription price of $0.02 per share by way of open offer mentioned in Note 9(b). The net proceeds received by the Company from the open offer were HK$33,597,000, among which HK$4,367,000 were credited to the share capital account and the balance of HK$29,230,000 (net of professional fees of HK$1,339,000) were credited to the share premium account.

(ii) During the year ended 31 December 2015, the Company issued 25,383,000 (2014: Nil) shares of the Company for proceeds of HK$3,138,000 (2014: Nil), as a result of exercise of share options. The weighted average exercise price was approximately HK$0.12 per share. Among the proceeds of HK$3,138,000 (2014: Nil), HK$63,000 (2014: Nil) were credited to the share capital account and the balance of HK$3,075,000 (2014: Nil) were credited to the share premium account.

(iii) During the year ended 31 December 2015, 738,297,000 (2014: 8,000) shares of the Company were issued as a result of exercise of 738,297,000 (2014: 8,000) units of warrants by warrant holders at the exercise price of HK$0.21 per share. The proceeds from the exercise of the warrants were HK$155,042,000 (2014: HK$2,000) among which HK$1,846,000 (2014: less than HK$1,000) were credited to the share capital account and the balance of HK$153,196,000 (2014: HK$2,000) were credited to the share premium account. As at 31 December 2015, the Company had approximately 309,759,000 units of warrants outstanding, which represented approximately 4.39% of the Company's shares in issue as at that date.

(iv) On 2 October 2015, 1,048,000,000 ordinary shares were issued at the subscription price of $0.20 per share by way of placement to not less than six placees. The net proceeds received by the Company from the placement were HK$204,240,000, among which HK$2,620,000 were credited to the share capital account and the balance of HK$201,620,000 (net of professional fees of HK$5,360,000) were credited to the share premium account.

All the above shares rank pari passu in all respects with other shares in issue.

(b) Reserves

	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	Total HK$'000
As at 1 January 2014	929,450	19,980	84,445	19,001	11,112	(386,549)	677,439
Loss for the year	–	–	–	–	–	(84,431)	(84,431)
Exchange differences arising from translation of foreign operations	–	–	–	(48,712)	–	–	(48,712)
Recognition of equity-settled share-based payments	–	–	1,082	–	–	–	1,082
Lapse/cancellation of share options	–	–	(7,528)	–	–	7,528	–
Exercise of warrants	2	–	–	–	–	–	2
Lapse of warrants	–	–	–	–	(125)	125	–
Issuance of subscribed offer shares and bonus issue of warrants	38,845	–	–	–	29,316	–	68,161
As at 31 December 2014	968,297	19,980	77,999	(29,711)	40,303	(463,327)	613,541

29 SHARE CAPITAL AND RESERVES *(Continued)*

(b) Reserves *(Continued)*

	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	Total HK$'000
As at 1 January 2015	968,297	19,980	77,999	(29,711)	40,303	(463,327)	613,541
Loss for the year	–	–	–	–	–	(44,720)	(44,720)
Exchange differences arising from translation of foreign operations	–	–	–	(44,232)	–	–	(44,232)
Lapse/cancellation of share options	–	–	(6,926)	–	–	6,926	–
Exercise of share options (Note 29(a)(ii))	5,224	–	(2,149)	–	–	–	3,075
Exercise of warrants (Note 29(a)(iii))	173,848	–	–	–	(20,652)	–	153,196
Placing of shares (Note 29(a)(iv))	201,620	–	–	–	–	–	201,620
Purchase of non-controlling interests (Note 14)	–	–	–	–	32,901	–	32,901
Distribution in specie (Note 14)	(555,559)	–	–	–	–	–	(555,559)
Derecognition upon distribution in specie (Note 14)	–	–	–	55,707	(91,669)	35,962	–
As at 31 December 2015	793,430	19,980	68,924	(18,236)	(39,117)	(465,159)	359,822

30 DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 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 of which were wholly owned subsidiaries of the Company with assets primarily comprised of several motor vehicles, a club membership, a convertible debenture and bank balances, to Sun Ray Capital Investment Corporation, which is beneficially owned by Mr. Chan Wing Him Kenny ("Mr. Kenny Chan"), the former chairman and chief executive officer of the Company, at an aggregate consideration of HK$2,984,000. There were no gain or loss on disposal of these subsidiaries. These transactions were related party transactions of the Group.

