

**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this Prospectus or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Enviro Energy International Holdings Limited, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

Subject to the granting of listing of, and permission to deal in, the Offer Shares and the Warrant Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Offer Shares and the Warrant Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares and the Warrant Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time. You should consult your licensed securities dealer, register institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, together with copy of the document specified in the paragraph headed “Documents registered by the Registrar of Companies” in Appendix IV to this Prospectus, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

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



**Enviro Energy International Holdings Limited**  
**環能國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

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

**(Stock Code: 1102)**

**OPEN OFFER OF 1,746,773,000 OFFER SHARES**  
**ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO SHARES HELD**  
**ON THE RECORD DATE WITH THE BONUS ISSUE ON THE BASIS OF**  
**THREE WARRANTS FOR EVERY FIVE OFFER SHARES TAKEN UP**  
**UNDER THE OPEN OFFER**

Capitalised terms used in this cover page have the same meanings as defined in this Prospectus.

The latest time for acceptance of and payment for the Offer Shares is 4:00 p.m. on Friday, 7 November 2014. The procedures for application and payment are set out on pages 26 to 27 of this Prospectus.

It should be noted that the Underwriting Agreement in respect of the Open Offer with the Bonus Issue contains provisions granting the Underwriter, by notice in writing, the right at any time prior to the Latest Time for Termination to terminate the Underwriter's obligations thereunder on the occurrence of certain events. These events are set out in the section headed “Termination of the Underwriting Agreement” on page 8 of this Prospectus. If the Underwriter terminates the Underwriting Agreement, the Open Offer with the Bonus Issue will not proceed.

It should be noted that the Shares have been dealt in on an ex-entitlement basis from Wednesday, 15 October 2014, and the dealings in Shares will take place whilst the conditions to which the Open Offer with the Bonus Issue is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all conditions of the Open Offer with the Bonus Issue are fulfilled will accordingly bear the risk that the Open Offer with the Bonus Issue may not become unconditional or may not proceed. Any Shareholder or potential investors of the Company should exercise caution when dealing in the Shares during such period who is in any doubt about his or her position is advised to consult his or her professional adviser.

24 October 2014

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Expected timetable</b> .....	6
<b>Termination of the Underwriting Agreement</b> .....	8
<b>Letter from the Board</b> .....	9
<b>Appendix I — Financial information of the Group</b> .....	29
<b>Appendix II — Unaudited Pro Forma Financial Information of the Group</b> .....	31
<b>Appendix III — Summary of terms of the Warrants</b> .....	36
<b>Appendix IV — General information</b> .....	47

## DEFINITIONS

*In this Prospectus, unless the context otherwise requires, the following expressions shall have the following meanings:*

“acting in concert”	has the meaning ascribed to it under the Takeovers Code;
“Announcement”	the announcement of the Company dated 2 September 2014 in relation to, among others, the Open Offer with the Bonus Issue and the Whitewash Waiver;
“Application Form(s)”	the application form(s) in respect of the Open Offer to be used by the Qualifying Shareholder(s) to apply for the Offer Shares in the form agreed by the Company and the Underwriter;
“associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Board”	board of Directors;
“Bonus Issue”	the proposed bonus issue of unlisted warrants on the basis of three Warrants for every five Offer Shares taken up;
“Business Day”	a day (other than a Saturday, a Sunday or days on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which banks in Hong Kong are generally opened for business for more than five hours;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Circular”	the circular issued by the Company dated 23 September 2014 in relation to, among other things, the Open Offer with the Bonus Issue and the Whitewash Waiver and the transactions contemplated thereunder;
“Colpo”	Colpo Mercantile Inc., a company incorporated in the British Virgin Islands and wholly-owned by Mr. Chan, the Chairman and Chief Executive Officer of the Company, an executive Director, the controlling shareholder of the Company as at the date of this Prospectus, and the Underwriter;
“Committed Shares”	being the 606,680,600 Offer Shares in aggregate, represent the maximum number of the Offers Shares to be offered to Colpo and Mr. Chan by the Company for subscription under the Open Offer, which Colpo irrevocably undertakes to and will procure Mr. Chan to accept and subscribe pursuant to the Undertaking;

## DEFINITIONS

“Company”	Enviro Energy International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company held on Monday, 13 October 2014 at which the resolutions were passed to approve the Open Offer, the Bonus Issue and the Whitewash Waiver;
“Excluded Shareholder(s)”	(if any) the Overseas Shareholders whom the Board, based on legal opinions obtained, is of the opinion that it would be necessary or expedient not to offer the Offer Shares;
“Executive”	Executive Director of the Corporate Finance Division of the SFC of Hong Kong or any of his delegates;
“Exercisable Options”	the outstanding Share Options which have been vested and are exercisable, in aggregate 238,130,000 Share Options;
“Exercise Price”	the initial exercise price of HK\$0.21 per new Share (subject to adjustment) at which the holders of the Warrants may subscribe for the new Share(s);
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Shareholders”	Shareholders other than Colpo, its associates and parties acting in concert with it, and those who are involved in, or interested in the Open Offer, the Bonus Issue and/or the Whitewash Waiver;
“Last Trading Day”	1 September 2014, being the last trading day prior to the publication of the Announcement;
“Latest Practicable Date”	20 October 2014, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information for inclusion herein;

## DEFINITIONS

“Latest Time for Acceptance”	4:00 p.m. on Friday, 7 November 2014 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time for acceptance of and payment for, the Offer Shares in the manner as set out in this Prospectus (or such other time or date as the Underwriter and the Company may agree in writing);
“Latest Time for Termination”	4:00 p.m. on Monday, 10 November 2014 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement (or such other time or date as the Underwriter and the Company may agree in writing);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules;
“Mr. Chan”	Mr. Chan Wing Him Kenny;
“Offer Share(s)”	1,746,773,000 Offer Shares proposed to be offered to the Qualifying Shareholders for subscription under the Open Offer;
“Open Offer”	the proposed issue of the Offer Shares by the Company on the basis of one Offer Share for every two Shares held on the Record Date at the Subscription Price, which is subject to the terms and conditions of the Prospectus Documents;
“Overseas Shareholders”	the Shareholders (if any) with registered addresses on the register of members of the Company which are outside Hong Kong at the close of business on the Record Date;
“Petromin”	Petromin Resources Limited;
“Previous Announcements”	the announcements of the Company dated 28 April 2014 and 7 July 2014;
“Prospectus”	this prospectus issued by the Company to the Qualifying Shareholders together with the Application Form in relation to the Open Offer, and if, to the extent legally and practically permissible, to despatch (without the Application Form) to the holders of the outstanding Share Options for information purposes only;

## DEFINITIONS

“Prospectus Documents”	the Prospectus and the Application Form;
“Prospectus Posting Date”	Friday, 24 October 2014 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents;
“Qualifying Shareholders”	the Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date;
“Record Date”	Thursday, 23 October 2014, or such other date as may be agreed between the Underwriter and the Company, being the date by reference to which entitlements to the Open Offer will be determined;
“Registrar”	Tricor Tengis Limited, the branch share registrar and transfer office of the Company in Hong Kong;
“SFC”	Securities and Futures Commission of Hong Kong;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Share Options”	the share options granted under the share option schemes adopted by the Company;
“Share Option Schemes”	the share option schemes adopted by the Company on 25 January 2003 and 12 May 2011;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	HK\$0.020 per Offer Share;
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“TWE”	TerraWest Energy Corp., a non-wholly owned subsidiary of the Company;

## DEFINITIONS

“Undertaking”	the letter of undertaking dated 1 September 2014 given by Colpo to the Company in relation to its irrevocable undertaking to accept and procure Mr. Chan to accept the subscription and payment for the Committed Shares under the Open Offer;
“Underwriter”	Colpo;
“Underwriting Agreement”	the underwriting agreement dated 1 September 2014 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Open Offer;
“Underwritten Shares”	the total number of the Offer Shares (other than the Committed Shares) which are offered to the Qualifying Shareholders to subscribe for and fully underwritten by the Underwriter pursuant to the Open Offer;
“Warrant(s)”	the unlisted warrant(s) (in registered form and by way of deed poll) to be issued by the Company to the first registered holders of the Offer Shares on the basis of three Warrants for every five Offer Shares taken up;
“Warrant Share(s)”	Share(s) to be issued upon the exercise of the subscription rights attaching to the Warrants;
“Whitewash Waiver”	a conditional waiver granted by the Executive pursuant to note 1 on dispensation from Rule 26 of the Takeovers Code in respect of the obligations of Colpo and parties acting in concert with it, to make a mandatory general offer for all the securities of the Company (including the Exercisable Options) not already owned or agreed to be acquired by Colpo and parties acting in concert with it, which would otherwise arise as a result of the Underwriter being required to perform its underwriting commitment under the Underwriting Agreement and the exercise of the Warrants under the Bonus Issue;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

## EXPECTED TIMETABLE

*Set out below is the expected timetable for the implementation of the Open Offer with the Bonus Issue and it has been prepared on the assumption that all the conditions of the Open Offer with the Bonus Issue have been fulfilled and/or waived (where appropriate).*

Despatch of Prospectus Documents.....	Friday, 24 October 2014
Latest time for acceptance of and payment for Offer Shares.....	4:00 p.m. on Friday, 7 November 2014
Latest time for the termination of the Underwriting Agreement.....	4:00 p.m. on Monday, 10 November 2014
Announcement of the results of the Open Offer with the Bonus Issue to be posted on the Stock Exchange's and the Company's websites .....	Friday, 14 November 2014
Despatch of certificates for fully-paid Offer Shares and refund cheques .....	Monday, 17 November 2014
Dealing in Offer Shares commences .....	9:00 a.m. on Tuesday, 18 November 2014
Designated broker starts to stand in the market to provide matching services for odd lots of Offer Shares .....	9:00 a.m. on Tuesday, 18 November 2014
Despatch of certificates for the Warrants.....	Friday, 21 November 2014
Designated broker ceases to stand in the market to provide matching services for odd lots of Offer Shares .....	4:00 p.m. on Monday, 8 December 2014

All times stated in this Prospectus refer to Hong Kong times. Dates stated in this Prospectus for events in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Open Offer and Bonus Issue will be announced as appropriate.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE OFFER SHARES**

All times in this Prospectus refer to Hong Kong time. If there is a 'black' rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Friday, 7 November 2014, being the date of the Latest Time of Acceptance:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be postponed to 5:00 p.m. on the same Business Day; or

<b>EXPECTED TIMETABLE</b>
---------------------------

- (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

Under such circumstances, the dates mentioned in the expected timetable above (including, without limitation, the Latest Time for Termination) may be affected.

## TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination:

- (1) there occurs:
  - (a) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
  - (b) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or
  - (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

and in the reasonable opinion of the Underwriter, such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Open Offer or make it inadvisable or inexpedient to proceed with the Open Offer;

- (2) the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position; or
- (3) the Underwriter shall receive notification pursuant to the Underwriting Agreement of, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the Underwriting Agreement, and the Underwriter shall, in its reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Open Offer,

the Underwriter shall be entitled (but not bound) by notice in writing issued by the Underwriter to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement and terminate the Underwriting Agreement.

**Upon termination of the Underwriting Agreement, the Open Offer and the Bonus Issue will not proceed.**



**Enviro Energy International Holdings Limited**

**環能國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

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

**(Stock Code: 1102)**

*Executive Directors:*

Mr. Chan Wing Him Kenny  
Dr. Arthur Ross Gorrell

*Independent non-executive Directors:*

Mr. David Tsoi  
Mr. Lo Chi Kit  
Mr. Tam Hang Chuen

*Registered Office:*

Cricket Square, Hutchins Drive  
P. O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal Place of Business  
in Hong Kong:*

Unit 806, Level 8  
Core D, Cyberport 3  
100 Cyberport Road  
Hong Kong

24 October 2014

*To the Shareholders and, for information,  
holders of the outstanding Share Options*

Dear Sir/Madam,

Reference is made to the Circular in relation to, among other matters, the Underwriting Agreement, the Open Offer with the Bonus Issue and the Whitewash Waiver.

It was announced on 2 September that the Company proposed to raise not less than approximately HK\$34.9 million (or not more than approximately HK\$37.4 million, as the case may be), before expenses, by issuing not less than 1,746,773,000 Offer Shares (assuming none of the Exercisable Options having been exercised on or before the Record Date) and not more than 1,872,463,000 Offer Shares (assuming the Exercisable Options having been exercised in full on or before the Record Date) at the Subscription Price of HK\$0.020 per Offer Share on the basis of one Offer Share for every two Shares held by the Qualifying Shareholders on the Record Date and payable in full on application, with the Bonus Issue on the basis of three Warrants for every five Offer Shares taken up under the Open Offer.

## LETTER FROM THE BOARD

The Open Offer with the Bonus Issue is conditional on, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders. On 9 October 2014, the Executive granted the Whitewash Waiver which was subject to, among other things, the approval of the Independent Shareholders by way of poll at the EGM. At the EGM, the ordinary resolutions in respect of the Open Offer with the Bonus Issue, the Underwriting Agreement and the Whitewash Waiver were duly passed by the Independent Shareholders by way of poll. The purpose of this Prospectus is to provide you with further information regarding details of the Open Offer with the Bonus Issue, including information on dealings in and application for the Offer Shares, dealings in the Warrants, and financial and other information in respect of the Group.

