THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Blue Sky Power Holdings Limited, you should at once hand this circular and the accompanying forms of proxy to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities mentioned herein.

Blue Sky Power Holdings Limited
藍天威力控股有限公司

(incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 6828)

(Singapore Stock Code: UQ7)

MAJOR TRANSACTION CONCERNING SUBSCRIPTION AGREEMENT; SALES AND PURCHASE AGREEMENT; ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE; AND NOTICE OF SPECIAL GENERAL MEETING

Financial adviser to the Company

Quam CAPITAL 華富嘉洛企業融資

A letter from the Board of the Company is set out on pages 9 to 41 of this circular. A notice convening the special general meeting of the Company to be held at Level 21, The Center, 99 Queen's Road Central, Hong Kong at 11:00 a.m. on Friday, 23 January 2015 is set out on pages SGM-1 to SGM-4 of this circular. The special general meeting is to be held to approve matters referred to in this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the meeting or any adjournment thereof to the office of the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore shareholders) or the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong shareholders). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

2 January 2015

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A. DEFINITIONS

In this circular, unless the context otherwise stated, the following expressions shall have the following meanings:

"Acquisition"	the proposed subscription of the Subscription Shares by Goldlink pursuant to the terms and conditions of the Subscription Agreement and the proposed acquisition of Sale Shares by Goldlink from Total Belief pursuant to the terms and conditions of the Sale and Purchase Agreement
"Acquisition Completion"	collectively Acquisition Completion I and Acquisition Completion II
"Acquisition Completion I"	the completion of Transaction I pursuant to the Sale and Purchase Agreement
"Acquisition Completion II"	the completion of Transaction II pursuant to the Sale and Purchase Agreement
"Acquisition Completion Date I"	within 7 Business Days after the fulfilment of all the Acquisition Conditions Precedent I as set out in the Sale and Purchase Agreement or such other date as may be agreed by Total Belief and Goldlink in writing
"Acquisition Completion Date II"	Within 7 Business Days after the fulfilment of all the Acquisition Conditions Precedent II as set out in the Sale and Purchase Agreement or such other date as may be agreed by Total Belief and Goldlink in writing
"Acquisition Conditions Precedent I"	the conditions precedent of Transaction I, details of which are set out in the subsection headed "Acquisition Conditions Precedent I for Transaction I" on page 15 in this circular
"Acquisition Conditions Precedent II"	the conditions precedent of Transaction II, details of which are set out in the subsection headed "Acquisition Conditions Precedent II for Transaction II" on page 20 in this circular
"Acquisition Consideration"	collectively Acquisition Consideration I and Acquisition Consideration II
"Acquisition Consideration I"	HK$94,805,108 payable by Goldlink to Total Belief in the manners as set out in the subsection headed "Acquisition Consideration I and payment terms for Transaction I" on page 14 in this circular

"Acquisition Consideration II"	up to a maximum of HK$135,240,151 payable by Goldlink to Total Belief in the manners as set out in the subsection headed "Acquisition Consideration II and payment terms for Transaction II" on page 19 in this circular
"Acquisition Long Stop Date I"	31 March 2015 or such other date as Total Belief and Goldlink may agree in writing for fulfilment of Acquisition Conditions Precedent I
"Acquisition Long Stop Date II"	30 June 2016 or such other date as Total Belief and Goldlink may agree in writing for fulfilment of Acquisition Conditions Precedent II
"Actual Profit"	the actual after tax profit of Shine Great Group for the corresponding financial year
"Actual Revenue"	the actual revenue of Shine Great Group for the corresponding financial year
"Announcement"	the joint announcements of the Company and New Times dated 7 October 2014 in respect of the Acquisition
"Benxi Liaoyou"	本溪遼油新時代燃氣有限公司 (Benxi Liaoyou Xinshidai Ranqi Company Limited*), a company established in the PRC on 27 March 2012 and an indirect non wholly-owned subsidiary of the Company
"Business Day(s)"	a day (excluding Saturday, Sunday and other general holidays in Hong Kong and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "**black**" rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
"CDP"	The Central Depository (Pte) Limited
"Company"	Blue Sky Power Holdings Limited, a limited liability company incorporated in Bermuda, whose Shares are primary listed on the Main Board of the Stock Exchange and secondary listed on the Main Board of the SGX-ST
"Completion"	Subscription Completion and Acquisition Completion

"Consideration Adjustment Clause"	adjustment(s) to Acquisition Consideration II in case of any shortfall between (i) the Revenue Guarantee and the Actual Revenue; and/or (ii) the Profit Guarantee and the Actual Profit of Shine Great Group in the financial year ending 31 December 2015, details of which are set out in page 22 of this circular
"Conversion Price"	HK$0.379 per Conversion Share, subject to adjustment as set out and in accordance with the terms and conditions of the Convertible Bonds
"Conversion Shares"	collectively the maximum of 562,124,690 Shares to be issued and allotted by the Company under the conversion rights attaching to the Convertible Bonds I and Convertible Bonds II at the Conversion Price, in the aggregate principal amount of HK$77,805,108 and HK$135,240,151 respectively, pursuant to the Sale and Purchase Agreement
"Convertible Bonds"	collectively Convertible Bonds I and Convertible Bonds II
"Convertible Bonds I"	the convertible bonds in the principal amount of HK$77,805,108 to be issued by the Company at the Conversion Price in favour of New Times and/or Total Belief and/or its nominee(s) (as New Times and/or Total Belief may direct in writing) within 10 Business Days after Acquisition Completion Date I with nil interest for a conversion period of 3 years from the date of issue
"Convertible Bonds II"	the convertible bonds in the principal amount of HK$135,240,151 to be issued by the Company at the Conversion Price in favour of New Times and/or Total Belief and/or its nominee(s) (as New Times and/or Total Belief may direct in writing) within 10 Business Days after Acquisition Completion Date II with nil interest for a conversion period of 3 years from the date of issue
"DFH Industrial Park"	東風湖鋼鐵深加工產業園 (Dongfenghu Steel Deep Processing Industrial Park*) in the Xihu District of Benxi City, Liaoning Province, the PRC
"Directors"	the directors of the Company
"Further Supplemental MOU"	the further supplemental memorandum of understanding entered into between Total Belief and Goldlink on 20 February 2014

"Goldlink"	Goldlink Capital Limited, a company incorporated in the British Virgin Islands with limited liability, a direct wholly owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Shareholders"	Shareholders other than Mr. Cheng Ming Kit, who is required by the Listing Rules to vote on the resolutions approving the Subscription Agreement, Sale and Purchase Agreement, issue of Convertible Bonds and the transactions contemplated thereunder
"Independent Third Party(ies)"	third party(ies) who is/are independent of, and not connected with the Company and connected person(s) (as defined in the Listing Rules) of the Company
"Initial Earnest Money"	a sum of HK$2,000,000 paid in cash by Goldlink to Total Belief on 11 June 2013 pursuant to the terms and conditions of the MOU and the Supplemental MOU
"Latest Practicable Date"	31 December 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MOU"	the memorandum of understanding entered into between Total Belief and Goldlink on 7 February 2013
"New Times"	New Times Energy Corporation Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 0166)
"New Times Group"	New Times and its subsidiaries
"PRC" or "China"	the People's Republic of China

"Profit Guarantee"	the profit of Shine Great Group that Total Belief guaranteed to Goldlink pursuant to the Sale and Purchase Agreement for the financial year ending 31 December 2015, subject to adjustments to be mutually agreed by Total Belief and Goldlink in writing from time to time, details of which are set out in the subsection headed "Revenue Guarantee and Profit Guarantee for Transaction II" on page 21 of this circular
"Revenue Guarantee"	the revenue of Shine Great Group that Total Belief guaranteed to Goldlink pursuant to the Sale and Purchase Agreement for the financial year ending 31 December 2015, subject to adjustment(s) to be mutually agreed by Total Belief and Goldlink in writing from time to time, details of which are set out in the subsection headed "Revenue Guarantee and Profit Guarantee for Transaction II" on page 21 of this circular
"RMB"	Renminbi, the lawful currency of PRC
"Sale and Purchase Agreement"	the sale and purchase agreement dated 7 October 2014 (after the trading hours) entered into between Total Belief and Goldlink relating to the Acquisition
"Sale Shares"	collectively Sale Shares I and Sale Shares II
"Sale Shares I"	3,646,210 Shine Great Shares
"Sale Shares II"	4,900,000 Shine Great Shares
"Second Earnest Money"	a sum of HK$12,000,000 paid in cash by Goldlink to Total Belief on 20 February 2014 pursuant to the terms and conditions of the Further Supplemental MOU
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
"SGM"	special general meeting to be convened by the Company in relation to the Acquisition
"Share(s)"	ordinary share(s) of HK$0.055 each in the share capital of the Company after the Share Subdivision became effective on 15 October 2014
"Shareholder(s)"	shareholder(s) of the Company

"Shine Great"	Shine Great Investments Limited, a limited liability company incorporated in the British Virgin Islands, a direct wholly owned subsidiary of Total Belief and an indirect wholly owned subsidiary of New Times
"Shine Great Group"	Shine Great and its subsidiaries
"Shine Great Share(s)"	ordinary Share(s) of US$1.00 each in the share capital of Shine Great
"Singapore Exchange" or "SGX-ST"	The Singapore Exchange Securities Trading Limited
"Specific Mandate"	the specific mandate for the allotment and issue of the Conversion Shares upon exercise of the conversion rights attached to the Convertible Bonds to be granted to the Directors by the Shareholders at the SGM convened by the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the proposed subscription of Subscription Shares by Goldlink for a total consideration of RMB30,000,000 (equivalent to approximately HK$37,800,000)
"Subscription Agreement"	the subscription agreement entered into between Shine Great and Goldlink on 7 October 2014 after trading hours in relation to the Subscription
"Subscription Completion"	the completion of the Subscription pursuant to the terms and conditions of the Subscription Agreement
"Subscription Completion Date"	the 7th Business Day after the fulfilment of all the conditions precedent as set out in the Subscription Agreement or such other date as may be agreed by Shine Great and Goldlink in writing
"Subscription Consideration"	being an aggregate sum of RMB30,000,000 (equivalent to approximately HK$37,800,000) payable in cash by Goldlink to Shine Great and/or its nominee(s) upon Subscription Completion
"Subscription Long Stop Date"	31 March 2015 or such other date as Shine Great and Goldlink may agree in writing
"Subscription Shares"	1,453,790 shares to be issued by Shine Great pursuant to the terms and conditions of the Subscription Agreement

"Supplemental MOU"	the supplemental memorandum of understanding entered into between Total Belief and Goldlink on 11 June 2013
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC
"Total Belief"	Total Belief Limited, a company incorporated in the British Virgin Islands with limited liability, a direct wholly owned subsidiary of New Times
"Transaction I"	the proposed acquisition of the Sale Shares I pursuant to the Sale and Purchase Agreement
"Transaction II"	the proposed acquisition of the Sale Shares II pursuant to the Sale and Purchase Agreement
"%"	per cent.

* *The English translation of Chinese names or words in this circular, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

The term "Depositor", "Depository Agent" and "Depository Register" shall have the same meanings ascribed to then respectively in section 130A of the Companies Act (Chapter 50) of Singapore.

For the purpose of this circular, all amounts denominated in RMB have been translated (for information only) into HK$ using the exchange rate of RMB1.00:HK$1.26. Such translation shall not be construed as a representation that amount of RMB was or may have been converted.

Any reference to a time of day and date shall be a reference to Hong Kong time and date unless otherwise stated. Any discrepancies in table included in this circular between the amounts listed and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in this circular may not be an arithmetic aggregation of the figures that precede them.

In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

B. GLOSSARY OF TECHNICAL TERMS

Terms or expressions used in this circular shall, unless the context otherwise requires, have the meanings ascribed to them below:

"CNG"	compressed natural gas
"LNG"	liquefied natural gas



Blue Sky Power Holdings Limited
藍天威力控股有限公司

(incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 6828)

(Singapore Stock Code: UQ7)

Executive Directors:
Mr. Cheng Ming Kit *(Chairman of the Board)*
Mr. Sze Chun Lee
Mr. Hung Tao
Mr. Kwok Shek San

Non-executive Director:
Ms. Chung Oi Ling, Stella

Independent non-executive Directors:
Mr. Lim Siang Kai
Mr. Wee Piew
Mr. Ma Arthur On-hing

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Place of business in Hong Kong:
Rooms 1007–08, 10/F
New World Tower I
16–18 Queen's Road Central
Hong Kong

2 January 2015

To the Shareholder

Dear Sir or Madam,

MAJOR TRANSACTION CONCERNING SUBSCRIPTION AGREEMENT; SALES AND PURCHASE AGREEMENT; ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE; AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the announcements of the Company dated 8 February 2013, 11 June 2013, 6 February 2014 and 7 October 2014 in relation to, among other things, the Acquisition concerning the Subscription Agreement and Sale and Purchase Agreement. The Acquisition constitutes a major transaction under the Listing Rules which requires the approval of Shareholders in general meeting.

The purpose of this circular is to give you (i) further information in respect of the Acquisition; (ii) further information in respect of the issue of the Convertible Bonds under the Specific Mandate in connection to the Acquisition; and (iii) the notice of SGM and the proxy form at which ordinary resolutions will be proposed to consider and, if thought fit, approve the Acquisition, the allotment and issue of the Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds by the Company under the Specific Mandate and the transactions contemplated thereunder.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the counterparties and their ultimate beneficial owners are independent third parties of the Company and its associates, within the meaning ascribed thereto under the Listing Rules.

I. THE SUBSCRIPTION AGREEMENT

Date

7 October 2014 (after the trading hours)

Parties

(1) Issuer: Shine Great Investments Limited, an indirect wholly owned subsidiary of New Times

(2) Subscriber: Goldlink Capital Limited, a direct wholly owned subsidiary of the Company

Subscription Shares

A total of 1,453,790 Subscription Shares represents approximately 17.01% of the enlarged issued share capital of 8,546,210 Shine Great Shares as immediately before the Subscription Completion, and approximately 14.54% of the issued share capital of 10,000,000 Shine Great Shares as enlarged by the Subscription Shares, on the assumption that the share increase in accordance with the details set out in the subsection headed "Conditions Precedent" here below is completed.

Subscription Consideration and Method of Payment

Upon Subscription Completion, Subscription Consideration of an aggregate sum of RMB30,000,000 (equivalent to approximately HK$37,800,000) shall be payable in cash by Goldlink to Shine Great and/or its nominee(s). The Group intends to finance the cash payments of the Subscription Consideration with its internal cash resources and/or bank borrowings.

Bases of the Consideration for Subscription

The Subscription Consideration has been arrived at after arm's length negotiations between Goldlink and Total Belief and was determined with reference to the followings:

(i) the valuation of Shine Great Group in the amount of RMB189,000,000 prepared by Roma Appraisals Limited, an independent valuer;

(ii) the historical financial performance and net asset value of Shine Great Group; and

(iii) the business development and future prospects of Shine Great Group.

The Subscription Consideration is expected to be financed by internal resources of the Company.

The Subscription Consideration represented a new fund to be injected to Shine Great by the Company upon Subscription Completion. Therefore, the net asset value of Shine Great Group will increase accordingly by the amount of the Subscription Consideration.

The Acquisition Consideration of HK$230,045,259 was to acquire the entire 8,546,210 Sale Shares, which represented a consideration of approximately HK$26.92 per Sale Share. On the other hand, the Subscription was to subscribe 1,453,790 new shares to be issued by Shine Great at the Subscription Consideration of HK$37,800,000, which represented a per share subscription price of HK$26.00, representing a 3.42% discount to the Acquisition Consideration per Sale Share.

The Directors consider that the terms and conditions of the Subscription Agreement (including the Subscription Consideration) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

Subscription Completion shall be subject to the following conditions being satisfied on or before the Subscription Long Stop Date:

(i) Acquisition Completion I having been fulfilled;

(ii) no takeover implication or obligation having been triggered under the Takeovers Code;

(iii) no "reverse takeover" (as defined under the Listing Rules) having been triggered or ruled by the Listing Committee/Division of the Stock Exchange;

(iv) all necessary approvals, permits and consents from any relevant governmental and regulatory authority and third parties including but not limited to those from the Stock Exchange and/or the SFC (if applicable and necessary) having been obtained in relation to (i) the Subscription, the execution of the Subscription Agreement and the transactions contemplated thereunder; and (ii) the sale and purchase of the Sale Shares, the execution of the Sale and Purchase Agreement and the transactions contemplated thereunder;

(v) the Listing Committee of the Stock Exchange and the Singapore Exchange (if applicable and necessary) granting the listing of, and permission to deal in, the Conversion Shares as stipulated in the Sale and Purchase Agreement;

(vi) all necessary approvals, permits and consents from the respective board of directors of the Company and Goldlink (if applicable and necessary) having been obtained by passing resolution(s) by the board of Directors and Goldlink respectively, in relation to (i) the Subscription, the execution of the Subscription Agreement and the transactions contemplated thereunder; (ii) the sale and purchase of the Sale Shares, the execution of the Sale and Purchase Agreement and the transactions contemplated thereunder;

(vii) all necessary approvals, permits and consents from the respective board of directors of New Times, Total Belief and Shine Great (if applicable and necessary) having been obtained by passing resolution(s) by the board of directors of New Times, Total Belief and Shine Great respectively, in relation to (i) the Subscription, the execution of the Subscription Agreement and the transactions contemplated thereunder; (ii) the sale and purchase of the Sale Shares, the execution of the Sale and Purchase Agreement and the transactions contemplated thereunder;

(viii) all necessary approvals, permits and consents from the Shareholders and Goldlink (if applicable and necessary) respectively having been obtained from relevant SGM of the Company and general meeting of Goldlink respectively (if applicable and necessary), in relation to (i) the Subscription, the execution of the Subscription Agreement and the transactions contemplated thereunder; (ii) the sale and purchase of the Sale Shares, the execution of the Sale and Purchase Agreement and the transactions contemplated thereunder;

(ix) all necessary approvals, permits and consents from the shareholders of New Times and Total Belief (if applicable and necessary) having been obtained from relevant SGM of New Times and general meeting of Total Belief (if applicable and necessary) in relation to (i) the Subscription, the execution of the Subscription Agreement and the transactions contemplated thereunder; (ii) the sale and purchase of the Sale Shares, the execution of the Sale and Purchase Agreement and the transactions contemplated thereunder;

(x) Goldlink being satisfied with the results of the due diligence exercise on each member of Shine Great Group, including but not limited to its respective businesses, assets, liabilities, operations, financial, legal or other status which Goldlink thinks necessary and appropriate to conduct;

(xi) Goldlink being satisfied with the relevant valuation report on Shine Great Group by an independent valuer specified by Goldlink;

(xii) the issued share capital of Shine Great having been increased from 100 Shine Great Shares to 8,546,210 Shine Great Shares by way of capitalization of shareholder's loan of Shine Great to the satisfaction of Goldlink. The amount of the shareholder's loan of Shine Great was approximately HK$273,243,000 as at 31 August 2014;

(xiii) Shine Great having confirmed in writing that from the date of signing of the Subscription Agreement, there has not been any abnormal operations nor any material adverse change in the business, positions (including assets, financial and legal status), operations, performance or assets, or any undisclosed material potential risks in respect of Shine Great Group;

(xiv) Shine Great shall procure or cause to be procured all the interest of land use rights of Jinyang refilling station project having been obtained;

(xv) Shine Great shall ensure that its relevant subsidiaries have obtained relevant projects as their wholly owned projects or joint venture projects, including 16 projects for LNG/CNG stations for vehicles and vessels, gas provision to industrial parks and gas provision to modernized household communities, of which 12 and 4 projects are located in Guizhou province and Jiangsu province of the PRC respectively; and

(xvi) All necessary approvals and consents for the Sale and Purchase Agreement and the carrying out of all transactions contemplated thereunder be obtained by Shine Great, Total Belief, New Times, Goldlink and the Company.

Goldlink is entitled to waive all or any of the conditions above, apart from (ii), (iii), (iv), (v), (vi), (vii), (viii) and (ix) above, at its absolute discretion by way of written notice to Shine Great. None of the conditions has been fulfilled as at the Latest Practicable Date. As at the Latest Practicable Date, Goldlink does not intend to waive any of the said conditions.

If the above conditions precedent are not fulfilled (or waived, as the case maybe) on or before the Subscription Long Stop Date, the obligations of Shine Great and Goldlink under the Subscription Agreement shall forthwith cease and terminate and neither Shine Great nor Goldlink shall have any claim against the other party, save for any antecedent breach pursuant to the Subscription Agreement.

Shine Great and Goldlink undertake, and in favour of the other party, to exercise its best endeavours to procure the fulfilment of the above conditions precedent that are within its obligations to perform before the Subscription Long Stop Date, including without limitation, by making all necessary applications and the timely supply of information to the Stock Exchange and the SFC and other relevant governmental or regulatory authorities (if applicable).

Subscription Completion Date

Subscription Completion shall take place simultaneously with Acquisition Completion I under the Sale and Purchase Agreement on the 7th Business Day after the fulfilment of all the conditions precedent referred to above (or such other date as may be agreed by Shine Great and Goldlink in writing).

II. THE SALE AND PURCHASE AGREEMENT

Date

7 October 2014 (after the trading hours)

Parties

(1) Vendor: Total Belief Limited, a direct wholly owned subsidiary of New Times

(2) Purchaser: Goldlink Capital Limited, a direct wholly owned subsidiary of the Company

(A) Transaction I — Acquisition of Sale Shares I

(i) Assets to be acquired for Transaction I

The Sale Shares I, representing 36.46% of the enlarged issued share capital of Shine Great of 10,000,000 Shine Great Shares on the assumption that the Subscription Completion being satisfied in accordance with details set out in the subsection headed "Acquisition Conditions Precedent I for Transaction I".

(ii) Acquisition Consideration I and payment terms for Transaction I

Acquisition Consideration I shall amount to HK$94,805,108 payable by Goldlink to Total Belief in the following manner:

(i) a sum of HK$2,000,000 has been paid in cash by Goldlink to Total Belief as Initial Earnest Money on 11 June 2013 pursuant to the terms and conditions of the MOU and the Supplemental MOU;

(ii) a sum of HK$ 12,000,000 has been paid in cash by Goldlink to Total Belief as Second Earnest Money on 20 February 2014 pursuant to the terms and conditions of the Further Supplemental MOU;

(iii) a sum of HK$3,000,000 has been paid in cash by Goldlink to Total Belief and/or its nominee(s) (as Total Belief may direct in writing) upon execution of the Sale and Purchase Agreement; and

(iv) a sum of HK$77,805,108 shall be payable by issue of the relevant Convertible Bonds I in the principal amount of HK$77,805,108 by the Company to Total Belief in favour of New Times and/or Total Belief and/or its nominee(s) (as New Times and/or Total Belief may direct in writing) within 10 Business Days after the Acquisition Completion Date I.

Bases of the Acquisition Consideration I for Transaction I

Acquisition Consideration I has been arrived at after arm's length negotiations between the Company, New Times, Goldlink and Total Belief and was determined with reference to the followings:

(i) the valuation of Shine Great Group in the amount of RMB189,000,000 prepared by Roma Appraisals Limited, an independent valuer;

(ii) the historical financial performance and net asset value of Shine Great Group; and

(iii) the business development and future prospects of Shine Great Group.

The cash portion of the Acquisition Consideration I is expected to be financed by internal resources of the Company.

The Directors consider that the Acquisition Consideration I and the terms of the Sale and Purchase Agreement are fair and reasonable, on normal commercial terms and are in the interests of the respective companies and the shareholders as a whole.

(iii) Acquisition Conditions Precedent I for Transaction I

Acquisition Completion I is conditional upon satisfaction of all of the following conditions by Acquisition Long Stop Date I:

(i) the completion of the Subscription Agreement and the transactions contemplated thereunder;

(ii) no takeover implication or obligation having been triggered under the Takeovers Code;

(iii) no "reverse takeover" (as defined under the Listing Rules) having been triggered or ruled by the Listing Committee/Division of the Stock Exchange;

(iv) no implication or obligation (including but not limited to trading halt and/or suspension of trading of shares) on New Times or the Company concerning sufficiency of operations or assets and/or cash company issue under all relevant Listing Rules (including but not limited to Rules 13.24 and 14.82 of the Listing Rules) having been triggered or ruled by the Listing Committee/Division of the Stock Exchange;

(v) Goldlink being satisfied with the results of the due diligence exercise on each member of Shine Great Group, including but not limited to its respective businesses, assets, liabilities, operations, financial, legal or other status which Goldlink thinks necessary and appropriate to conduct;

(vi) Goldlink being satisfied with the relevant valuation report on Shine Great by an independent valuer specified by Goldlink;

(vii) the board of directors of Goldlink having approved and authorised the Sale and Purchase Agreement and the transactions contemplated thereunder;

(viii) the board of Directors having approved and authorised the Sale and Purchase Agreement and the transactions contemplated thereunder, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares by the Company under the Specific Mandate;

(ix) the board of directors of New Times having approved and authorised the Sale and Purchase Agreement and the transactions contemplated thereunder;

(x) the board of directors of Total Belief having approved and authorised the Sale and Purchase Agreement and the transactions contemplated thereunder;

(xi) the passing of the necessary resolution(s) by the Shareholders at the relevant SGM approving the Sale and Purchase Agreement and the transactions contemplated thereunder, and the allotment and issue of the Conversion Shares by the Company under the Specific Mandate;

(xii) the passing of the necessary resolution(s) by the shareholders of New Times at the relevant SGM approving the Sale and Purchase Agreement and the transactions contemplated thereunder;

(xiii) the Listing Committee of the Stock Exchange and the Singapore Exchange granting the listing of, and permission to deal in, the Conversion Shares;

(xiv) none of the undertakings, negative pledges, warranties and representations of Total Belief contained in the Sale and Purchase Agreement having been breached in any material respect or being misleading or untrue in any material respect;

(xv) all necessary governmental and regulatory approvals or consents (or waivers), including but not limited to those from the Stock Exchange, the SFC, the Singapore Exchange and/or other authority, required by Total Belief, Goldlink, New Times and the Company or any of them for the consummation of the transactions contemplated under the Sale and Purchase Agreement having been obtained;

(xvi) all necessary third party approvals or consents (or waivers) required by Total Belief, Goldlink, New Times and the Company or any of them for the consummation of the transactions contemplated under the Sale and Purchase Agreement having been obtained;

(xvii) Total Belief having confirmed in writing that from the date of signing of the Subscription Agreement and/or the Sale and Purchase Agreement, there has not been any abnormal operations nor any material adverse change in the business, positions (including assets, financial and legal status), operations, performance or assets, or any undisclosed material potential risks in respect of Shine Great Group;

(xviii) Total Belief shall procure or cause to be procured all the interest of land use rights of Jinyang refilling station project having been obtained;

(xix) the relevant subsidiaries of Shine Great Group having obtained relevant projects as their wholly owned projects or joint venture projects, including 16 projects for LNG/CNG stations for vehicles and vessels, gas provision to industrial parks and gas provision to modernized household communities, of which 12 and 4 projects are located in Guizhou province and Jiangsu province of the PRC respectively; and

(xx) Total Belief shall increase or cause to increase Shine Great Shares from 100 shares to 8,546,210 shares by way of capitalisation of the shareholder's loan of Shine Great to the satisfaction of Goldlink. The amount of the shareholder's loan of Shine Great was approximately HK$273,243,000 as at 31 August 2014.