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

Notes to the Consolidated Financial Statements

30 DISPOSAL OF SUBSIDIARIES *(Continued)*

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

	HK$'000
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
Satisfied by:	
Cash consideration	5,233
Net cash inflow from disposal of subsidiaries:	
Cash consideration received	5,233
Cash and cash equivalents disposed of	(1,138)
	4,095

31 SHARE OPTION SCHEMES

(a) 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 2011 Share Option Scheme was 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. The Board of Directors may, at its discretion, grant share options to any employees, consultants and advisers of the Company or its subsidiaries, including executive, non-executive and independent non-executive directors, to subscribe for shares of the Company. The 2003 Share Option Scheme and 2011 Share Option Scheme remain in force for a period of ten years with effect from 25 January 2003 and 12 May 2011, respectively.

The maximum number of shares in respect of which share options may be granted under the 2003 Share Option Scheme and 2011 Share Option Scheme and any other share option scheme of the Company may not exceed 10% of the issued share capital of the Company, or may not exceed a maximum of 30% should the shareholders of the Company renew the 10% limit, from time to time which have been duly allotted and issued.

The exercise price for shares under the 2003 Share Option Scheme and 2011 Share Option Scheme may be determined by the Board of Directors at its absolute discretion but in any event will be at least the highest of: (i) the closing price of the shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant, which must be a business day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the relevant option; and (iii) the nominal value of the shares on the date of grant of the option.

31 SHARE OPTION SCHEMES *(Continued)*

(a) (Continued)

Any share options granted to a substantial shareholder of the Company or an independent non-executive director or any of their respective associates, representing in aggregate over 0.1% of the shares of the Company in issue on the date of such grant and an aggregate value, based on the closing price of the shares of the Company at the date of grant in excess of HK$5 million, in any 12-month period, are subject to shareholders' approval in advance in a general meeting. In addition, any share options granted to any one person in excess of 1% of the shares of the Company in issue at any time, in any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The share options granted may be exercised at any time or times during a period to be determined and notified by the Board of Directors which period of time shall commence after the date of grant of the share options and expire on such date as determined by the Board of Directors in any event no later than 10 years from the date of the grant of such share options. A nominal consideration of HK$1 is payable on acceptance of the grant of a share option under the 2003 Share Option Scheme and 2011 Share Option Scheme.

(b) Movements in the number of share options outstanding and their weighted average exercise prices for the years ended 31 December 2015 and 2014 are as follows:

	Weighted average exercise price (per share) HK$	Outstanding options
As at 1 January 2014	0.48	262,930,000
Adjustment in relation to issuance of additional shares in open offer (Note (i))		99,757,163
Lapsed	0.44	(24,800,000)
As at 31 December 2014	0.34	337,887,163
Exercisable as at 31 December 2014	0.34	337,887,163
As at 1 January 2015	**0.34**	**337,887,163**
Exercised	**0.12**	**(25,382,894)**
Lapsed	**0.31**	**(9,990,753)**
Cancelled	**0.24**	**(36,891,892)**
As at 31 December 2015	**0.37**	**265,621,624**
Exercisable as at 31 December 2015	**0.37**	**265,621,624**

Note (i):

As a result of the issuance of additional shares in open offer, the exercise prices and the number of the shares to be allotted and issued upon full exercise of the outstanding share options were adjusted accordingly. The above adjustments have taken effect from 13 October 2014. Save for the above adjustments, all other terms and conditions of the share options granted under the share option schemes remain unchanged.

Notes to the Consolidated Financial Statements

31 SHARE OPTION SCHEMES *(Continued)*

(b) *(Continued)*

Share options outstanding as at 31 December 2015 and 2014 have the following expiry dates and exercise prices:

Expiry date	Adjusted Exercise price (per share) HK$	Outstanding options as at 31 December 2015
15 June 2019 (Note 2)	0.51	29,442,568
6 October 2019 (Note 2)	0.53	496,622
4 February 2020 (Note 2)	0.36	74,138,514
8 July 2020 (Note 3)	0.39	90,952,703
22 June 2021 (Note 4)	0.31	69,527,028
30 December 2022 (Note 4)	0.11	1,064,189
		265,621,624

Expiry date	Adjusted Exercise price (per share) HK$	Outstanding options as at 31 December 2014
19 June 2018 (Note 2)	0.16	2,128,377
15 June 2019 (Note 2)	0.51	36,154,054
6 October 2019 (Note 2)	0.53	496,622
4 February 2020 (Note 2)	0.36	74,393,919
8 July 2020 (Note 3)	0.39	104,247,973
22 June 2021 (Note 4)	0.31	70,165,541
30 December 2022 (Note 4)	0.11	50,300,677
		337,887,163

Notes:

1) The exercise price of share options was adjusted upon the subdivision of shares of the Company which came to effect on 29 August 2007 and completion of an open offer with effect from 17 November 2014.