### Issue statistics

Basis of the Open Offer:	One Offer Share for every two Shares held on the Record Date together with three Warrants for every five Offer Shares taken up. No Offer Share will be offered to the Excluded Shareholders, if any.
Subscription Price:	HK\$0.020 per Offer Share payable in full on application at or prior to 4:00 p.m. on a date which is currently expected to be Friday, 7 November 2014.
Expected gross proceeds from the Open Offer:	Approximately HK\$34.9 million
Number of Shares in issue as at the Latest Practicable Date:	3,493,546,000 Shares
Number of Offer Shares:	1,746,773,000 Offer Shares with aggregate nominal value of approximately HK\$4.4 million.
No application for excess applications:	Qualifying Shareholders will not have the right to apply for the Offer Shares in excess of their respective Offer Shares under the Open Offer.
Underwriter and number of Underwritten Shares:	Colpo: 1,140,092,400 Offer Shares
Number of Warrants to be issued:	1,048,063,800 Warrants to be issued to the first registered holders of the Offer Shares on the basis of three Warrants for every five Offer Shares taken up under the Open Offer.
Number of Shares in issue upon completion of the Open Offer	5,240,319,000 Shares

## LETTER FROM THE BOARD

The number of Offer Shares to be issued represents 50% of the existing issued share capital of the Company and approximately 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares.

As at the Latest Practicable Date, there were an aggregate of 238,130,000 outstanding Share Options granted by the Company under the Share Option Schemes. Save as disclosed above, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date.

### **Qualifying Shareholders and Excluded Shareholders**

The last day of dealings in the Shares on a cum-entitlement basis was Tuesday, 14 October 2014. The Shares have been dealt in on an ex-entitlement basis from Wednesday, 15 October 2014. The register of members of the Company was closed from Friday, 17 October 2014 to Thursday, 23 October 2014, both dates inclusive, to determine the eligibility of the Open Offer and the entitlements of the Qualifying Shareholders to the Open Offer. Accordingly, no transfer of Shares was registered during that period. The Record Date was Thursday, 23 October 2014.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, a Shareholder must, at the close of business on the Record Date (i) be registered on the register of members of the Company; and (ii) not be an Excluded Shareholder.

As at the Latest Practicable Date, the Company is not aware of the existence of any Excluded Shareholders.

The Company will send the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date.

### **Subscription Price**

The Subscription Price is HK\$0.020 per Offer Share, payable in full on application. The Subscription Price represents:

- (i) a discount of approximately 84.96% to the closing price of HK\$0.133 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 79.02% to the theoretical ex-entitlement price of approximately HK\$0.095 per Share after the Open Offer, based on the closing price of HK\$0.133 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 85.27% to the average closing price of HK\$0.136 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

## LETTER FROM THE BOARD

- (iv) a discount of approximately 85.80% to the average closing price of HK\$0.141 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 92.87% to the unaudited consolidated net asset value per Share of approximately HK\$0.281 (calculated by dividing the unaudited consolidated net asset value of the Group as at 30 June 2014 as shown in the interim results announcement of the Company for the six months ended 30 June 2014 by the number of Shares in issue as at 30 June 2014); and
- (vi) a discount of approximately 81.65% to the closing price of HK\$0.109 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The net price for the Offer Shares is approximately HK\$0.019 per Offer Share (calculated as the estimated net proceeds from the Open Offer divided by the total number of the Offer Shares). The aggregate nominal value of the Offer Shares will be approximately HK\$4.4 million.

### **Basis of determining the Subscription Price**

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price and trading liquidities of the Shares prior to the Last Trading Day. Each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its shareholding in the Company on the Record Date. Taking into consideration the theoretical ex-entitlement price per Share and that the discount would encourage the Qualifying Shareholders to participate in the Open Offer, which would enable the Qualifying Shareholders to maintain their respective shareholdings in the Company and participate in the future growth of the Group, the executive Directors consider the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

When setting the Subscription Price, the Board has also taken into account, among others, the monthly working capital requirements for the Group's operations in Hong Kong and Indonesia, and the net proceeds to be raised from the Open Offer of not less than HK\$33.4 million, which shall be sufficient to support such working capital requirement for a reasonable period of time.

### **Odd lot arrangement**

In order to facilitate the trading of odd lots (if any) of the Shares arising from the Open Offer, the Company has appointed Metro Capital Securities Limited to match the purchase and sale of odd lots of the Offer Shares. Holders of the Shares in odd lots who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot may directly or through their broker contact Ms. Mabel Leung of Metro Capital Securities Limited at +852 3944-8000 for the period from Tuesday, 18 November 2014 to Monday, 8 December 2014. Holders of odd lots of Shares should note that successful

## **LETTER FROM THE BOARD**

matching of the sale and purchase of odd lots of Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

### **Status of the Offer Shares**

The Offer Shares (when allotted, fully paid and issued) will rank pari passu in all respects with the Shares then in issue. Holders of the Offer Shares will be entitled to receive all future dividends and distributions, which are declared, made or paid on or after the close of business on the date of allotment and issue of the Offer Shares.

### **Certificates of the Offer Shares and Warrants and refund cheques**

Subject to fulfillment of the conditions of the Open Offer as set out in the section headed “Conditions of the Open Offer with the Bonus Issue” in this Prospectus and save as otherwise provided in the Underwriting Agreement, share certificates for fully-paid Offer Shares and the certificates for the Warrants are expected to be posted on or around Monday, 17 November 2014 and Friday, 21 November 2014, respectively to all Qualifying Shareholders who have applied for, accepted and paid for the Offer Shares by ordinary post at their own risks. One share certificate for all the fully-paid Offer Shares and one certificate for the Warrants will be issued to those entitled pursuant to the Open Offer and the Bonus Issue respectively.

Refund cheques in respect of the Offer Shares if the Open Offer is terminated are expected to be posted on or around Monday, 17 November 2014 by ordinary post to the applicants at their own risks.

### **No application for excess Offer Shares**

Considering that (i) the Open Offer with the Bonus Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholdings interests in the Company and (ii) the Company will incur additional administrative work and costs to administer the excess application procedures, the Board has decided that there will be no application for excess Offer Shares by the Qualifying Shareholders.

The Qualifying Shareholders will therefore not be entitled to apply for any Offer Shares in excess of their respective Offer Shares under the Open Offer. All Offer Shares (other than the Committed Shares) not taken up by the Qualifying Shareholders are underwritten by the Underwriter.

### **Application for listing**

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares and the Warrant Shares. No listing will be sought for the Warrants. The Company has assessed the possibility of issuing listed Warrants by considering the pros and cons of issuing listed Warrants in the context of the Bonus Issue. While listed Warrants are readily tradable by warrant holders, the Board considered that the Warrants are issued at a premium and will be of minimal value until they are in-the-money. To

## LETTER FROM THE BOARD

incur the additional costs for issuing listed Warrants and which listing platform may not be readily utilized by the warrant holders, the Board considered it not to be in the best interests of the Company and the Shareholders.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange. Subject to the granting of the listing of, and permission to deal in, the Offer Shares and the Warrant Shares on the Stock Exchange, the Offer Shares and the Warrant Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares and the Warrant Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participations of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Offer Shares and the Warrant Shares are expected to continue to be traded on the Stock Exchange in the existing board lot of 2,000 Shares. Dealings in the Offer Shares and the Warrant Shares will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

### Principal terms of the Underwriting Agreement

Date:	1 September 2014 (after trading hours).
Parties:	(1) the Company (2) Colpo (as the Underwriter)
Number of Offer Shares underwritten:	The Offer Shares other than the Committed Shares, being not less than 1,140,092,400 Offer Shares (assuming none of the Exercisable Options having been exercised on or before the Record Date); and not more than 1,265,782,400 Offer Shares (assuming the Exercisable Options having been exercised in full on or before the Record Date).  The aggregate nominal value of the Underwritten Shares will be not less than approximately HK\$2.9 million and not more than approximately HK\$3.2 million.
Commission:	1.5% of the total Subscription Price of the Underwritten Shares. The maximum commission to be received by the Underwriter will be approximately HK\$380,000.

The commission rate was determined after arm's length negotiation between the Company and the Underwriter with reference to the existing financial position of the Group, the size of the Open Offer, and the current and expected market condition. The executive Directors consider the terms of the Underwriting Agreement including the commission rate are fair and reasonable so far as the Company and the Shareholders are concerned.

## LETTER FROM THE BOARD

Colpo is a company incorporated in the British Virgin Islands and the controlling Shareholder. It is principally engaged in investment holding business, and its ordinary course of business does not include the underwriting of securities. It is wholly and beneficially owned by Mr. Chan who is also the sole director of Colpo. As at the Latest Practicable Date, Colpo, together with its beneficial owners and parties acting in concert (within the meaning of the Takeovers Code) with any one of them, is beneficially interested in 1,213,361,200 Shares, representing approximately 34.73% of the issued share capital of the Company. Mr. Chan holds 26,000,000 Share Options, all of which are Exercisable Options.

Pursuant to the Underwriting Agreement, Colpo undertakes and confirms to the Company, among others, that:

- (i) Colpo's obligation to subscribe for the Underwritten Shares pursuant to the Underwriting Agreement is for its own account and it shall not hold the Company to be responsible for any loss or damage to any persons arising from any such transaction except where such loss or damage arises from any breach by the Company of its obligations under the Underwriting Agreement or the gross negligence or wilful default or omission of the Company. Colpo also undertakes that it shall fully comply with all applicable laws, rules and regulations, including without limitation the Listing Rules and Takeovers Code, and its constitutional documents and shall not do or omit anything, the doing or omission of which shall or may cause the Company or any of the Directors to be in breach of any applicable laws, rules and regulations;
- (ii) it will not without first having obtained the prior written consent of the Company transfer or otherwise dispose (including without limitation the creation of any option, charge or other encumbrances or rights over or in respect of) or acquire (except by taking up the Offer Shares underwritten by it and pursuant to the Underwriting Agreement and pursuant to the Undertaking or acquiring Shares in circumstances which do not contravene the Listing Rules or qualify as a disqualifying transaction under the Takeovers Code) any Shares or any interest therein between the date of the Underwriting Agreement and the Latest Time for Acceptance; and
- (iii) in the event that there is insufficient public float of the Company within the meaning of the Listing Rules immediately upon completion of the Open Offer, the Underwriter shall, subject to compliance with the Takeovers Code, take all appropriate steps including but not limited to the engagement of a placing agent to procure subscribers (who are independent third parties not connected with the directors, chief executive and substantial shareholders of the Company or its subsidiaries or any of their respective associates) to subscribe for the Shares which would otherwise be required to be taken up by the Underwriter under the Underwriting Agreement in order to restore the minimum public float requirement of the Company in compliance with Rule 8.08(1)(a) of the Listing Rules.

## **LETTER FROM THE BOARD**

### **Undertaking**

On the date of the Underwriting Agreement, Colpo has given its irrevocable undertakings to the Company that:

- (1) Colpo shall remain as the beneficial owner of a total of 1,188,680,000 Shares up to and including the Latest Time for Acceptance;
- (2) Colpo shall and shall procure Mr. Chan to accept, subscribe and pay for an aggregate of 606,680,600 Offer Shares, being the maximum number of the Offer Shares to be offered to Colpo and Mr. Chan by the Company for subscription under the Open Offer, and undertake to lodge or procure to be lodged with the Registrar acceptances for the Committed Shares, with payment in full therefor in cash by no later than the Latest Time for Acceptance or in the manner as set out in the Prospectus Documents; and
- (3) Colpo will not and shall procure Mr. Chan not to transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire any Shares, any interest or voting rights (save for the Committed Shares to be subscribed by Colpo and Mr. Chan pursuant to the Open Offer) between the date of the Undertaking and completion of the Open Offer.

Save for the Undertaking, the Board has not received any information or irrevocable undertakings from any substantial Shareholders of their intention to take up their respective Offer Shares under the Open Offer.

### **Conditions of the Open Offer with the Bonus Issue**

The Open Offer and the Bonus Issue are conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. The conditions precedent of the Underwriting Agreement include:

- (1) the passing by the Independent Shareholders at the EGM by way of poll of the necessary resolution(s) approving, among others, the Open Offer, the Bonus Issue, the creation of the Warrants, the issue of the Offer Shares and the Warrant Shares and the Whitewash Waiver;
- (2) the Executive granting the Whitewash Waiver and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted;
- (3) the delivery to the Stock Exchange for authorization and the registration with the Hong Kong Companies Registry, respectively, one copy of each of the Prospectus Documents not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of the Hong Kong);

## LETTER FROM THE BOARD

- (4) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus for information only and a letter in the agreed form to the Excluded Shareholders, if any, explaining the circumstances in which they are not permitted to participate in the Open Offer on the Prospectus Posting Date;
- (5) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Offer Shares and the Warrant Shares by no later than the first day of their dealings as stated in the Prospectus;
- (6) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement;
- (7) compliance with and performance of all undertakings and obligations of the Underwriter under the Underwriting Agreement; and
- (8) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof.