Goldlink is entitled to waive all or any of the conditions above, apart from (ii), (iii), (iv), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xv), (xvi), (xvii) and (xviii) above, at its absolute discretion by way of written notice to Total Belief. None of the conditions has been fulfilled as at the Latest Practicable Date. As at the Latest Practicable Date, Goldlink does not intend to waive any of the said conditions.

Each party undertakes, in favour of the other party, to exercise its best endeavours to procure the fulfillment of the Acquisition Conditions Precedent I that are within its obligations to perform before the Acquisition Long Stop Date I, including without limitation, by making all necessary applications and the timely supply of information to the Stock Exchange and the SFC and other relevant government or regulatory authorities.

If any of the above conditions precedent has not been fulfilled by Acquisition Long Stop Date I, either Total Belief or Goldlink shall be entitled to rescind the Sale and Purchase Agreement by giving written notice to the other whereupon the relevant provisions of the Sale and Purchase Agreement shall from such date have no further force and effect and no party to the Sale and Purchase Agreement shall have any liability under them (without prejudice to the rights of the parties to the Sale and Purchase Agreement in respect of any antecedent breaches).

(iv) Acquisition Completion I for Transaction I

Subject to the fulfillment and satisfaction of all the Acquisition Conditions Precedent I by the Acquisition Long Stop Date I, Acquisition Completion I shall take place simultaneously with Subscription Completion under Subscription Agreement on or before 5:00 p.m. on the Acquisition Completion Date I or at such other date as may be agreed by Total Belief and Goldlink in writing.

(B) Transaction II — Acquisition of Sale Shares II

(i) Assets to be acquired for Transaction II

The Sale Shares II, representing 49% of the enlarged issued share capital of Shine Great of 10,000,000 Shine Great Shares, on the assumption that the completion of share enlargement and the Subscription Completion being satisfied in accordance with details set out in the subsection headed "Acquisition Conditions Precedent II for Transaction II".

(ii) Acquisition Consideration II and payment terms for Transaction II

Acquisition Consideration II of up to HK$135,240,151 shall be satisfied by the Company within 10 Business Days after Acquisition Completion Date II in the following manners:

(i) Subject to the fulfillment and satisfaction of Acquisition Conditions Precedent II by the Acquisition Long Stop Date II, and upon an independent auditor having reviewed the Actual Revenue and Actual Profit on or before 30 June 2016 or such other dates as Total Belief and Goldlink may from time to time agree in writing, subject to the Consideration Adjustment Clause, a maximum of HK$135,240,151 shall be payable by the Company to Total Belief by issue of the Convertible Bonds II in favour of New Times and/or Total Belief and/or its nominee(s) (as New Times and/or Total Belief may direct in writing) within 10 Business Days after Acquisition Completion Date II.

(ii) Total Belief and Goldlink may, at their absolute discretion and by mutual agreement in writing, amend Acquisition Consideration II from time to time.

Bases of the Acquisition Consideration II for Transaction II

The Acquisition Consideration II has been arrived at after arm's length negotiations between the Company, New Times, Goldlink and Total Belief and was determined with reference to the followings:

(i) the valuation of Shine Great Group in the amount of RMB189,000,000 prepared by Roma Appraisals Limited, an independent valuer:

(ii) the historical financial performance and net asset value of Shine Great Group;

(iii) the business development and future prospects of Shine Great Group; and

(iv) the Revenue Guarantee and the Profit Guarantee.

The Directors consider that the Acquisition Consideration II and the terms of the Sale and Purchase Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

(iii) Acquisition Conditions Precedent II for Transaction II

Acquisition Completion II is conditional upon satisfaction of all of the following conditions by Acquisition Long Stop Date II:

(i) Acquisition Completion I having been fulfilled;

(ii) no takeover implication or obligation having been triggered under the Takeovers Code;

(iii) no "reverse takeover" (as defined under the Listing Rules) having been triggered or ruled by the Listing Committee/Division of the Stock Exchange;

(iv) no implication or obligation (including but not limited to trading halt and/or suspension of trading of shares) on New Times or the Company concerning sufficiency of operations or assets and/or cash company issue under all relevant Listing Rules (including but not limited to Rules 13.24 and 14.82 of the Listing Rules) having been triggered or ruled by the Listing Committee/Division of the Stock Exchange;

(v) the board of directors of Goldlink having approved and authorised the Sale and Purchase Agreement and the transactions contemplated thereunder;

(vi) the board of Directors having approved and authorised the Sale and Purchase Agreement and the transactions contemplated thereunder, the issue of the Convertible Bonds by the Company, and the allotment and issue of the Conversion Shares by the Company under the Specific Mandate;

(vii) the respective board of directors of Total Belief and New Times having approved and authorised the Sale and Purchase Agreement and the transactions contemplated thereunder;

(viii) the passing of the necessary resolution(s) by the Shareholders at the relevant SGM approving the Sale and Purchase Agreement and the transactions contemplated thereunder, and the allotment and issue of the Conversion Shares by the Company under the Specific Mandate;

(ix) the passing of the necessary resolution(s) by the shareholders of New Times at the relevant SGM approving the Sale and Purchase Agreement and the transactions contemplated thereunder;

(x) the Listing Committee of the Stock Exchange and the Singapore Exchange granting the listing of, and permission to deal in, the Conversion Shares;

(xi) all necessary governmental and regulatory approvals or consents (or waivers), including but not limited to those from the Stock Exchange, the SFC, the Singapore Exchange and/or other authority, required by Total Belief, Goldlink, New Times and the Company or any of them for the consummation of the transactions contemplated under the Sale and Purchase Agreement having been obtained;

(xii) all necessary third party approvals or consents (or waivers) required by Total Belief, Goldlink, New Times and the Company or any of them for the consummation of the transactions contemplated under the Sale and Purchase Agreement having been obtained; and

(xiii) the unaudited consolidated management accounts of Shine Great Group for the financial year ending 31 December 2015 becoming available.

Goldlink is entitled to waive all or any of the conditions above, apart from (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi) and (xii) above, at its absolute discretion by way of written notice to Total Belief. None of the conditions has been fulfilled as at the Latest Practicable Date. As at the Latest Practicable Date, Goldlink does not intend to waive any of the said conditions.

Each party undertakes, and in favour of the other party, to exercise its best endeavours to procure the fulfilment of the Acquisition Conditions Precedent II that are within its obligations to perform before the Acquisition Long Stop Date II, including without limitation, by making all necessary applications and the timely supply of information to the Stock Exchange and the SFC and other relevant government or regulatory authorities.

(iv) Revenue Guarantee and Profit Guarantee for Transaction II

Details of the Revenue Guarantee are as follows:

(i) for the financial year ending 31 December 2015, the revenue of Shine Great Group shall not be less than RMB80,000,000 for the whole financial year or not be less than an average of RMB6,666,667 per month during the financial year.

Details of the Profit Guarantee are as follows:

(ii) for the financial year ending 31 December 2015, the after-tax profit of Shine Great Group shall not be less than RMB12,000,000 for the whole financial year or not be less than an average of RMB1,000,000 per month during the financial year.

Consideration Adjustment Clause for Transaction II

In case of any shortfall between the Revenue Guarantee and the Actual Revenue and/or the Profit Guarantee and the Actual Profit for the financial year ending 31 December 2015:

(i) if the said shortfall between the Revenue Guarantee and the Actual Revenue and/or the Profit Guarantee and the Actual Profit is within 20%, there shall be a 1% reduction over Acquisition Consideration II from HK$135,240,151 to HK$133,887,749 payable by Goldlink to Total Belief; and

(ii) if the said shortfall between the Revenue Guarantee and the Actual Revenue and/or the Profit Guarantee and the Actual Profit is over 20%, there shall be a 2% reduction over Acquisition Consideration II from HK$135,240,151 to HK$132,535,348 payable by Goldlink to Total Belief.

The above adjustments (if any) shall be confirmed and made before the issue of Convertible Bonds II. Acquisition Consideration II is payable by Goldlink to Total Belief subject to and after the fulfillment of Acquisition Conditions Precedent II and Consideration Adjustment Clause. An independent auditor will review the Actual Revenue and Actual Profit on or before 30 June 2016 or such other dates as Total Belief and Goldlink may from time to time agree in writing.

Basis of the Consideration Adjustment Clause for Transaction II

In the event that the shortfall between the Revenue Guarantee and the Actual Revenue and/or the Profit Guarantee and the Actual Profit is 20%, the shortfall of the after-tax profit for the financial year ended 31 December 2015, is RMB2,400,000 (equivalent to approximately HK$3,024,000). Based on the Consideration Adjustment Clause, there is a reduction of 2% of Acquisition Consideration II of HK$2,704,803 from HK$135,240,151 to HK$132,535,348, which will cover a substantial amount of the shortfall of the after-tax profit.

(v) Acquisition Completion II for Transaction II

Subject to the fulfillment of all Acquisition Conditions Precedent II by the Acquisition Long Stop Date II, Acquisition Completion II shall take place by the 5:00 p.m. of Acquisition Completion Date II or such other date as may be agreed by Total Belief and Goldlink in writing.

Acquisition Consideration

The valuation of Shine Great Group was assessed by Roma Appraisals Limited of RMB189,000,000 (the "**Valuation**"). The Valuation was performed based on the Income-Based Approach which estimates the present value of the

future economic benefits to be brought by the projects of Shine Great Group (the "**Projects**"), as well as necessary adjustments on cash and debt balances, and non-operating assets and liabilities of the Shine Great Group as at 30 September 2014. The Valuation solely represented the present value of the discounted cashflow from the operations of the Projects with necessary adjustments, and did not take into account the any cashflow to Shine Great Group regarding the Subscription Consideration.

Therefore, the Valuation of RMB189,000,000 (equivalent to approximately HK$238,140,000) representing the independent value of Shine Great Group should be compared to the Acquisition Consideration (amounted to HK$230,045,259) only and that the Acquisition Consideration represented a 3.40% discount to the Valuation.

CONVERTIBLE BONDS

Pursuant to the Sale and Purchase Agreement, the Company will issue the Convertible Bonds in the principal amount of up to HK$213,045,259 in favour of New Times and/or Total Belief and/or its nominee(s) (as New Times and/or Total Belief may direct in writing).

A summary of the principal terms of the Convertible Bonds are as follows:

Principal amount	:	An aggregate principal amount of up to HK$213,045,259
Maturity date	:	Third anniversary of the date of issue ("Maturity Date")
Interest	:	Nil
Conversion Price	:	The Conversion Price is HK$0.379 per Conversion Share, subject to adjustments as set out and in accordance with the terms and conditions of the Convertible Bonds, which represents: (i) a discount of approximately 7.82% to the closing price of HK$0.422 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement; (ii) a discount of approximately 5.01% to the average closing price of HK$0.399 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to the date of the Sale and Purchase Agreement;

(iii) the average closing price of approximately HK$0.379 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and

(iv) a premium of approximately 501.59% to the net asset value attributable to owners of the Company of approximately HK$0.063 per Share, calculated based on the unaudited consolidated net asset of HK$284,385,000 as at 30 June 2014 and 4,514,591,030 Shares in issue as at the date of the Sale and Purchase Agreement.

The Conversion Price for the Convertible Bonds was determined after arm's length negotiations between the Company and New Times, with reference to the prevailing market price of the Shares.

Adjustment events : The Conversion Price shall from time to time be adjusted upon occurrences of certain events, including but not limited to the followings:

(i) consolidation or sub-division of Shares;

(ii) capitalisation of profits;

(iii) capital distribution;

(iv) issue of Shares by way of rights, options and warrants at a price which is less than 80% of the market price at the date of the announcement of the terms of the offer or grant;

(v) issue of any securities if and whenever the Company shall issue wholly for cash which are convertible into, exchangeable for or carry rights of subscription for Shares at an effective price which is less than 80% of the market price at the date of the announcement of the terms of issue of such securities;

(vi) modification of rights of conversion or exchange or subscription attaching to any such securities so that the effective price will be less than 80% of the market price at the date of the announcement of the proposal to modify such rights of conversion or exchange or subscription;

(vii) issue of Shares wholly for cash at more than 20% discount to the market price of such Shares; and

(viii) issue of Shares for acquisition of asset at more than 20% discount to the market price of such Shares.

Conversion Shares : (a) Based on the Conversion Price of HK$0.379, a maximum number of 562,124,690 new Shares will be allotted and issued upon exercised in full of the conversion rights attaching to the Convertible Bonds, which represent:

(i) approximately 12.27% of the total issued share capital of the Company as at the Latest Practicable Date; and

(ii) approximately 10.93% of the total issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon exercise in full of the conversion rights attaching to the Convertible Bonds.

The Conversion Shares shall be allotted and issued under the Specific Mandate to be granted to the Directors by the Shareholders at the relevant SGM.

As at the Latest Practicable Date, the authorised share capital of the Company was HK$5,005,000,000 divided into 91,000,000,000 Shares of a par value of HK$0.055 each, among which 4,658,605,900 Shares have been issued and fully paid up.

The allotment and issue of the Conversion Shares will not result in a change of control of the Company.

Conversion rights	:	Each holder of the Convertible Bonds shall have the right, exercise during the Conversion Period (as defined below) to convert the whole or any part (in multiples of HK$500,000) of the outstanding principal amount of the Convertible Bonds held by such holder of the Convertible Bonds into such number of Conversion Shares as will be determined by dividing the principal amount of the Convertible Bonds to be converted by the Conversion Price in effect on the date of conversion. No fraction of a Share shall be issued on conversion of the Convertible Bonds and no cash adjustments will be made.
Conversion Restrictions	:	Upon exercise of the conversion rights attaching to the Convertible Bonds, (i) the holders of Convertible Bonds and their respective associates, together with parties acting in concert (as defined in the Takeovers Code) with them, will not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code; and (ii) the public float of the Company will not be unable to meet the relevant requirements under the Listing Rules.
Conversion Period	:	The period commencing from the date of issue of the Convertible Bonds and ending on the day which falls on the third anniversary of the date of issue of the Convertible Bonds (the "Conversion Period").
Early Redemption	:	The Company shall not be entitled to redeem all or part of the outstanding Convertible Bonds prior to the Maturity Date. Further, according to the instrument constituting the Convertible Bonds, the holders of the Convertible Bonds do not have the right to early redemption of all or part of the outstanding Convertible Bonds prior to the Maturity Date.

Ranking	:	The Conversion Shares shall rank *pari passu* in all respects among themselves and with all other existing Shares outstanding at the date of conversion and all Conversion Shares shall include rights to participate in all dividends and other distributions.
Transferability	:	Any transfer of the Convertible Bonds shall be in respect of the whole or any part (in multiples of HK$500,000) of the principal amount of the Convertible Bonds. Further, according to the instrument constituting the Convertible Bonds, the Convertible Bonds must not be transferred to any person, firm or company which is a connected person (as defined in the Listing Rules) of the Company except in compliance with the applicable requirements under the Listing Rules and the Takeovers Code.
Application for listing	:	No application will be made by the Company to the Stock Exchange for listing of the Convertible Bonds. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.
Notice of conversion by other bondholders	:	The Company may, upon request by the holders of the Convertible Bonds in writing, notify the holders of the Convertible Bonds about the conversion of the convertible bonds of the Company by other bondholders within 14 Business Days from the date of receipt of the relevant conversion notice.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY IN RELATION TO CONVERTIBLE BONDS

The following table sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after Subscription Completion and Acquisition Completion I and assuming exercise in full of the conversion rights attaching to the Convertible Bonds I; and (iii) immediately after Completion and assuming exercise in full of the conversion rights attaching to the Convertible Bonds I and Convertible Bonds II at the conversion price of HK$0.379 (subject to adjustments) per Conversion Share, assuming there being no other change in the shareholding structure and share capital of the Company up to the date of full conversion, for illustration purposes only:

	As at the Latest Practicable Date		**Immediately after Subscription Completion and Acquisition Completion I and assuming exercise in full of the conversion rights attaching to the Convertible Bonds I**		**Immediately after Completion and assuming exercise in full of the Convertible Bonds I and Convertible Bonds II**	
	No. of Shares	*Approx. %*	*No. of Shares*	*Approx. %*	*No. of Shares*	*Approx. %*
Directors						
China Print Power Limited[1]	196,488,480	4.22	196,488,480	4.04	196,488,480	3.76
Sze Chun Lee[1]	1,800,000	0.04	1,800,000	0.04	1,800,000	0.03
Cheng Ming Kit[2]	595,593,000	12.78	595,593,000	12.25	595,593,000	11.41
Chung Oi Ling Stella[3]	206,340,000	4.43	206,340,000	4.24	206,340,000	3.95
Kwok Shek San[4]	7,800,000	0.17	7,800,000	0.16	7,800,000	0.15
	1,008,021,480	21.64	1,008,021,480	20.73	1,008,021,480	19.30
Substantial Shareholders						
Lee Tsz Hang[5]	553,509,000	11.88	553,509,000	11.38	553,509,000	10.60
Other Shareholders						
New Times	—	—	205,290,520	4.22	562,124,690	10.77
Public Shareholders	3,097,075,420	66.48	3,097,075,420	63.67	3,097,075,420	59.33
	3,097,075,420	66.48	3,302,365,940	67.89	3,659,200,110	70.10
Total	4,658,605,900	100.00	4,863,896,420	100.00	5,220,730,590	100.00

Notes:

(1) Mr. Sze Chun Lee (an executive director) hold 43.75% interest in China Print Power Limited, and is deemed interested in 196,488,480 Shares held by China Print Power Limited. Mr. Sze Chun Lee personally holds 1,800,000 Shares.

(2) Mr. Cheng Ming Kit (an executive director) holds 100% interest in Grand Powerful Group Limited and is deemed interested in 291,268,000 Shares held by Grand Powerful Group Limited. Mr. Cheng Ming Kit personally holds 304,325,000 Shares.

(3) Ms. Chung Oi Ling Stella (a non-executive director) holds 100% interest in Flame Capital Limited, and is deemed interested in 206,340,000 Shares held by Flame Capital Limited.

(4) Mr. Kwok Shek San is an executive Director and personally holds 7,800,000 Shares.

(5) Mr. Lee Tsz Hang holds 100% interest in Win Ways Investment Limited and is deemed interested in 300,120,000 Shares held by Win Ways Investment Limited. Mr. Lee Tsz Hang personally holds 253,389,000 Shares.

(6) Assuming the shareholding structure of the Company has not changed after the date of this circular and immediately upon Completion and before full conversion of the Convertible Bonds I and Convertible Bonds II.

INFORMATION ON THE COMPANY

The principal activity of the Company is investment holding and its subsidiaries are principally engaged in (i) the integrated utilization of natural gas including refilling station for vehicles as well as supplying to the industrial parks, commercial complex and local residents and other related products; and (ii) printing of books, as well as the design and manufacturing of quality specialised products such as leather and Fabric bound diaries, journals and greeting cards.

As at the Latest Practicable Date, the Company is primary listed on the Main Board of the Stock Exchange and secondary listed on the SGX-ST. According to the Annual Report of the Company for the year ended December 2013, it had an audited consolidated turnover of approximately HK$154.5 million and an audited consolidated net loss of approximately HK$58.6 million for such period.

INFORMATION OF GOLDLINK

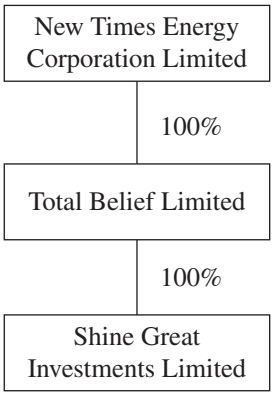
Goldlink is a company incorporated in the British Virgin Islands with limited liability. Goldlink is a wholly owned subsidiary of the Company. Its subsidiaries are principally engaged in the integrated utilization of natural gas including refilling station for vehicles as well as supplying to the industrial parks, commercial complex and local residents and other related products.

INFORMATION ON SHINE GREAT GROUP

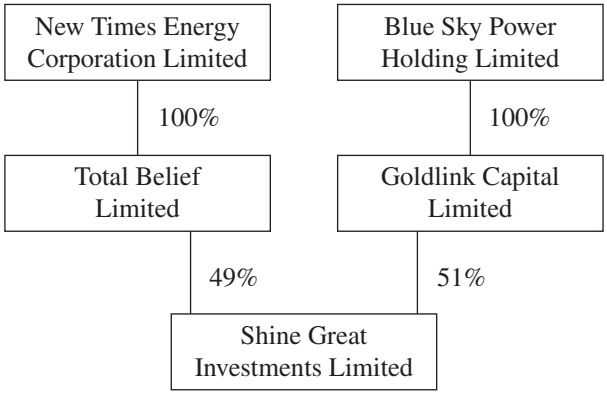
Shine Great Group's corporate structure

Shine Great is incorporated in BVI and is wholly owned by Total Belief. The principal business activity of Shine Great is investment holding.

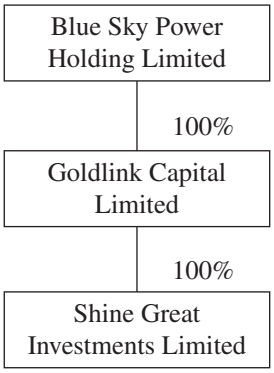
(a) Shareholding structure of Shine Great Group as at the date of this circular:



(b) Shareholding structure of Shine Great immediately after Subscription Completion and Acquisition Completion I



(c) Shareholding structure of Shine Great immediately after Subscription Completion; Acquisition Completion I and Acquisition Completion II



General Information on New Times

New Times is a company incorporated in Bermuda with limited liability. The principal activity of New Times is investment holding and its subsidiaries are mainly engaged in (i) trading of oil products; (ii) exploration of natural resources; (iii) oil exploration and production; and (iv) distribution of natural gas. Upon Subscription Completion and Acquisition Completion I, New Times will reduce its indirect interest in Shine Great Group to 49%, and Shine Great Group will cease to be subsidiaries of New Times. New Times Group, after Subscription Completion and Acquisition Complement I, will cease to be engaged in the distribution of natural gas business.

General Information on Total Belief

Total Belief is a company incorporated in the British Virgin Islands with limited liability and a direct wholly owned subsidiary of New Times. The principal activity of Total Belief is investment holding and its subsidiaries are mainly engaged in (i) trading of oil products; (ii) exploration of natural resources; (iii) oil exploration and production; and (iv) distribution of natural gas.

General Information on Shine Great

Shine Great is a company incorporated in the British Virgin Islands with limited liability. As at the date of this circular, Shine Great is an indirect wholly owned subsidiary of New Times and a direct wholly owned subsidiary of Total Belief.

Shine Great Group intends to develop certain projects in Guizhou Province in relation to:

(1) L-CNG refilling station in each of the following locations: (i) 六盤水市八中北 (Liupanshui City Bazhongbei*), (ii) 六盤水市六枝特區下雲盤 (Liupanshui City Liuzhi Special District Xiayunpan*), (iii) 六盤水市鐘山區 (Liupanshui City Zhongshan District*), (iv) 六盤水市德坞鎮 (Liupanshui City Zhongshan District Dewu Town*);

(2) CNG refilling station in each of the following locations: 六盤水市鳳凰新區 (Liupanshui City Fenghuang District*) and 遵義市湄潭縣 (Zunyi City Meitan County*);

(3) 六盤水市六枝特區木崗產業園天然氣綜合利用項目 (Liupanshui City Liuzhi Special District Mugang Industrial Park Integrated Natural Gas Utilisation Project*) involving the supply of natural gas for residential and commercial use, and construction of (i) L-CNG refilling station, (ii) pipeline network of 60 kilometres, and (iii) pipeline network natural gas distribution station;

(4) 六盤水市水城經濟開發區天然氣綜合利用項目 (Liupanshui City Shuicheng Economic Development District Integrated Natural Gas Utilisation Project*) involving the supply of natural gas and construction of (i) L-CNG refilling station; (ii) pipeline network natural gas distribution station; and (iii) pipeline network of 50 kilometres;

(5) natural gas mother station in 六盤水市紅橋新區白泥村 (Liupanshui City Hongqiaoxin District Baini Village*);

(6) 六盤水市鐘山區水月工業園天然氣綜合利用項目 (Liupanshui City Shuiyue Industrial Park Integrated Natural Gas Utilisation Project*) involving the supply of natural gas for residential and commercial use and construction of (i) two L-CNG refilling stations, (ii) pipeline network of 60 kilometres, and (iii) pipeline network natural gas distribution station; and

(7) CNG mother station in 遵義市匯川區甕澤鎮 (Zunyi City Huichuan District Dunze Town*).

Shine Great Group also intends to develop certain projects in Jiangsu Province in relation to:

(1) 徐州市銅山區柳新鎮LNG配套綜合工程 (Xuzhou City Tongshan District Liuxin Town Integrated LNG Project*) involving supply of natural gas for residential and commercial use and the construction of (i) LNG storage integrated logistics services base, (ii) three LNG Refilling Stations, (iii) L-CNG Refilling Stations;

(2) CNG refilling station in 徐州市億噸大港 (Xuzhou City YiDunDaGang*); and

(3) 淮安市淮陰區丁集鎮LNG綜合利用項目 (Huai'an City Huaiyang District Dingji Town Integrated LNG Utilisation Project*) involving the supply of natural gas for residential and commercial use and the construction of (i) LNG Refilling Station, (ii) LNG distribution station, and (iii) natural gas pipeline.