2) Regarding the share options granted on 19 June 2008, 15 June 2009, 6 October 2009 and 4 February 2010, 50% of which shall be exercised in a period commencing two 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 shall be exercised in a period commencing three years from the date of grant and expiring on the tenth anniversary from the date of grant.

3) Regarding the share options granted on 9 July 2010, 50% of which shall be exercised in a period commencing two years from the date of grant and expiring on the date falling one day preceding the tenth anniversary from the date of grant. The balance of 50% of the share options shall be exercised in a period commencing three years from the date of grant and expiring on the date falling one day preceding the tenth anniversary from the date of grant.

4) Regarding the share options granted on 23 June 2011 and 31 December 2012, 50% of which shall be exercised in a period commencing one year from the date of grant and expiring on the date falling one day preceding the tenth anniversary from the date of grant. The balance of 50% of the share options shall be exercised in a period commencing two years from the date of grant and expiring on the date falling one day preceding the tenth anniversary from the date of grant.

During the year ended 31 December 2014, the aggregate share-based payment expense of HK$954,000 in relation to share options granted to employees of the Group was charged to the consolidated income statement. The share-based payment expense in relation to share options granted to non-employees amounted to HK$128,000, of which all of it was recorded as investor relations expenses in the consolidated income statement.

31 SHARE OPTION SCHEMES *(Continued)*

(b) *(Continued)*

During the year ended 31 December 2015, there was no share-based payment expense in relation to share options granted to employees and non-employees of the Group.

The fair value of the services received by the Group is measured by the reference to the fair value of the share options granted as consideration because the fair value of the services cannot be measured reliably.

During the year ended 31 December 2015, 25,382,894 options were exercised (2014: Nil). Options exercised in 2015 resulted in 25,382,894 shares being issued at a weighted average price of HK$0.12 each. The related weighted average share price at the time of exercise was HK$0.30 per share.

(c) The fair values of the share options granted during the year ended 31 December 2012 were derived from Binomial option pricing model by applying the following bases and assumptions:

Date of grant	Dividend yield	Expected volatility (i)	Risk-free rate (ii)	Price of the Company's shares at grant date of options (iii) HK$ per share
31 December 2012	Nil	70.30%	0.60%	HK$0.163

(i) The expected volatility of the options was calculated based on the historical stock price of the Company and comparable companies. It is assumed that the volatility is constant throughout the option life;

(ii) The risk-free rate was determined with reference to the yield of the Hong Kong Exchange Fund Notes ("EFN") as at the grant date. In this valuation, the yield of 10-year EFN has been adopted in the estimation of risk-free rate for the share options; and

(iii) The price of the Company's shares disclosed as at the date of grant of the share options was the closing price on the date of grant of the options.

The fair value of the share options during the year ended 31 December 2012 has been arrived at on the basis of a valuation carried out on date of grant by Vigers Appraisal and Consulting Limited. The values of the options are subject to the limitations of the Binomial option pricing model and a number of assumptions which are subjective and difficult to ascertain. Changes in the subjective input assumptions could materially affect the fair value estimate. The weighted average fair value of options granted during the year ended 31 December 2012 determined using the Binomial valuation model was HK$0.12 per option.

The outstanding share options as at 31 December 2015 had a weighted average remaining contractual life of 4.54 years (2014: 5.87 years).

If options are forfeited before expiration or lapsed, the related share option reserve will be transferred directly to accumulated losses.

At 31 December 2015, the Company had 265,622,000 (2014: 337,887,000) share options outstanding under the Share Option Scheme, which represented approximately 3.77% (2014: 6.45%) of the Company's shares in issue at that date.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

There was no option granted during the year ended 31 December 2015.