Save for the condition (7) above which can be waived by the Company (to the extent such condition is waivable) and conditions (6) and (8) above which can be waived by the Underwriter (to the extent such conditions are waivable), none of the above conditions can be waived by the Company or the Underwriter. Condition (7) above is not a regulatory or legal requirement and is waivable by the Company to provide it with flexibility. However, the Company does not have any intention to waive such condition. If the conditions precedent are not fully satisfied (or waived, as the case may be) by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall be terminated and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches, and the Open Offer and Bonus Issue will not proceed.

As at the Latest Practicable Date, conditions (1) and (2) have been fulfilled. The Whitewash Waiver was granted by the Executive on 9 October 2014, subject to the fulfillment of the conditions set out therein.

## LETTER FROM THE BOARD

### Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (1) there occurs:
  - (a) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
  - (b) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or
  - (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

and in the reasonable opinion of the Underwriter, such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Open Offer or make it inadvisable or inexpedient to proceed with the Open Offer;

- (2) the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position; or
- (3) the Underwriter shall receive notification pursuant to the Underwriting Agreement of, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the Underwriting Agreement, and the Underwriter shall, in its reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Open Offer,

the Underwriter shall be entitled (but not bound) by notice in writing issued by the Underwriter to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement and terminate the Underwriting Agreement.

**Upon termination of the Underwriting Agreement, the Open Offer and the Bonus Issue will not proceed.**

## LETTER FROM THE BOARD

### Principal terms of the Warrants

Issuer:	The Company
Number of Warrants to be issued:	1,048,063,800 Warrants
Exercise period:	Two years commencing from the date of the issue of the Warrants.
Exercise price:	An initial exercise price of HK\$0.21 per new Share (subject to adjustment) at which the holders of the Warrants may subscribe for new Share(s).
Transferability:	<p>The Warrants may be transferred or assigned to any person provided that any transfer of the Warrants to connected person shall be subject to the requirements that the Stock Exchange may impose from time to time.</p> <p>To facilitate the transfer of the Warrants by the warrantholders, the Company has appointed Metro Capital Securities Limited to stand in the market to provide matching services on a best efforts basis for all warrantholders of the Warrants during the duration of exercise period, the fees of which shall amount to 0.15% on the transaction amount. Warrantholders of the Warrants who wish to take advantage of this facility may directly or through their broker contact Ms. Mabel Leung of Metro Capital Securities Limited at +852 3944-8000 during the duration of exercise period. The transfer price shall be determined based on arm's length negotiation between the transferor and transferee. The Company estimates the transfer fees for the transfer of the Warrants to be HK\$2.50 per transfer.</p>
Application for listing:	No application will be made for a listing of the Warrants on the Stock Exchange or any other stock or securities exchange. The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares.

A summary of the terms of the Warrants is set out in Appendix III in this Prospectus.

### Number of Warrant Shares to be issued upon exercise of the Warrants

The number of Warrant Shares of 1,048,063,800 Shares represents (i) approximately 30% of the existing issued share capital of the Company as at the Latest Practicable Date; (ii) approximately 20% of the issued share capital of the Company as enlarged by the Offer Shares; and (iii) approximately 16.7% of the issued share capital of the Company as enlarged by the Offer Shares and the Warrant Shares.

## LETTER FROM THE BOARD

The executive Directors consider that the possible dilution impact on the shareholding interests of those Shareholders who do not subscribe for the Open Offer to be acceptable taking into consideration of the following factors:

- (a) for a private placement of securities, only selected investors are allowed to participate in the fund raising exercise. In contrast, all Shareholders are given the opportunity to take part in the Open Offer;
- (b) the initial conversion price of the Warrants of HK\$0.21 is higher than the recent prices of the Shares and therefore there is no immediate dilution effect on the shareholding interests of the Shareholders who do not subscribe for the Offer Shares; and
- (c) although any exercise of Warrants will lead to a dilution of shareholding interests of Shareholders who do not subscribe for the Offer Shares, this is considered to be fair as those Shareholders who support the Company by way of subscription of the Offer Shares should be rewarded by the capital gain arising from the disposal or exercise of the Warrants.

### Exercise Price

The Exercise Price of HK\$0.21 per Warrant Share represents:

- (a) a premium of approximately 57.89% over the closing price of HK\$0.133 per Share as quoted on the Stock Exchange on 1 September 2014, being the Last Trading Day;
- (b) a premium of approximately 54.64% over the average closing price of HK\$0.136 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 1 September 2014, being the Last Trading Day;
- (c) a discount of approximately 25.19% to the unaudited consolidated net asset value per Share of approximately HK\$0.281 (calculated by dividing the unaudited consolidated net asset value of the Group as at 30 June 2014 as shown in the interim results announcement of the Company for the six months ended 30 June 2014 by the number of Shares in issue as at 30 June 2014); and
- (d) a premium of approximately 92.66% over the closing price of HK\$0.109 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Exercise Price was arrived at after arm's length negotiations between the Company and the Underwriter with reference to, among other things, (i) the current share price of the Company; (ii) the exercise period of the Warrants; (iii) the historical volatility of the share price of the Company; (iv) the amount of proceeds expected to be raised from the exercise of the Warrants; and (v) the attractiveness of the terms of the Open Offer.

When deciding to include the Bonus Issue with the Open Offer, the Board has considered the additional proceeds of HK\$235.9 million which will be raised from the full exercise of the Warrants. Although the Exercise Price represents a premium to the latest price of the Shares, it

## **LETTER FROM THE BOARD**

is still at a discount to the Group's consolidated net asset value per Share. Also, the price of the Shares has historically been trading at a much higher price. The average trading price of the Shares for the preceding five years was approximately HK\$0.309 with a high of HK\$0.82 per Share and a low of HK\$0.105 per Share. The Company believed the main reason for the Shares to be trading at a lower level in the recent years was that the Group's projects were not progressing as what was expected. The future performance of the Group's projects may have positive impact to the price of the Shares before the expiry of the Warrants.

Apart from the additional funding that the Company may raise upon the exercise of the subscription rights attaching to the Warrants, the purpose of the Bonus Issue is also to provide incentive to the Shareholders to accept the Offer Shares. For those Shareholders who have been Shareholders for a long time and understand the Group and the management well and who believe in the future prospect of the Group, they may take up the Offer Shares believing that the Warrants will become in-the-money within the exercise period. For other Shareholders, they may take up the Offer Shares (which only costs HK\$20 for a Shareholder holding a board lot of 2,000 Shares) and consider the Warrants as a potential gain which does not cost them anything by merely holding them at the moment. Shareholders who participate in the Open Offer and will be issued the Warrants will not incur any additional costs for holding the Warrants. Although the Warrants are currently out-of-the-money, it is possible that the Warrants will become in-the-money over the exercise period. From the perspective of the warrant holders, the value of the Warrants will be zero or a positive value depending on the share price performance of the Company during the exercise period. In view of the aforesaid, the executive Directors consider that the issuance of the Warrants is beneficial to the subscribers of the Offer Shares as they may make a gain from the disposal or exercise of the Warrants.

### **Ranking of the Warrants**

The Warrant Shares when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares then in issue.

### **Fractions of the Warrants**

Fractional entitlements to the Warrants to the Shareholders taking up the Offer Shares not in an integral multiple of five will not be issued.

### **Mandate to issue the Warrant Shares**

The Warrant Shares will be allotted and issued under a specific mandate approved at the EGM by the Independent Shareholders.

## LETTER FROM THE BOARD

### REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Group is principally engaged in investment holding and development of a full range of natural resource-related projects involving hydrocarbons and other natural resources.

As previously disclosed in the Previous Announcements, TWE, a non-wholly owned subsidiary of the Company in which the Company held approximately 71.61% of the issued common shares and preferred shares in the capital of TWE, or approximately 82.92% of the issued common shares, preferred shares and warrants outstanding in the capital of TWE on a fully diluted basis, respectively, has declared a dispute with China National Petroleum Corporation and/or its affiliates, including, among others, PetroChina Company Limited and PetroChina Coalbed Methane Company Limited in relation to the a coalbed methane production sharing contract in the Junggar Basin of Xinjiang, China. Please refer to the Previous Announcements for details.

As disclosed in the interim announcement of the Company on 18 August 2014, the Group had a bank balances and cash of approximately HK\$10.0 million as at 30 June 2014. The Board acknowledges that the Group will encounter difficulty in raising funds from financial institutions by way of equity and/or debt financing in light of its recent financial performance and positions. The Board has also considered to conduct a right issue instead of the Open Offer. However, if the Company raises funds via rights issue instead of the Open Offer, the Company would incur higher administrative costs of approximately HK\$100,000 for the preparation, printing, posting and processing of excess applications forms as well as making arrangements with the share registrar on the trading of nil paid rights. The Company will also involve additional time of two to three weeks and incur resources to administer the trading of the nil-paid rights including communication between the Company and other parties such as the registrar or financial printer, and these additional costs and time are difficult to quantify. The objective of the Open Offer is to enable the Shareholders to maintain their proportionate interests in the Company should they wish to do so, ensuring stability in the Company's Shareholders' base, and to participate in the Company's future growth and development. The Board therefore considers, since the Open Offer will already give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro-rata shareholding interests in the Company, even without the right to trade their nil-paid rights as in a rights issue, on balance, to conduct an Open Offer instead of a rights issue will be more beneficial to the Company and the Shareholders in the current circumstances.

The terms and structure of the Open Offer, including the combination of the Subscription Price and the offer ratio, were arrived at after arm's length negotiations between the Company and Colpo having taken into account the Group's financial position and its working capital requirements. While the Company has explored and proposed other combinations during the negotiations that may result in other dilution effect on the shareholdings of those Shareholders who do not take up the Offer Shares, Colpo was only willing to act as the Underwriter with the current structure of the Open Offer. The Company has attempted but was unable to identify other underwriters for the Open Offer. In view of the financial position of the Group and its need for funding, the Board considered a Subscription Price of HK\$0.02 per Offer Share, an offer ratio of one Offer Share for two Shares and the overall dilution effect to be acceptable and as a whole, in the interests of the Company and the Shareholders. In particular, the

## LETTER FROM THE BOARD

Company has exhausted all other fund raising options and the Open Offer with the current structure is the only one available at the moment which allows all Shareholders to participate in an equal and fair basis.

The Board is of the view that the Open Offer with the Bonus Issue will enable the Group to strengthen its capital base, to ease the Group's short-term financial stress and to enhance its financial position.

The estimated gross proceeds (before expenses) and the estimated net proceeds (after deduction of expenses, including the commission to be paid to the Underwriter) from the Open Offer will be approximately HK\$34.9 million and HK\$33.4 million respectively. The Company intends to apply the net proceeds from the Open Offer for general working capital of the Group.

The estimated net proceeds from the full exercise of the Warrants will be approximately HK\$220.1 million. The net price per Warrant Share is approximately HK\$0.21. The Company intends to apply the net proceeds from the exercise of the Warrants for general working capital of the Group and/or other appropriate investments as may be identified by the Group.

Having taken into account the terms of the Open Offer and the Bonus Issue, the Directors consider that the Open Offer and the Bonus Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Furthermore, it also offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company to participate in the future development of the Company should they wish to do so. However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

## LETTER FROM THE BOARD

### EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, the effects on the shareholding structure of the Company as a result of the Open Offer and the exercise of the Warrants based on different assumed scenarios are illustrated as follows:

Shareholder	As at the Latest Practicable Date		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders take up the Offer Shares, except Colpo as Shareholder and Underwriter and Mr. Chan as Shareholder)		Immediately after completion of the Open Offer and full exercise of the Warrants (assuming no Qualifying Shareholders take up Offer Shares, except Colpo as Shareholder and Underwriter and Mr. Chan as Shareholder)		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders take up the Offer Shares and full exercise of Warrants by Colpo and Mr. Chan only)	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
Colpo	1,188,680,000	34.02	2,923,112,400	55.78	3,963,771,840	63.03	2,139,624,000	38.18
	<i>(Note 1)</i>							
Mr. Chan <i>(Note 1)</i>	<u>24,681,200</u>	<u>0.71</u>	<u>37,021,800</u>	<u>0.71</u>	<u>44,426,160</u>	<u>0.71</u>	<u>44,426,160</u>	<u>0.79</u>
Sub-total of Colpo and parties acting in concert with it	1,213,361,200	34.73	2,960,134,200	56.49	4,008,198,000	63.74	2,184,050,160	38.97
Arthur Ross Gorrell	2,625,000	0.08	2,625,000	0.05	2,625,000	0.04	3,937,500	0.07
Tam Hang Chuen	1,000,000	0.03	1,000,000	0.02	1,000,000	0.02	1,500,000	0.03
Cool Legend Limited <i>(Note 2)</i>	452,400,000	12.95	452,400,000	8.63	452,400,000	7.19	678,600,000	12.11
Public shareholders	<u>1,824,159,800</u>	<u>52.21</u>	<u>1,824,159,800</u>	<u>34.81</u>	<u>1,824,159,800</u>	<u>29.01</u>	<u>2,736,239,700</u>	<u>48.82</u>
Total	<u>3,493,546,000</u>	<u>100.00</u>	<u>5,240,319,000</u>	<u>100.00</u>	<u>6,288,382,800</u>	<u>100.00</u>	<u>5,604,327,360</u>	<u>100.00</u>

*Notes:*

1. The entire issued share capital of Colpo is beneficially wholly-owned by Mr. Chan, the Chairman, Chief Executive Officer and an executive Director of the Company, who is therefore deemed to be interested in 1,188,680,000 Shares held by Colpo.
2. The entire issued share capital of Cool Legend Limited is solely and beneficially owned by Mr. Thio Sing Tjay Charles, a director of Hugo Link Global Investments Limited, a subsidiary of the Company, who is therefore deemed to be interested in 452,400,000 Shares held by Cool Legend Limited.