The projects in Guizhou Province and Jiangsu Province are to be developed by Shine Great Group. Upon Acquisition Completion, all the projects will continue to be developed by Shine Great Group. The table below sets out the interest holding by Shine Great Group, current status and business plan of each of the major projects.

Name of projects	Name of subsidiary of Shine Great Group developing the project	Interest holding as at the Latest Practicable Date of Shine Great Group	Current status	Business plan
六盤水市八中北 (Liupanshui City Bazhongbei*)	貴州坤煜經貿有限公司 (Guizhou Kunyu Trading Company Limited*) ("Kunyu")	100%	Gas refilling station is in operation	To continue to operate the business of the gas refilling station
六盤水市六枝特區下雲盤 (Liupanshui City Liuzhi Special District Xiayunpan*)	Kunyu	100%	Gas refilling station is in operation	To continue to operate the business of the gas refilling station
六盤水市鐘山 (Liupanshui City Zhongshan District*)	Kunyu	100%	In the process of obtaining the land use rights in relation to the project	The construction of the gas refilling station is anticipated to commence in first half of 2015 and after obtaining the relevant permits and approvals from the government, the operation is anticipated to commence in second half of 2015
六盤水市德坞鎮 (Liupanshui City Zhongshan District Dewu Town*)	Kunyu	100%	In the process of obtaining the land use rights in relation to the project	The construction of the gas refilling station is anticipated to commence in first half of 2015 and after obtaining the relevant permits and approvals from the government, the operation is anticipated to commence in second half of 2015
六盤水市鳳凰新區 (Liupanshui City Fenghuang District*)	Kunyu	100%	In the process of obtaining the land use rights in relation to the project	The construction of the gas refilling station is anticipated to commence in first half of 2015 and after obtaining the relevant permits and approvals from the government, the operation is anticipated to commence in second half of 2015

Name of projects	Name of subsidiary of Shine Great Group developing the project	Interest holding as at the Latest Practicable Date of Shine Great Group	Current status	Business plan
遵義市湄潭縣 (Zunyi City Meitan County*)	貴州舜堯能源投資有限公司 (Guizhou Shunyao Energy Investment Company Limited*) ("Shunyao")	40%	The bidding process of the land use rights is completed and the entire 土地款 (Land Lease Payments*) of RMB690,000 in relation to the project has been paid	After obtaining the relevant permits and approvals from the government, the operation is anticipated to commence in mid–2015
六盤水市六枝特區木崗產業園天然氣綜合利用項目 (Liupanshui City Liuzhi Special District Mugang Industrial Park Integrated Natural Gas Utilisation Project*)	Kunyu	100%	The approval on the development of the project has been obtained from 發展和改革局 (Development and Reform Bureau*) and the deposit of 土地款 (Land Lease Payments*) of RMB1,000,000 has been paid	The construction of the gas refilling station/pipeline network is anticipated to commence in first half of 2015 and after obtaining the relevant permits and approvals from the government, the operation is anticipated to commence in second half of 2015
六盤水市水城經濟開發區天然氣綜合利用項目 (Liupanshui City Shuicheng Economic Development District Integrated Natural Gas Utilisation Project*)	Kunyu	100%	The approval on the development of the project has been obtained from 經濟發展和環境保護局 (Economic Development and Environment Protection Agency*) and the deposit of 土地款 (Land Lease Payments*) of RMB3,000,000 has been paid	The construction of the gas refilling station/pipeline network is anticipated to commence in first half of 2015 and after obtaining the relevant permits and approvals from the government, the operation is anticipated to commence in second half of 2015
六盤水市紅橋新區白泥村 (Liupanshui City Hongqiaoxin District Baini Village*)	Kunyu	40%	The deposit of 土地款 (Land Lease Payments*) of RMB5,000,000 in relation to the project has been paid	The land use rights in relation to the project is to be obtained and the construction of the gas refilling station is anticipated to commence in first half of 2015 and after obtaining the relevant permits and approvals from the government, the operation is anticipated to commence in second half of 2015

Name of projects	Name of subsidiary of Shine Great Group developing the project	Interest holding as at the Latest Practicable Date of Shine Great Group	Current status	Business plan
六盤水市鐘山區水月工業園天然氣綜合利用項目 (Liupanshui City Shuiyue Industrial Park Integrated Natural Gas Utilisation Project*)	Kunyu	40%	An investment agreement has been signed with the local authority for the development of the project and in the process of obtaining the land use rights of the project	The construction of the gas refilling station/pipeline network is anticipated to commence in second half of 2015 and after obtaining the relevant permits and approvals from the government, the operation is anticipated to commence in first half of 2016
遵義市匯川區囤澤鎮 (Zunyi City Huichuan District Dunze Town*)	Shunyao	40%	In the process of obtaining the land use rights of the project	After obtaining the relevant permits and approvals from the government, the operation is anticipated to commence in mid–2015
徐州市銅山區柳新鎮LNG配套綜合工程 (Xuzhou City Tongshan District Liuxin Town Integrated LNG Project*)	徐州新時代能源有限公司 (Xuzhou New Times Limited*)	73%	The approval has been obtained from 招商局 (China Merchant*) on the development of the project and in the process of obtaining the land use rights of the project	The construction of the gas refilling station/pipeline network is anticipated to commence in late 2015, and after obtaining the relevant permits and approvals from the government, the operation is anticipated to commence in 2016
億噸大港 (Yi Dun Da Gan)	Xuzhou New Times Limited	73%	In the process of obtaining the land use rights of the project	The construction of the gas refilling station is anticipated to commence in first half of 2015 and after obtaining the relevant permits and approvals from the government, the operation is anticipated to commence by end of 2015
淮安市淮陰區丁集鎮LNG綜合利用項目 (Huai'an City Huaiyang District Dingji Town Integrated LNG Utilisation Project*)	淮安城北新時代能源有限公司 (Huaian New Times Energy Corporation Limited*)	100%	An investment agreement with the local authority for the development of the project has been signed and the deposit of 土地款 (Land Lease Payments*) of RMB4,275,000 in relation to the project has been paid	The construction of the gas refilling station/pipeline network is anticipated to commence in late 2015, and after obtaining the relevant permits and approvals from the government, the operation is anticipated to commence in 2016

The capital commitments of Shine Great Group is approximately HK$25,141,000, in relation to the capital contribution to an associate, by a subsidiary of Shine Great 貴州舜堯能源投資有限公司 (Guizhou Shunyao Energy Investment Company Limited*).

Financial Information of Shine Great

Set out below summarizes the audited financial information of Shine Great Group for the year ended 31 December 2012 and 31 December 2013:

	For the financial year ended 31 December 2012 *HK$'000*	**For the financial year ended 31 December 2013** *HK$'000*
Turnover	—	1,085
Losses before taxation	(10,334)	(21,700)
Losses after taxation	(10,334)	(21,700)

	As at 31 December 2012 *HK$'000*	**As at 31 December 2013** *HK$'000*
Net assets/(liabilities)	1,087	(42,677)

The financial information on Shine Great Group has been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, with no material difference with those of the Company prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

REASONS FOR AND BENEFITS OF THE ACQUISITION FOR THE COMPANY

The Group is principally engaged in (i) the integrated utilization of natural gas including refilling station for vehicles as well as supplying to the industrial parks, commercial complex and local residents and other related products; (ii) printing of books, as well as the design and manufacturing of quality specialised products such as leather and Fabric bound diaries, journals and greeting cards.

The Company began to venture into the natural gas supply industry by the acquisition of a 60% equity interest in CNG station operations in 2013 and 100% of Cloud Decade Limited in 2014 respectively. The Directors consider that as natural gas is one of the main sources of energy, natural gas supply operations will deliver a relative stable income stream of the Group.

The PRC government has been consistently and continuously showing its determination in increasing the utilization of clean energy such as natural gas to ease the air pollution problem in the PRC. Given the market potential of natural gas products in the PRC, the Company proposes to make the Acquisition in order to further establish its market presence and strengthen its existing business portfolio of natural gas business operations in the PRC. Directors consider that the Acquisition, if they materialise, will enable the Group to expand its natural gas business operations.

In view of the above, the Director consider the terms of the Acquisition are fair and reasonable and in the interests of the Shareholders as a whole.

EFFECTS ON EARNINGS, ASSETS AND LIABILITIES OF THE GROUP

Immediately after the Subscription Completion and the completion of Transaction I, Shine Great will become a subsidiary of the Company and the accounts of Shine Great Group will be consolidated into the accounts of the Group. Upon Completion, Shine Great will become an indirect wholly-owned subsidiary of the Company and the accounts of Shine Great Group will be consolidated into the accounts of the Group.

The unaudited pro forma consolidated statement of assets and liabilities of the enlarged Group is based on unaudited condensed consolidated statement of financial position of the Group as at 30 June 2014 as extracted from published interim report of the Group for the six months ended 30 June 2014 after incorporating the unaudited pro forma adjustments as described in the accompanying notes to illustrate the effect of the subscription of 14.54% and the acquisition of remaining equity interests in Shine Great.

Please note that the financial figures computed below are for illustrative purposes only and do not necessarily reflect the actual results and financial performance and position of the Group after the Acquisition. No representation is made as to the actual financial position and/or results of the Group after completion of the Acquisition.

(i) Earnings

Shine Great Group recorded net loss attributable to the owners of Shine Great of approximately HK$20,668,000 for the year ended 31 December 2013 and approximately HK$23,162,000 for the eight months ended 31 August 2014. Upon Completion, the financial results of Shine Great Group will be reflected in the consolidated financial statements of the Company.

The Directors consider if such business plan materialises as expected in accordance with the forecasted results of Shine Great Group set out in the valuation report in Appendix V to this circular, Shine Great Group will enhance the Group's business performance and its earning prospect.

(ii) Assets and Liabilities

According to the unaudited pro forma financial information of the enlarged Group as set out in Appendix IV to this circular, upon Completion, the total consolidated net assets of the Group would increase from approximately HK$304,620,000 to approximately HK$340,232,000. The total assets would increase from approximately HK$363,990,000 to approximately HK$702,560,000. The total liabilities would increase from approximately HK$59,370,000 to approximately HK$362,328,000.

Please refer to Appendix IV of this circular for information on the financial effects of the Acquisition. Shareholders should note that, as at 31 August 2014, Shine Great Group had net current liabilities of approximately HK$296,903,000. Please refer to Appendix II of this circular for further information of the assets and liabilities of Shine Great Group.

LISTING RULES IMPLICATION

Major Transaction for the Company

Since certain applicable percentage ratios as set out in the Listing Rules for the Acquisition are more than 25% but all of them are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

The Specific Mandate for the allotment and issue of the Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds

A SGM will be convened for the Shareholders to consider, and if thought fit, approve, among other matters, the Acquisition and grant of a specific mandate for the allotment and issue of the Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds.

Abstain from voting

Mr. Cheng Ming Kit, an executive director and chief executive officer of New Times, is also an executive director of the Company. Mr. Cheng Ming Kit holds a total of approximately 0.47% equity interest of New Times and a total of approximately 12.78% equity interest of the Company as at the date of this circular.

Therefore, Mr. Cheng Ming Kit is considered to be materially interested in the Acquisition and the transactions contemplated under the Subscription Agreement and the Sale and Purchase Agreement, and (i) he is required to abstain from voting on the resolutions proposed to be passed by the board of directors of the Company for ratifying and approving the Subscription Agreement and the Sale, Purchase Agreement, issue of the Convertible Bonds the transactions contemplated thereunder; and (ii) he and his associates are therefore required to abstain from voting on the resolutions proposed to be passed at the relevant SGM the Company for ratifying and approving the Acquisition and the transactions contemplated under the Subscription Agreement and the Sale, Purchase Agreement and issue of the Convertible Bonds.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, other than Mr. Cheng Ming Kit, no Shareholders or any their respective associates have any material interest in the Acquisition and the issuance of the Conversion Shares.

SPECIAL GENERAL MEETING

The notice convening the SGM is set out on pages SGM-1 to SGM-4 to this circular. Voting at the SGM will be taken by poll.

Singapore

Any Shareholder, Depositor or proxy who wishes to attend, speak and vote at the SGM may do so via video conferencing at Level 30, Singapore Land Tower, 50 Raffles Place, Singapore 048623.

If a Shareholder is unable to attend the SGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Singapore Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the SGM. The completion and return of the Singapore Proxy Form by a Shareholder will not prevent him from attending and voting at the SGM in person if he so wishes, and in such event the Singapore Proxy Form submitted bearing his name shall be deemed to be revoked. **Please note that this paragraph is only applicable to Shareholders who do not hold Shares through an account with CDP (i.e. who hold Shares in scrip).**

Under the Bermuda Companies Act, only a person who agrees to become a shareholder of a Bermuda Company and whose name is entered in the register of members of such a Bermuda company is considered a member with rights to attend and vote at general meetings of such company.

Accordingly, under Bermuda laws, a Depositor holding Shares through the CDP would not be recognised as a shareholder of the Company, and would not have the right to attend and vote at general meetings convened by the Company. In the event that a Depositor wishes to attend and vote at the SGM, the Depositor would have to do so through CDP appointing him as a proxy, pursuant to the Bye-laws of the Company and the Bermuda Companies Act.

Pursuant to Bye-law 77 of the Company's Bye-laws, unless the CDP specifies otherwise in a written notice to the Company, the CDP shall be deemed to have appointed the Depositors who are individuals and whose names are shown in the records of the CDP as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the CDP to the Company as the CDP's proxies to vote on behalf of the CDP at a general meeting of the Company. Notwithstanding any other provisions in the Bye-laws, the appointment of proxies by virtue of Byelaw 77 shall not require an instrument of proxy or the lodgment of any instrument of proxy.

Accordingly, Depositors (other than Depositors which are corporations) whose names are listed in the Depository Register as at 48 hours before the time of the SGM may attend and vote as CDP's proxies at the SGM without having to complete or return any form of proxy. A Depositor which is a corporation and who wishes to attend and vote at the SGM must complete and return the attached Depositor Proxy Form, for the nomination of person(s) to attend and vote at the SGM on its behalf as CDP's proxy, in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the SGM.

If an individual Depositor is unable to attend the SGM personally and wish to appoint nominee(s) to attend the meeting and vote on his behalf, he must complete, sign and return the attached Depositor Proxy Form attached to this circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the SGM. The completion and return of the Depositor Proxy Form by a Depositor (who is an individual) will not prevent him from attending and voting in person at the SGM as a proxy of CDP if he subsequently wishes to do so, and in which event the Depositor Proxy Form submitted bearing his name shall be deemed to be revoked.

Hong Kong

Shareholders (whether or not able to attend the SGM) are requested to complete and return the enclosed Hong Kong proxy form in accordance with the instructions printed thereon and deposit with the Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM or any adjourned meeting thereof (as the case may be) should they elect to do so. **Please note that this paragraph is only applicable to Shareholders whose Shares are registered in the branch register of members in Hong Kong.**

The results of the SGM will be published after the conclusion of the SGM on the websites of the Stock Exchange, the SGXNET and the Company.

RECOMMENDATIONS

The Directors are of the view that the terms of (i) the Subscription Agreement; (ii) the Sale and Purchase Agreement; and (iii) the issue of the Convertible Bonds are fair and reasonable and the Acquisition (including the issue of the Convertible Bonds) is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of the ordinary resolutions to be proposed at the SGM to approve the Acquisition and the issue of the Convertible Bonds (including the grant of the Specific Mandate) and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

As the Completion is subject to the fulfillment of a number of conditions precedent, the Acquisition (including the issue of the Convertible Bonds) may or may not be completed. Shareholders and potential investors should exercise caution when dealing in Shares.

Your attention is drawn to the additional information set out in appendices to this circular.

Yours faithfully
For and on behalf of
Blue Sky Power Holdings Limited
Cheng Ming Kit
Chairman

A. FINANCIAL INFORMATION OF THE GROUP FOR THE THREE YEARS ENDED 31 DECEMBER 2013

Financial information of the Group for the three years ended 31 December 2013 is set out on: (i) pages 47 to 100 of the annual report for the year ended 31 December 2013 of the Company published on 24 March 2014; (ii) pages 51 to 108 of the annual report for the year ended 31 December 2012 of the Company published on 26 March 2013; and (iii) pages 42 to 97 of the annual report for the year ended 31 December 2011 of the Company published on 25 March 2012, respectively, which are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the SGX-ST (www.sgx.com).

B. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

Upon Completion, the enlarged Group will be principally engaged in (i) the integrated utilization of natural gas including refilling station for vehicles as well as supplying to the industrial parks, commercial complex and local residents and other related products; and (ii) printing of books, as well as the design and manufacturing of quality specialised products such as leather and Fabric bound diaries, journals and greeting cards.

(i) Natural gas business

For details of the business prospects of Shine Great Group, please refer to the section headed "Information on Shine Great Group" in this letter.

The Group began to venture into the natural gas supply industry through the acquisition of the natural gas business in Shandong Province and Liaoning Province completed in March 2014 and July 2014 respectively. The Group also proposed to expand its natural gas business operations through the acquisition of natural gas business in Sichuan Province as disclosed in the announcement of the Company dated 24 September 2014, Jiangsu Province and Guizhou Province as disclosed in the announcement of the Company dated 7 October 2014 and Hubei Province as disclosed in the announcement of the Company dated 9 October 2014.

Under the PRC government's energy development strategy in the "Twelfth Five-Year (2011 to 2015)" plan to adjust national energy structure and promote growth of clean energy consumption, the industry development of natural gas has enjoyed forceful support by the industry policies of the PRC. With such favourable business environment and the growing demand for natural gas consumption arising from the progressing urbanisation in the PRC, the Group has designated natural gas business as the Group's priority for its future business development. The Company will continue to explore further investment opportunities in other potential natural gas projects.

For the six months ended 30 June 2014, the Group's turnover generated from natural gas business amounted to approximately HK$21.2 million, which was attributable to the natural gas business in Shandong Province acquired by the Group during the period. Given the expected continual growth in demand of natural gas products in the PRC, the Directors believe that the Group's natural gas business in Shandong Province and Liaoning Province will bring recurring positive cash flow and returns to the Group, and

that the Acquisition and the natural gas businesses in Sichuan Province, Jiangsu Province, Guizhou Province and Hubei Province proposed to be acquired by the Group are expected to further establish the Group's market presence and strengthen its existing business portfolio of natural gas business operations in the PRC, as well as to contribute positive cash flow and returns to the Group.

In terms of natural gas supply in the PRC, the "West to East Gas Transmission" pipelines and "Sichuan to East" pipelines are already in place, while "Myanmar to Yunnan" pipelines and the development of liquefied natural gas terminals in many coastal areas in the PRC are currently in good progress. The Company is always paying high attention to the latest development of the natural gas supply in the PRC, so as to derive the appropriate strategies in securing the relevant natural gas sources, when considering the expansion in the Group's natural gas business. With the Group's healthy low gearing financial position and the accumulated momentum from natural gas projects, the Board believes that the Group is well positioned to capture the business opportunities in the expected high growth natural gas industry in the PRC and maximise the Shareholders' returns.

Save as the Acquisition, the Group has acquired, agreed to acquire and/or proposed to acquire the following businesses and equity interests in companies since 31 December 2013, being the date to which the latest published audited accounts of the Company have been made up, whose profits or assets are expected to make a material contribution to the figures in the auditors' report or next published accounts of the Company:

(i) the acquisition of 60% equity interest of Focus On Group Limited at a consideration of HK$55,000,000 in cash. Focus On Group Limited indirectly holds 60% equity interest in 德州華鑫天然氣有限公司 (Dezhou Huaxin Natural Gas Co., Ltd.*), which holds one CNG main station and one CNG satellite station in Yu Cheng City, Shandong Province, the PRC. The acquisition constituted a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules and was completed on 3 March 2014. Details of the acquisition were disclosed in the announcements of the Company dated 25 November 2013 and 3 March 2014;

(ii) the acquisition of the entire equity interest in Cloud Decade Limited at a consideration of HK$515,432,000 satisfied by the Group as to HK$17,000,000 in cash and HK$498,432,000 by the issue of a convertible note. Cloud Decade Limited indirectly holds approximately 89.18% equity interest in 本溪遼油新時代有限公司 (Benxi Liaoyou Xinshidai Ranqi Co., Ltd.*), which entered into an exclusive operation agreement with the local government of Xihu District of Benxi City, Liaoning Province, the PRC, pursuant to which it is authorised to operate the business of providing natural gas to residential household, commercial business, industrial production and automobile fueling in the Xihu District (including Dongfenghu Steel Deep Processing Industrial Park) for 30 years, commencing on 30 March 2012. The acquisition constituted a major transaction of the Company pursuant to Chapter 14 of the Listing Rules and was completed on 30 July 2014. Details of the acquisition were disclosed in the

announcements of the Company dated 5 May 2014 and 30 July 2014 and the circular of the Company dated 30 June 2014. The financial information of Cloud Decade Limited was set out in appendix II to the circular of the Company dated 30 June 2014;

(iii) the acquisition of 75% equity interest in 四川富瑞德能源開發有限公司 (Sichuan Rich Reid Energy Development Co., Ltd.*) at a total consideration of RMB17,250,000 to be satisfied by the Group as to RMB8,625,000 by the issue of 30,611,480 consideration shares and RMB8,625,000 in cash. The main business of the acquisition target is natural gas application, including natural gas production and processing, natural gas logistics and natural gas power generation. It currently operates and manages power generation plants in Sichuan Province, the PRC. The acquisition constituted a share transaction of the Company pursuant to Chapter 14 of the Listing Rules and was completed on 12 December 2014. Details of the acquisition were disclosed in the announcements of the Company dated 24 September 2014 and 3 October 2014;

(iv) the acquisition of 55% equity interest in 黃崗市環孚天然氣有限公司 (Huanggang City Central Corfu Natural Gas Co., Ltd.*) at a consideration of RMB10,000,000 to be satisfied by the issue of 31,676,690 consideration shares. The acquisition target is engaged in the implementation and utilisation of natural gas projects in Huanggang City, Hubei Province, the PRC. Under a franchise operation agreement with the Development and Reform Committee of Huanggang City for a terms of 30 years commencing from 1 July 2014 to 30 June 2044, the acquisition target has been granted the rights to invest and operate the natural gas business making use of boiled off gas, to distribute natural gas to the enterprises in 黃崗化工工業園 (Huanggang City Chemical Industrial Park) and the citizens located in 陳策樓鎮 (Chen Ce Lou Town) in Huanggang City. As at the Latest Practicable date, the acquisition target is on the planning and preparation stages for the natural gas distribution business under the franchise operation Agreement. The acquisition constituted a share transaction of the Company pursuant to Chapter 14 of the Listing Rules and was completed on 17 December 2014. Details of the acquisition were disclosed in the announcement of the Company dated 9 October 2014;

(v) the proposed acquisition of the entire issued share capital in Well Organising Group Limited at a total consideration of HK$165,000,000 to be satisfied by the Group as to HK$143,000,000 by the issue of the convertible bonds by the Company and HK$22,000,000 in cash. The main business of the acquisition target is the construction and operation of natural gas refilling stations for vehicles and currently owned seven and one natural gas refilling stations in Haikou City and Danzhou City, Hainan Province, the PRC, respectively, in which one station in Haikou City is currently under the process of applying the relevant operation permit from the government authorities and expected to commence operation in the second quarter of 2015. As at the Latest Practicable Date, HK$22,000,000 of the consideration for the acquisition of the then existing shares of Well Organising Group Limited has been satisfied by the

Group in cash. The proposed acquisition constituted a major transaction of the Company pursuant to Chapter 14 of the Listing Rules. Details of the proposed acquisition were disclosed in the announcement of the Company dated 3 November 2014; and

(vi) the entering into of a memorandum of understanding dated 25 November 2104 pursuant to which the Group agreed to subscribe for 158,000,000 placement shares of Triple Energy Limited at a consideration of AUD790,000 in cash and to enter into a underwriting agreement for underwriting 208,333,333 placement shares in Triple Energy Limited. Triple Energy Limited is an Australian registered oil and gas exploration company listed on the Australian Stock Exchange (ticker: TNP) and, through its wholly-owned subsidiary, holds 80% interest in Heilongjiang Aolong Energy Co. Ltd., which operated a coal bed methane gas project in the PRC. The transactions contemplated under the memorandum of understanding constitute share transaction of the Company pursuant to Chapter 14 of the Listing Rules. Details of the memorandum of understanding were disclosed in the announcement of the Company dated 25 November 2014.

As at the Latest Practicable Date, the proposed transactions as mentioned in (v) to (vi) above were not yet completed.

The Directors do not expect material variation to the aggregate of the remuneration payable to and benefits in kind receivable by the directors of the acquiring companies in consequence of the above mentioned acquisitions of the Group and the Acquisition.

(ii) Printing business

Given the weak business sentiments in the printing market, the financial performance of the Group's printing business exhibited a decline in 2013. The Group's turnover generated from its printing business for the year ended 31 December 2013 amounted to approximately HK$154.7 million, representing a decrease of approximately 19.5% as compared to the year ended 31 December 2012. For the six months ended 30 June 2014, the Group's turnover generated from its printing business continued to decline to approximately HK$56.1 million, representing a decrease of approximately 11.5% as compared to that for the same period in 2013.

Despite ongoing recovery of the economy of the United States and given the financial instability still in the European Union, the Group expects the printing business will face challenges in the coming years. The Group will strengthen its customised printing solutions and high-quality products offerings to its customers. At the same time, the Group will also prioritise the streaming of manufacturing process and manpower allocation in order to improve operation efficiency and overcome the possible challenges ahead. The Group will also continue to focus on cost control and enhance its management efficiency.