Notes to the Consolidated Financial Statements

32 EMPLOYEE BENEFIT EXPENSE

(a) Employee retirement benefit

The Group enrolled all Hong Kong employees in Mandatory Provident Fund ("MPF") schemes. The assets of the MPF Scheme are held separately from those of the Group under the control of trustees. The retirement benefit cost for the MPF charged to the consolidated income statement represents contributions paid to the fund by the Group at rates specified in the rules of the MPF Scheme.

The total cost charged to consolidated income statement of approximately HK$249,000 represents contributions paid to these schemes by the Group during the year ended 31 December 2015 (2014: HK$180,000).

(b) Five highest paid individuals

During the year ended 31 December 2015, two (2014: one) of the five individuals with the highest emoluments in the Group were Directors whose emolument are disclosed in Note 39.

Details of the emoluments of the remaining three (2014: four) individuals are as follows:

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Salaries, allowances and other benefits	**1,841**	6,237
Retirement benefit scheme contributions	**81**	31
Share-based payments	**–**	347
Discretionary and performance related incentive payments	**1,750**	1,250
	3,672	7,865

The emoluments were within the following bands:

	Number of employees Year ended 31 December	
	2015	2014
Nil to HK$1,000,000	**2**	1
HK$1,000,001 to HK$1,500,000	**–**	2
HK$1,500,001 to HK$2,000,000	**–**	–
HK$2,000,001 to HK$2,500,000	**1**	–
HK$2,500,001 to HK$3,000,000	**–**	–
HK$3,000,001 to HK$3,500,000	**–**	–
HK$3,500,001 to HK$4,000,000	**–**	–
HK$4,000,001 to HK$4,500,000	**–**	1
HK$4,500,001 to HK$5,000,000	**–**	–
	3	4

33 RELATED PARTY TRANSACTIONS

The Group entered into the following material related party transactions during the year ended 31 December 2015 and 2014.

(a) Transactions with Petromin

Petromin is a former related company of the Group in which Mr. Kenny Chan and Dr. Arthur Ross Gorrell ("Dr. Arthur"), both being former executive directors of the Company, have a beneficial interest and have taken up key management positions. As at 31 December 2014: (i) Mr. Kenny Chan held 1,500,000 stock options entitling him to subscribe for 1,500,000 common shares (representing approximately 2.11% of the issued common share capital) in Petromin; (ii) Dr. Arthur held 4,068,193 common shares (representing approximately 5.62% of the issued common share capital) and 1,500,000 stock options entitling him to subscribe for 1,500,000 common shares (representing approximately 2.11% of the issued common share capital) in Petromin. Dr. Arthur is also the chairman and the chief executive officer of Petromin. Upon resignation of Mr. Kenny Chan and Dr. Arthur on 25 June 2015, Petromin ceased to be a related Company of the Group.

As at 31 December 2015, the Group held approximately 2.0% (2014: 2.4%) equity interests in Petromin. As at 31 December 2014, the Group held certain convertible debentures issued by Petromin. The debenture is convertible into 3,150,000 common shares of Petromin (approximately 4.3% of the outstanding common shares of Petromin as of 31 December 2014).

(b) Key management personnel compensation

Key management includes executive directors of the Company and senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Salaries, allowances and other benefits	**14,140**	18,590
Retirement benefit scheme contributions	**95**	47
Share-based payments	**–**	859
Discretionary and performance related incentive payments	**2,877**	7,300
	17,112	26,796

(c) Disposal of subsidiaries

During the year ended 31 December 2015, the Group disposed certain subsidiaries to its former chairman and chief executive officer and a former chief financial officer of the Company for an aggregate consideration of HK$5,233,000.

Notes to the Consolidated Financial Statements

34 OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
Within one year	**1,033**	1,683
After one year but within five years	**139**	1,721
	1,172	3,404

Operating lease payments represent rentals payable by the Group for certain of its office properties for the lease term ranges from one to five years.

35 CAPITAL COMMITMENTS

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
Other commitments contracted for but not provided in the consolidated financial statements in respect of:		
— Investment properties (note 37 (a))	**102,304**	–

36 CONTINGENT LIABILITIES

As at 31 December 2015, the Group did not have any contingent liabilities (2014: Nil).

37 EVENT AFTER BALANCE SHEET DATE

(a) On 23 December 2015, the Company announced the acquisition of certain properties situated at Dalian City, Liaoning province in the PRC. The transaction was approved by shareholders of the Company on 3 March 2016 and is yet to be completed.