As at the Latest Practicable Date, none of the Exercisable Options has been exercised and therefore the shareholding structure above has not illustrated the shareholdings if the Exercisable Options are exercised in full.

**Shareholders and public investors should note that the above changes in shareholding structure of the Company are for illustration purpose only and the actual change in the shareholding structure of the Company upon completion of the Open Offer are subject to various factors including, among other things, the results of acceptance of the Open Offer.**

## **LETTER FROM THE BOARD**

### **IMPLICATION UNDER THE LISTING RULES**

As no excess application for the Offer Shares is available under the Open Offer and the Open Offer is underwritten by Colpo, who is a substantial Shareholder, pursuant to Rule 7.26A(2) of the Listing Rules, specific approval has been obtained from the Independent Shareholders and Colpo and its associates (including Mr. Chan) have abstained from voting at the EGM to approve the absence of such excess application arrangement.

Pursuant to Rule 7.24(5) of the Listing Rules, the Open Offer is conditional on, among other things, the approval by the Independent Shareholders at the EGM by way of poll, at which any controlling Shareholders and their associates or, where there are no controlling shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour. As such, Colpo and its associates (including Mr. Chan) have abstained from voting in favour of the resolution in relation to the Open Offer at the EGM.

Immediately following the completion of the Open Offer, the Company should be able to maintain the public float as required under the Listing Rules. In the event that there is insufficient public float of the Company within the meaning of the Listing Rules immediately upon completion of the Open Offer, the Underwriter agrees and undertakes to take such appropriate steps as may be required to maintain the minimum public float for the Shares in compliance with Rule 8.08(1)(a) of the Listing Rules.

At the EGM, the ordinary resolutions in respect of the Open Offer with the Bonus Issue, the Underwriting Agreement and the Whitewash Waiver were duly passed by the Independent Shareholders by way of poll. In addition to Colpo and its associates (including Mr. Chan), Dr. Arthur Ross Gorrell (an executive Director) and Mr. Tam Hang Chuen (an independent non-executive Director) who hold Shares have also abstained from voting on all the resolutions at the EGM.

### **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company did not conduct any fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

### **ADJUSTMENTS RELATING TO SHARE OPTIONS UPON COMPLETION OF THE OPEN OFFER**

Pursuant to the terms of the Share Option Schemes, the completion of the Open Offer will cause adjustments, as the case may be, to the exercise or conversion prices and/or the number of the outstanding Share Options. The Company will instruct its auditor or an approved financial adviser to review and certify the bases of such adjustments to the outstanding Share Options in compliance with Chapter 17 of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005 and in accordance with the terms of the Share Option Schemes. The Company will inform the holders of the Share Options and publish an announcement accordingly.

## LETTER FROM THE BOARD

### IMPLICATION UNDER THE TAKEOVERS CODE AND APPLICATION OF WHITEWASH WAIVER

As at Latest Practicable Date, Colpo, together with its beneficial owner and parties acting in concert with any one of them, is beneficially interested in 1,213,361,200 Shares, representing approximately 34.73% of the issued share capital of the Company. Mr. Chan holds 26,000,000 Share Options, all of which are Exercisable Options.

In the event that, upon completion of the Open Offer, no Qualifying Shareholders will take up any Offer Shares (other than the Committed Shares), the Underwriter will be required to subscribe for and take up all Underwritten Shares, which will result in the total shareholding of Colpo and its ultimate beneficial owner and parties acting in concert with any of them in the Company increasing from 1,213,361,200 Shares, representing approximately 34.73% of the issued share capital of the Company (not taking into account of the 26,000,000 Exercisable Options held by Mr. Chan, a concert party of Colpo, as such Exercisable Options have not been exercised as at the Latest Practicable Date), to 2,960,134,200 Shares representing approximately 56.49% of the entire issued share capital of the Company as enlarged by the Offer Shares, or 4,008,198,000 Shares representing approximately 63.74% of the entire issued share capital of the Company as enlarged by the Offer Shares and assuming the full exercise of the Warrants by Colpo and parties acting in concert with it immediately upon the issue of the Warrants.

Accordingly, the underwriting of the Underwritten Shares by Colpo pursuant to the Underwriting Agreement, the subscription for the Committed Shares pursuant to the Undertaking and the exercise of the Warrants will trigger an obligation on Colpo, together with parties acting in concert with it, to make a mandatory offer under Rule 26 of the Takeovers Code for all the issued securities of the Company (including the Exercisable Options) not already owned or agreed to be acquired by Colpo and parties acting in concert with it, unless the Whitewash Waiver is obtained.

On 9 October 2014, the Executive granted the Whitewash Waiver, which was subject to, among other things, the approval by the Independent Shareholders at the EGM by way of poll. At the EGM, the ordinary resolutions in respect of the Open Offer with the Bonus Issue, the Underwriting Agreement and the Whitewash Waiver were duly passed by the Independent Shareholders by way of poll.

### PROCEDURE FOR APPLICATION AND PAYMENT

For each Qualifying Shareholder, an Application Form is enclosed with this Prospectus which entitles you to subscribe for the number of the Offer Shares as shown therein subject to payment in full by the Latest Time for Acceptance.

If you as a Qualifying Shareholder wish to exercise your right to subscribe for all number of the Offer Shares in your entitlement of Offer Shares or any number of the Offer Shares less than your entitlement of Offer Shares to which you are entitled, you must complete, sign and lodge the Application Form in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell

## LETTER FROM THE BOARD

Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Friday, 7 November 2014 (or, under bad weather conditions, such later date and/or time as mentioned in the section headed "Expected timetable" in this Prospectus). All remittance(s) must be made in Hong Kong dollars. Cheques must be drawn on an account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**Enviro Energy International Holdings Limited — Open Offer Account**" and crossed "**ACCOUNT PAYEE ONLY**".

It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, have been lodged with the Registrar by 4:00 p.m. on Friday, 7 November 2014 (or, under bad weather conditions, such later date and/or time as mentioned in the section headed "Expected timetable" in this Prospectus), the entitlements of the respective Qualifying Shareholders under the Open Offer and all rights in relation thereto shall be deemed to have been declined and will be cancelled.

All cheques and banker's cashier orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion of the Open Offer and lodgment of the Application Form together with a cheque or banker's cashier order in payment of the Offer Shares being applied for will constitute a warranty that the cheque or banker's cashier order will be honoured upon first presentation. Any Application Form in respect of which the accompanying cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the relevant entitlement of Offer Shares and all rights thereunder will be deemed to have been declined and will be cancelled.

The Application Form is for use only by the Qualifying Shareholders and is not transferable. No receipt will be issued in respect of any application monies received. If the Underwriting Agreement is terminated before the Latest Time for Termination, the Open Offer will not proceed and the monies received in respect of acceptances of the Offer Shares without interest will be returned to the Qualifying Shareholders, by means of cheques crossed "**ACCOUNT PAYEE ONLY**" to be despatched by ordinary post to their registered addresses and in the case of joint applicants to the registered address of the applicant whose name first appears on the register of members of the Company at their own risk on or before Monday, 17 November 2014.

**Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

### **PROFESSIONAL TAX ADVICE RECOMMENDED**

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Offer Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Offer Shares. It is emphasized that none of the Company, the Directors nor any other parties involved in the Open Offer accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Offer Shares.

## LETTER FROM THE BOARD

### WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer with the Bonus Issue is conditional, inter alia, upon the fulfillment of the conditions set out under the section headed “Conditions of the Open Offer with the Bonus Issue” of this Prospectus. In particular, the Open Offer with the Bonus Issue is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein (a summary of which is set out in the section headed “Termination of the Underwriting Agreement” of this Prospectus). Accordingly, the Open Offer with the Bonus Issue may or may not proceed.

Any Shareholders or other persons dealing in the Shares up to the date on which all conditions to which the Open Offer with the Bonus Issue are fulfilled or waived (if applicable) (which is expected to be on Monday, 10 November 2014), will accordingly bear the risk that the Open Offer with the Bonus Issue may not become unconditional and may not proceed. If the Underwriter shall terminate the Underwriting Agreement, the Open Offer with the Bonus Issue will not proceed and will lapse. Any Shareholders or other persons contemplating any dealings in the Shares are advised to consult their own professional advisers.

### ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this Prospectus.

Yours faithfully  
By order of the Board  
**Enviro Energy International Holdings Limited**  
**Chan Wing Him Kenny**  
*Chairman and Chief Executive Officer*

## 1. SUMMARY OF FINANCIAL INFORMATION

The consolidated financial results and financial information of the Group for the three years ended 31 December 2013 and the six months ended 30 June 2014 can be found from pages 34 to 83 of the annual report of the Company for the year ended 31 December 2011, pages 42 to 105 of the annual report of the Company for the year ended 31 December 2012, pages 43 to 105 of the annual report of the Company for the year ended 31 December 2013 and page 9 to 32 of the interim report of the Company for the six months ended 30 June 2014, respectively. The financial statements for the three financial years ended 31 December 2013 were audited by PricewaterhouseCoopers. The said annual reports and interim report of the Company are available on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.enviro-energy.com.hk>).

## 2. INDEBTEDNESS STATEMENT

As at the close of business on 31 August 2014, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, apart from intra-group liabilities and normal trade and other payables, the Group did not have any outstanding loan capital, bank overdrafts, loans, mortgages, charges or other similar indebtedness, hire purchase or finance lease commitments, liabilities under acceptances or acceptance credits, guarantees or other material contingent liabilities.

## 3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources available to the Group, including the existing cash and bank balances, the estimated net proceeds from the Open Offer and other internal resources available to the Group, the Group has sufficient working capital for its present requirements and for at least 12 months from the date of this Prospectus.

## 4. MATERIAL CHANGE

Save for the decrease in bank balances and cash amounting to approximately HK\$32.8 million which was mainly attributable to the settlement of daily operating expenses and trade and other payables during the period from 31 December 2013 to 31 August 2014, and led to a net current liabilities position for the Group as at 31 August 2014, the Directors confirm that there had been no material change in the financial or trading position or outlook of the Group since 31 December 2013, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

## 5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in investment holding and development of a full range of natural resource-related projects involving hydrocarbons and other natural resources.

As previously disclosed in the Previous Announcements, TWE, a non-wholly owned subsidiary of the Company in which the Company held approximately 71.61% of the issued common shares and preferred shares in the capital of TWE, or approximately 82.92% of the issued common shares, preferred shares and warrants outstanding in the capital of TWE on a fully diluted basis, respectively, has declared a dispute with China National Petroleum Corporation and/or its affiliates, including, among others, PetroChina Company Limited and PetroChina Coalbed Methane Company Limited in relation to the a coalbed methane production sharing contract in the Junggar Basin of Xinjiang, China. Please refer to the Previous Announcements for details. The Company will update the Shareholders as and when appropriate.

Due to the limited capital available, the Group has been steadily increasing the marketing of marble products globally via various channels. With processing and warehouse facilities in place, the Group continues to generate orders for the domestic Indonesian market. The overseas markets have also started to open up after the Indonesian government lifted the export ban on marble products in April 2014, and the Group has been actively discussing on long term contracts with buyers from China and the Middle East.

As announced on 21 February 2014, the Group entered into an arrangement with an Indonesian entity to develop the industrial minerals business in Southeast Asia, which includes a first right of refusal to invest up to 20% in the Indonesian entity. The demand for such minerals is well understood by the Group based on its hydrocarbon industry experience. The Group continues to assess its right to invest into this growing venture as and when funding is available.

<b>APPENDIX II</b>	<b>UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP</b>
--------------------	---

*For illustrative purposes, the financial information prepared in accordance with paragraph 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by completion of the Open Offer and the exercise of the Warrants to be issued pursuant to the Bonus Issue as if the Open Offer and the exercise of the Warrants to be issued pursuant to the Bonus Issue had been completed on 30 June 2014. The statement has been prepared for illustrative purposes only and, because of its nature, it may not give a true picture of the Group's financial condition on the completion of the Open Offer and the exercise of the Warrants to be issued pursuant to the Bonus Issue.*

**(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The following is an illustrative and unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company which has been prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the Open Offer and the exercise of the Warrants to be issued pursuant to the Bonus Issue as if it had taken place on 30 June 2014. This unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only, and because of its hypothetical nature, may not give a true picture of the financial position of the Group had the Open Offer and the exercise of the Warrants to be issued pursuant to the Bonus Issue been completed as at 30 June 2014 or at any future date.

Consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2014 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Open Offer <i>HK\$'000</i> <i>(Note 2)</i>	Estimated net proceeds from the exercise of the Warrants to be issued pursuant to the Bonus Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group immediately after the completion of the Open Offer and the exercise of the Warrants to be issued pursuant to the Bonus Issue <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets per share of the Group attributable to owners of the Company prior to completion of the Open Offer and the exercise of the Warrants to be issued pursuant to the Bonus Issue <i>HK cents</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Open Offer and the exercise of the Warrants to be issued pursuant to the Bonus Issue <i>HK cents</i> <i>(Note 4)</i>	
Based on 1,746,773,000 Offer Shares and 1,048,063,800 Warrants	21,772	33,385	220,093	275,250	0.62	4.38

*Notes:*

- The consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2014 is extracted from the consolidated balance sheet of the Group as at 30 June 2014 set out in the published results announcement of the Company dated 18 August 2014, and adjusted for exploration and evaluation assets of HK\$811,201,000 (excluding the non-controlling interest in the exploration and evaluation assets amounted to HK\$398,526,000) and deferred tax liabilities related to exploration and evaluation assets of HK\$162,793,000 (excluding the non-controlling interest in the deferred tax liabilities related to exploration and evaluation assets amounted to HK\$64,540,000).

<b>APPENDIX II</b>	<b>UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP</b>
--------------------	---

2. The estimated net proceeds from the Open Offer of approximately HK\$33,385,000 and from the exercise of the Warrants to be issued pursuant to the Bonus Issue of approximately HK\$220,093,000 are based on 1,746,773,000 Offer Shares to be issued at the subscription price of HK\$0.02 per share and 1,048,063,800 Warrants to be issued at the exercise price of HK\$0.21 respectively, and after the deduction of the estimated related expenses, including, among others, underwriting commission, financial advisory fee and other professional fees, which are directly attributable to the Open Offer and Bonus Issue, of approximately HK\$1,550,000.
3. The calculation of unaudited pro forma adjusted consolidated net tangible assets per share prior to the completion of the Open Offer and the exercise of the Warrants to be issued pursuant to the Bonus Issue is based on 3,493,546,000 shares in issue as at 30 June 2014.
4. The number of shares of 6,288,382,800 used for the calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Open Offer and the exercise of the Warrants to be issued pursuant to the Bonus Issue is based on: (i) 1,746,773,000 Offer Shares (assuming no new share being issued and no share being repurchased by the Company on or before Record Date) to be issued from Open Offer and (ii) 1,048,063,800 Warrants to be issued from Bonus Issue.
5. Had the Bonus Issue not been taken into account, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share after the completion of the Open Offer would be HK1.05 cents.
6. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2014.

**(B) REPORT FROM THE REPORTING ACCOUNTANT ON UNAUDITED PRO  
FORMA FINANCIAL INFORMATION**

*The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Prospectus.*



**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION  
INCLUDED IN A PROSPECTUS**

**TO THE DIRECTORS OF ENVIRO ENERGY INTERNATIONAL HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Enviro Energy International Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets of the Group as at 30 June 2014, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages 31 to 32 of the Company's prospectus dated 24 October 2014, in connection with the proposed open offer with bonus issue of the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages 31 to 32.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the proposed open offer and the exercise of the warrants to be issued pursuant to the bonus issue on the Group's financial position as at 30 June 2014 as if the proposed open offer and the exercise of the warrants to be issued pursuant to the bonus issue had taken place at 30 June 2014. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial statements for the six months period ended 30 June 2014, on which no audit or review report has been published.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### **Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed open offer and the exercise of the warrants to be issued pursuant to the bonus issue at 30 June 2014 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 24 October 2014

The Warrants will be issued subject to and with benefit of an instrument by way of deed poll (“**Instrument**”) and they will be issued in registered form and will form one class and rank *pari passu* in all respects with each other.

The principal terms and conditions of the Warrants (“**Conditions**”) will be set out in the certificate(s) for the Warrant (“**Warrant Certificate(s)**”) and will include provisions to the effect set out below. Holders of the Warrant (“**Warrantholders**”) will be entitled to the benefit of, be bound by, and be deemed to have notice of the Conditions, copies of which will be available at the principal place of business for the time being of the Company in Hong Kong.

## 1. DEFINITIONS

- (A) In this Appendix, unless there is something in the subject matter or context inconsistent therewith, the words and expressions set out below shall bear the following meanings:

“**approved merchant bank**” means an independent merchant bank or other financial institution of repute and having a place of business in Hong Kong selected by the Directors for the purposes of the Instrument and the schedules thereto;

“**Auditors**” means any international audit firm of repute in Hong Kong selected solely by the Company for the purpose of providing a specific opinion or calculation or determination under this Instrument;

“**Connected Person(s)**” has the meaning ascribed thereto in the Listing Rules;

“**dollars**”, “**HK\$**” and “**cents**” means Hong Kong dollars and cents respectively;

“**Equity Share Capital**” means the issued share capital of the Company excluding any part thereof which does not either as respects dividends or as respects capital carry any right to participate beyond a specified amount or beyond an amount calculated by reference to a specified rate in a distribution;

“**Exercise Moneys**” means, in relation to any Warrant, the amount stated on the certificate for such Warrant as the amount in cash which the registered holder of such Warrant is entitled to subscribe for Shares upon the exercise in full of the Subscription Rights represented thereby;

“**notice**” means a notice given or to be given in accordance with paragraph 16 below;

“**record date**” means the date fixed by the articles of association of the Company or otherwise specified by the Company or otherwise for the purpose of determining entitlement to dividends or other distributions to, or rights of holders of Shares;

“**Register**” means the register of Warrantholders required to be maintained pursuant to paragraph 6 below;

“**Registrar**” means the share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong;

“**Shares**” or “**Ordinary Capital**” means the shares of HK\$0.0025 each in the authorised capital of the Company existing on the date of issue of the Warrants and all other (if any) stock or shares from time to time and for the time being ranking pari passu therewith and all other (if any) stock or shares in the Equity Share Capital of the Company resulting from any subdivision, consolidation or reclassification of Shares;

“**Share Option Scheme**” means a scheme or arrangement approved by the members of the Company in general meeting under which Shares or securities convertible into or exchangeable for or carrying rights of subscription for Shares may be issued, or options or other rights to acquire any Shares or any such securities by way of subscription or otherwise may be granted, by the Company or any Subsidiary to employees and executive directors of the Company or any Subsidiary;

“**Special Resolution**” means a resolution passed at a meeting of the Warrantholders duly convened and held and carried by a majority consisting of not less than three-fourths of the votes cast upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes cast on a poll;

“**Subscription Date**” means, in relation to any Warrant, any business day falling during the Subscription Period on which any of the Subscription Rights represented by such Warrant are duly exercised before the close of business on such day by delivery of the relevant Warrant Certificate to the principal office of the Registrar with the Subscription Form duly completed, together with a remittance for the Exercise Moneys or (in the case of a partial exercise) the relevant portion thereof, and otherwise in accordance with paragraph 2 below, provided that if such Subscription Rights are exercised during a period in which the register or branch register of members of the Company maintained in the territory in which the Stock Exchange for the time being is situate is closed, the Subscription Date in relation to such exercise shall be the close of business on the next following business day on which such register or branch register is open;

“**Subscription Form**” means, in relation to any Warrant, the form contained in the Warrant Certificate issued in respect thereof, and includes, where the context admits or requires, a consolidated Subscription Form in relation to (inter alia) such Warrant, which may be obtained at the principal office of the Registrar;

“**Subscription Period**” means any time during the period commencing from the issue date of the Warrants until the second anniversary of the issue date (if that is not a business day, the first business day immediately preceding such date) (both dates inclusive);

“**Subscription Price**” means, in relation to each Share, the sum payable in respect of such Share to which the registered holder of each Warrant shall be entitled to subscribe upon exercise of the Subscription Rights represented thereby, being

HK\$0.21 as at the date of issue of the Warrants or such adjusted price as may for the time being be applicable in accordance with the terms of the Instrument referred to in paragraph 3 below and, in relation to more than one Share, the aggregate of the sums payable as aforesaid in respect of all the relevant Shares;

“**Subscription Rights**” means the rights of the Warrantholder represented by the Warrants to subscribe for Shares pursuant to the Warrants and, in relation to each Warrant, means the rights of the relevant Warrantholder to subscribe the relevant Exercise Moneys (or a relevant portion thereof) at the Subscription Price for Shares pursuant to such Warrant; and

“**Subsidiary**” has the meaning ascribed thereto in the Listing Rules.

## 2. EXERCISE OF SUBSCRIPTION RIGHTS

- (A) Subject to the provisions hereof and to compliance with all applicable regulations, exchange control, fiscal and other laws and regulations applicable thereto, the Warranholders shall have the right, which may be exercised in whole or in part (in integral multiples of the Subscription Price), at any time during the Subscription Period, to subscribe in cash the Exercise Moneys for fully paid Shares at the Subscription Price. Any Subscription Rights which have not been exercised at 4:00 p.m. on the last day of the Subscription Period shall lapse and thereupon the Warrants and the Warrant Certificate shall cease to be valid for any purpose whatsoever. For the avoidance of doubt, the Company shall not issue or allot any Share pursuant to the exercise of any Warrant, or to register the relevant Warrantholder as the holder of any Share, if such exercise of the relevant Warrant shall cause the Company or the relevant Warrantholder to breach any applicable regulation (including without limitation, any public float requirement or any other requirement applicable to the Company under the Listing Rules, and any requirements of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules applicable to certain Warranholders).
- (B) In order to exercise any of the Subscription Rights represented by the Warrant Certificate, the Warrantholder must complete and sign the Subscription Form and deliver the same and this Warrant Certificate to the principal office of the Registrar and such delivery shall constitute an irrevocable commitment by such Warrantholder to exercise such Subscription Rights, together with a remittance for the relevant portion of the Exercise Moneys, being the amount of the Subscription Price for the Shares in respect of which the Warrantholder is exercising his/her/its Subscription Rights. In each case compliance must also be made with any exchange control, fiscal or other laws or regulations for the time being applicable.
- (C) The number of Shares to be allotted on exercise of the Subscription Rights shall be calculated by dividing the amount specified in the relevant Subscription Form and duly remitted as aforesaid by the Subscription Price applicable on the Subscription Date. No fraction of a Share will be allotted but any balance representing fractions of the Exercise Moneys paid on exercise of the Subscription Rights represented by the

Warrant Certificate will be paid by the Company to the Warrantholder, provided always that for the purpose of determining whether any (and if so, what) fraction of a Share arises when the Subscription Rights represented by the Warrant Certificate and any one or more other Warrant Certificates are exercised on the same Subscription Date by the same Warrantholder, then the Subscription Rights represented by such Warrant Certificate shall be aggregated.

- (D) The Company has undertaken in the Instrument that upon the exercise of any Subscription Rights it will within 28 days (or, if applicable, such other period as prescribed by the Stock Exchange) after the relevant Subscription Date (and subject, in regard to fractional entitlements, to sub-paragraph (C) above) allot and issue the Shares falling to be issued upon such exercise and such Shares will rank pari passu with the fully-paid Shares in issue on the relevant Subscription Date and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made on or after the relevant Subscription Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the relevant Subscription Date and notice of the amount and record date for which shall have been given to the Stock Exchange prior to the relevant Subscription Date.
- (E) As soon as practicable after the relevant allotment and issue of Shares under sub-paragraph (D) above (and, in any event, not later than 28 days (or, if applicable, such other period as prescribed by the Stock Exchange) after the relevant Subscription Date) there will be issued free of charge to the Warrantholder to whom such allotment has been made upon his/her/its exercise of any Subscription Rights:
- (i) a certificate for the relevant Shares in the name(s) of such Warrantholder or its nominee(s) who shall be its beneficial owner(s);
  - (ii) (if applicable) a balancing Warrant Certificate in registered form in the name(s) of such Warrantholder in respect of any Subscription Rights represented by the Warrant Certificate remaining unexercised; and
  - (iii) (if applicable) a cheque representing fractions of the Exercise Moneys in respect of the Warrantholder's fractional entitlement to Shares as mentioned in sub-paragraph (C) above.

The certificate for Shares arising on the exercise of Subscription Rights, the balancing Warrant Certificate (if any), and the cheque in respect of fractions of the Exercise Moneys in respect of the Warrantholder's fractional entitlement to Shares (if any) will be sent by post at the risk of the said Warrantholder to the address of such Warrantholder (or, in the case of a joint holding, to that one of the joint Warrantholders whose name stands first in the Register). If the Company agrees, such certificates and cheques may by prior arrangement be retained by the Company to await collection by the relevant Warrantholder.

### 3. ADJUSTMENTS OF SUBSCRIPTION PRICE

The Instrument contains detailed provisions relating to the adjustment of the Subscription Price. The following is a summary of, and is subject to, the provisions of Clause 4 of the Instrument:

- (A) The Subscription Price shall (except as mentioned in sub-paragraphs (B) and (C) below) be adjusted as provided in the Instrument in each of the following cases:
- (i) an alteration of the nominal amount of the Shares by reason of any consolidation or sub-division;
  - (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully-paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
  - (iii) an issue of Shares in lieu of a cash dividend by the Company where the market value of such Shares exceeds the amount of the cash dividend;
  - (iv) a Capital Distribution (as defined in the Instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of its Shares in their capacity as such;
  - (v) an offer or grant being made by the Company to holders of its Shares of new Shares by way of rights or of options or warrants to subscribe for new Shares at a price which is less than 80 per cent. of the market price (calculation as provided in the Instrument);
  - (vi) an issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total Effective Consideration per Share (as defined in the Instrument) is less than 80 per cent. of the market price (calculation as provided in the Instrument), or the terms of any such issue being altered so that the said total Effective Consideration per Share is less than 80 per cent. of the market price;
  - (vii) an issue being made wholly for cash of Shares (other than pursuant to sub-paragraphs (v) and (vi) of this sub-paragraph (A)) at a price less than 80 per cent. of the market price (calculation as provided in the Instrument); and
  - (viii) an issue of Shares for the acquisition of any assets at a total Effective Consideration per Share (as defined in the Instrument) is less than 80 per cent. of the market price (calculation as provided in the Instrument).