C. INDEBTEDNESS STATEMENT

1. Convertible notes, convertible bonds, corporate bonds, bank and other borrowings

At as the close of business on 31 October 2014, being the latest practicable date for the purpose of this indebtedness statement, the enlarged Group has:

(a) unsecured and unguaranteed convertible notes, convertible bonds and corporate bonds with outstanding principal and interest in nominal amount of approximately HK$20,788,000, HK$50,164,000 and HK$10,232,000;

(b) bank borrowings of approximately HK$17,144,000 (comprised trust receipt loans of approximately HK$10,322,000 and term loans of approximately HK$6,822,000), which were secured by (i) letters of undertaking issued by the Company and one of its subsidiaries, namely Power Printing Products Limited and (ii) corporate guarantee issued by the Company and certain of its subsidiaries, namely Carta & Cuoio Company Limited and Power Printing (He Yuan) Co., Ltd.;

(c) finance lease payables of approximately HK$275,000 which were unguaranteed and secured by certain of the enlarged Group's fixed assets; and

(d) unsecured and unguaranteed other borrowings of approximately HK$7,577,000.

2. Contingent Liabilities

As at the close of business on 31 October 2014, being the being the latest practicable date for the purpose of this indebtedness statement, the enlarged Group had no material contingent liabilities.

Save as aforesaid and apart from intra-group liabilities and normal trade payables, the enlarged Group did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances, acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as at the close of business on 31 October 2014.

D. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the Completion and the present financial resources available to the enlarged Group, including internally generated revenue and funds, and other available banking and other facilities, the successful placing of corporate bonds by the placing agent engaged by the Company and an interest-free director's loan to the Group, the enlarged Group will have sufficient working capital to meet its present requirements for at least 12 months from the date of this circular in the absence of unforeseen circumstances.

E. MATERIAL ADVERSE CHANGE

The Directors are not aware as at the Latest Practicable Date of any material adverse change in the financial and trading position or prospects of the Group since 31 December 2013, being the date to which the Company's latest published audited accounts were made up.

The following is the text of a report on Shine Great Group, prepared for the purpose of incorporation in this circular, received from the independent reporting accountants, Crowe Horwath (HK) CPA Limited, Certified Public Accountants, Hong Kong.



國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International

9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

2 January 2015

The Board of Directors
Blue Sky Power Holdings Limited
Room 1007–8, 10th Floor
New World Tower 1
16–18 Queen's Road Central
Hong Kong

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information relating to Shine Great Investments Limited ("Shine Great") and its subsidiaries (hereinafter collectively referred to as "Shine Great Group"), including the consolidated statements of financial position as at 31 December 2011, 2012 and 2013 and 31 August 2014, the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years ended 31 December 2011, 2012 and 2013 and the eight months ended 31 August 2014 (the "Relevant Periods"), together with the notes thereto (the "Financial Information"), for inclusion in the circular issued by Blue Sky Power Holdings Limited ("Blue Sky"), which is formerly known as "China Print Power Group Limited" and is a limited liability company incorporated in Bermuda with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited and its listing status in the Singapore Exchange Securities Trading Limited was changed from primary listing to secondary listing with effective from 2 July 2014, dated 2 January 2015 (the "Circular").

Shine Great was incorporated in the British Virgin Islands ("BVI") with limited liability on 2 March 2012 and is an investment holding company. Pursuant to a group reorganisation as set out in note 2(b)(i) of Section B below, Shine Great became the holding company of the companies now comprising Shine Great Group.

During the Relevant Periods and as at the date of this report, particulars of the subsidiaries of Shine Great are as follows:

Name of company	Date and place of establishment/ incorporation and business	Particulars of issued and paid up/registered capital	Equity interests attributable to Shine Great Group					Principal activities
			As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 31 August 2014	As at the date of this report	
Directly held by Shine Great								
Peak Victory International Limited ("Peak Victory")	26 October 2006 BVI/Hong Kong	1 ordinary share of US$1 each	100%	100%	100%	100%	100%	Investment holding
New Phoenix Global Limited ("New Phoenix")	31 August 2012 BVI/Hong Kong	200 ordinary shares of US$1 each	N/A	51%	73%	73%	73%	Investment holding
Ever Billion Developments Limited ("Ever Billion")	31 August 2012 BVI/Hong Kong	100 ordinary shares of US$1 each	N/A	100%	100%	100%	100%	Investment holding
New Times Gas (Hong Kong) Limited 新時代燃氣(香港)有限公司 ("New Times Gas")	21 March 2012 Hong Kong	100 ordinary shares of US$1 each	N/A	100%	100%	100%	100%	Investment holding
Indirectly held by Shine Great								
Rich Result Limited 普陽有限公司 ("Rich Result")	16 May 2007 Hong Kong	1 ordinary share of HK$1 each	100%	100%	100%	100%	100%	Investment holding
First Alpha Holdings Limited 群光控股有限公司 ("First Alpha")	7 September 2012 Hong Kong	1 ordinary share of HK$1 each	N/A	51%	73%	73%	73%	Investment holding
Celestial Glory Limited 宇聲有限公司 ("Celestial Glory")	7 September 2012 Hong Kong	1 ordinary share of HK$1 each	N/A	100%	100%	100%	100%	Investment holding
深圳中港新時代能源有限公司* (Shenzhen Sino Hong Kong New Times Energy Corporation Limited) ("Shenzhen Sino Hong Kong New Times") *(note (4))*	24 August 2012 The People's Republic of China ("PRC")	Registered and paid up capital of HK$100,000,000	N/A	100%	100%	100%	100%	Not yet commenced business
淮安新時代能源有限公司* (Huaian New Times Energy Corporation Limited) ("Huaian New Times") *(note (4))*	15 March 2012 PRC	Registered and paid up capital of US$2,000,000	N/A	100%	100%	100%	100%	Investment holding
貴州坤煜經貿有限公司** (Guizhou Kunyu Trading Company Limited) ("Guizhou Kunyu") *(note (4))*	2 October 2010 PRC	Registered and paid up capital of RMB20,000,000	N/A	N/A	100% *(note (1))*	100%	100%	Sales of natural gas in refilling stations
貴州舜堯能源投資有限公司** (Guizhou Shunyao Energy Investment Company Limited) ("Guizhou Shunyao") *(note (4))*	8 April 2011 PRC	Registered and paid up capital of RMB20,000,000	N/A	N/A	100% *(note (2))*	100%	100%	Not yet commenced business

Name of company	Date and place of establishment/ incorporation and business	Particulars of issued and paid up/registered capital	Equity interests attributable to Shine Great Group					Principal activities
			As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 31 August 2014	As at the date of this report	
徐州新時代能源有限公司* (Xuzhou New Times Limited) ("Xuzhou New Times") *(note (4))*	14 November 2012 PRC	Registered and paid up capital of US$10,000,000	N/A	51%	73%	73%	73%	Not yet commenced business
深圳全港新時代能源有限公司* (Shenzhen Quangang New Times Energy Corporation Limited) ("Shenzhen Quangang New Times") *(note (4))*	5 September 2013 PRC	Registered capital of RMB500,000#	N/A	N/A	100%	100%	100%	Inactive
徐州銅北新時代能源有限公司* (Xuzhou Tongbei New Times Energy Corporation Limited) ("Xuzhou Tongbei New Times") *(note (4))*	16 November 2012 PRC	Registered capital of US$4,000,000#	N/A	100%	100%	— *(note (3))*	— *(note (3))*	Inactive
淮安城北新時代能源有限公司* (Huaian Chengbei New Times Energy Corporation Limited) ("Huaian Chengbei New Times") *(note (4))*	14 May 2014 PRC	Registered capital of US$6,000,000#	N/A	N/A	N/A	100%	100%	Inactive
貴陽黔鑫能源有限公司** (Guiyang Qianxin Energy Co. Ltd) ("Guiyang Qianxin") *(note (4))*	28 March 2014 PRC	Registered capital of RMB1,000,000#	N/A	N/A	N/A	100%	100%	Inactive

* Registered under the laws of the PRC as a wholly foreign-owned enterprise.

** Registered under the laws of the PRC as a limited liability company.

No capital was paid up by Shine Great Group during the Relevant Periods and up to the date of this report.

Notes:

(1) This entity was acquired by Shine Great Group in October 2013.

(2) This entity was acquired by Shine Great Group in December 2013.

(3) This entity was deregistered in April 2014.

(4) The English name of certain subsidiaries now comprising Shine Great Group referred to above represented the best efforts by management of Shine Great in translating their Chinese names as they do not have official English names.

During the Relevant Periods, all companies now comprising Shine Great Group have adopted 31 December as their financial year end dates.

No audited financial statements have been prepared for Shine Great, Peak Victory, New Phoenix and Ever Billion since their dates of incorporation as they are investment holding companies and not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation.

The statutory financial statements of New Times Gas, Rich Result, First Alpha and Celestial Glory for each of the three years ended 31 December 2013, or since their respective dates of incorporation, where there is a shorter period, were prepared under Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and were audited by us.

The statutory financial statements of entities established in the PRC comprising Shine Great Group for each of the three years ended 31 December 2013, or since their respective dates of establishment, where there is a shorter period, which were audited by auditors other than us, were as follows:

	Statutory auditors for the financial period ended		
Name of company	**31 December 2011**	**31 December 2012**	**31 December 2013**
Shenzhen Sino Hong Kong New Times	N/A	*Note (a)*	*Note (a)*
Huaian New Times	N/A	*Note (b)*	*Note (b)*
Guizhou Kunyu	N/A	N/A	*Note (c)*
Guizhou Shunyao	N/A	N/A	*Note (d)*
Xuzhou New Times	N/A	*Note (e)*	*Note (e)*
Shenzhen Quangang New Times	N/A	N/A	*Note (f)*
Xuzhou Tongbei New Times	N/A	*Note (g)*	*Note (g)*
Huaian Chengbei New Times	N/A *(Note (h))*	N/A *(Note (h))*	N/A *(Note (h))*
Guizhou Qianxin	N/A *(Note (h))*	N/A *(Note (h))*	N/A *(Note (h))*

Notes:

(a) Statutory financial statements for the period from 24 August 2012 (date of establishment) to 31 December 2012 were prepared in accordance with relevant accounting principles and regulations applicable to entities established in the PRC ("PRC GAAP") and were audited by 深圳中衡會計師事務所 (Shenzhen Zhongheng Certified Public Accountants), certified public accountants registered in the PRC. Statutory financial statements for the year ended 31 December 2013 prepared under PRC GAAP has not yet been issued up to the date of this report.

(b) Statutory financial statements for the period from 15 March 2012 (date of establishment) to 31 December 2012 and for the year ended 31 December 2013 were prepared in accordance with PRC GAAP and were audited by 淮安天盛會計師事務所 (Huaian Tiansheng Certified Public Accountants), certified public accountants registered in the PRC.

(c) Statutory financial statements for the year ended 31 December 2013 were prepared in accordance with PRC GAAP and were audited by 深圳皇嘉會計師事務所(普通合伙) (Wongga Partners Certified Public Accountants (SZ) General Partner), certified public accountants registered in the PRC.

(d) This entity is registered under the laws of the PRC as a limited liability company. No statutory financial statements for the year ended 31 December 2013 was prepared as there is no statutory audit requirement.

(e) Statutory financial statements for the period from 14 November 2012 (date of establishment) to 31 December 2012 and for the year ended 31 December 2013 were prepared in accordance with PRC GAAP and were audited by 淮安天盛會計師事務所 (Huaian Tiansheng Certified Public Accountants), certified public accountants registered in the PRC.

(f) Statutory financial statements for the period from 5 September 2013 (date of establishment) to 31 December 2013 were prepared in accordance with PRC GAAP and were audited by 深圳市永明會計師事務所有限公司 (Yong Ming (Shen Zhen) Certified Public Accountants), certified public accountants registered in the PRC.

(g) This entity has been inactive and no capital has been injected by Shine Great Group since the date of establishment. No statutory financial statements for the period from 16 November 2012 (date of establishment) to 31 December 2012 and for the year ended 31 December 2013 were prepared. The audited financial statements prepared in accordance with PRC GAAP for cessation of its business on 30 April 2014 was prepared by 徐州中信聯合會計師事務所 (Xuzhou Zhongxin Certified Public Accountants), certified public accountants registered in the PRC.

(h) Statutory financial statements in accordance with PRC GAAP have not been prepared for these entities as they have not reached their first financial year ends since the dates of establishment.

For the purpose of this report, the directors of Shine Great have prepared the consolidated financial statements of Shine Great Group for the Relevant Periods (the "Underlying Financial Statements") in accordance with the accounting policies which conform with HKFRSs issued by the HKICPA. The Underlying Financial Statements were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information has been prepared by the directors of Shine Great for inclusion in the Circular based on the Underlying Financial Statements, with no adjustments made thereon and in accordance with the applicable disclosure provisions of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The directors of Shine Great are responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by the HKICPA, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules, and for such internal control as the directors of Shine Great determine is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to form an opinion on the Financial Information based on our procedures performed in accordance with Auditing Guideline "Prospectuses and the Reporting Accountant" (Statement 3.340) issued by the HKICPA. We have not audited any financial statements of Shine Great Group in respect of any period subsequent to 31 August 2014.

OPINION

In our opinion, the Financial Information gives, for the purpose of this report, on the basis of preparation set out in note 2(b)(i) of Section B below, a true and fair view of the state of affairs of Shine Great Group and of Shine Great as at 31 December 2011, 2012 and 2013 and 31 August 2014, and of the consolidated results and consolidated cash flows of Shine Great Group for the Relevant Periods then ended.

CORRESPONDING FINANCIAL INFORMATION

For the purpose of this report, we have also reviewed the unaudited corresponding interim financial information of Shine Great Group comprising the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the eight months ended 31 August 2013, together with the notes thereon (the "Corresponding Financial Information"), for which the directors of Shine Great are responsible, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

The directors of Shine Great are responsible for the preparation of the Corresponding Financial Information in accordance with the same basis adopted in respect of the Financial Information. Our responsibility is to express a conclusion on the Corresponding Financial Information based on our review.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Corresponding Financial Information.

Based on our review, for the purpose of this report, nothing has come to our attention that causes us to believe that the Corresponding Financial Information is not prepared, in all material respects, in accordance with the accounting policies consistent with those used in the preparation of the Financial Information which conform with HKFRSs issued by the HKICPA.

A. FINANCIAL INFORMATION

1. CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Section B	Years ended 31 December			Eight months ended 31 August	
	Note	**2011** *HK$'000*	**2012** *HK$'000*	**2013** *HK$'000*	**2013** *HK$'000* (unaudited)	**2014** *HK$'000*
Revenue	*3*	—	—	1,085	—	3,919
Cost of sales		—	—	(2,247)	—	(9,182)
Gross loss		—	—	(1,162)	—	(5,263)
Other income	*4*	421	133	729	118	237
Selling and distribution expenses		—	—	(361)	—	(1,738)
Administrative expenses		(7,086)	(10,406)	(15,080)	(10,063)	(12,507)
Other operating expenses		—	—	(3,027)	—	(4,438)
Finance costs	*5(a)*	—	(61)	(708)	(43)	(5,960)
Share of result of an associate		—	—	(2,091)	—	(512)
Loss before taxation	*5*	(6,665)	(10,334)	(21,700)	(9,988)	(30,181)
Income tax credit	*6(a)*	—	—	—	—	5,771
Loss for the year/period		(6,665)	(10,334)	(21,700)	(9,988)	(24,410)
Loss for the year/period attributable to:						
Owners of Shine Great		(6,665)	(9,815)	(20,668)	(9,086)	(23,162)
Non-controlling interests		—	(519)	(1,032)	(902)	(1,248)
		(6,665)	(10,334)	(21,700)	(9,988)	(24,410)

The accompanying notes form part of the Financial Information.

2. CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Years ended 31 December			Eight months ended 31 August	
	2011	**2012**	**2013**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Loss for the year/period	(6,665)	(10,334)	(21,700)	(9,988)	(24,410)
Other comprehensive (loss)/ income for the year/period, net of tax					
Item that will not be reclassified subsequently to profit or loss:					
— Exchange differences on translation of financial statements to presentation currency	—	(383)	2,244	1,908	(226)
Total comprehensive loss for the year/period	(6,665)	(10,717)	(19,456)	(8,080)	(24,636)
Total comprehensive loss for the year/period attributable to:					
Owners of Shine Great	(6,665)	(10,018)	(19,097)	(7,646)	(23,200)
Non-controlling interests	—	(699)	(359)	(434)	(1,436)
	(6,665)	(10,717)	(19,456)	(8,080)	(24,636)

The accompanying notes form part of the Financial Information.

3. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Section B Note	As at 31 December 2011 HK$'000	2012 HK$'000	2013 HK$'000	As at 31 August 2014 HK$'000
Non-current assets					
Property, plant and equipment	*14*	196	3,425	31,710	50,009
Lease prepayments	*15*	—	—	3,386	7,154
Intangible assets	*16*	—	—	65,991	60,614
Goodwill	*17*	—	—	33,620	33,440
Interest in an associate	*18*	—	—	13,130	12,500
Prepayments, deposits and other receivables	*20*	8,780	20,876	64,765	77,248
		8,976	24,301	212,602	240,965
Current assets					
Inventories	*19*	—	—	105	85
Lease prepayments	*15*	—	—	145	284
Trade and other receivables	*20*	231,170	262,067	26,724	20,967
Pledged bank deposits	*21*	—	—	19,031	—
Cash and cash equivalents	*22*	146	32,813	1,604	21,390
		231,316	294,880	47,609	42,726
Current liabilities					
Trade and other payables	*23*	(248,898)	(289,548)	(239,535)	(313,149)
Obligation under finance lease	*24*	—	(74)	(79)	(82)
Other borrowings	*25*	—	(28,132)	(45,986)	(26,398)
		(248,898)	(317,754)	(285,600)	(339,629)
Net current liabilities		(17,582)	(22,874)	(237,991)	(296,903)
Total assets less current liabilities		(8,606)	1,427	(25,389)	(55,938)
Non-current liabilities					
Obligation under finance lease	*24*	—	(340)	(262)	(206)
Deferred tax liabilities	*26(a)*	—	—	(17,026)	(11,169)
		—	(340)	(17,288)	(11,375)
Net (liabilities)/assets		(8,606)	1,087	(42,677)	(67,313)
Capital and reserves					
Share capital	*27*	—	3	1	1
Reserves		(8,606)	(8,217)	(47,674)	(70,874)
Equity attributable to owners of Shine Great		(8,606)	(8,214)	(47,673)	(70,873)
Non-controlling interests		—	9,301	4,996	3,560
Total equity		(8,606)	1,087	(42,677)	(67,313)

The accompanying notes form part of the Financial Information.

4. STATEMENTS OF FINANCIAL POSITION

	Section B	As at 31 December			As at 31 August
	Note	**2011**	**2012**	**2013**	**2014**
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets					
Investment in subsidiaries	*13*	—	—	24,309	24,085
Current assets					
Other receivables	*20*	—	—	158,102	139,365
Current liabilities					
Other payables	*23*	—	(7)	(232,280)	(232,737)
Net current liabilities		—	(7)	(74,178)	(93,372)
Net liabilities		—	(7)	(49,869)	(69,287)
Capital and reserves	*27*				
Share capital		—	1	1	1
Reserves		—	(8)	(49,870)	(69,288)
Equity attributable to owners of Shine Great		—	(7)	(49,869)	(69,287)

The accompanying notes form part of the Financial Information.

5. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of Shine Great						
	Section B Note	**Share capital** *HK$'000*	**Share premium** *HK$'000*	**Exchange fluctuation reserve** *HK$'000*	**Accumulated losses** *HK$'000*	**Sub-total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total equity** *HK$'000*
At January 2011		—	—	—	(1,941)	(1,941)	—	(1,941)
Loss and total comprehensive loss for the year		—	—	—	(6,665)	(6,665)	—	(6,665)
At 31 December 2011		—	—	—	(8,606)	(8,606)	—	(8,606)
At January 2012		—	—	—	(8,606)	(8,606)	—	(8,606)
Loss for the year		—	—	—	(9,815)	(9,815)	(519)	(10,334)
Other comprehensive loss for the year								
— Exchange differences on translation of financial statements to presentation currency		—	—	(203)	—	(203)	(180)	(383)
Total comprehensive loss for the year		—	—	(203)	(9,815)	(10,018)	(699)	(10,717)
Transactions with owners								
Issue of new shares		3	10,407	—	—	10,410	—	10,410
Capital contribution from non-controlling interests		—	—	—	—	—	10,000	10,000
Total transactions with owners		3	10,407	—	—	10,410	10,000	20,410
At 31 December 2012		3	10,407	(203)	(18,421)	(8,214)	9,301	1,087
At 1 January 2013		3	10,407	(203)	(18,421)	(8,214)	9,301	1,087
Loss for the year		—	—	—	(20,668)	(20,668)	(1,032)	(21,700)
Other comprehensive income for the year								
— Exchange differences on translation of financial statements to presentation currency		—	—	1,571	—	1,571	673	2,244
Total comprehensive income/(loss) for the year		—	—	1,571	(20,668)	(19,097)	(359)	(19,456)
Transactions with owners								
Decrease in non-controlling interests arising on additional interests acquired	*30*	—	—	—	(9,953)	(9,953)	(3,946)	(13,899)
Arising from group reorganisation	*27(a)*	(2)	(10,407)	—	—	(10,409)	—	(10,409)
Total transactions with owners		(2)	(10,407)	—	(9,953)	(20,362)	(3,946)	(24,308)
At 31 December 2013		1	—	1,368	(49,042)	(47,673)	4,996	(42,677)

	Section B Note	Attributable to owners of Shine Great						
		Share capital *HK$'000*	**Share premium** *HK$'000*	**Exchange fluctuation reserve** *HK$'000*	**Accumulated losses** *HK$'000*	**Sub-total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total equity** *HK$'000*
At 1 January 2014		1	—	1,368	(49,042)	(47,673)	4,996	(42,677)
Loss for the period		—	—	—	(23,162)	(23,162)	(1,248)	(24,410)
Other comprehensive income/(loss) for the period								
— Exchange differences on translation of financial statements to presentation currency		—	—	(38)	—	(38)	(188)	(226)
Total comprehensive income/(loss) for the period		—	—	(38)	(23,162)	(23,200)	(1,436)	(24,636)
At 31 August 2014		1	—	1,330	(72,204)	(70,873)	3,560	(67,313)
At 1 January 2013		3	10,407	(203)	(18,421)	(8,214)	9,301	1,087
Loss for the period		—	—	—	(9,086)	(9,086)	(902)	(9,988)
Other comprehensive income for the period								
— Exchange differences on translation of financial statements to presentation currency		—	—	1,440	—	1,440	468	1,908
Total comprehensive income/(loss) for the period		—	—	1,440	(9,086)	(7,646)	(434)	(8,080)
Transactions with owners								
Decrease in non-controlling interests arising on additional interests acquired	*30*	—	—	—	(9,953)	(9,953)	(3,946)	(13,899)
Arising from group reorganisation	*27(a)*	(2)	(10,407)	—	—	(10,409)	—	(10,409)
Total transactions with owners		(2)	(10,407)	—	(9,953)	(20,362)	(3,946)	(24,308)
At 31 August 2013 (unaudited)		1	—	1,237	(37,460)	(36,222)	4,921	(31,301)

The accompanying notes form part of the Financial Information.

6. CONSOLIDATED STATEMENTS OF CASH FLOWS

	Section B Note	Years ended 31 December 2011 HK$'000	2012 HK$'000	2013 HK$'000	Eight months ended 31 August 2013 HK$'000 (unaudited)	2014 HK$'000
OPERATING ACTIVITIES						
Loss before taxation		(6,665)	(10,334)	(21,700)	(9,988)	(30,181)
Adjustments for:						
Depreciation of property, plant and equipment		97	295	1,733	638	3,652
Amortisation of lease prepayments		—	—	6	—	141
Amortisation of intangible assets		—	—	1,081	—	5,043
Interest income		(421)	(20)	(620)	(9)	(44)
Interest expenses		—	61	708	43	5,960
Gain on disposal of property, plant and equipment		—	—	—	—	(193)
Share of result of an associate		—	—	2,091	—	512
Impairment loss on other receivables		—	—	2,559	—	4,438
Impairment loss on amount due from an associate		—	—	468	—	—
		(6,989)	(9,998)	(13,674)	(9,316)	(10,672)
Changes in working capital:						
Decrease/(increase) in trade and other receivables		43,915	(22,504)	3,863	(31,031)	(10,457)
(Decrease)/increase in trade and other payables		(2)	279	(56,727)	34	22,540
(Increase)/decrease in inventories		—	—	(105)	—	20
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES		36,924	(32,223)	(66,643)	(40,313)	1,431
INVESTING ACTIVITIES						
Interest received		421	20	620	9	44
Payment for purchase of property, plant and equipment		—	(3,099)	(1,975)	(1,141)	(22,331)
Proceed from disposal of property, plant and equipment		—	—	2,647	—	200
Payment for acquisition of lease prepayments		—	—	—	—	(4,048)
Deposits paid for potential investments		(8,780)	(20,876)	—	(77,110)	—
Refund of deposits paid for potential investments		—	—	8,780	8,780	—
Net cash outflows on acquisition of subsidiaries	*29*	—	—	(42,259)	—	—
Acquisition of additional interest in a subsidiary	*30*	—	—	(13,899)	(13,899)	—
(Advance to)/repayment from fellow subsidiaries		(155,745)	—	230,796	230,862	3
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		(164,104)	(23,955)	184,710	147,501	(26,132)

	Section B Note	Years ended 31 December 2011 HK$'000	2012 HK$'000	2013 HK$'000	Eight months ended 31 August 2013 HK$'000 (unaudited)	2014 HK$'000
FINANCING ACTIVITIES						
Capital element of finance lease rental paid		—	(6)	(73)	(35)	(53)
Interest element of finance lease rental paid		—	(2)	(25)	(17)	(13)
(Increase)/decrease in pledged bank deposits		—	—	(19,031)	(18,843)	19,031
Interest paid		—	(59)	(683)	(26)	(5,947)
Proceeds from other borrowings		—	28,132	—	—	—
Repayment of other borrowings		—	—	—	(10,059)	(19,588)
Advance from immediate holding company		—	29,217	102,231	121,994	51,071
(Repayment to)/advance from fellow subsidiaries		(142,264)	3,125	(6,781)	(6,781)	—
Advance from/(repayment to) ultimate holding company		224,853	8,028	(225,939)	(225,939)	—
Capital contribution from non-controlling interests		—	10,000	—	—	—
Issue of new shares		—	10,410	—	—	—
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES		82,589	88,845	(150,301)	(139,706)	44,501
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(44,591)	32,667	(32,234)	(32,518)	19,800
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/ PERIOD		44,737	146	32,813	32,813	1,604
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		—	—	1,025	155	(14)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	*22*	146	32,813	1,604	450	21,390

Major non-cash transaction:

On 31 August 2014, the minority shareholder of a non wholly-owned subsidiary, New Phoenix and Total Belief Limited ("Total Belief"), the immediate holding company of Shine Great, entered into an agreement pursuant to which the loan of HK$18,073,000 due to the minority shareholder by New Phoenix was offset against the amount due from the minority shareholder to Total Belief with the same amount.