(b) On 26 January 2016, Enviro Energy Information Technology Limited, an indirect wholly owned subsidiary of the Company had conditionally agreed to subscribe for Class A Shares of China Huacai Finance Equity Investment Fund SP in an aggregate amount of HK$100,000,000. The subscription was completed on 11 February 2016.

(c) On 28 January 2016, HNYK, as borrower, entered into a loan agreement for RMB 92,000,000 with a commercial bank in the PRC. The loan was secured by the investment properties of the Group with carrying amount of HK$96,882,000 as at 31 December 2015.

38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

(a) Balance sheet of the Company

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
ASSETS		
Non-current assets		
Property, plant and equipment	–	69
Investments in subsidiaries	–	–
Available-for-sale investment	290	347
Deposit	330	333
	620	749
Current assets		
Amounts due from subsidiaries	321,833	262,048
Deposits, prepayments and other receivables	659	923
Bank balances and cash	152,755	22,330
	475,247	285,301
Total assets	475,867	286,050
EQUITY		
Capital and reserves attributable to owners of the Company		
Share capital	17,630	13,101
Other reserves	446,561	260,023
Total equity	464,191	273,124
LIABILITIES		
Current liabilities		
Other payables	1,319	12,722
Amounts due to subsidiaries	10,357	204
Total liabilities	11,676	12,926
Total equity and liabilities	475,867	286,050

The balance sheet was approved by the Board of Directors on 17 March 2016 and was signed on its behalf.

Suen Cho Hung, Paul	**Zhang Yuanqing**
Director	*Director*

Notes to the Consolidated Financial Statements

38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

(b) Reserve movement of the Company

	Share premium HK$'000	Capital reserve HK$'000	Share options reserve HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
As at 1 January 2014	929,450	871	84,445	125	(746,899)	267,992
Comprehensive income						
Loss for the year	–	–	–	–	(77,214)	(77,214)
Transactions with owners in their capacity as owners						
Recognition of equity settled share-based payments	–	–	1,082	–	–	1,082
Exercise of warrants	2	–	–	–	–	2
Lapse of share options	–	–	(7,528)	–	7,528	–
Lapse of warrants	–	–	–	(125)	125	–
Issuance of subscribed offer shares and bonus issue of warrants	38,845	–	–	29,316	–	68,161
Total transactions with owners in their capacity as owners	38,847	–	(6,446)	29,191	7,653	69,245
As at 31 December 2014	968,297	871	77,999	29,316	(816,460)	260,023

38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

(b) Reserve movement of the Company *(Continued)*

	Share premium HK$'000	Capital reserve HK$'000	Share options reserve HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
As at 1 January 2015	968,297	871	77,999	29,316	(816,460)	260,023
Comprehensive income						
Loss for the year	–	–	–	–	(7,310)	(7,310)
Transactions with owners in their capacity as owners						
Lapse/cancellation of share options	–	–	(6,926)	–	6,926	–
Exercise of share options	5,224	–	(2,149)	–	–	3,075
Exercise of warrants	173,848	–	–	(20,652)	–	153,196
Placing of shares	201,620	–	–	–	–	201,620
Distribution in specie	(555,559)	–	–	391,516	–	(164,043)
Total transactions with owners in their capacity as owners	(174,867)	–	(9,075)	370,864	6,926	193,848
As at 31 December 2015	793,430	871	68,924	400,180	(816,844)	446,561

Notes to the Consolidated Financial Statements

39 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended 31 December 2015:

	Emoluments paid to or receivable by the person in respect of a person's services as a director, whether of the Company or its subsidiary undertaking					
	Directors' fees HK$'000	Salaries, allowance and other benefits HK$'000	Employer's contribution to pension scheme HK$'000	Share-based payments HK$'000	Discretionary bonus HK$'000	Total HK$'000
Names of Directors						
Executive Directors						
Mr. Suen Cho Hung, Paul#	–	525	24	–	–	549
Mr. Lai Ming Wai#	–	263	12	–	–	275
Mr. Zhang Yuanqing (CEO)^	–	–	–	–	–	–
Mr. Zhu Lijia^	–	–	–	–	–	–
Mr. Kenny Chan (former CEO)*	–	11,172	6	–	1,127	12,305
Dr. Arthur*	–	80	–	–	–	80
Mr. Sue Ka Lok# (resigned on 7 October 2015)	–	250	13	–	–	263
Independent Non-executive Directors						
Mr. David Tsoi	150	–	–	–	–	150
Mr. Chiang Bun#	75	–	–	–	–	75
Ms. Leung Pik Har, Christine#	75	–	–	–	–	75
Mr. Lo Chi Kit*	73	–	–	–	–	73
Mr. Tam Hang Chuen*	73	–	–	–	–	73
Total	446	12,290	55	–	1,127	13,918

appointed on 8 June 2015
* resigned on 25 June 2015
^ appointed on 31 August 2015