- (B) Except as mentioned in sub-paragraph (C) below, no such adjustment as is referred to in sub-paragraph (A) above shall be made in respect of:
- (i) an issue of fully-paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon the exercise of any rights (including the Subscription Rights) to acquire Shares;
  - (ii) an issue of Shares or other securities of the Company or any Subsidiary wholly or partly convertible into, or rights to acquire, Shares pursuant to any Share Option Scheme adopted by the Company in accordance with the Listing Rules;
  - (iii) an issue of Shares pursuant to a scrip dividend scheme where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value (calculation as provided in the Instrument) of such Shares is not more than 110 per cent. of the amount of dividend which holders of Shares could elect to or would otherwise receive in cash; and
  - (iv) an issue by the Company or any Subsidiary of securities convertible into or rights to acquire Shares in consideration in whole or in part of the acquisition of any other securities, assets or business.
- (C) Notwithstanding the provisions referred to in sub-paragraphs (A) and (B) above, if the Company determines that an adjustment should be made to the Subscription Price as a result of one or more events or circumstances (whether or not referred to in sub-paragraph (A) above), or that an adjustment should be made in a manner other than in accordance with sub-paragraph (A) above, the Company may request the Auditors or approved merchant bank, acting as expert, to determine as soon as practicable (1) what adjustment (if any) to the Subscription Price is fair and reasonable to take into account thereto and (2) the date on which such adjustment should take effect; and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this sub-paragraph (C) if the Auditors or approved merchant bank is so requested to make such a determination.
- (D) Any adjustment to the Subscription Price shall be made to the nearest one tenth of a cent so that any amount under HK\$0.0005 shall be rounded down and any amount of HK\$0.0005 or more shall be rounded up. No adjustment shall be made to the Subscription Price in any case in which the amount by which the same would be reduced would be less than one tenth of a cent and any adjustment which would otherwise then be required shall not be carried forward. No adjustment may be made (except on a consolidation of Shares) which would increase the Subscription Price.
- (E) Every adjustment to the Subscription Price will be certified to be fair and appropriate by the Auditors or an approved merchant bank and notice of each adjustment (giving the relevant particulars) will be given to the Warrantholders. In giving any certificate or making any adjustment hereunder, the Auditors or the approved merchant bank shall be deemed to be acting as experts and not as arbitrators and, in the absence of manifest error, their decision shall be conclusive and binding on the Company and

the Warrantholders and all persons claiming through or under them respectively. Any such certificates of the Auditors and/or approved merchant bank will be available for inspection at the principal place of business for the time being of the Company in Hong Kong, where copies may be obtained.

#### **4. REGISTERED WARRANTS**

The Warrants are issued in registered form. The Company shall be entitled to treat the registered holder of any Warrant as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as required by law, be bound to recognise any equitable or other claim to or interest in such Warrant on the part of any other person, whether or not it shall have express or other notice thereof.

#### **5. WINDING-UP OF THE COMPANY**

If an effective resolution is passed during the Subscription Period for the voluntary winding-up of the Company, then

- (A) if such winding-up be for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholders, or some person designated by them for such purpose by Special Resolution, shall be a party or in conjunction with which a proposal is made to the Warrantholders and is approved by Special Resolution, the terms of such scheme of arrangement or (as the case may be) proposal shall be binding on the Warrantholders; and
- (B) in any other case, the Warrantholders (or, in the case of joint Warrantholders, the Warranthead whose name stands first in the Register in respect of the Warrant held by such Warrantholders) shall be entitled at any time within six weeks after the passing of such resolution by irrevocable surrender of his/her/its Warrant Certificate to the Company with the Subscription Form(s) duly completed, together with payment of the Exercise Moneys (or the relative portion thereof), to elect to be treated as if he/she/it had immediately prior to the commencement of such winding-up exercised such of the Subscription Rights represented by his/her/its Warrant(s) as are specified in the Subscription Form(s) submitted by him/her/it and had on such date been the holder of the Shares to which he/she/it would have become entitled pursuant to such exercise and the Company and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the Warrantholders of the passing of any such resolution within seven days after the passing thereof and such notice shall contain a reminder to the Warrantholders with respect to their rights under this paragraph (B) (to the extent applicable).

Subject to the foregoing, if the Company is wound up, all Subscription Rights which have not been exercised at the date of the passing of such resolution shall lapse and Warrant Certificate shall cease to be valid for any purpose.

## 6. TRANSFER, TRANSMISSION AND REGISTER

The Warrants may be transferred to any person provided that any transfer of the Warrants to Connected Person shall be subject to the requirements that the Stock Exchange may impose from time to time. The Warrants shall be transferable in integral multiples of the Subscription Price by instrument of transfer in any usual or common form or such other form as may be approved by the Directors. The Company shall appoint the Registrar to maintain the register of Warrantholder. The Instrument contains provisions relating to the transfer, transmission and registration of the Warrants. Transfers of Warrants must be executed by both the transferor and the transferee.

Person(s) who hold the Warrants and have not registered the Warrants in their own names should note that additional costs and expenses may be incurred in connection with any expedited re-registration of the Warrants prior to the transfer or exercise of the Subscription Rights conferred by the Warrants, in particular during the period commencing ten business days prior to and including the last day of the Subscription Period.

## 7. CLOSURE OF REGISTER OF WARRANTHOLDERS

The registration of transfers of Warrants may be suspended and the register of Warrantholders may be closed for such period as the Directors may from time to time direct, provided that the same shall not be closed, or registration may not be suspended, for a period, or for periods together, of more than 60 days in any one year. Any transfer, or exercise of the Subscription Rights attached to the Warrants made while the register of Warrantholders is so closed shall, as between the Company and the person claiming under the relevant transfer of Warrants or, as the case may be, as between the Company and the Warrantholder who has so exercised the Subscription Rights attached to his/her/its Warrants (but not otherwise), be considered as made immediately after the reopening of the register of Warrantholders.

## 8. PURCHASE AND CANCELLATION

The Company or any of the Subsidiaries may at any time purchase Warrants:

- (i) in the open market or by tender (available to all Warrantholders alike) at any price; or
- (ii) by private treaty at a price, exclusive of expenses, not exceeding 120 per cent. of the Exercise Moneys, but not otherwise.

All Warrants purchased as aforesaid shall be cancelled forthwith and may not be reissued or resold.

**9. MEETINGS OF WARRANTHOLDERS AND MODIFICATION OF RIGHTS**

- (A) The Instrument contains provisions for convening meetings of Warrantholders to consider any matter affecting the interests of Warrantholders, including the modification by Special Resolution of the provisions of the Instrument and/or the Conditions. A Special Resolution duly passed at any such meeting shall be binding on the Warrantholders, whether present or not.
- (B) All or any of the rights for the time being attached to the Warrants (including any of the provisions of the Instrument) may from time to time (whether or not the Company is being wound up) be altered or abrogated (including but without prejudice to that generality by waiving compliance with, or by waiving or authorising any past or proposed breach of, any of the provisions of the Conditions and/or the Instrument) with the prior sanction of a Special Resolution and may only be effected by deed poll executed by the Company and expressed to be supplemental to the Instrument.
- (C) Where the Warrantholder is a recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative (or representatives) or proxy (or proxies) at any Warrantholders' meeting provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of warrants in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise as if such person were an individual Warrantholder of the Company.

**10. OVERSEAS WARRANTHOLDERS**

None of the Subscription Rights attaching to the Warrants may be exercised by any Warrantholder whose registered address is in or who is a national of or is resident in any territory other than Hong Kong where, in the opinion of the Directors, after having reviewed the register of members, the allotment of Shares to such Warrantholder upon exercise of any Subscription Rights would or may in the absence of compliance with registration or any other special formalities in such territory, be unlawful or impracticable under the laws of such territory or Hong Kong and each exercise of the Subscription Rights shall constitute a confirmation that the Warrantholder so exercising is not a resident or national of any such territories. In addition, the Directors shall have the discretion, if in their opinion that the foregoing restriction may apply to any exercise of Subscription Rights, to refuse to accept such exercise.

**11. REPLACEMENT OF WARRANT CERTIFICATES**

If a Warrant Certificate is mutilated, defaced, lost or destroyed, it may, at the discretion of the Company, be replaced at the principal office of the Registrar (unless the Directors otherwise determine) on payment of such costs as may be incurred in connection therewith and on such terms as to evidence, indemnity and/or security as the Company may require and on

payment of such fee not exceeding HK\$2.50 or as the Company may determine for each new Warrant Certificate issued or each Warrant Certificate submitted for replacement, whichever number is higher. Mutilated or defaced Warrant Certificate must be surrendered before replacements will be issued.

In the case of lost Warrant Certificates, sections 162 to 169 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) shall apply as if reference to “shares” therein included Warrants.

## **12. PROTECTION OF SUBSCRIPTION RIGHTS**

The Instrument contains certain undertakings by and restrictions on the Company designed to protect the Subscription Rights.

## **13. CALL**

If at any time the aggregated amount of Exercise Moneys attached to the Warrants which have not been exercised is less than 10 per cent. of the aggregate amount of the Exercise Moneys attached to all the Warrants issued under the Instrument, the Company may, on giving not less than three months’ notice, require Warrantheolders either to exercise their Subscription Rights or to allow them to lapse. On expiry of such notice, all unexercised Warrants will be automatically cancelled without compensation to the Warrantheolders.

## **14. FURTHER ISSUES**

The Company shall be at liberty to issue further warrants to subscribe for Shares in such manner and on such terms as it sees fit. The Warrantheolders will not be entitled to participate in any distributions or further issue of securities by the Company as a result of them being Warrantheolders.

## **15. UNDERTAKINGS BY THE COMPANY**

In addition to the undertakings given by it in relation to the grant and exercise of the Subscription Rights and the protection thereof, the Company has undertaken in the Instrument that, among other matters:

- (i) it will pay (if applicable) all Cayman Islands and Hong Kong stamp duties, registration fees or similar charges, if any, payable in respect of the execution of the Instrument, the creation and initial issue of the Warrants in registered form, the exercise of the Subscription Rights and the issue of Shares upon exercise of the Subscription Rights;
- (ii) it will keep available for issue sufficient Ordinary Capital to satisfy in full all rights for the time being outstanding of subscription for and conversion into Shares; and
- (iii) it will use its best efforts to procure that all Shares allotted upon exercise of the Subscription Rights may, upon allotment or as soon as reasonably practicable thereafter, be dealt in on the Stock Exchange (save that this obligation shall lapse in

the event that the listing of the Shares on the Stock Exchange is withdrawn following an offer for all or any of the Shares where a like offer is extended to holders of the Warrants).

## 16. NOTICES

- (A) The Instrument contains provisions relating to notices to be given to the Warrantholders.
- (B) The Warrantholder shall register with the Company an address either in Hong Kong or elsewhere to which notices to be given to such Warrantholder are to be sent and if any Warrantholder shall fail so to do notice may be given to such Warrantholder by sending the same in any of the manners hereinafter mentioned to his/her/its last known place of business or residence or, if there be none, by posting the same for three days at the principal place of business or principal office of the Company in Hong Kong.
- (C) A notice may be given by advertisement of the same in both an English language newspaper circulating in Hong Kong and a Chinese language newspaper circulating in Hong Kong or by way of announcement or by delivery or prepaid letter (airmail in the case of an overseas address).
- (D) All notices with respect to any Warrant standing in the names of joint holders shall be given to whichever of such persons is named first in the Register and notice so given shall be sufficient notice to all the joint holders of such Warrant.

## 17. GOVERNING LAW

The Instrument and the Warrants are governed by and will be construed in accordance with the laws of Hong Kong.