The accompanying notes form part of the Financial Information.

B. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Shine Great is a limited liability company incorporated in the BVI. The addresses of the registered office and principal place of business of Shine Great is P.O. Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands and Room 1402, 14th Floor, New World Tower 1, 16–18 Queen's Road Central, Hong Kong respectively.

Shine Great is an investment holding company and its subsidiaries are principally engaged in the sales of natural gas in refilling stations in the PRC.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The Financial Information set out in this report has been prepared in accordance with HKFRSs, which collective term includes Hong Kong Accounting Standards and related interpretations, promulgated by the HKICPA. Further details of the significant accounting policies adopted are set out in the remainder of this Section B.

The HKICPA has issued a number of new and revised HKFRSs. For the purpose of preparing this Financial Information, Shine Great Group has adopted all applicable new and revised HKFRSs to the Relevant Periods, except for any new standards or interpretations that are not yet effective for the accounting period beginning on 1 January 2014. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning on 1 January 2014 are set out in note 37.

The Financial Information also complies with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules.

The accounting policies set out below have been applied consistently to all periods presented in the Financial Information.

The Corresponding Financial Information for the eight months ended 31 August 2013 has been prepared in accordance with the same basis and accounting policies adopted in respect of the Financial Information.

(b) Basis of preparation of the Financial Information

(i) Basis of preparation and presentation

The Financial Information comprises Shine Great, its subsidiaries and an associate and has been prepared using the merger basis of accounting as if Shine Great Group had always been in existence.

Pursuant to the group reorganisation by New Times Energy Corporation Limited (''New Times''), the ultimate holding company of Shine Great, Shine Great became the holding company of the companies now comprising Shine Great Group on 2 January 2013. The companies now comprising Shine Great Group were under the common control of New Times, before and after the group reorganisation. Accordingly, for the purpose of this report, the Financial Information and comparative Financial Information has been prepared by applying the principles of merger accounting, as if the group reorganisation had been completed at the beginning of the Relevant Periods.

The companies that took part in the group reorganisation now comprising Shine Great Group were controlled by the same equity owner, New Times, before and after the group reorganisation. The control is not transitory and, consequently, there was continuation of the risks and benefits to New Times and, therefore, the group reorganisation is considered to be a business combination of entities under common control.

Merger accounting has been applied in the accounting of the group reorganisation. The consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of Shine Great Group as set out in Section A include the results of operations of Shine Great and its subsidiaries for the Relevant Periods (or where Shine Great and its subsidiaries were incorporated/established at a date later than 1 January 2011, for the period from the date of incorporation/establishment to 31 August 2014) as if the group reorganisation was completed at the beginning of the Relevant Periods. The consolidated statements of financial position of Shine Great Group as at 31 December 2011, 2012 and 2013 and 31 August 2014 as set out in Section A have been prepared to present the state of affairs of Shine Great and its subsidiaries as at those dates as if the group reorganisation was completed at the beginning of the Relevant Periods.

All material intra-group transactions and balances have been eliminated on consolidation.

(ii) Going concern

Notwithstanding the losses of Shine Great Group of HK$6,665,000, HK$10,334,000, HK$21,700,000 and HK$24,410,000 for the years ended 31 December 2011, 2012 and 2013 and the eight months ended 31 August 2014 respectively and its total current liabilities exceed its total current assets by HK$17,582,000, HK$22,874,000, HK$237,991,000 and HK$296,903,000 as at 31 December 2011, 2012 and 2013 and 31 August 2014 respectively, the Financial Information has been prepared on a going concern basis as New Times has agreed to provide adequate funds for Shine Great Group to meet in full its financial obligations as and when they fall due in the foreseeable future and up to the date of completion of the acquisition of equity interest in Shine Great by Blue Sky (the "Acquisition"). Moreover, upon completion of the Acquisition, Blue Sky has agreed to provide continuous financial support to Shine Great Group to meet in full its financial obligations as and when they fall due in the foreseeable future.

(iii) Basis of measurement

Items included in the financial information of each entity in Shine Great Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of Shine Great is Renminbi ("RMB"). The Financial Information are presented in Hong Kong dollars ("HK$"), rounded to the nearest thousand, except when otherwise indicated, which is the presentation currency.

The measurement basis used in the preparation of the Financial Information is the historical cost basis.

(iv) Use of estimates and judgments

The preparation of the Financial Information in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have a significant effect on the Financial Information and major sources of estimation uncertainty are disclosed in note 34.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by Shine Great Group. Shine Great Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether Shine Great Group has power, only substantive rights (held by Shine Great Group and other parties) are considered.

An investment in a subsidiary is consolidated into the Financial Information from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the Financial Information. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to Shine Great, and in respect of which Shine Great Group has not agreed any additional terms with the holders of those interests which would result in Shine Great Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, Shine Great Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statements of financial position within equity, separately from equity attributable to the owners of Shine Great. Non-controlling interests in the results of Shine Great Group are presented on the face of the consolidated statements of profit or loss and the consolidated statements of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the period between non-controlling interests and the owners of Shine Great. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statements of financial position depending on the nature of the liability.

Changes in Shine Great Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

In the statements of financial position of Shine Great, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)(ii)).

Business combinations arising from transfer of interests in entities that are under the common control of the owner that control Shine Great Group are accounted for using book value accounting as if the acquisition had occurred at the beginning of the earliest comparative period presented.

(d) Associate

An associate is an entity in which Shine Great Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the Financial Information under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of Shine Great Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in Shine Great Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(k)(ii)). Any acquisition-date excess over cost, Shine Great Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the period are recognised in the consolidated statements of profit or loss, whereas Shine Great Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statements of profit or loss and other comprehensive income.

When Shine Great Group's share of losses exceeds its interest in the associate, Shine Great Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that Shine Great Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, Shine Great Group's interest is the carrying amount of the investment under the equity method together with Shine Great Group's long-term interests that in substance form part of Shine Great Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between Shine Great Group and its associate are eliminated to the extent of Shine Great Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

(e) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by Shine Great Group, liabilities incurred by Shine Great Group to the former owners of the acquiree and the equity interests issued by Shine Great Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values, except that:

— a deferred tax asset or liability arising from the assets acquired and liabilities assumed in a business combination and the potential tax effects of temporary differences and carryforwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are recognised and measured in accordance with HKAS 12 *Income Taxes*;

— assets or liabilities relating to employee benefit arrangements are recognised and measured in accordance with HKAS 19 *Employee Benefits*;

— liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of Shine Great Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and

— assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRS.

Where the consideration transferred by Shine Great Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39 *Financial Instruments: Recognition and Measurement*, or HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, Shine Great Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when Shine Great Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, Shine Great Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

(f) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of Shine Great Group's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is indication that the unit may be impaired. If some or all of the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(g) Property, plant and equipment

Property, plant and equipment, other than construction in progress, are carried in the consolidated statements of financial position at cost less accumulated depreciation and any impairment losses (see note 2(k)(ii)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method, over their estimated useful lives as follows:

Leasehold improvements	4 years
Furniture, fixtures and equipment	3 to 5 years
Machinery	3 years
Motor vehicles	3 to 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Shine Great Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

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

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Construction in progress represents property, plant and equipment under construction and pending installation and is stated at cost less any impairment losses (see note 2(k)(ii)). Cost includes the costs of machinery and equipment and interest charges arising from borrowings used to finance the acquisition of these assets during the period of construction or installation and testing. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and are available for their intended use. When the assets concerned are brought into use, the costs are transferred to other property, plant and equipment and depreciated in accordance with the policy as stated above.

(h) Lease prepayments

Lease prepayments represent cost of land use rights paid to the governmental authorities of the PRC. Land use rights are carried at cost less accumulated amortisation and any impairment losses (see note 2(k)(ii)). Amortisation is charged to profit or loss on a straight-line basis over the respective periods of the rights.

(i) Intangible assets (other than goodwill)

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any impairment losses (see note 2(k)(ii)). Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent impairment losses.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset.

If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any impairment losses (see note 2(k)(ii)), on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are excepted from use or disposal. Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(j) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if Shine Great Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to Shine Great Group

Assets that are held by Shine Great Group under leases which transfer to Shine Great Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to Shine Great Group are classified as operating leases.

(ii) Assets acquired under finance leases

Where Shine Great Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely Shine Great Group will obtain ownership of the asset, the life of the asset, as set out in note 2(g). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(k)(ii). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss on the accounting period in which they are incurred.

(iii) Operating lease charges

Where Shine Great Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged as expenses in the period in which they are incurred.

(k) Impairment of assets

(i) Impairment of investment in equity securities, and trade and other receivables

Investment in equity securities and other current and non-current receivables that are carried at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of Shine Great Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

— a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

— For investment in subsidiaries and an associate accounted for under the equity method in the Financial Information (see note 2(d)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(k)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(k)(ii).

— For trade receivables and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years/periods.

  Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When Shine Great Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment;

— intangible assets;

— lease prepayments;

— goodwill; and

— deposits and prepayments.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated at the end of each reporting period to determine whether or not there is any indication of impairment.

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying amount of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

— *Reversal of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior year/period. Reversals of impairment losses are credited to profits or loss in the period in which the reversals are recognised.

(l) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(m) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter carried at amortised cost using the effective interest method, less allowance for impairment of doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are carried at cost less allowance for impairment of doubtful debts (see note 2(k)(i)).

(n) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are carried at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interests and fees payables, using the effective interest method.

(o) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently carried at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of Shine Great Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statements of cash flows.

(q) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are carried at their present values.

(ii) Termination benefits

Termination benefits are recognised at the earlier of when Shine Great Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(r) Income tax

Income tax for the year/period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year/period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years/periods.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provide those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investment in subsidiaries to the extent that, in the case of taxable differences, Shine Great Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantially enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if Shine Great or Shine Great Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

— in the case of current tax assets and liabilities, Shine Great or Shine Great Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  — the same taxable entity; or

  — different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(s) Provisions and contingent liabilities

(i) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 2(s)(ii). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed in accordance with note 2(s)(ii).

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when Shine Great Group or Shine Great has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are carried at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to Shine Great Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue is recognised upon delivery of products which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts and returns.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(u) Translation of foreign currencies

Foreign currency transactions during the year/period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are carried at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange fluctuation reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

Goodwill and fair value adjustments on identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(w) Related parties

(a) A person, or a close member of that person's family, is related to Shine Great Group if that person:

  (i) has control or joint control over Shine Great Group;

  (ii) has significant influence over Shine Great Group; or

  (iii) is a member of the key management personnel of Shine Great Group or Shine Great Group's parent.

(b) An entity is related to Shine Great Group if any of the following conditions applies:

  (i) The entity and Shine Great Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either Shine Great Group or an entity related to Shine Great Group.

(vi) The entity is controlled or jointly controlled by a person identified in note 2(w)(a).

(vii) A person identified in note 2(w)(a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the Financial Information, are identified from the financial information provided regularly to chief operating decision maker of Shine Great Group (i.e. the board of directors of Shine Great), for the purposes of allocating resources to, and assessing the performance of various lines of business and geographical locations of Shine Great Group.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. REVENUE

The principal activities of Shine Great Group are the sales of natural gas in refilling stations in the PRC. Revenue represents the sales value of goods supplied to customers which excludes value-added and other sales taxes, and is after deduction of any goods returns and trade discounts.

	Years ended 31 December			Eight months ended 31 August	
	2011	**2012**	**2013**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Sales of natural gas	—	—	1,085	—	3,919

4. OTHER INCOME

	Years ended 31 December			Eight months ended 31 August	
	2011	2012	2013	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Bank interest income	421	20	620	9	44
Total interest income on financial assets not at fair value through profit or loss	421	20	620	9	44
Gain on disposal of property, plant and equipment	—	—	—	—	193
Sundry income	—	113	109	109	—
	421	133	729	118	237

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging the following:

	Years ended 31 December			Eight months ended 31 August	
	2011	2012	2013	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
(a) Finance costs					
Interests on other borrowings wholly repayable within five years	—	59	683	26	5,947
Finance charge on obligations under finance lease	—	2	25	17	13
Total interest expenses on financial liabilities not at fair value through profit or loss	—	61	708	43	5,960
(b) Staff cost (including directors' remuneration)					
Wages, salaries and other benefits	—	1,086	4,572	2,970	4,319
Contribution to defined contribution retirement scheme *(note 35)*	—	152	481	255	846
	—	1,238	5,053	3,225	5,165

	Years ended 31 December			Eight months ended 31 August	
	2011	**2012**	**2013**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
(c) Other items					
Amortisation of lease prepayments *(note (i))*	—	—	6	—	141
Amortisation of intangible assets *(note (i))*	—	—	1,081	—	5,043
Auditors' remunerations	—	—	20	2	21
Cost of inventories *(note (ii))*	—	—	2,247	—	9,182
Depreciation of property, plant and equipment	97	295	1,733	638	3,652
Minimum lease payments under operating leases on leasehold land and buildings	751	943	1,263	852	1,036
Impairment loss on other receivables *(note (iii))*	—	—	2,559	—	4,438
Impairment loss on amount due from an associate *(note (iii))*	—	—	468	—	—

Notes:

(i) These items are included in cost of sales in the consolidated statements of profit or loss.

(ii) Cost of inventories also includes (a) amortisation of lease prepayments amounting to HK$Nil, HK$Nil, HK$6,000, HK$Nil and HK$141,000 for the years ended 31 December 2011, 2012 and 2013, and the eight months ended 31 August 2013 and 2014, respectively; (b) amortisation of intangible assets amounting to HK$Nil, HK$Nil, HK$1,081,000, HK$Nil and HK$5,043,000 for the years ended 31 December 2011, 2012 and 2013, and the eight months ended 31 August 2013 and 2014, respectively; and (c) depreciation of property, plant and equipment amounting to HK$Nil, HK$Nil, HK$108,000, HK$Nil and HK$635,000 for the years ended 31 December 2011, 2012 and 2013, and the eight months ended 31 August 2013 and 2014, respectively, which amounts are also included in the respective total amounts disclosed separately above for each of these types of expenses.

(iii) These items are included in other operating expenses in the consolidated statements of profit or loss.

6. INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Income tax charge/(credit) in the consolidated statements of profit or loss represents:

	Years ended 31 December			Eight months ended 31 August	
	2011	2012	2013	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Current tax					
Hong Kong Profits Tax	—	—	—	—	—
PRC Enterprise Income Tax	—	—	—	—	2
	—	—	—	—	2
Deferred taxation					
Origination and reversal of temporary differences *(note 26(a))*	—	—	—	—	(5,773)
Income tax credit	—	—	—	—	(5,771)

Pursuant to the rules and regulations of the BVI, Shine Great and its subsidiaries incorporated in the BVI are not subject to any income tax in the BVI during the Relevant Periods.

No provision has been made for Hong Kong Profits Tax as Shine Great Group did not earn any income subject to Hong Kong Profits Tax during the Relevant Periods.

Subsidiaries of Shine Great established in the PRC are subject to PRC Enterprise Income tax at 25% during the Relevant Periods.

(b) Reconciliation between tax expense and accounting loss at the applicable tax

	Years ended 31 December			Eight months ended 31 August	
	2011	2012	2013	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Loss before taxation	(6,665)	(10,334)	(21,700)	(9,988)	(30,181)
Notional tax on loss before taxation calculated at the income tax rates applicable in the jurisdictions concerned	(1,100)	(2,152)	(5,465)	(2,367)	(6,969)
Tax effect of non-deductible expenses	1,169	1,090	403	56	1,500
Tax effect of non-taxable income	(69)	—	—	—	(32)
Tax effect of tax losses not recognised	—	1,062	5,062	2,311	4,000
Recognition of deferred tax assets in respect of unused tax losses	—	—	—	—	(4,270)
Income tax credit	—	—	—	—	(5,771)

7. DIRECTORS' REMUNERATION

No directors' remuneration have been paid or payable by Shine Great Group during the Relevant Periods.

No emoluments or discretionary bonus were paid by Shine Great Group to the directors as an inducement to join or upon joining Shine Great Group or as compensation for loss of office during the Relevant Periods. No director of Shine Great Group waived or agreed to waive any emoluments or discretionary bonus during the Relevant Periods.

8. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, none is a director for the years ended 31 December 2011, 2012 and 2013 and the eight months ended 31 August 2013 and 2014, whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the five individuals with the highest emoluments for the years ended 31 December 2011, 2012 and 2013 and the eight months ended 31 August 2013 and 2014 are as follows:

	Years ended 31 December			Eight months ended 31 August	
	2011	**2012**	**2013**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Wages, salaries and other benefits	—	701	1,086	969	969
Contribution to defined contribution retirement scheme	—	55	45	39	192
	—	756	1,131	1,008	1,161

The emoluments of the five individuals with the highest emoluments are within the band of Nil to HK$1,000,000 during the Relevant Periods.

No emoluments were paid or payable by Shine Great Group to the five highest paid individuals as inducement to join or upon joining Shine Great Group or as compensation for loss of office during the Relevant Periods.

9. LOSS ATTRIBUTABLE TO OWNERS OF SHINE GREAT

The consolidated loss attributable to owners of Shine Great includes losses of HK$Nil, HK$8,000, HK$49,061,000, HK$4,000 and HK$19,746,000 which have been dealt with in the Financial Information of Shine Great for the years ended 31 December 2011, 2012 and 2013 and the eight months ended 31 August 2013 and 2014 respectively.

10. DIVIDENDS

No dividends have been paid or declared by Shine Great and its subsidiaries during the Relevant Periods.

11. LOSS PER SHARE

No loss per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful due to the preparation of the results of Shine Great Group on the combined basis as disclosed in note 2(b)(i) during the Relevant Periods.

12. SEGMENT REPORTING

Shine Great Group determines its operating segment based on the internal reports reviewed by chief operating decision makers of Shine Great Group (i.e. the board of directors of Shine Great), for the purpose of resource allocation and performance assessment.

Shine Great Group has only one single operating segment, being the sales of natural gas in refilling stations in the PRC. In addition, revenue of Shine Great Group from external customers is derived solely from its operations in the PRC during the Relevant Periods and all material non-current assets of Shine Great Group are located in the PRC at the end of each reporting period. Accordingly, no further analysis by product and geographical information is provided.

During the Relevant Periods, revenue from transactions with one external customer contributing 10% or more of total revenue of Shine Great Group is as follows:

	Years ended 31 December			Eight months ended 31 August	
	2011	**2012**	**2013**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Largest customer	—	—	551	—	1,429

13. INVESTMENT IN SUBSIDIARIES

Shine Great

	As at 31 December			As at 31 August
	2011	**2012**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Unlisted shares or capital contribution:				
At cost	—	—	24,309	24,309
Exchange realignment	—	—	—	(224)
	—	—	24,309	24,085

Particulars of subsidiaries of Shine Great are disclosed in pages II-2 and II-3 of Appendix II above.

14. PROPERTY, PLANT AND EQUIPMENT

Shine Great Group

	Leasehold improvements *HK$'000*	Furniture, fixtures and equipment *HK$'000*	Machinery *HK$'000*	Motor vehicles *HK$'000*	Construction in progress *HK$'000*	Total *HK$'000*
Cost						
At 1 January 2011, 31 December 2011 and 1 January 2012	387	—	—	—	—	387
Additions	1,337	580	—	1,602	—	3,519
Exchange realignment	2	1	—	2	—	5
At 31 December 2012	1,726	581	—	1,604	—	3,911
At 1 January 2013	1,726	581	—	1,604	—	3,911
Additions	27	203	—	718	1,027	1,975
Acquired through acquisition of subsidiaries *(note 29)*	—	175	9,582	155	20,564	30,476
Transfers	—	—	3,767	—	(3,767)	—
Disposals	—	—	(596)	—	(2,053)	(2,649)
Exchange realignment	45	24	44	51	71	235
At 31 December 2013	1,798	983	12,797	2,528	15,842	33,948
At 1 January 2014	1,798	983	12,797	2,528	15,842	33,948
Additions	—	33	132	—	22,166	22,331
Disposals	(388)	(10)	—	—	—	(398)
Exchange realignment	(13)	(9)	(118)	(19)	(249)	(408)
At 31 August 2014	1,397	997	12,811	2,509	37,759	55,473
Accumulated depreciation						
At 1 January 2011	94	—	—	—	—	94
Charge for the year	97	—	—	—	—	97
At 31 December 2011	191	—	—	—	—	191
At 1 January 2012	191	—	—	—	—	191
Charge for the year	142	46	—	107	—	295
Exchange realignment	—	—	—	—	—	—
At 31 December 2012	333	46	—	107	—	486
At 1 January 2013	333	46	—	107	—	486
Charge for the year	374	188	726	445	—	1,733
Written back on disposals	—	—	(2)	—	—	(2)
Exchange realignment	6	4	2	9	—	21
At 31 December 2013	713	238	726	561	—	2,238
At 1 January 2014	713	238	726	561	—	2,238
Charge for the period	192	195	2,899	366	—	3,652
Written back on disposals	(387)	(4)	—	—	—	(391)
Exchange realignment	(4)	(3)	(22)	(6)	—	(35)
At 31 August 2014	514	426	3,603	921	—	5,464

	Leasehold improvements	Furniture, fixtures and equipment	Machinery	Motor vehicles	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Carrying amount						
At 31 December 2011	196	—	—	—	—	196
At 31 December 2012	1,393	535	—	1,497	—	3,425
At 31 December 2013	1,085	745	12,071	1,967	15,842	31,710
At 31 August 2014	883	571	9,208	1,588	37,759	50,009

During the year ended 31 December 2012, Shine Great Group leased a motor vehicle under finance lease. At the end of the lease term of five years, Shine Great Group has an option to purchase the leased asset at a price deemed to be a bargain purchase option. None of the leases includes contingent rentals.

The carrying amount of motor vehicle held under finance lease by Shine Great Group was HK$Nil, HK$406,000, HK$322,000 and HK$266,000 as at 31 December 2011, 2012 and 2013 and 31 August 2014 respectively .

15. LEASE PREPAYMENTS

Shine Great Group

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Leasehold lands in the PRC				
— Under medium-term leases	—	—	3,531	7,438
Analysed for reporting purposes as:				
Current assets	—	—	145	284
Non-current assets	—	—	3,386	7,154
	—	—	3,531	7,438

Lease prepayments represented prepayments of land use rights premiums to the PRC governmental authorities. Leasehold lands of Shine Great Group are all located in the PRC.

The amortisation charge for the year/period is included in "cost of sales" in the consolidated statements of profit or loss.

16. INTANGIBLE ASSETS

Shine Great Group

	Operation rights *HK$'000*
Cost	
At 1 January 2011, 31 December 2011, 1 January 2012, 31 December 2012 and 1 January 2013	—
Acquired through acquisition of subsidiaries *(note 29)*	67,072
At 31 December 2013	67,072
At 1 January 2014	67,072
Exchange realignment	(360)
At 31 August 2014	66,712
Accumulated amortisation	
At 1 January 2011, 31 December 2011, 1 January 2012, 31 December 2012 and 1 January 2013	—
Charge for the year	1,081
At 31 December 2013	1,081
At 1 January 2014	1,081
Charge for the period	5,043
Exchange realignment	(26)
At 31 August 2014	6,098
Carrying amount	
At 31 December 2011	—
At 31 December 2012	—
At 31 December 2013	65,991
At 31 August 2014	60,614

Intangible assets represent the rights to operate natural gas refilling stations and to distribute natural gas in various locations in the PRC which are acquired through the acquisition of subsidiaries during the year ended 31 December 2013 (see note 29).

Operation rights have finite useful lives and are carried at cost less accumulated amortisation and any impairment loss. Amortisation is calculated using the straight-line method to amortise the cost over their estimated useful lives ranging from 30 to 50 years for natural gas refilling and distribution services.

Amortisation charge for the year/period is included under "cost of sales" in the consolidated statements of profit or loss.

Before the acquisition of 100% equity interests in Guizhou Kunyu and Guizhou Shunyao by Shine Great Group, Guizhou Kunyu and Guizhou Shunyao have obtained written confirmations from an independent third party in relation to obtaining of rights to operate and develop certain projects for engaging in sales and distribution of natural gas in the PRC. Out of the ten projects, the rights to develop and operate these projects have not yet been completed during the eight months ended 31 August 2014 and up to the date of this report. The directors of Shine Great have consulted with a PRC lawyer and obtained several written legal opinion from the PRC lawyer that the completion of obtaining the rights to develop and operate these projects are still subject to fulfillment of certain administrative procedures in obtaining relevant permits and approvals from relevant government authorities and there is no unforeseen complexity in completion of these procedures. Based on the legal opinion issued by the PRC lawyer, the directors of Shine Great are of the opinion that the administrative procedures can be completed within a short period of time and there is no unforeseen complexity in completion of the obtaining of the relevant government approvals.

17. GOODWILL

Shine Great Group

	Years ended 31 December			Eight months ended 31 August
	2011	**2012**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Carrying amount				
At beginning of the year/period	—	—	—	33,620
Arising on acquisition of subsidiaries during the year/period *(note 29)*	—	—	33,620	—
Exchange realignment	—	—	—	(180)
At end of the year/period	—	—	33,620	33,440

Impairment tests for cash-generating unit containing goodwill

Goodwill is allocated to Shine Great Group's cash-generating unit ("CGU") identified according to its operating segment as follows:

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Sales of natural gas	—	—	33,620	33,440

The recoverable amount of the CGU is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used for value-in-use calculations are as follows:

	Years ended 31 December			Eight months ended 31 August
	2011	2012	2013	2014
— Growth rate	N/A	N/A	3%	3%
— Discount rate	N/A	N/A	21.21%–22.92%	21.21%–22.92%

Other key assumptions for the value in use calculations refer to the estimation of cash inflows/outflows which included budgeted sales and gross margin, such estimation is based on past performance and management's expectations for market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the business. The directors of Shine Great believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the assets of the CGU to exceed the aggregate recoverable amount of the assets of the CGU.