39 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

For the year ended 31 December 2014:

	Emoluments paid to or receivable by the person in respect of a person's services as a director, whether of the Company or its subsidiary undertaking					
	Directors' fees HK$'000	Salaries, allowance and other benefits HK$'000	Employer's contribution to pension scheme HK$'000	Share-based payments HK$'000	Discretionary bonuses HK$'000	Total HK$'000
Name of Directors						
Executive Directors						
Mr. Kenny Chan (former CEO)	–	12,161	17	452	6,050	18,680
Dr. Arthur	–	192	–	60	–	252
Independent Non-executive Directors						
Mr. David Tsoi	150	–	–	11	–	161
Mr. Lo Chi Kit	150	–	–	9	–	159
Mr. Tam Hang Chuen	150	–	–	9	–	159
Total	450	12,353	17	541	6,050	19,411

(b) Directors' retirement benefits

There were no retirement benefits paid to directors during the year ended 31 December 2015 (2014: same) by a defined benefit pension plan operated by the Group in respect of the services as a director of the Company and its subsidiaries.

(c) Director's termination benefits

During the year ended 31 December 2015, there was no board resolution to early terminate of the director's appointment in office (2014: Nil).

(d) Consideration provided to third parties for making available directors' services

No consideration was provided to third parties for making available of director's services during the year ended 31 December 2015 (2014: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2015, there was no arrangement in relation to loans, quasi-loans and other dealings between the Group and the Director's (2014: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in note 33, no significant transactions, arrangements and contracts in relation to Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Five Years Financial Summary

CONSOLIDATED INCOME STATEMENT

	Year ended 31 December				
	2015 HK$'000	2014 HK$'000	2013 HK$'000	2012 HK$'000	2011 HK$'000
Revenue	13,171	1,043	1,154	69	164
Cost of Sales	(12,722)	(640)	(266)	(35)	(123)
Gross profit	449	403	888	34	41
Selling and distribution expenses	(156)	(447)	(613)	–	–
Administrative and operating expenses	(29,033)	(51,556)	(64,131)	(74,189)	(74,076)
Fair value loss in issuance of unlisted warrants	–	(38,931)	–	–	–
Gain on disposal of subsidiaries	–	–	81,934	–	–
Other gains/(losses), net	45	1,737	(2,496)	1,597	(1,753)
Impairment loss on exploration and evaluation assets	(49,802)	–	–	–	–
Operating (loss)/profit	(78,497)	(88,794)	15,582	(72,558)	(75,788)
Finance income	188	19	438	442	454
(Loss)/profit before taxation	(78,309)	(88,775)	16,020	(72,116)	(75,334)
Income tax	–	–	–	683	388
(Loss)/profit for the year from continuing operations	(78,309)	(88,775)	16,020	(71,433)	(74,946)
Profit/(loss) for the year from discontinued operations	4	1,592	1,227	(2,930)	(2,428)
(Loss)/profit for the year	(78,305)	(87,183)	17,247	(74,363)	(77,374)
Non-controlling interests	(33,585)	(2,752)	(3,476)	(945)	(676)
(Loss)/profit attributable to equity holders of the Company	(44,720)	(84,431)	20,723	(73,418)	(76,698)

CONSOLIDATED BALANCE SHEET

	As at 31 December				
	2015 HK$'000	2014 HK$'000	2013 HK$'000	2012 HK$'000	2011 HK$'000
Non-current assets	176,092	145,862	1,211,226	1,324,020	1,132,678
Current assets	360,809	1,010,427	43,165	33,856	52,875
Current liabilities	(110,730)	(241,027)	(29,646)	(53,495)	(27,756)
Non-current liabilities	–	–	(228,428)	(247,733)	(243,359)
Total equity	426,171	915,262	996,317	1,056,648	914,438