## 1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement in this Prospectus misleading.

## 2. SHARE CAPITAL

### (a) Share Capital of the Company

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon completion of the Open Offer and the full exercise of the Warrants are as follows:

#### (i) Share capital as at the Latest Practicable Date

	<b>Nominal value per Share</b>	<b>Number of Shares '000</b>	<b>Amount HK\$'000</b>
<b>Authorised:</b>			
As at the Latest Practicable Date	<u>HK\$0.0025</u>	<u>20,000,000</u>	<u>50,000</u>
<b>Issued and fully paid:</b>			
As at the Latest Practicable Date	<u>HK\$0.0025</u>	<u>3,493,546</u>	<u>8,734</u>

(ii) *Share capital immediately upon completion of the Open Offer and the full exercise of the Warrants*

	<b>Nominal value per Share</b>	<b>Number of Shares '000</b>	<b>Amount HK\$'000</b>
<b>Authorised:</b>			
As at the Latest Practicable Date	<u>HK\$0.0025</u>	<u>20,000,000</u>	<u>50,000</u>
<b>Issued and fully paid:</b>			
As at the Latest Practicable Date	HK\$0.0025	3,493,546	8,734
Offer Shares to be issued pursuant to the Open Offer	<u>HK\$0.0025</u>	<u>1,746,773</u>	<u>4,365</u>
Shares upon completion of the Open Offer	HK\$0.0025	5,420,319	13,100
Shares to be issued pursuant to the exercise of the Warrants	<u>HK\$0.0025</u>	<u>1,048,064</u>	<u>2,620</u>
Upon completion	<u>HK\$0.0025</u>	<u>6,288,383</u>	<u>15,721</u>

All the issued Shares rank *pari passu* with each other in all respects including the right to vote, dividends and return of capital. The Offer Shares to be allotted and issued will, when issued and fully paid, rank *pari passu* in all respects with the Shares. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of Offer Shares. As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

**(b) Share Options**

As at the Latest Practicable Date, the Company had the following outstanding Share Options held by the Directors and other eligible participants of the Company:

**(i) 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 the options granted under the 2003 Share Option Scheme as at the Latest Practicable Date were as follows:

*2003 Share Option Scheme*

Name or category of participants	Date of grant	Exercise period	Exercise price per share (HK\$)	As at the Latest Practicable Date
<b>Executive Directors</b>				
Chan Wing Him Kenny	19/06/2008	19/06/2010 to 19/06/2018	0.2316	500,000 <sup>(1)</sup>
	15/06/2009	15/06/2011 to 15/06/2019	0.73	2,000,000 <sup>(1)</sup>
	09/07/2010	09/07/2012 to 08/07/2020	0.56	8,500,000 <sup>(2)</sup>
Arthur Ross Gorrell	19/06/2008	19/06/2010 to 19/06/2018	0.2316	500,000 <sup>(1)</sup>
	15/06/2009	15/06/2011 to 15/06/2019	0.73	2,000,000 <sup>(1)</sup>
	09/07/2010	09/07/2012 to 08/07/2020	0.56	500,000 <sup>(2)</sup>
<b>Independent non-executive Directors</b>				
David Tsoi	15/06/2009	15/06/2011 to 15/06/2019	0.73	750,000 <sup>(1)</sup>
	09/07/2010	09/07/2012 to 08/07/2020	0.56	250,000 <sup>(2)</sup>
Lo Chi Kit	15/06/2009	15/06/2011 to 15/06/2019	0.73	600,000 <sup>(1)</sup>
	09/07/2010	09/07/2012 to 08/07/2020	0.56	100,000 <sup>(2)</sup>
Tam Hang Chuen	15/06/2009	15/06/2011 to 15/06/2019	0.73	100,000 <sup>(1)</sup>
	09/07/2010	09/07/2012 to 08/07/2020	0.56	100,000 <sup>(2)</sup>
				15,900,000

Name or category of participants	Date of grant	Exercise period	Exercise price per share (HK\$)	As at the Latest Practicable Date
<b>Other employees</b>				
In aggregate	15/06/2009	15/06/2011 to 15/06/2019	0.73	30,000 <sup>(1)</sup>
	04/02/2010	04/02/2012 to 04/02/2020	0.514	2,180,000 <sup>(1)</sup>
	09/07/2010	09/07/2012 to 08/07/2020	0.56	<u>2,170,000<sup>(2)</sup></u>
				<u>4,380,000</u>
<b>Others</b>				
In aggregate	19/06/2008	19/06/2010 to 19/06/2018	0.2316	500,000 <sup>(1)</sup>
	15/06/2009	15/06/2011 to 15/06/2019	0.73	20,000,000 <sup>(1)</sup>
	06/10/2009	06/10/2011 to 06/10/2019	0.75	350,000 <sup>(1)</sup>
	04/02/2010	04/02/2012 to 04/02/2020	0.514	50,250,000 <sup>(1)</sup>
	09/07/2010	09/07/2012 to 08/07/2020	0.56	<u>61,850,000<sup>(2)</sup></u>
				<u>132,950,000</u>
			Total:	<u><u>153,230,000</u></u>

*Notes:*

- (1) 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.
- (2) 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.

(ii) *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 the options granted under the 2011 Share Option Scheme as at the Latest Practicable Date were as follows:

*2011 Share Option Scheme*

Name or category of participants	Date of grant	Exercise period	Exercise price per share (HK\$)	As at the Latest Practicable Date
<b>Executive Directors</b>				
Chan Wing Him Kenny	31/12/2012	31/12/2013 to 30/12/2022	0.163	15,000,000 <sup>(1&amp;2)</sup>
Arthur Ross Gorrell	31/12/2012	31/12/2013 to 30/12/2022	0.163	2,000,000 <sup>(1&amp;2)</sup>
<b>Independent non-executive Directors</b>				
David Tsoi	23/06/2011	23/06/2012 to 22/06/2021	0.435	150,000 <sup>(2)</sup>
	31/12/2012	31/12/2013 to 30/12/2022	0.163	350,000 <sup>(1&amp;2)</sup>
Lo Chi Kit	23/06/2011	23/06/2012 to 22/06/2021	0.435	100,000 <sup>(2)</sup>
	31/12/2012	31/12/2013 to 30/12/2022	0.163	300,000 <sup>(1&amp;2)</sup>
Tam Hang Chuen	23/06/2011	23/06/2012 to 22/06/2021	0.435	<u>100,000<sup>(2)</sup></u>
				<u>18,300,000</u>
<b>Other employees</b>				
In aggregate	23/06/2011	23/06/2012 to 22/06/2021	0.435	3,750,000 <sup>(2)</sup>
	31/12/2012	31/12/2013 to 30/12/2022	0.163	<u>13,250,000<sup>(2)</sup></u>
				<u>17,000,000</u>
<b>Others</b>				
In aggregate	23/06/2011	23/06/2012 to 22/06/2021	0.435	45,350,000 <sup>(2)</sup>
	31/12/2012	31/12/2013 to 30/12/2022	0.163	<u>4,250,000<sup>(2)</sup></u>
				<u>49,600,000</u>
			Total:	<u><u>84,900,000</u></u>

*Notes:*

- (1) Pursuant to acceptance letters dated 17 January 2013 signed by the Directors, they accepted the offer of share options granted to them on 17 January 2013.
- (2) 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.

*(iii) Share option scheme of TWE*

On 8 April 2009, TWE adopted a share option scheme (“**TWE Scheme**”) which was approved by shareholders in the Company’s annual general meeting held on 20 April 2009. As at the Latest Practicable Date, no share options were granted under the TWE Scheme.

As at the Latest Practicable Date, save as disclosed in this paragraph 2, the Company had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

### 3. DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the Latest Practicable Date, the interests and short positions of each Director in the Shares or underlying shares (within the meaning of Part XV of the SFO) of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

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

Name	Capacity	Nature of interests	Number of shares held	Number of underlying shares held	Total	Approximate % of shareholding
Chan Wing Him Kenny	Interest of a controlled corporation	Corporate interest	1,188,680,000	2,955,395,840	4,144,075,840	
	Beneficial owner	Personal interest	24,681,200	26,000,000		
			1,213,361,200	2,981,395,840	4,194,757,040	120.07%
Arthur Ross Gorrell	Beneficial owner	Personal interest	2,625,000	5,000,000	7,625,000	0.22%
David Tsoi	Beneficial owner	Personal interest	—	1,500,000	1,500,000	0.04%
Lo Chi Kit	Beneficial owner	Personal interest	—	1,100,000	1,100,000	0.03%
Tam Hang Chuen	Beneficial owner	Personal interest	1,000,000	600,000	1,600,000	0.05%

*Notes:*

1. These shares are held by Colpo. The entire issued share capital of Colpo is beneficially owned by Mr. Chan Wing Him Kenny, the Chairman and CEO of the Company and an executive Director, who is therefore deemed to be interested in 1,188,680,000 shares held by Colpo.
2. Total number of shares to be allotted and issued upon exercise in full of share options granted under the 2003 Share Option Scheme (hereinabove defined) and the 2011 Share Option Scheme (hereinabove defined).

In addition to the above, Mr. Chan Wing Him Kenny has non-beneficial personal equity interests in certain subsidiaries of the Company held solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest and short positions in the shares, underlying shares (within the meaning of Part XV of the SFO) and debentures of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

#### 4. SUBSTANTIAL SHAREHOLDERS' INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, so far as is known to the Directors, the following persons, other than a director or chief executive of the Company, had an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

##### Long positions in the Shares

Name	Long/Short positions	Capacity	Number of shares or underlying shares held	Approximate % of shareholding
Colpo	Long positions	Beneficial owner	4,144,075,840 (Note 1)	118.62%
Cool Legend Limited ("Cool Legend")	Long positions	Beneficial owner	452,400,000 (Note 2)	12.95%

*Notes:*

1. The number of underlying shares comprise (i) 1,188,680,000 shares held by Colpo; (ii) 606,680,600 Committed Shares and 1,240,441,800 Offer Shares, being the maximum number of Offer Shares to be allotted and issued to Colpo under the Open Offer; and (iii) 1,108,273,440 Warrants to be issued to Colpo in connection with the taking up of Committed Shares and Offer Shares. The entire issued share capital of Colpo is solely and beneficially owned by Mr. Chan Wing Him Kenny, the Chairman and CEO of the Company and an executive Director, who is therefore deemed to be interested in 1,188,680,000 shares held by Colpo. Mr. Chan Wing Him Kenny's indirect interests in 1,188,680,000 shares held through Colpo have also been set out in the above section headed "Directors' and chief executives' interests or short positions in shares and underlying shares of the Company".
2. The entire issued share capital of Cool Legend is solely and beneficially owned by Mr. Thio Sing Tjay Charles, a director of Hugo Link, a subsidiary of the Company, who is therefore deemed to be interested in 452,400,000 shares held by Cool Legend.

Save as disclosed above, so far as is known to the Directors, there is no other person who had an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, had a direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

## **5. DIRECTORS' SERVICES CONTRACTS**

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

## **6. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS**

Save for the Underwriting Agreement and the Undertaking, there was no contract or arrangement in which any of the Directors is materially interested and which is significant in relation to the business of the Group subsisted as at the Latest Practicable Date.

As at the Latest Practicable Date, none of the Directors has, or has had, any direct or indirect interests in any assets which have been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2013, the date to which the latest published audited consolidated financial statements of the Group were made up.

## **7. COMPETING INTERESTS**

Mr. Chan, an executive Director, is a director of Petromin whilst Dr. Arthur Ross Gorrell, an executive Director, is a director, chairman, president and chief executive officer of Petromin. As at the Latest Practicable Date, Mr. 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. Dr. Arthur Ross Gorrell held 4,068,193 common shares (representing approximately 5.72% 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.

Petromin is engaged in the business of acquisition and development of oil and gas properties. As of the Latest Practicable Date, Petromin had oil and gas properties in the province of Alberta, Canada. Taking into account (i) the operation of Petromin's business in Canada which is geographically different from the Company's current project operation in China; (ii) the Company and Petromin have different target customers; and (iii) Mr. Chan and Colpo, being the Company's controlling shareholders ("**Controlling Shareholders**"), had entered into a deed of non-competition undertakings dated 7 December 2010 in favour of the Company ("**Deed**"), the Board considers that the business of Petromin does not and will not have any direct competition with the Group's business. The term of the Deed commenced from 17 December 2010 and shall end on the occurrence of the earliest of (i) the day on which the shares of the Company ceased to be listed on the Main Board of the Stock Exchange or any stock exchange (except the delisting from the Growth Enterprise Market ("**GEM**") pursuant to the transfer of listing of the Company's shares from GEM to the Main Board of the Stock Exchange); (ii) the day on which the Controlling Shareholders cease to be interested in at least 30% of the entire issued share capital of the Company; or (iii) the day on which the Controlling Shareholders beneficially own or are interested in the entire issued share capital of the Company.

The independent non-executive Directors had reviewed the compliance with the provisions of the Deed by the Controlling Shareholders and confirmed that there was no matter to be disclosed under the requirements of the Deed, save and except the following that:

- (a) the Company has received a Notification of New Business Opportunity dated 5 December 2013 from Mr. Chan Wing Him Kenny to the Company ("**Notification**") that he had been offered a new business opportunity to engage in a Restricted Business (as defined in the Deed) by way of acquisition of certain interests in an Indonesian company ("**New Business Opportunity**");
- (b) pursuant to the requirement under Clause 2.7(a) of the Deed, the independent non-executive Directors held a meeting on 6 December 2013 to consider and discuss the New Business Opportunity offered to Mr. Chan and the information provided in relation thereto set out therein. The meeting was attended by all the independent non-executive Directors. Notwithstanding the provision of Clause 2.7(a) of the Deed, Mr. Chan Wing Him Kenny and Dr. Arthur Ross Gorrell had been invited by the independent non-executive Directors to attend the meeting. However, pursuant to the said Clause 2.7(a), they, as executive Directors, had not been counted towards the quorum or allowed to vote on the meeting; and
- (c) the independent non-executive Directors had discussed in details the Deed, the Notification and information relating to the New Business Opportunity. The independent non-executive Directors had also taken into consideration the then financial and business status of the Company and its subsidiaries, and in particular: (i) the major unconventional gas project in Xinjiang, China was still in evaluation phase and yet to generate any revenue for the Company, and was still expected to incur substantial capital in the upcoming period once it resolves the issues with its Chinese partner; (ii) although the Company had moved into the marble business, this business segment had yet to demonstrate a strong sustainable cash flow; and (iii) the

then cash on hand at the Company would mainly be used as working capital for the next 12 to 18 months. In addition, the New Business Opportunity would be focused on the upstream resources businesses which again had yet to demonstrate sustainable cash flow and requires certain capital expenditure. Therefore, the independent non-executive Directors had unanimously resolved to reject the New Business Opportunity. The independent non-executive Directors issued a Reply to Notification dated 13 December 2013 in respect of the Company's decision and the requirement under Clause 2.10 of the Deed that the Company would disclose, among others, such decision and other decisions reviewed by the independent non-executive Directors relating to the compliance and enforcement of the noncompetition undertakings under the Deed in the annual report of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the controlling shareholders or any of their respective associates had an interest in a business which competes or may compete, either directly or indirectly, with the business of the Group or have or may have any other conflicts or interests with the Group.