18. INTEREST IN AN ASSOCIATE

Shine Great Group

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Unlisted capital contribution, at cost	—	—	15,165	15,165
Exchange realignment	—	—	56	(62)
	—	—	15,221	15,103
Share of losses and other comprehensive loss	—	—	(2,091)	(2,603)
	—	—	13,130	12,500

Through the acquisition of 100% equity interest in Guizhou Kunyu during the year ended 31 December 2013 (see note 29(a)), Shine Great Group acquired 40% equity interest in 六盤水中石油昆侖燃氣有限公司 (Liupanshui Petrochina Kunlun Gas Co., Ltd.*) ("Liupanshui Petrochina"), which is a limited liability company established in the PRC and is principally engaged in the sales of natural gas in refilling stations in the PRC. Liupanshui Petrochina is considered as an associate of Shine Great Group.

* *The English name represented the best efforts by management of Shine Great in translating the Chinese name as the entity does not have official English name.*

Particulars of the associate of Shine Great Group are as follows.

			Proportion of equity interest in an associate				
Name of associate	Place of establishment/ and business	Particulars of registered and paid up capital	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 31 August 2014	Principal activities
Liupanshui Petrochina	PRC	RMB30,000,000	N/A	N/A	40%	40%	Sales of natural gas in refilling stations

Summarised financial information in respect of Shine Great Group's associate which is accounted for using the equity method is set out below. The summarised financial information below represents amounts prepared in accordance with HKFRSs.

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Current assets	—	—	36,703	29,260
Non-current assets	—	—	1,896	1,992
Total assets	—	—	38,599	31,252
Current liabilities	—	—	(5,772)	(3)
Net assets	—	—	32,827	31,249

	Years ended 31 December			Eight months ended 31 August	
	2011	2012	2013	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Revenue	—	—	—	—	—
Loss and total comprehensive loss for the year/period	—	—	5,227	—	1,279
Loss and total comprehensive loss for the year/period shared by Shine Great Group	—	—	2,091	—	512

Reconciliation of the above summarised financial information to the carrying amount of the interest in an associate recognised in the Financial Information are as follows.

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Net assets of an associate	—	—	32,827	31,249
Proportion of Shine Great Group's ownership in an associate	—	—	40%	40%
Share of net assets of an associate by Shine Great Group and the carrying amount of interest in an associate	—	—	13,130	12,500

19. INVENTORIES

Inventories in the consolidated statements of financial position comprise:

Shine Great Group

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Natural gas, at cost	—	—	105	85

20. TRADE AND OTHER RECEIVABLES

Shine Great Group

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade receivables *(notes (a) and (b))*	—	—	400	377
Less: Allowance for doubtful debts *(note (c))*	—	—	—	—
	—	—	400	377
Other receivables *(note (e))*	—	21,928	20,393	17,669
Less: Allowable for doubtful debts *(note (c))*	—	—	(2,601)	(7,014)
	—	21,928	17,792	10,655
Amount due from an associate *(note (f))*	—	—	110	110
Amounts due from fellow subsidiaries *(note (g))*	230,945	230,945	148	147
Amount due from a director of a subsidiary *(note (h))*	—	108	—	—
Amount due from a related company *(note (i))*	—	96	—	—
Loan and receivables	230,945	253,077	18,450	11,289
Other tax receivables	—	2,230	2,293	2,271
Prepayments and deposits	9,005	27,636	70,746	84,655
	239,950	282,943	91,489	98,215
Analysed as:				
Non-current *(note (j))*	8,780	20,876	64,765	77,248
Current	231,170	262,067	26,724	20,967
	239,950	282,943	91,489	98,215

Shine Great

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amounts due from subsidiaries	—	—	207,960	208,412
Less: Impairment loss recognised *(note (d))*	—	—	(49,858)	(69,047)
	—	—	158,102	139,365

Notes:

(a) Ageing analysis

The following is an analysis of trade receivables of Shine Great Group by age, presented based on the invoice dates, which approximate the respective revenue recognition dates.

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
0–30 days	—	—	349	339
31–60 days	—	—	51	38
	—	—	400	377

The credit periods to customers by Shine Great Group are within 30 days. Credit is offered to customers following an assessment of their financial abilities and payment track record. Credit limits are set out for all customers and these can be exceeded only with the approval from management. Management also monitors overdue trade debtors and follows up the collection of these receivables. Further details on the credit policy of Shine Great Group are set out in note 28(a).

(b) Trade receivables that are not impaired

The ageing analysis of trade receivables of Shine Great Group that are neither individually nor collectively considered to be impaired is as follows:

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Neither past due nor impaired	—	—	349	339
Past due but not impaired				
— Less than 1 month past due	—	—	32	38
— 1 to 3 months past due	—	—	19	—
	—	—	400	377

Receivables that were neither past due nor impaired relate to certain customers for whom there were no recent history of default.

Receivables that were past due but not impaired relate to independent customers that have good track records with Shine Great Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. Shine Great Group does not hold any collateral over these balances.

(c) Allowance for doubtful debts

Impairment losses in respect of trade and other receivables are recorded using an allowance account unless Shine Great Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and other receivables directly (see note 2(k)(i)).

During the Relevant Periods, no allowance for doubtful debts in respect of trade receivables were recognised.

The movement in allowance for doubtful debts of other receivables of Shine Great Group during the Relevant Periods, including both specific and collective loss components, is as follows:

	Years ended 31 December			Eight months ended 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At beginning of the year/period	—	—	—	2,601
Impairment loss recognised	—	—	2,559	4,438
Exchange realignment	—	—	42	(25)
At end of the year/period	—	—	2,601	7,014

At the end of each reporting period, other receivables were individually determined to be impaired. These individually impaired receivables were outstanding for over 365 days. The management assessed that the recovery of these receivables are uncertain and may not be recovered. Accordingly, specific allowances for impairment loss were recognised. Shine Great Group does not hold any collateral over these balances.

(d) Impairment of amounts due from subsidiaries

The movement in impairment loss on amounts due from subsidiaries of Shine Great during the Relevant Periods, are as follows:

	Years ended 31 December			Eight months ended 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At beginning of the year/period	—	—	—	49,858
Impairment loss recognised	—	—	49,057	19,041
Exchange realignment	—	—	801	148
At end of the year/period	—	—	49,858	69,047

Certain subsidiaries of Shine Great had incurred losses during the year ended 31 December 2013 and the eight months ended 31 August 2014 and had net liabilities positions as at 31 December 2013 and 31 August 2014. After reviewing the financial performance and financial positions of these subsidiaries and taking into account the market environment, the directors of Shine Great considered that impairment losses on amounts due from subsidiaries amounting to HK$49,057,000 and HK$19,041,000 were recognised during the year ended 31 December 2013 and the eight months ended 31 August 2014 respectively.

(e) As at 31 December 2012, the balance mainly represented (i) other receivables from Guizhou Kunyu on funds for use in its operation and (ii) receivables from independent third parties for providing consultancy services to Shine Great Group on the operations in the PRC. Guizhou Kunyu became an indirectly wholly-owned subsidiary of Shine Great Group during the year ended 31 December 2013.

As at 31 December 2013 and 2014, the balance mainly represented receivables from independent third parties for providing consultancy services to Shine Great Group on the operations in the PRC.

(f) The amount due from an associate is unsecured, interest-free and repayable on demand. During the year ended 31 December 2013, impairment loss on the amount due of HK$468,000 was recognised and the amount was included in "other operating expenses" in the consolidated statement of profit or loss for that year.

(g) Amounts due from fellow subsidiaries

The amounts due from fellow subsidiaries are unsecured, interest-free and repayable on demand.

Shine Great Group

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Jade Honest Limited*	25,000	25,000	—	—
High Luck Group Limited*	205,945	205,945	—	—
深圳市源協貿易有限公司*	—	—	148	147
	230,945	230,945	148	147

Maximum amounts outstanding during the Relevant Periods:

	Years ended 31 December			Eight months ended 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Jade Honest Limited*	25,000	25,000	25,000	—
High Luck Group Limited*	205,945	205,945	205,945	—
深圳市源協貿易有限公司*	—	—	148	148

* *These companies are subsidiaries of New Times during the Relevant Periods.*

(h) As at 31 December 2012, the balance represented amount due from Mr. Sun Jiang Tian ("Mr. Sun"), an executive director of a subsidiary of Shine Great. The balance was unsecured, interest-free and repaid in full during the year ended 31 December 2013. The maximum amount outstanding during the years ended 31 December 2012 and 2013 was approximately HK$108,000.

(i) As at 31 December 2012, the balance represented amount due from a related company, 深圳大乘能源投資有限公司 (Shenzhen Dacheng Energy Investment Co. Ltd.), of which Mr. Sun was the legal representative. The balance was unsecured, interest-free and repaid in full during the year ended 31 December 2013. The maximum amount outstanding during the years ended 31 December 2012 and 2013 were approximately HK$2,000,000 and HK$96,000 respectively

(j) As at 31 December 2011, the balance mainly represented deposits paid for potential investment in trading of oil business with independent third parties. The arrangement was subsequently terminated and the deposits were fully refunded during the year ended 31 December 2013.

As at 31 December 2012, the balance mainly represented deposits for acquisition of subsidiaries in the PRC. The acquisitions were completed during the year ended 31 December 2013 (see note 29).

At 31 December 2013 and 31 August 2014, the balance mainly represented (i) deposits of HK$32,673,000 and HK$32,372,000, respectively, for acquisition of lease prepayments, and (ii) deposits of HK$25,639,000 and HK$25,416,000, respectively, for the work to be performed in relation to the natural gas operations in the PRC.

These balances are expected to be recovered after one year and are classified as non-current assets in the consolidated statements of financial position.

21. PLEDGED BANK DEPOSITS

Shine Great Group

Pledged bank deposits represented deposits pledged to a bank to secure banking facilities granted to Shine Great Group. Deposits of HK$19,031,000 as at 31 December 2013 have been pledged to a bank to secure short-term banking facilities granted to Shine Great Group and are therefore classified as current assets. The pledged bank deposits have released upon expiry of the banking facilities during the eight months ended 31 August 2014.

During the year ended 31 December 2013, the pledged bank deposits carried interest at a fixed rate of 3.75% per annum.

22. CASH AND CASH EQUIVALENTS

Shine Great Group

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cash at banks and in hand	139	32,806	1,597	21,383
Bank deposits with maturity less than three months	7	7	7	7
Cash and cash equivalents in the consolidated statements of financial position and consolidated statement of cash flows	146	32,813	1,604	21,390

The interest rates on cash at bank and bank deposits ranged from 0.01%-0.35%, 0.01%-0.35%, 0.01%-0.35% and 0.01%-0.7% per annum during the years ended 31 December 2011, 2012 and 2013 and the eight months ended 31 August 2014 respectively.

23. TRADE AND OTHER PAYABLES

Shine Great Group

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade payables *(note (a))*	—	—	—	140
Other payables and accruals	—	279	16,729	39,137
Amount due to a director of a subsidiary *(note (b))*	—	—	634	629
Amount due to ultimate holding company *(note (b))*	217,911	225,939	—	—
Amount due to immediate holding company *(note (b))*	27,331	56,549	222,172	273,243
Amounts due to fellow subsidiaries *(note (b))*	3,656	6,781	—	—
Financial liabilities measured at amortised cost	248,898	289,548	239,535	313,149

Shine Great

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Other payables	—	7	—	—
Amount due to immediate holding company *(note (b))*	—	—	222,172	222,531
Amounts due to fellow subsidiaries *(note (b))*	—	—	10,108	10,206
Financial liabilities measured at amortised cost	—	7	232,280	232,737

All of trade and other payables are expected to be settled within one year or repayable on demand.

Notes:

(a) **Ageing analysis**

The following is an analysis of trade payables of Shine Great Group by age presented based on the invoice dates:

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
0–30 days	—	—	—	140

(b) These amounts due are unsecured, interest-free and repayable on demand.

24. OBLIGATION UNDER FINANCE LEASE

Shine Great Group

Shine Great Group has obligation under finance lease repayable as follows:

	As at 31 December						As at	
	2011		2012		2013		31 August 2014	
	Present value of minimum lease payments *HK$'000*	Total minimum lease payments *HK$'000*	Present value of minimum lease payments *HK$'000*	Total minimum lease payments *HK$'000*	Present value of minimum lease payments *HK$'000*	Total minimum lease payments *HK$'000*	Present value of minimum lease payments *HK$'000*	Total minimum lease payments *HK$'000*
Within one year	—	—	74	99	79	99	82	99
After one year but within two years	—	—	79	99	84	99	88	99
After two years but within five years	—	—	261	287	178	189	118	123
	—	—	340	386	262	288	206	222
	—	—	414	485	341	387	288	321
Less: Total future interest expenses		—		(71)		(46)		(33)
Present value of lease obligation		—		414		341		288
Less: Amount due for settlement within twelve months (shown under current liabilities)	—		(74)		(79)		(82)	
Amount due for settlement after twelve months (shown under non-current liabilities)	—		340		262		206	

During the year ended 31 December 2012, Shine Great Group leased a motor vehicle under finance lease. The lease term is five years. Interest rate underlying the obligation under finance lease is fixed at 6.54% per annum. Shine Great Group has an option to purchase the motor vehicle for a nominal amount at the end of the lease term. No arrangements have been entered into for contingent rental payments.

25. OTHER BORROWINGS

Share Great Group

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Loan A *(note (i))*	—	28,132	18,073	—
Loan B *(note (ii))*	—	—	19,031	18,856
Loan C *(note (iii))*	—	—	7,613	7,542
Loan D *(note (iv))*	—	—	1,269	—
	—	28,132	45,986	26,398

Notes:

(i) The loan is borrowed from a minority shareholder of a non wholly-owned subsidiary, and is unsecured, bearing interest at 4% per annum and repayable on demand. On 31 August 2014, the minority shareholder, New Phoenix and Total Belief, the immediate holding company of Shine Great, entered into an agreement pursuant to which the loan of HK$18,073,000 due to the minority shareholder by New Phoenix was offset against the amount due from the minority shareholder to Total Belief with the same amount.

(ii) The loan is borrowed from two independent third parties with a fixed interest rate of 20% per annum and shall be repayable within one year. On 8 October 2014, the loan was fully repaid by Shine Great Group.

(iii) The loan is borrowed from an independent third party, and is unsecured, interest-free and repayable on demand.

(iv) The loan was borrowed from an independent third party and was unsecured, interest-free and repaid in full during the eight months ended 31 August 2014.

26. DEFERRED TAXATION

(a) Deferred tax liabilities/(assets)

Shine Great Group

The components of deferred tax liabilities/(assets) recognised in the consolidated statements of financial position and the movements during the Relevant Periods are as follows:

Deferred tax liabilities/(assets) arising from:

	Fair value adjustment on intangible assets	Fair value adjustment on property, plant and equipment and lease prepayments	Tax losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2011, 31 December 2011, 1 January 2012, 31 December 2012 and 1 January 2013	—	—	—	—
Arising on acquisition of subsidiaries *(note 29)*	16,768	258	—	17,026
At 31 December 2013	16,768	258	—	17,026
At 1 January 2014	16,768	258	—	17,026
Credited to profit or loss *(note 6(a))*	(1,491)	(12)	(4,270)	(5,773)
Exchange realignment	(83)	(1)	—	(84)
At 31 August 2014	15,194	245	(4,270)	11,169

(b) Deferred tax assets not recognised:

Shine Great Group has estimated unused tax losses of HK$Nil, HK$4,248,000, HK$24,496,000 and HK$40,496,000 as at 31 December 2011, 2012 and 2013 and 31 August 2014 respectively, available to offset against future taxable profits. A deferred tax asset has been recognised in respect of HK$Nil, HK$Nil, HK$Nil and HK$17,080,000 of such losses as at 31 December 2011, 2012 and 2013 and 31 August 2014 respectively. No deferred tax assets have been recognised in respect of the remaining unused tax losses of HK$Nil, HK$4,248,000, HK$24,496,000 and HK$23,416,000 as at 31 December 2011, 2012 and 2013 and 31 August 2014 respectively due to the unpredictability of future profit streams.

	As at 31 December			As at 31 August
Year	**2011**	**2012**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
2017	—	4,248	4,248	4,248
2018	—	—	20,248	3,168
2019	—	—	—	16,000
	—	4,248	24,496	23,416

Under the Enterprise Income Tax Law of the PRC with effect from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC will be subject to withholding income tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. On 22 February 2008, the State Administration of Taxation approved Caishui (2008) No. 1 pursuant to which dividend distributions out of retained earnings of foreign investment enterprises prior to 31 December 2007 will be exempted from withholding income tax. The subsidiaries of Shine Great established in the PRC were loss-making during the Relevant Periods and no temporary differences relating to the undistributed profits of these subsidiaries were recognised.

27. CAPITAL AND RESERVES

(a) Share capital

(i) The Financial Information has been prepared under the merger accounting method in that financial information of the companies now comprising Shine Great Group during the Relevant Periods are combined as if Shine Great Group existed on 1 January 2011.

For the purpose of this report, the capital of Shine Great Group as at 31 December 2011 represents the issued share capital of Peak Victory.

For the purpose of this report, the capital of Shine Great Group as at 31 December 2012 represents the combined issued share capital of Shine Great, Peak Victory, New Phoenix and Ever Billion.

Pursuant to the group reorganisation, Shine Great acquired all issued share capital of Peak Victory, New Phoenix and Ever Billion from a wholly-owned subsidiary of New Times at a total consideration of HK$10,409,000 on 2 January 2013, and Shine Great then became the holding company of the companies now comprising Shine Great Group after the group reorganisation.

As at 31 December 2013 and 31 August 2014, the capital of Shine Great Group represents the issued share capital of Shine Great.

(ii) The authorised and issued share capital of Shine Great during the Relevant Periods are as follows:

Authorised share capital of Shine Great:

Ordinary shares of US$1 each

	Years ended 31 December						Eight months	
	2011		2012		2013		31 August 2014	
	Number of shares	*Amount HK$'000*	*Number of shares*	*Amount HK$'000*	*Number of shares*	*Amount HK$'000*	*Number of shares*	*Amount HK$'000*
At beginning of the year/period	–	–	–	–	50,000	390	50,000	390
Creation of authorised share capital	–	–	50,000	390	–	–	–	–
At end of the year/period	–	–	50,000	390	50,000	390	50,000	390

Issued share capital of Shine Great:

Ordinary share of US$1 each

	Years ended 31 December						Eight months	
	2011		2012		2013		31 August 2014	
	Number of shares	*Amount HK$'000*	*Number of shares*	*Amount HK$'000*	*Number of shares*	*Amount HK$'000*	*Number of shares*	*Amount HK$'000*
At beginning of the year/period	–	–	–	–	100	1	100	1
Issue of shares upon incorporation	–	–	100	1	–	–	–	–
At end of the year/period	–	–	100	1	100	1	100	1

Shine Great was incorporated on 2 March 2012 with authorised share capital of US$50,000 divided into 50,000 ordinary shares of US$1 each. On the same date, 100 ordinary shares were issued at par as the initial capital.

The holders of ordinary shares of Shine Great are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of Shine Great. All ordinary shares of Shine Great rank equally with regard to the residual assets of Shine Great.

(b) Movements in components of equity

The reconciliation between the opening and closing balances of each components of consolidated equity of Shine Great Group is set out in the consolidated statements of changes in equity. Details of the changes in individual components of equity of Shine Great between the beginning and end of the reporting period are set out below.

Shine Great

	Attributable to owners of Shine Great			
	Share capital *HK$'000*	**Exchange fluctuation reserve** *HK$'000*	**Accumulated losses** *HK$'000*	**Total equity** *HK$'000*
At 1 January 2011, 31 December 2011 and 1 January 2012	—	—	—	—
Issue of shares upon incorporation	1	—	—	1
Loss and total comprehensive loss for the year	—	—	(8)	(8)
At 31 December 2012	1	—	(8)	(7)
At 1 January 2013	1	—	(8)	(7)
Loss for the year	—	—	(49,061)	(49,061)
Other comprehensive loss for the year				
— Exchange differences on translation of financial statements to presentation currency	—	(801)	—	(801)
Total comprehensive loss for the year	—	(801)	(49,061)	(49,862)
At 31 December 2013	1	(801)	(49,069)	(49,869)
At 1 January 2014	1	(801)	(49,069)	(49,869)
Loss for the period	—	—	(19,746)	(19,746)
Other comprehensive loss for the period				
— Exchange differences on translation of financial statements to presentation currency	—	328	—	328
Total comprehensive income/(loss) for the period	—	328	(19,746)	(19,418)
At 31 August 2014	1	(473)	(68,815)	(69,287)
At 1 January 2013	1	—	(8)	(7)
Loss for the period	—	—	(4)	(4)
Other comprehensive loss for the period				
— Exchange differences on translation of financial statements to presentation currency	—	(2)	—	(2)
Total comprehensive loss for the period	—	(2)	(4)	(6)
At 31 August 2013 (unaudited)	1	(2)	(12)	(13)

(c) Nature of reserves

(i) Share premium

The balance of share premium represents the excess of the consideration received by New Phoenix over the par value of ordinary shares issued by New Phoenix. The application of the share premium account is governed by the British Virgin Islands Business Companies Act.

(ii) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial information of entities within Shine Great Group whose functional currency is other than Hong Kong dollars. The reserve is dealt with in accordance with the accounting policy set out in note 2(u).

(d) Capital management

The primary objectives of Shine Great Group when managing its capital are to safeguard the ability of Shine Great Group to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of Shine Great Group consists of debts, which include the amounts due to group companies, obligation under finance lease and other borrowings as disclosed in notes 23, 24 and 25 respectively, and equity attributable to owners of Shine Great comprising issued share capital and reserves disclosed in consolidated statements of changes in equity.

Shine Great Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The strategy of Shine Great Group was consistently applied throughout the Relevant Periods. In order to maintain or adjust the capital structure, Shine Great Group may issue new shares as well as the issue of new debts or sell assets to reduce existing debt.

Neither Shine Great nor any of its subsidiaries are subject to externally imposed capital requirements.

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The major financial instruments of Shine Great Group include trade and other receivables, pledged bank deposits, cash and cash equivalents, trade and other payables, and other borrowings.

The major financial instruments Shine Great include other receivables and other payables.

Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include credit risk, liquidity risk, interest rate risk and currency risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Credit risk

(i) Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to Shine Great Group. Shine Great Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

(ii) As at 31 December 2011, 2012 and 2013 and 31 August 2014, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statements of financial position after deducting any impairment allowance.

(iii) The credit risk of Shine Great Group is primarily attributable to trade and other receivables. In respect of trade and other receivables, in order to minimise credit risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition are performed on each and every major customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, Shine Great Group does not require collateral in respect of its financial assets. Debts are usually due within 30 days from the date of billing.

(iv) In respect of trade and other receivables, the exposure of Shine Great Group to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk.

As at 31 December 2011 and 2012, Shine Great Group has concentration of credit risk on amounts due from fellow subsidiaries. In order to mininise the credit risk, the management of Shine Great continuously monitors the level of exposure to ensure that follow-up action and/or corrective actions are taken promptly to lower exposure or even to recover overdue debts. In this regard, the directors of Shine Great considered that the credit risk to Shine Great Group was significantly reduced. As at 31 December 2013 and 31 August 2014, Shine Great Group did not have any concentration of credit risk.

Shine Great and its subsidiaries do not provide any guarantees which would expose Shine Great or Shine Great Group to credit risk.

(v) The credit risk of Shine Great is primarily attributable to amounts due from subsidiaries and Shine Great also have concentration of credit risk on these amounts due. Shine Great regularly reviews the recoverable amounts of individual debts at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The management of Shine Great also continuously monitors the level of exposure to ensure that follow-up action and/or corrective actions are taken promptly to lower exposure or even to recover overdue debts. In this regard, the directors of Shine Great considered that the credit risk to Shine Great was significantly reduced.

(vi) The credit risk on pledged bank deposits and cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Shine Great Group monitors closely the credit ratings of these counterparties and will take appropriate action when their ratings change.

Further quantitative disclosures in respect of the exposure of Shine Great Group and Shine Great to credit risk arising from trade and other receivables are set out in note 20.

(b) Liquidity risk

Liquidity risk is the risk that Shine Great Group will not be able to meet its financial obligations as they fall due. The policy of Shine Great Group is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to satisfy its contractual and reasonably foreseeable obligations as they fall due.

In the management of the liquidity risk, Shine Great Group monitors and maintains a level of financial resources deemed adequate by management to finance Shine Great Group's operations and mitigate the effects of fluctuations in cash flows. In preparing the Financial Information, the directors of Shine Great have given careful consideration to the future liquidity and going concern of Shine Great Group in light of Shine Great Group's total current liabilities exceed its total current assets by HK$17,582,000, HK$22,874,000, HK$237,991,000 and HK$296,903,000 as at 31 December 2011, 2012 and 2013 and 31 August 2014, respectively. The directors of Shine Great are satisfied that Shine Great Group will have sufficient financial resources to meet its financial obligations as they fall due in the foreseeable future, after taking into consideration of the future plan of Shine Great Group. In addition, as set out in note 2(b)(ii), New Times, the ultimate holding company of Shine Great, has agreed to provide adequate funds for Shine Great Group to meet in full its financial obligations as and when they fall due in the foreseeable future and up to the date of completion of the Acquisition. Moreover, upon completion of the Acquisition, Blue Sky has agreed to provide continuous financial support to Shine Great Group to meet in full its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors of Shine Great believe the liquidity risk of Shine Great Group is significantly reduced.

The following liquidity table set out the remaining contractual maturities at the end of the reporting period of financial liabilities of Shine Great Group and Shine Great based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting periods and the earliest date) Shine Great Group and Shine Great required to pay:

Shine Great Group

	As at 31 December 2011		
	Weighted average contractual interest rate	Within 1 year or on demand	Total contractual undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*
Trade and other payables	—	248,898	248,898	248,898

	As at 31 December 2012					
	Weighted average contractual interest rate	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total contractual undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade and other payables	—	289,548	—	—	289,548	289,548
Obligation under finance lease	6.54%	99	99	287	485	414
Other borrowings	4%	29,092	—	—	29,092	28,132
		318,739	99	287	319,125	318,094

	As at 31 December 2013					
	Weighted average contractual interest rate	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total contractual undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade and other payables	—	239,535	—	—	239,535	239,535
Obligation under finance lease	6.54%	99	99	189	387	341
Other borrowings	10%	49,644	—	—	49,644	45,986
		289,278	99	189	289,566	285,862

	As at 31 August 2014				
	Weighted average contractual interest rate	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total contractual undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade and other payables	—	313,149	—	—	313,149	313,149
Obligation under finance lease	6.54%	99	99	123	321	288
Other borrowings	10%	26,894	—	—	26,894	26,398
		340,142	99	123	340,364	339,835

Shine Great

Shine Great did not have financial liabilities as at 31 December 2011.

	As at 31 December 2012			
	Weighted average contractual interest rate	Within 1 year or on demand	Total contractual undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*
Other payables	—	7	7	7

	As at 31 December 2013			
	Weighted average contractual interest rate	Within 1 year or on demand	Total contractual undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*
Other payables	—	232,280	232,280	232,280

	As at 31 August 2014			
	Weighted average contractual interest rate	Within 1 year or on demand	Total contractual undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*
Other payables	—	232,737	232,737	232,737

(c) Interest rate risk

The cash flow interest rate risk of Shine Great Group primarily relates to bank deposits with variable interest rates. The fair value interest rate risk of Shine Great Group relates to pledged bank deposits, bank balances, bank deposits, obligation under finance lease and other borrowings which are all with fixed interest rates. The normal policy of Shine Great Group is not to use any derivative contracts to hedge its exposure to interest rate risk. However, the management of Shine Great will consider hedging significant interest rate exposure should the need arises. The interest rate profile of Shine Great Group as monitored by management is set out in (i) below.

(i) Interest rate profile

The following table details the interest rate profile of Shine Great Group at the end of the reporting period:

	As at 31 December						As at	
	2011		2012		2013		31 August 2014	
	Range of interest rates	*HK$'000*	*Range of interest rates*	*HK$'000*	*Range of interest rates*	*HK$'000*	*Range of interest rates*	*HK$'000*
Variable rate bank deposits:								
Bank deposits	0.001%	28	0.001%–0.385%	32,727	0.001%–0.35%	1,592	0.001%–0.35%	21,248
Fixed rate bank deposits:								
Pledged bank deposits, bank balances and bank deposits	0–0.03%	118	0–0.03%	86	0.03%–3.25%	19,043	0–0.03%	142
Fixed rate borrowings								
Other borrowings	—	—	4%	28,132	0–20%	45,986	0–20%	26,398
Obligation under finance lease	—	—	6.54%	414	6.54%	341	6.54%	288

(ii) Sensitivity analysis

All of the pledged bank deposits, bank balances, bank deposits, obligation under finance lease and other borrowings of Shine Great Group which are fixed rate instruments are insensitive to any change in interest rates. A change in interest rates at the end of each reporting period would not affect profit or loss.

As at 31 December 2011, 2012, 2013 and 31 August 2014, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would decrease/increase loss after tax and accumulated losses of Shine Great Group by approximately HK$Nil, HK$123,000, HK$80,000 and HK$89,000 respectively. Other components of consolidated equity would not change in response to the general increase/decrease in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for variable rate interest bearing financial instruments in existence at that date. The 50 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual end of the reporting period. The analysis is performed on the same basis for the Relevant Periods.

(d) Currency risk

Shine Great Group's exposure to foreign currency risk is minimal as Shine Great Group does not have any foreign currency transactions. The exchange rate risk to Shine Great Group is not significant and therefore, no sensitivity analysis presented.

(e) Fair values of financial assets and liabilities carried at other than fair value

The director of Shine Great considers that all financial instruments of Shine Great and Shine Great Group carried at cost or amortised cost are not materially different from their fair values as at 31 December 2011, 2012 and 2013 and 31 August 2014.

29. ACQUISITION OF SUBSIDIARIES

(a) On 31 October 2013, Shine Great Group acquired 100% equity interest in Guizhou Kunyu, a company engaged in sales of natural gas in refilling stations in the PRC, for a consideration of RMB65,100,000 (equivalent to approximately HK$82,273,000).

Since the acquisition, Guizhou Kunyu contributed revenue of HK$1,085,000 and consolidated loss of HK$2,140,000 to Shine Great Group for the year ended 31 December 2013.

Had the acquisition been effected on 1 January 2013, the revenue and consolidated loss of Shine Great Group would have been HK$5,425,000 and HK$32,400,000 respectively.

The amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed are as follows:

	Fair value *HK$'000*
Property, plant and equipment	30,073
Lease prepayments	4,107
Intangible assets (Operation rights)	56,630
Interest in an associate	15,165
Inventories	72
Trade and other receivables	52,358
Cash and cash equivalents	179
Trade and other payables	(76,600)
Other borrowings	(16,429)
Deferred tax liabilities	(14,392)
Total identifiable net assets	51,163
Consideration transferred:	
Cash	46,887
Fair value of convertible notes issued by New Times *(note)*	35,386
	82,273
Less: Fair value of identifiable net assets acquired	(51,163)
Goodwill arising on acquisition	31,110
Consideration, satisfied in cash	46,887
Less: Deposits paid	(12,280)
Cash and cash equivalents acquired	(179)
Net cash outflows on acquisition	34,428

Note:

The convertible notes in principal amount of HK$34,720,000 were issued by New Times at fair value of HK$35,386,000 as part of the settlement of the consideration. Shine Great Group recorded the amount due of HK$35,386,000 through current account with Total Belief, the immediate holding company of Shine Great, in order to settle part of the consideration of HK$35,386,000 paid by New Times through issuance of convertible notes.

In the opinion of the directors of Shine Great, the fair value of the receivables acquired (which principally comprised of trade and other receivables) approximated to the gross contractual amounts, the best estimate at acquisition date of the contractual cash flows of receivables were expected to be collected.

The goodwill of HK$31,110,000 arising from the acquisition is attributable to the anticipated cash flows from the sales of natural gas business and the anticipated future operating synergies from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

(b) On 3 December 2013, Shine Great Group acquired 100% equity interest in Guizhou Shunyao, a company engaged in sales of natural gas in refilling stations in the PRC, for a consideration of RMB26,920,000 (equivalent to approximately HK$34,030,000).

Since the acquisition, loss of Guizhou Shunyao attributed to the consolidated loss of Shine Great Group was HK$2,000 for the year ended 31 December 2013. Guizhou Shunyao did not contribute any revenue to Shine Great Group for the year ended 31 December 2013.

Had the acquisition been effected on 1 January 2013, the consolidated loss of Shine Great Group for the year ended 31 December 2013 would have been HK$24,264,000.

The amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed are as follows:

	Fair value *HK$'000*
Property, plant and equipment	403
Intangible assets (Operation rights)	10,442
Trade and other receivables	28,051
Cash and cash equivalents	6
Trade and other payables	(4,748)
Deferred tax liabilities	(2,634)
Total identifiable net assets	31,520
Consideration transferred:	
Cash	16,433
Fair value of convertible notes issued by New Times *(note)*	17,597
	34,030
Less: Fair value of identifiable net assets acquired	(31,520)
Goodwill arising on acquisition	2,510
Consideration, satisfied in cash	16,433
Less: Deposits paid	(8,596)
Cash and cash equivalents acquired	(6)
Net cash outflows on acquisition	7,831

Note:

The convertible notes in principal amount of HK$17,327,000 were issued by New Times at fair value of HK$17,597,000 as part of the settlement of the consideration. Shine Great Group recorded the amount due of HK$17,597,000 through current account with Total Belief, the immediate holding company of Shine Great, in order to settle part of the consideration of HK$17,597,000 paid by New Times through issuance of convertible notes.

In the opinion of the directors of Shine Great, the fair value of the receivables acquired (which principally comprised of trade and other receivables) approximated to the gross contractual amounts, the best estimate at acquisition date of the contractual cash flows of receivables were expected to be collected.

The goodwill of HK$2,510,000 arising from the acquisition is attributable to the anticipated cash flows from the sales of natural gas business and the anticipated future operating synergies from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

30. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Acquisition of additional interest in a subsidiary

On 25 March 2013, Shine Great Group completed the acquisition of additional 22% equity interest in New Phoenix. The carrying amount of the non-controlling interests in New Phoenix at the date of acquisition was HK$3,946,000. Shine Great Group recognised a decrease in non-controlling interests of HK$3,946,000 and a decrease in equity attributable to owners of Shine Great of HK$9,953,000.

The effect of the above change in ownership interest on the equity attributable to owners of Shine Great during the year ended 31 December 2013 is summarised as follows:

	HK$'000
Carrying amount of non-controlling interests acquired	3,946
Less: Consideration paid to non-controlling interests	(13,899)
Excess of consideration paid recognised within equity	(9,953)

31. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Financial Information, Shine Great Group has entered into the following material related party transactions with its related parties.

(a) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to directors of Shine Great Group as disclosed in note 7 and certain of individuals with the highest emoluments as disclosed in note 8, is as follows:

	Years ended 31 December			Eight months ended 31 August	
	2011	**2012**	**2013**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Short-term employee benefits	—	701	1,086	969	969
Post-employment benefits	—	55	45	39	192
	—	756	1,131	1,008	1,161

(b) Transactions with related parties

(i) The following is a summary of significant related party transactions entered into in the normal course of business between Shine Great Group and its related parties during the Relevant Periods.

Name of related party	Nature of transactions	Years ended 31 December			Eight months ended 31 August	
		2011	2012	2013	2013	2014
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
New World Tower Company Limited *(note)*	Rent, rates and management fee	927	891	—	—	—

Note:

This company is an indirect wholly-owned subsidiary of New World Development Company Limited, which is controlled by the family of Dato' Dr. Cheng Yu Tung, the ultimate beneficiary of New Times.

(ii) During the year ended 31 December 2012, a minority shareholder of a non wholly-owned subsidiary of Shine Great injected HK$10,000,000 to that subsidiary as capital contribution.

32. COMMITMENTS

(a) Capital commitments outstanding and not provided for in the Financial Information were as follows:

Shine Great Group

	As at 31 December			As at 31 August
	2011	2012	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Contracted for				
— Capital contribution to an associate *(note (i))*	—	—	25,375	25,141
— Acquisition of subsidiaries *(note (ii))*	—	121,889	—	—
	—	121,889	25,375	25,141

Notes:

(i) Through Guizhou Shunyao, Shine Great Group and an independent third party agreed to set up a company established in Guizhou Province of PRC with a registered capital of RMB50,000,000, which is 40% owned by Guizhou Shunyao and 60% owned by the independent third party under the agreement for a term of business operation of 30 years. This company will hold various natural gas projects principally engaged in sales of natural gas in refilling station as well as distribution of natural gas to industrial parks, commercial complex and local residents and other related products. Up to the date of this report, this company is not yet established.

(ii) During the year ended 31 December 2012, Shine Great Group entered into agreements for acquisition of 100% equity interests in Guizhou Kunyu and Guizhou Shunyao. The commitment represented the balance of the outstanding considerations to be paid by Shine Great Group and the balance will be settled upon completion of these acquisitions during the year ended 31 December 2013.

Shine Great

At the end of each reporting period, Shine Great did not have any material capital commitments.

(b) Commitments under operating leases

At the end of each reporting period, Shine Great Group had commitments for future minimum lease payments under non-cancellable operating leases payable as follows:

Shine Great Group

	As at 31 December			As at 31 August
	2011	**2012**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	689	934	1,454	1,332
In the second to fifth year inclusive	—	2,521	3,495	2,023
	689	3,455	4,949	3,355

Shine Great Group leases its offices under operating lease arrangements. The leases for properties are negotiated for a term of a range of 1 to 3 years.

Shine Great

At the end of each reporting period, Shine Great did not have any material commitments under operating leases.

33. PLEDGE OF ASSETS

The following assets have been pledged to secure banking facilities and other borrowings granted to Shine Great Group:

Shine Great Group

	As at 31 December			As at 31 August
	2011	**2012**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Lease prepayments	—	—	3,531	7,438
Pledged bank deposits	—	—	19,031	—
Property, plant and equipment	—	—	11,797	21,460
	—	—	34,359	28,898

Shine Great

At the end of each reporting period, Shine Great Group did not pledge any of its assets.

34. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Key sources of estimation uncertainty

In the process of applying Shine Great Group's accounting policies which are described in note 2, management has made certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

(i) Impairment of property, plant and equipment, lease prepayments and intangible assets

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, which requires significant judgement relating to level of revenue and amount of operating costs. Shine Great Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the carrying amount of the assets and could result in additional impairment charge or reversal of impairment in future periods.

The carrying amount of property, plant and equipment of Shine Great Group as at 31 December 2011, 2012 and 2013 and 31 August 2014 were HK$196,000, HK$3,425,000, HK$31,710,000 and HK$50,009,000 respectively. The carrying amount of lease prepayments of Shine Great Group as at 31 December 2011, 2012 and 2013 and 31 August 2014 were HK$Nil, HK$Nil, HK$3,531,000 and HK$7,438,000 respectively. The carrying amount of intangible assets of Shine Great Group as at 31 December 2011, 2012 and 2013 and 31 August 2014 were HK$Nil, HK$Nil, HK$65,991,000 and HK$60,614,000 respectively.

(ii) Impairment of trade and receivables

Shine Great Group maintains an allowance for impairment loss on trade and other receivables based upon an evaluation of the irrecoverability, where applicable, at the end of each reporting period. The estimates are based on the ageing of trade and other receivables and the historical write-off experience, net of recoveries. If the financial condition of the debtors were to deteriorate, additional impairment allowance might be required.

The carrying amount of trade and other receivables of Shine Great Group as at 31 December 2011, 2012 and 2013 and 31 August 2014 were HK$239,950,000, HK$282,943,000, HK$91,489,000 and HK$98,215,000 respectively. The carrying amount of other receivables of Shine Great as at 31 December 2011, 2012 and 2013 and 31 August 2014 were HK$Nil, HK$Nil, HK$158,102,000 and HK$139,365,000 respectively.

Details of impairment on trade and other receivables are set out in note 20.

(iii) Impairment for investment in subsidiaries and an associate

If circumstances indicate that the investment in subsidiaries and an associates may not be recoverable, investment in subsidiaries and an associate may be considered impaired, and an impairment loss may be recognised in accordance with HKAS 36, *Impairment of Assets*. The carrying amount of investment in subsidiaries and an associate is reviewed periodically in order to assess whether the recoverable amount has declined below the carrying amount. The asset is tested for impairment whenever events or changes in circumstances indicate that the recorded carrying amount may not be recoverable. When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. It is difficult to precisely estimate selling prices because quoted market prices for investment in subsidiaries and an associate are not readily available. In determining the value in use, expected cash flows generated by the investment in subsidiaries and an associate are discounted to their present value, which requires significant judgment relating to level of sales volume, tariffs and amount of operating costs of the subsidiaries and an associate. Shine Great uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of sale volume, tariffs and amount of operating costs of the subsidiaries and an associate.

The carrying amounts of investment in subsidiaries as at 31 December 2011, 2012 and 2013 and 31 August 2014 was HK$Nil, HK$Nil, HK$24,309,000 and HK$24,085,000 respectively. The carrying amount of interest in an associate of Shine Great Group as at 31 December 2011, 2012 and 2013 and 31 August 2014 were HK$Nil, HK$Nil, HK$13,130,000 and HK$12,500,000 respectively. Details of the subsidiaries and the associate are set out in notes 13 and 18 respectively.

(iv) Impairment of non-financial assets (other than goodwill)

Shine Great Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(v) Depreciation and amortisation

Property, plant and equipment, intangible assets and lease prepayments are depreciated and amortised on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual values. The management reviews the estimated useful lives and the residual values of the assets regularly in order to determine the amount of depreciation and amortisation expenses to be recorded during any reporting period. The determination of the useful lives and the residual values are based on the historical experience with similar assets and taking into account anticipated technological changes. The depreciation and amortisation expenses for future periods are adjusted if there are significant changes from previous estimates.

(vi) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating unit to which the goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value.

The carrying amount of goodwill of Shine Great Group as at 31 December 2011, 2012 and 2013 and 31 August 2014 were HK$Nil, HK$Nil, HK$33,620,000 and HK$33,440,000 respectively. Details of the goodwill are set out in note 17.

(vii) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience of manufacturing and selling products of similar nature. Management will reassess the estimates at the end of each reporting period.

The carrying amount of inventories of Shine Great Group as at 31 December 2011, 2012 and 2013 and 31 August 2014 were HK$Nil, HK$Nil, HK$105,000 and HK$85,000 respectively.

(b) Critical accounting judgements in applying Shine Great Group's accounting policies

In determining the carrying amounts of some assets and liabilities, Shine Great Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of the reporting period. These estimates involve assumptions about such items as cash flows and discount rates used. Shine Great Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying Shine Great Group's accounting policies.

(i) Income taxes and deferred taxation

Shine Great Group is subject to income tax in the PRC. Significant judgement is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Shine Great Group recognises liabilities for anticipated tax issues based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and tax charge in the periods in which such estimate is changed.

(ii) Going concern basis

As mentioned in note 2(b)(ii), the directors of Shine Great are confident that Shine Great Group will be able to meet its financial obligations in full as and when they fall due in the foreseeable future. Accordingly, the Financial Information has been prepared on a going concern basis.

If the going concern basis is not appropriate, adjustments would have to be made to reclassify non-current assets and liabilities as current assets and liabilities, respectively, to reduce the values of assets to their immediate recoverable amounts and to provide for any further liabilities which might arise. Such adjustments may have a significant consequential effect on the results and net liabilities of Shine Great Group.

35. EMPLOYEE RETIREMENT BENEFITS

As stipulated by the relevant rules and regulations in the PRC, the subsidiaries of Shine Great established in the PRC are required to contribute to a state-sponsored retirement plan, which is a defined contribution pension scheme, for all of their employees based on 15% to 20% of the employee's basic salary. The state-sponsored retirement plan is responsible for the entire pension obligations payable to retired employees and these subsidiaries have no further obligations for the actual pension payments or other post-retirement benefits beyond the annual contributions. For the years ended 31 December 2011, 2012 and 2013, and the eight months ended 31 August 2013 and 2014, the retirement plan contributions amounted to HK$Nil, HK$152,000, HK$481,000, HK$255,000 and HK$846,000 respectively. Contributions to the plan vest immediately.

36. PARENT AND ULTIMATE HOLDING COMPANY

The directors of Shine Great consider the immediate parent of Shine Great to be Total Belief which was incorporated in the BVI, and the ultimate holding company to be New Time, which was incorporated in the BVI and with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited. New Times produces consolidated financial statements under HKFRSs available for public use.

37. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE RELEVANT PERIODS

Up to the date of issue of this report, the HKICPA has issued a number of amendments, and new standards which are not yet effective for the Relevant Periods and which have not been adopted in the Financial Information. These include the following which may be relevant to Shine Great Group.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[3]
HKFRS 9	Financial Instruments[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[3]
Amendments to HKAS 16 and HKAS 38	Classification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[1]

[1] Effective for annual periods beginning on or after 1 July 2014.
[2] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
[3] Effective for annual periods beginning on or 1 January 2016.
[4] Effective for annual periods beginning on or 1 January 2018.

Shine Great Group is in the process of making an assessment of what the impact of these new and revised HKFRSs is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the results of operations and financial position of Shine Great Group.

C. EVENTS AFTER THE END OF THE REPORTING PERIOD

Subsequent to 31 August 2014, Shine Great Group has the following significant events.

(a) On 7 October 2014, Total Belief, the immediate holding company of Shine Great, as the vendor, and Goldlink Capital Limited ("Goldlink"), a directly wholly-owned subsidiary of Blue Sky, as the purchaser, entered into a sale and purchase agreement, pursuant to which Total Belief has conditionally agreed to sell and Goldlink has conditionally agreed to acquire an aggregate of 8,546,210 ordinary shares of Shine Great. Shine Great will then be ceased as a subsidiary of Total Belief after the share transfer.

(b) On 7 October 2014, Shine Great, has entered into a subscription agreement with Goldlink, a directly wholly-owned subsidiary of Blue Sky, pursuant to which Goldlink has conditionally agreed to subscribe for, and Shine Great has conditionally agreed to issue 1,453,790 new ordinary shares of Shine Great for a consideration of RMB30,000,000 (equivalent to approximately HK$37,800,000).

Both of the above events have not yet been completed up to the date of this report. Further details of the above events are set out in the joint announcement of Blue Sky and New Times dated 7 October 2014.

D. SUBSEQUENT FINANCIAL STATEMENTS AND DIVIDENDS

No audited financial statements have been prepared by Shine Great and its subsidiaries comprising Shine Great Group in respect of any period subsequent to 31 August 2014. No dividends or distribution have been declared or made by any companies comprising Shine Great Group in respect of any period subsequent to 31 August 2014.

Yours faithfully,
Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong

Sze Wing Chun
Practising Certificate No.: P06035

MANAGEMENT DISCUSSION AND ANALYSIS OF SHINE GREAT GROUP

Set out below is the management discussion and analysis of the operating results and business review of Shine Great Group for the period from 1 January 2011 to 31 August 2014 (the "Track Record Period").

Shine Great is a company incorporated in the British Virgin Islands with limited liability. As at the date of this circular, Shine Great is an indirect wholly owned subsidiary of New Times and a direct wholly owned subsidiary of Total Belief. Shine Great, through its subsidiaries in the PRC, holds certain natural gas projects in Jiangsu Province and Guizhou Province, such as LNG/CNG stations for vehicles and natural gas supply projects to industrial parks and household communities.

For the year ended 31 December 2011

Business review

For the year ended 31 December 2011, Shine Great Group did not have any turnover from operation of natural gas refilling stations. For the year ended 31 December 2011, Shine Great Group recognised bank interest income of approximately HK$421,000 and administrative expenses amounted to approximately HK$7,086,000. Shine Great Group incurred a loss before taxation of approximately HK$6,665,000.

Liquidity and financial resources

As at 31 December 2011, the net current liabilities of Shine Great Group were approximately HK$17,582,000. The current assets mainly consisted of trade and other receivables of approximately HK$231,170,000. The current liabilities mainly consisted of trade and other payables of approximately HK$248,898,000. Shine Great Group had no non-current liabilities.

Gearing ratio

The gearing ratio, represented by total liabilities as a percentage of total assets, was approximately 103.6%.

Capital commitments

As at 31 December 2011, Shine Great Group had no capital commitment outstanding and not provided for in the financial statements.

Significant investment, material acquisition and disposals

For the year ended 31 December 2011, Shine Great Group had no significant investment, material acquisition and disposals.

Pledge of assets

As at 31 December 2011, Shine Great Group did not pledge any of its assets.

Remuneration policies and employee information

Shine Great Group did not incur any salary expenses for the year ended 31 December 2011.

Foreign exchange reserve

Shine Great Group's exposure to foreign currency risk is minimal as Shine Great Group does not have any material foreign currency transactions. The exchange rate risk to Shine Great Group is not significant. There was no financial arrangement for hedging purpose in respect of Shine Great Group during the year ended 31 December 2011.

Contingent liabilities

As at 31 December 2011, Shine Great Group has no material contingent liabilities.

Segmental information

Shine Great Group has only one single segment, being the distribution of natural gas. In addition, Shine Great Group's revenue from external customers is derived solely from its operations in the PRC and all material non-current assets of the Group are located in the PRC. Accordingly, no analysis by product and geographical information is provided.

For the year ended 31 December 2012

Business review

For the year ended 31 December 2012, Shine Great Group did not have any turnover from operation of natural gas refilling stations. For the year ended 31 December 2012, Shine Great Group recognised bank interest income of approximately HK$20,000 and sundry income of HK$113,000, and the administrative expenses amounted to approximately HK$10,406,000. Shine Great Group incurred a loss before taxation of approximately HK$10,334,000. The loss before taxation increased by approximately HK$3,669,000 mainly due to the increase in administrative expenses of approximately HK$3,320,000.

Liquidity and financial resources

As at 31 December 2012, the net current liabilities of Shine Great Group were approximately HK$22,874,000. The current assets mainly consisted of trade and other receivables of approximately HK$262,067,000. The current liabilities mainly consisted of trade and other payables of approximately HK$289,548,000. Shine Great Group had obligation under finance lease repayable of approximately HK$340,000.

Gearing ratio

The gearing ratio, represented by total liabilities as a percentage of total assets, was approximately 99.7%.

Capital commitments

As at 31 December 2012, Shine Great Group had no capital commitment outstanding and not provided for in the financial statements.

Significant investment, material acquisition and disposals

For the year ended 31 December 2012, Shine Great Group had no significant investment, material acquisition and disposals.

Pledge of assets

As at 31 December 2012, Shine Great Group did not pledge any of its assets.

Remuneration policies and employee information

As at 31 December 2012, Shine Great Group had 30 employees. Total staff costs for the year ended 31 December 2012 were approximately HK$1,238,000, of which salaries and allowance were approximately HK$1,086,000 and contribution to defined contribution retirement scheme were approximately HK$152,000.

Shine Great Group remunerates its employees based on the job nature, individual performance, working experiences, professional qualification and market trends. Shine Great Group also provides various trainings to the employees periodically. Shine Great Group has no share option scheme for the year ended 31 December 2012.

Foreign exchange reserve

Shine Great Group's exposure to foreign currency risk is minimal as Shine Great Group does not have any material foreign currency transactions. The exchange rate risk to Shine Great Group is not significant. There was no financial arrangement for hedging purpose in respect of Shine Great Group during the year ended 31 December 2012.

Contingent liabilities

As at 31 December 2012, Shine Great Group has no material contingent liabilities.

Segmental information

Shine Great Group has only one single segment, being the distribution of natural gas. In addition, Shine Great Group's revenue from external customers is derived solely from its operations in the PRC and all material non-current assets of the Group are located in the PRC. Accordingly, no analysis by product and geographical information is provided.

For the year ended 31 December 2013

Business review

For the year ended 31 December 2013, turnover of Shine Great Group from operation of natural gas refilling stations was approximately HK$1,085,000, while no such turnover was recognised for the year ended 31 December 2012. The gross loss was approximately HK$1,162,000.

Shine Great Group's administrative expenses increased by approximately HK$4,674,000 from approximately HK$10,406,000 for the year ended 31 December 2012 to approximately HK$15,080,000 for the year ended 31 December 2013. Such increase was mainly due to net effect of (i) the increase in wages, salaries and other benefits of approximately HK$3,486,000; and (ii) the increase in depreciation for property, plant and equipment of approximately HK$1,438,000.