## 8. LITIGATION

As previously disclosed in the Previous Announcements, TWE, a non-wholly owned subsidiary of the Company in which the Company held approximately 71.61% of the issued common shares and preferred shares in the capital of TWE, or approximately 82.92% of the issued common shares, preferred shares and warrants outstanding in the capital of TWE on a fully diluted basis, respectively, has declared a dispute ("**Dispute**") with China National Petroleum Corporation and/or its affiliates, including, among others, PetroChina Company Limited and PetroChina Coalbed Methane Company Limited (collectively "**CNPC**") in relation to the a coalbed methane production sharing contract in the Junggar Basin of Xinjiang, China ("**PSC**"). TWE has taken advice from its retained special international arbitration counsel ("**Counsel**") and a notice was issued to CNPC on 3 July 2014 to terminate the PSC ("**Termination**"). In reaching the decision on the Termination, TWE has taken into account CNPC's breaches of the PSC, including the breakdown in the relationship between TWE and CNPC, the reduction in the CBM exploration area as previously reported and the scale of ongoing coal mining activities, and the fact that the project is no longer financially or operationally viable. Immediately on 4 July 2014, Counsel formally served a notice of arbitration on PetroChina Company Limited and CNPC relating to the Dispute. By this notice of arbitration, TWE seeks an award of damages as compensation for the losses caused by CNPC's breaches of the PSC, together with declaratory relief, costs and interest.

Save as disclosed above, as at the Latest Practicable Date, the Group was not engaged in any litigation, claim or arbitration of material importance, and so far as the Directors are aware, no litigation, claim or arbitration of material importance is pending or threatened by or against the Group.

## 9. EXPERT AND CONSENT

The following is the qualification of the expert whose letters and reports are contained in this Prospectus:

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants

PricewaterhouseCoopers has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter and/or report and the reference to its name in the form and context in which they appear.

As at the Latest Practicable Date, PricewaterhouseCoopers did not have any shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, PricewaterhouseCoopers did not have any direct or indirect interest in any assets which have been, since 31 December 2013 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

## 10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) were entered into by members of the Group within the two years preceding the date of this Prospectus which are or may be material:

- (1) On 6 May 2013, the Company entered into an investment agreement with Cedrus Investments Limited as subscriber regarding the subscription of 77,500,000 new Shares at the subscription price of HK\$0.15 per Share;
- (2) On 11 March 2013, the Company entered into a sales and purchase agreement with Mr. Wang Bing Wu to dispose of Allied Resources Limited for a consideration of RMB50 million (equivalent to approximately HK\$60 million); and
- (3) The Underwriting Agreement.

## 11. EXPENSES

The expenses in connection with the Open Offer, including the underwriting commission, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$1.5 million on the basis of 1,746,773,000 Offer Shares being issued, which are payable by the Company.

## 12. DIRECTORS AND SENIOR MANAGEMENT PROFILE

The biographies of the Directors and senior management/company secretary are set out below:

### Executive Directors

**Mr. CHAN Wing Him Kenny**, aged 64, is an executive Director, and the Chairman and CEO of the Company since 29 November 2006 and the chairman and a member of the Management Committee. Mr. Chan has been re-designated as a member of the Remuneration Committee since 29 March 2012. As the CEO, Mr. Chan is responsible for the Company's overall strategy and execution of business plans. Mr. Chan has over 33 years of experience in the international natural resources industry through his participation in the business and financial communities in the minerals and energy sectors in North America and Asia. He is in the vanguard of North American natural resource sector financiers who have pioneered new technologies in mining and metal recovery through his promotion and funding of a host of private and public companies. One of North America's best-known financiers associated with resource development and technology ventures, Mr. Chan has extended his interest and influence internationally through his work in establishing and financing companies around the world including central Asia, the Middle East and Asia-Pacific, including China. Mr. Chan has been a dynamic force for over 30 years in the minerals and energy industries through his activities and has raised hundreds of millions of dollars on international capital markets since the mid-1980's.

As the founder of the Company with North American financing and natural resources experience and track records, Mr. Chan is able to capitalise on world markets to pursue his vision of assembling a portfolio of natural resources-based interests at critical points of development prior to market takeoff. With an extensive knowledge of industry needs and market demands, Mr. Chan has directed the organisation of a management team capable of creating and growing value in the target sectors.

Mr. Chan is a director of Petromin, a connected person of the Company and which shares are listed on the Toronto Stock Exchange Venture Board ("TSX"). Mr. Chan is a member of The Hong Kong Institute of Directors and Association of International Petroleum Negotiators, respectively.

**Dr. Arthur Ross GORRELL**, aged 69, was appointed as a non-executive Director on 1 December 2007 and has been re-designated as an executive Director since June 2008. Dr. Gorrell is a member of the Management Committee. He is responsible for business expansion and development of the Group. Dr. Gorrell has over 43 years of experience in the management and business development for resources and energy related industries and has served as director, officer and controlling principal of many successful mining and oil and gas ventures listed on the TSX. Dr. Gorrell is highly respected by his peers and is a reputed oil man well recognised in Canada for his extensive knowledge in the oil and gas industry. He has worked with and developed numerous contacts in various financial and resource-related fields.

Dr. Gorrell has joined Petromin since 1990 as one of the founders. He is currently a director, chairman, president and the chief executive officer of Petromin.

#### **Independent non-executive Directors**

**Mr. David TSOI**, aged 67, has joined the Company as an independent non-executive Director since 8 July 2008. Mr. Tsoi is also the chairman and a member of the Audit Committee. In addition, he is the managing director of Alliot, Tsoi CPA Limited and an independent non-executive director of MelcoLot Limited (which shares are listed on the Growth Enterprise Market of the Stock Exchange) and Universal Technologies Holdings Limited (which shares are listed on the Main Board of the Stock Exchange). 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.

**Mr. LO Chi Kit**, aged 53, has joined the Company as an independent non-executive Director since 20 December 2006. Mr. Lo is also a member of the Audit Committee. He has been re-designated as the chairman and a member of the Remuneration Committee since 29 March 2012. He is a businessman who has extensive experience in senior management and business operations, in particular, in the waste chemical treatment and the import and export of fruits and vegetables business. He has extensive connection throughout the Pacific Rim and Asian region.

**Mr. TAM Hang Chuen**, aged 58, has joined the Company as an independent non-executive Director since 20 December 2006. Mr. Tam is also a member of the Audit Committee and Remuneration Committee, respectively. He is a businessman with more than 26 years of experience in senior management and business operations, in particular, in the printing industry. Mr. Tam has broad connection with commercial groups in Asian region.

**Senior management**

**Mr. WONG Sum Lok Sam**, aged 64, was appointed as Senior Vice President of CCST Singapore Pte. Ltd., a wholly-owned subsidiary of the Company, on 10 September 2011. Mr. Wong is mainly responsible for leading the evaluation of unconventional energy resource development and production technologies as well as advancing a broader project scope of investment in both conventional and unconventional resources within the Group. Mr. Wong has over 32 years experience in process development, and research and development in conventional and unconventional resource development. Over the past 17 years, Mr. Wong has had a strong focus on carbon capture and storage technologies in various projects in Canada and globally. He also has extensive energy project experience in China. Previously Mr. Wong was Project Manager with the Carbon and Energy Management unit of Alberta Innovates Technology Futures and its predecessor organisation, Alberta Research Council.

Mr. Wong received his Bachelor of Science and Master of Science degrees in mechanical engineering from the University of Alberta, Canada. He is a professional engineer with the Association of Professional Engineers and Geoscientists of Alberta, Canada (APEGA) and member of the International Association of Energy Economics and the Society of Petroleum Engineers (SPE), respectively.

**Mr. CHAN Wan Tsun Adrian Alan**, aged 36, was appointed as Chief Financial Officer of the Group in November 2009. Mr. Chan is mainly responsible for the overall financial management, internal control function and accounting function of the Group. He has also been assisting in corporate finance and investors' relation matters of the Group. He has over 12 years of experience in corporate finance. Prior to joining the Group, he was associate director of UOB Asia (Hong Kong) Limited, mainly responsible for the execution of financial advisory, initial public offering, merger and acquisitions, privatisation and other equity capital market transactions in the Greater China Region and Southeast Asia. He has also previously worked for the equity capital markets department of DBS Asia Capital Limited, the corporate finance department of Vickers Ballas Capital Limited, and as auditor for a top-tier international accounting firm.

Mr. Chan holds a Bachelor of Commerce degree in Accounting and Finance from the University of New South Wales, Australia. He is a member of CPA Australia, the Hong Kong Institute of Certified Public Accountants and Association of International Petroleum Negotiators, respectively.

In addition, Mr. Chan has been appointed as an independent non-executive director of Baoxin Auto Group Limited (which shares are listed on the Main Board of the Stock Exchange) since November 2011.

**Company secretary**

**Mr. HO Kam Fung**, aged 35, is currently the Company Secretary and Finance Manager of the Company. Mr. Ho has joined the Group since July 2010. He holds a bachelor degree in Accounting and a Master degree in International Business from the University of Wollongong in Australia, and is a member of CPA Australia. Prior to joining the Company, Mr. Ho has served in an international accounting firm.

Save as disclosed in this appendix, as at the Latest Practicable Date, none of the Directors nor the senior management of the Company (i) hold any directorships in other listed company in the last three years; (ii) have any other major appointments and professional qualifications; (iii) hold any other position with the Company or other members of the Group; and (iv) have any relationship with any other Directors, senior management, substantial or controlling Shareholders.

**13. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE OPEN OFFER**

<b>Registered office</b>	Cricket Square, Hutchins Drive P. O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
<b>Principal place of business in Hong Kong and office address of all Directors and senior management</b>	Unit 806, level 8 Core D, Cyberport 3 100 Cyberport Road Hong Kong
<b>Underwriter</b>	Colpo Mercantile Inc. Portcullis TrustNet Chambers P.O. Box 3444, Road Town, Tortola, The British Virgin Islands
<b>Legal advisers to the Company</b>	<i>As to Hong Kong laws</i> LF Legal 10/F, 313 Lockhart Road Wanchai Hong Kong  <i>As to Cayman Islands laws</i> Conyers Dill & Pearman (Cayman) Limited Cricket Square Hutchins Drive P. O. Box 2681 Grand Cayman KY1-1111 Cayman Islands

<b>Reporting Accountants</b>	PricewaterhouseCoopers <i>Certified public accountants</i> 22/F, Prince's Building Central Hong Kong
<b>Principal banker(s)</b>	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong
<b>Principal share registrar and transfer agent</b>	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road George Town Grand Cayman KY1-1110 Cayman Islands
<b>Hong Kong branch share registrar and transfer office</b>	Tricor Tengis Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong
<b>Authorised representatives</b>	Mr. Chan Wing Him Kenny Mr. Ho Kam Fung
<b>Company secretary</b>	Mr. Ho Kam Fung

#### 14. GENERAL

The registered office of Colpo is Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, the British Virgin Islands.

In the event of inconsistency, the English text of this Prospectus and the accompanying form of proxy shall prevail over the Chinese text.

#### 15. LEGAL EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of this Prospectus, this Prospectus shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding up and Miscellaneous Provisions) Ordinance, so far as applicable.

**16. DOCUMENTS REGISTERED BY THE REGISTRAR OF COMPANIES**

A copy of each of the Prospectus Documents and the consent letter referred to in the paragraph headed “Expert and consent” in this appendix have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance.

**17. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection on any business day from the date of this Prospectus up to the Latest Time for Acceptance during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays and public holidays) at the principal office of the Company at Unit 806, Level 8, Core D, Cyberport 3, 100 Cyberport Road, Hong Kong, and will also be available on the websites of the Company at <http://www.enviro-energy.com.hk>:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2012 and 31 December 2013;
- (c) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (d) the report from PricewaterhouseCoopers in respect of the unaudited pro-forma financial information on the Group, the text of which is set out in Appendix II of this Prospectus;
- (e) the written consent referred to in the paragraph headed “Expert and consent” in this appendix;
- (f) the Circular; and
- (g) the Prospectus Documents.