The loss before taxation increased by approximately HK$11,366,000 mainly due to (i) the increase in administrative expenses of approximately HK$4,674,000, (ii) other operating expenses incurred in the year ended 31 December 2013 of approximately HK$3,027,000, and (iii) share of result of an associate for the year ended 31 December 2013 of approximately HK$2,091,000.

Liquidity and financial resources

As at 31 December 2013, the net current liabilities of Shine Great Group were approximately HK$237,991,000. The current assets mainly consisted of trade and other receivables of approximately HK$26,724,000 and pledged bank deposits of approximately HK$19,031,000. The current liabilities mainly consisted of trade and other payables of approximately HK$239,535,000. Shine Great Group had obligation under finance lease repayable of approximately HK$262,000 and deferred tax liabilities of approximately HK$17,026,000.

Gearing ratio

The gearing ratio, represented by total liabilities as a percentage of total assets, was approximately 116.4%.

Capital commitments

As at 31 December 2013, Shine Great Group had capital commitment outstanding and not provided for in the financial statements of approximately HK$25,375,000 in relation to capital contribution to an associate.

Significant investment, material acquisition and disposals

On 25 March 2013, Shine Great Group completed the acquisition of additional 22% ownership interests of New Phoenix Global Limited for a total consideration of HK$13,899,000.

On 31 October 2013, Shine Great Group completed the acquisition of 100% equity interest in 貴州坤煜經貿有限公司 (Guizhou Kunyu Trading Company Limited), a company engaged in distribution of natural gas, for a consideration of RMB65,100,000 (equivalent to approximately HK$82,273,000). The acquisition was completed on 31 October 2013.

On 3 December 2013, Shine Great completed the acquisition of 100% equity interest in 貴州舜堯能源投資有限公司 (Guizhou Shunyao Energy Investment Company Limited), a company engaged in distribution of natural gas, for a consideration of RMB26,920,000 (equivalent to approximately HK$34,030,000. The acquisition was completed on 3 December 2013.

Pledge of assets

As at 31 December 2013, Shine Great Group pledged (i) lease prepayments of approximately HK$3,531,000, (ii) pledged bank deposits of HK$19,031,000, and (iii) property, plant and equipment of approximately HK$11,797,000, to secure banking facilities and other borrowings granted to Shine Great Group.

Remuneration policies and employee information

As at 31 December 2013, Shine Great Group had 91 employees. Total staff costs for the year ended 31 December 2013 were approximately HK$5,053,000, of which salaries and allowance were approximately HK$4,572,000 and contribution to defined contribution retirement scheme were approximately HK$481,000.

Shine Great Group remunerates its employees based on the job nature, individual performance, working experiences, professional qualification and market trends. Shine Great Group also provides various trainings to the employees periodically. Shine Great Group has no share option scheme for the year ended 31 December 2013.

Foreign exchange reserve

Shine Great Group's exposure to risk is minimal as Shine Great Group does not have any material foreign currency transactions. The exchange rate risk to Shine Great Group is not significant. There was no financial arrangement for hedging purpose in respect of Shine Great Group during the year ended 31 December 2013.

Contingent liabilities

As at 31 December 2013, Shine Great Group has no material contingent liabilities.

Segmental information

Shine Great Group has only one single segment, being the distribution of natural gas. In addition, Shine Great Group's revenue from external customers is derived solely from its operations in the PRC and all material non-current assets of the Group are located in the PRC. Accordingly, no analysis by product and geographical information is provided.

For the period ended 31 August 2014

Business review

For the eight months ended 31 August 2014, turnover of Shine Great Group from operation of natural gas refilling stations was approximately HK$3,919,000, while no such turnover was recognised for the eight months ended 31 August 2013 because the natural gas refilling stations commenced their operation in the late second half of 2013. The gross loss was approximately HK$5,263,000.

Shine Great Group's other income increased by approximately HK$119,000 from approximately HK$118,000 for the eight months ended 31 August 2013 to approximately HK$237,000 for the eight months ended 31 August 2014. The increase was mainly due to net effect of (i) the gain on disposal of plant and equipment of HK$193,000 recognised for the eight months ended 31 August 2014, and no such gain on disposal of plant and equipment was recognised for the eight months ended 31 August 2013; and (ii) the sundry income of approximately HK$109,000 recognized for the eight months ended 31 August 2013, and no such income was recognized for the eight months ended 31 August 2014.

Shine Great Group's administrative expenses increased by approximately HK$2,444,000 from approximately HK$10,063,000 for the eight months ended 31 August 2013 to approximately HK$12,507,000 for the eight months ended 31 August 2014. Such increase was mainly due to the increase in depreciation for property, plant and equipment of approximately HK$3,014,000. The finance costs increased from approximately HK$43,000 to approximately HK$5,960,000, mainly due to the increase in interests on other borrowings of approximately HK$5,921,000.

The loss for the period increased by approximately HK$14,422,000 mainly due to (i) increase in gross loss of approximately HK$5,263,000; (ii) the increase in finance costs of approximately HK$5,917,000; and (iii) the increase in other operating expenses of approximately HK$4,438,000.

Liquidity and financial resources

As at 31 August 2014, the net current liabilities of Shine Great Group were approximately HK$296,903,000. The current assets mainly consisted of trade and other receivables of approximately HK$20,967,000 and cash deposits of approximately HK$21,390,000. The current liabilities mainly consisted of trade and other payables of approximately HK$313,149,000. Shine Great Group had deferred tax liabilities of approximately HK$11,169,000.

Gearing ratio

The gearing ratio, represented by total liabilities as a percentage of total assets, was approximately 123.7%.

Capital commitments

As at 31 August 2014, Shine Great Group had capital commitment outstanding and not provided for in the financial statements of approximately HK$25,141,000 in relation to capital contribution to an associate.

Significant investment, material acquisition and disposals

For the eight months ended 31 August 2014, Shine Great Group had no significant investment, material acquisition and disposals.

Pledge of assets

As at 31 August 2014, Shine Great Group pledged (i) lease prepayments of approximately HK$7,438,000, and (ii) property, plant and equipment of approximately HK$21,460,000, to secure banking facilities and other borrowings granted to Shine Great Group.

Remuneration policies and employee information

As at 31 August 2014, Shine Great Group had 69 employees. Total staff costs for the eight months period ended 31 August 2014 were approximately HK$5,165,000, of which salaries and allowance were approximately HK$4,319,000 and contribution to defined contribution retirement scheme were approximately HK$846,000.

Shine Great Group remunerates its employees based on the job nature, individual performance, working experiences, professional qualification and market trends. Shine Great Group also provides various trainings to the employees periodically. Shine Great Group has no share option scheme for the eight months ended 31 August 2014.

Foreign exchange reserve

Shine Great Group's exposure to foreign currency risk is minimal as Shine Great Group does not have any material foreign currency transactions. The exchange rate risk to Shine Great Group is not significant. There was no financial arrangement for hedging purpose in respect of Shine Great Group during the eight months ended 31 August 2014.

Contingent liabilities

As at 31 August 2014, Shine Great Group has no material contingent liabilities.

Segmental information

Shine Great Group has only one single segment, being the distribution of natural gas. In addition, Shine Great Group's revenue from external customers is derived solely from its operations in the PRC and all material non-current assets of the Group are located in the PRC. Accordingly, no analysis by product and geographical information is provided.

Prospect of new business

Shine Great did not have any plans for new investments as at 31 August 2014.

The information set out in this Appendix does not form part of the Accountant's Report on Shine Great Group issued by Crowe Horwath (HK) CPA Limited, as set out in Appendix II. The unaudited pro forma financial information should be read in conjunction with "Financial Information of the Group" set out in Appendix I and the Accountant's Report on Shine Great Group set out in Appendix II.

(I) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is the unaudited pro forma consolidated statement of assets and liabilities of the enlarged Group which has been prepared to illustrate the effect of the subscription of 14.54% and the acquisition of remaining equity interests in Shine Great, as if it had been completed on 31 August 2014. The unaudited pro forma consolidated statement of assets and liabilities has been prepared for illustrative purposes only, and because of its hypothetical nature, it does not represent the actual financial position nor purport to predict the future financial position of the enlarged Group had the subscription of 14.54% and the acquisition of remaining equity interests in Shine Great been completed on 31 August 2014 or any future date.

Pursuant to the Subscription Agreement and the Sale and Purchase Agreement, the Group shall subscribe for approximately 14.54% and purchase for approximately 85.46% of the issued share capital of 10,000,000 Shine Great Shares as enlarged by the Subscription Shares. The Subscription involved a cash consideration of RMB30,000,000 while the acquisition, comprising of 36.46% and 49% of the enlarged issued share capital of Shine Great, shall be satisfied by (a) cash of HK$17,000,000 and by (b) issuing Convertible Bonds in the principal amount of up to HK$213,045,259.

The Subscription Completion is conditional on, among other things, the Acquisition Completion I and vice versa while the Acquisition Completion II is conditional on the Subscription Completion and Acquisition Completion I and the unaudited consolidated management accounts of Shine Great Group for the financial year ending 31 December 2015 becoming available. Because the Subscription Agreement and the Sale and Purchase Agreement are entered into at the same time, with the same counterparty and in contemplation of one another, the transactions underlying in these agreements are accounted for on an aggregate basis.

Upon the Subscription Completion and Acquisition Completion I, the Group will be required to complete Transaction II by issuing Convertible Bonds II when the unaudited management accounts of Shine Great Group for the financial year ending 31 December 2015 becoming available, the Sale and Purchase Agreement therefore contains an obligation for the Group to purchase its own equity instruments. In addition, because the principal amount of the Convertible Bonds II is relatively fixed and only subject to a maximum possible reduction of 2% only under the Consideration Adjustment Clause, the Directors are of the opinion that the Group will also attain the present ownership interests associated with the remaining 49% of the enlarged issued share capital of Shine Great by gaining both the economic risks and economic rewards. Accordingly, upon the Subscription Completion and Acquisition Completion I, the

remaining 49% of the enlarged issued share capital of Shine Great Group are also deemed to have been acquired by the Group simultaneously and the corresponding equity interests are attributable to the equity holders of the Company, and Shine Great will become a wholly owned subsidiary of the Group.

The unaudited pro forma consolidated statement of assets and liabilities of the enlarged Group is based on unaudited condensed consolidated statement of financial position of the Group as at 30 June 2014 as extracted from published interim report of the Group for the six months ended 30 June 2014, after incorporating the unaudited pro forma adjustments as described in the accompanying notes to illustrate the effect of the subscription of 14.54% and the acquisition of remaining equity interests in Shine Great:

	(Unaudited) The Group as at 30 June 2014	Shine Great Group as at 31 August 2014	Unaudited pro forma adjustments				Unaudited pro forma assets and liabilities of the enlarged Group after the Subscription Completion and Acquisition Completion I
			#1	#2	#3	#4	
	HK$'000 (Note 1)	*HK$'000* (Note 2)	*HK$'000* (Note 3)	*HK$'000* (Note 6)	*HK$'000* (Note 7)	*HK$'000* (Note 8)	*HK$'000*
Non-current assets							
Leasehold land and land use rights	5,610	7,154					12,764
Property, plant and equipment	128,136	50,009					178,145
Intangible assets	3,500	60,614			*127,885*		191,999
Goodwill	47,313	33,440			*(17,020)*		63,733
Investment properties	29,423	—					29,423
Deposits, prepayments and other receivables	36,773	77,248		*(14,000)*			100,021
Investments in subsidiaries	—	—		*271,433*	*(271,433)*		—
Interest in an associate	—	12,500					12,500
Other non-current assets	426	—					426
	251,181	240,965	—	*257,433*	*(160,568)*	—	589,011
Current assets							
Inventories	22,570	85					22,655
Leasehold land and land use rights	—	284					284
Trade and other receivables	51,521	20,967					72,488
Current tax assets	4,090	—					4,090
Cash and bank balances	34,628	21,390		*(40,800)*		*(1,186)*	14,032
	112,809	42,726	—	*(40,800)*	—	*(1,186)*	113,549
Current liabilities							
Trade and other payables	38,453	313,149	*(273,243)*				78,359
Bank borrowings, secured	14,917	—					14,917
Other borrowings	—	26,480					26,480
Redemption liability	—	—		*137,012*			137,012
	53,370	339,629	*(273,243)*	*137,012*	—	—	256,768
Net current assets/(liabilities)	59,439	(296,903)	*273,243*	*(177,812)*	—	*(1,186)*	(143,219)
Total assets less current liabilities	310,620	(55,938)	*273,243*	*79,621*	*(160,568)*	*(1,186)*	445,792

	(Unaudited) The Group as at 30 June 2014	Shine Great Group as at 31 August 2014	Unaudited pro forma adjustments				Unaudited pro forma assets and liabilities of the enlarged Group after the Subscription Completion and Acquisition Completion I
			#1	#2	#3	#4	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 6)*	*(Note 7)*	*(Note 8)*	
Non-current liabilities							
Other borrowings	6,000	206					6,206
Convertible bonds	—	—		*56,214*			56,214
Deferred tax liabilities	—	11,169			*31,971*		43,140
	6,000	11,375	—	*56,214*	*31,971*	—	105,560
Net assets/(liabilities)	304,620	(67,313)	*273,243*	*23,407*	*(192,539)*	*(1,186)*	340,232

Notes:

1. The amounts are extracted from the condensed consolidated statement of financial position of the Group as at 30 June 2014, as set out in the published interim report of the Company for the six months ended 30 June 2014. No audit or review report on the condensed consolidated statement of financial position was issued.

2. The amounts are extracted from the financial information of Shine Great Group, as set out in Appendix II to this Circular.

3. The adjustment represents the increase in shares of Shine Great from 100 shares to 8,546,210 shares by way of capitalisation of the shareholder's loan of Shine Great Group of HK$273,243,000 as at 31 August 2014, and is extracted from the financial information of Shine Great Group, as set out in Appendix II to this Circular. The amount of the shareholder's loan to be capitalised on the Subscription Completion might be different from the amount presented above.

4. The Subscription Consideration and Acquisition Consideration I will be settled in the following manner:

   (a) RMB30,000,000 (equivalent to approximately HK$37,800,000) in cash shall be paid on the Subscription Completion, retranslated based on the exchange rate of RMB1 to HK$1.26 applied in this Circular;

   (b) HK$17,000,000 in cash, of which HK$14,000,000 has been paid as at 30 June 2014 and remaining balance was paid upon execution of the Sale and Purchase Agreement; and

   (c) Convertible Bonds I in the principal amount of HK$77,805,108 to be issued within 10 Business Days after the Subscription Completion and Acquisition Completion I.

   Holder of Convertible Bonds I may convert the whole or any part of the Convertible Bonds I into Conversion Shares at HK$0.379 per Conversion Share, subject to adjustments. The Convertible Bonds I shall be measured at fair value on Acquisition Completion I considering both the fair value of the debt component and equity component. The debt component of the Convertible Bonds I is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the Convertible Bonds I as a whole and the fair value of the debt component. Any directly attributable transaction costs are allocated to the debt and equity components in proportion to their initial carrying amount.

For the purpose of this unaudited pro forma financial information, the fair value of the Convertible Bonds I is estimated by the Directors with reference to an independent valuation report prepared by Roma Appraisals Limited ("Roma") to be HK$79,621,000, which comprises the fair value of the debt component of HK$56,214,000 and fair value of the equity component of HK$23,407,000 as at 31 August 2014. Fair value of the Convertible Bonds I is determined by using the binomial option pricing model based on the key assumptions including (i) expected volatility of the Company's daily stock price of 48.658%, (ii) stock price of the Company as at 31 August 2014 of HK$3.400, (iii) exercise price of the conversion option of HK$0.379, (iv) expected bond period of 3.001 years, (v) the expected dividend yield of 0.000%, (vi) the discount rate of the 11.440% and (vii) risk free rate of 0.694%. Fair value of the debt component of the Convertible Bond I is determined by using the discounted cash flow estimates, which represents the present value of the redemption price discounted at a fair market rate of 11.440%, which is based on (i) the risk free rate of 0.694%, (ii) spread of comparable bond of 9.846% and (iii) country risk premium of 0.900%. Volatility of the Company's daily stock price is determined based on the historical volatility of the Company's stock price over the past 156 weeks as extracted from Bloomberg. Risk free rate is determined with reference to the market yield of Hong Kong Government Bonds with maturity of 3 years as at 31 August 2014 as extracted from Bloomberg, the observable period consistent with maturity of the Convertible Bonds I. The spread of comparable bond is determined with reference to the option-adjusted spreads of comparable bonds with similar credit rating and maturity of companies principally engaged in publication and oil and gas industries in the United States ("US") as extracted from Bloomberg. Country risk premium has been applied to reflect the difference in country risk among the US bonds and the Convertible Bonds I. The country risk premium is the country risk premium of China based on the data from an external valuation database.

The fair value of the Convertible Bonds I to be issued on Subscription Completion and Acquisition Completion I may be different from its fair value used in preparing this unaudited pro forma financial information.

5. The Sale and Purchase Agreement contains an obligation for the Group to purchase its own equity instruments which give rise to a financial liability (i.e. redemption liability). This financial liability shall be recognised initially at the present value of redemption amount (i.e. Convertible Bond II) in accordance with International Accounting Standard 32, "Financial Instruments: Presentation" upon the Subscription Completion and Acquisition Completion I. Any unwinding of the discount on this redemption liability in subsequent reporting periods shall be recognised in profit or loss. Upon the Acquisition Completion II, the carrying amount of this financial liability at that date shall be extinguished by the issuance of the Convertible Bonds II.

   For the purpose of this unaudited pro forma financial information, the Directors have preliminary estimated that there is a shortfall between the Actual Profit for the financial year ending 31 December 2015 and the Profit Guarantee and the said shortfall is within 20%, the principal amount of the Convertible Bonds II shall be HK$133,887,749 according to the Sale and Purchase Agreement. The present value of the redemption liability on Subscription Completion and Acquisition Completion I approximates the fair value of the Convertible Bonds II as if the Acquisition Completion II took place on 31 August 2014. Fair value of the Convertible Bonds II is estimated by the Directors with reference to an independent valuation report prepared by Roma to be HK$137,012,000 as at 31 August 2014 and is determined by using the binomial option pricing model. For the purpose of this unaudited pro forma financial information, the key assumptions adopted are the same as Convertible Bonds I as if the issue of Convertible Bonds I and Convertible Bonds II took place on 31 August 2014. Since Transaction II might be completed on a date after the Subscription Completion and Acquisition Completion I, the approach in deriving the present value of the redemption liability would be different and the present value of the redemption liability might be different from the fair value of the Convertible Bonds II. In addition, any unwinding of the discount on the redemption liability in subsequent reporting periods shall be recognised in profit or loss.

6. For the purpose of this unaudited pro forma financial information, the aggregate amount of the fair value of the Subscription Consideration and Acquisition Consideration (collectively referred to as the "Consideration") is as follows:

	HK$'000
Cash consideration *(notes 4(a), (b))*^	54,800
Convertible Bonds I *(note 4(c))*	79,621
Redemption liability *(note 5)*	137,012
	271,433

^ Cash consideration of HK$54,800,000 above included (i) HK$14,000,000 which has been paid as at 30 June 2014 (note 4(b)) and (ii) HK$40,800,000, which comprises of HK$37,800,000 (note 4(a)) and HK$3,000,000 (note 4(b)), to be paid on Subscription Completion and execution of the Sale and Purchase Agreement.

The fair value of the Consideration of HK$271,433,000 is recognised as cost of investments in subsidiaries, the fair value of the debt component of the Convertible Bonds I of HK$56,214,000 is recognised under non-current liabilities and the redemption liability of HK$137,012,000 is recognised under current liability in the unaudited pro forma financial information.

Since (a) the exchange rate of RMB to HK$, (b) the fair value of the Convertible Bonds I and (c) the present value of the redemption liability may be different on the Subscription Completion and the Acquisition Completion I from the amount used in preparing this unaudited pro forma financial information, the amount of the Consideration and, accordingly, the amount of investment cost to the Company may be different from the amounts presented above.

7. Upon the Subscription Completion and the Acquisition Completion I, the identifiable assets and liabilities of Shine Great Group will be accounted for in the consolidated financial statements of the enlarged Group at fair value under the purchase method of accounting in accordance with International Financial Reporting Standard 3 (Revised), "Business Combination" ("IFRS 3"). For the purpose of the unaudited pro forma financial information, the Directors have estimated the fair value of the identifiable assets and liabilities of Shine Great Group. The pro forma fair value of identifiable assets acquired and liabilities assumed of Shine Great Group as at 31 August 2014 are as follows:

	Carrying amount *HK$'000*	**Fair value adjustments** *HK$'000*	**Fair value** *HK$'000*
Leasehold land and land use rights	7,438	—	7,438
Property, plant and equipment	50,009	—	50,009
Goodwill *(note 7(c))*	—	—	—
Intangible assets *(note 7(a))*	60,614	127,885	188,499
Deposits and prepayments	84,655	—	84,655
Interest in an associate	12,500	—	12,500
Inventories	85	—	85
Trade and other receivables	13,560	—	13,560
Cash and bank balances	21,390	—	21,390
Trade and other payables	(39,906)	—	(39,906)
Other borrowings	(26,686)	—	(26,686)
Deferred tax liabilities *(note 7(b))*	(11,169)	(31,971)	(43,140)
	172,490	95,914	268,404

(a) The carrying amount of intangible assets represent operating rights obtained by Shine Great Group through acquisitions of Guizhou Kunyu Trading Company Limited ("Guizhou Kunyu") on 31 October 2013 and Guizhou Shunyao Energy Investment Company Limited ("Guizhou Shunyao") on 3 December 2013. These intangible assets are initially recognised by Shine Great Group at an aggregate fair value of HK$67,072,000 at the respective dates of acquisition. Subsequent to initial recognition, these intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Shine Great Group also obtained other operating rights individually at zero consideration. For the purpose of this unaudited pro forma financial information, the fair value of these operating rights obtained (i) through acquisitions of Guizhou Kunyu and Guizhou Shunyao and (ii) individually as at 31 August 2014 was determined by the Directors with reference to an independent valuation prepared by Roma to be HK$119,239,000 and HK$69,260,000, respectively. The fair value of the operating rights to be recognised by the enlarged Group upon the Subscription Completion and Acquisition Completion I might be different from the amount presented above.

(b) The adjustment to deferred tax liabilities was arising from the fair value adjustment of the intangible assets and is calculated based on the PRC Enterprise Income Tax rate of 25%, given these assets are held by the PRC subsidiaries of Shine Great Group.

(c) The pro forma goodwill arising from the Subscription Completion and Acquisition Completion I is calculated as the excess of the pro forma Consideration over the Group's share of the pro forma fair value of the identifiable net assets of Shine Great Group as if the Subscription Completion and Acquisition Completion I took place on 31 August 2014, as follows:

	HK$'000	*HK$'000*
Pro forma fair value of Consideration *(note 6)*		271,433
Pro forma fair value of identifiable net assets of Shine Great Group *(per above)*	268,404	
Less: Pro forma non-controlling interests*	(3,560)	
Less: Pro forma fair value adjustments attributable to non-controlling interests**	(9,831)	
Pro forma fair value of identifiable net assets acquired		(255,013)
Goodwill[#]		16,420

* Non-controlling interests are attributable to non-wholly owned subsidiaries of Shine Great Group where Shine Great Group had 73% equity interest as at 31 August 2014. The amount is extracted from the financial information of Shine Great Group, as set out in Appendix II.

** Pro forma fair value adjustments attributable to non-controlling interests is calculated based on the pro forma fair value adjustments attributable to the non-wholly owned subsidiaries of Shine Great Group of HK$36,411,000 less the amount attributable to Shine Great Group of HK$26,580,000 as at 31 August 2014.

[#] Goodwill recognised by Shine Great Group of HK$33,440,000 as at 31 August 2014 as set out in Appendix II was not included as an identifiable asset for the purpose of business combination under IFRS 3 and accordingly was subsumed into the calculation of goodwill above. The adjustment of HK$17,020,000 is the combined effect of the goodwill recognised by Shine Great Group of HK$33,440,000 and the goodwill of HK$16,420,000 as indicated above.

Since the fair value of the Consideration and the identifiable net assets of Shine Great Group as well as the amount of non-controlling interests on Subscription Completion and Acquisition Completion I may be different from the amounts used in preparing this unaudited pro forma financial information, the amount of goodwill to be recognised in connection with the Subscription and Transaction I may be different from the amounts presented above.

For the purpose of this unaudited pro forma financial information, the Directors consider that no impairment in the value of leasehold land and land use rights, property, plant and equipment, intangible assets, goodwill and interest in an associate is necessary in respect of Shine Great Group as the Directors assessed that there is no indication of impairment in accordance with International Accounting Standard 36, "Impairment of Assets", when preparing this unaudited pro forma financial information. Subject to any changes in the accounting standards, the Directors will apply consistent accounting policies, principles applicable and appropriate assumptions and valuation methods in order to assess the impairment of these assets in subsequent reporting periods in accordance with the International Financial Reporting Standards.

8. The adjustment represents estimated expenditures that are directly attributable to the Transaction I which will be charged to profit or loss of the Group, including legal fees and other advisory fees, accountants' fees, printing and translation fee of this Circular and will be subject to further changes upon completion.

9. No adjustment has been made to the unaudited pro forma consolidated statement of assets and liabilities, to reflect any trading results or other transactions of the enlarged Group entered into subsequent to 31 August 2014.

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, received from the reporting accountant, BDO Limited, Certified Public Accountants, Hong Kong.

(II) INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION



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TO THE DIRECTORS OF BLUE SKY POWER HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of Blue Sky Power Holdings Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated statement of assets and liabilities, and related notes as set out on pages IV-1 to IV-7 of the circular (the "Circular") issued by the Company dated 2 January 2015 (the "Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described on pages IV-1 to IV-7 of the Circular.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the subscription of 14.54% of and the acquisition of remaining equity interests in Shine Great Investments Limited (the "Target Company") and its subsidiaries (collectively referred to as the "Target Group") by the Company on the Group's assets and liabilities as at 30 June 2014 as if the transaction had taken place at 31 August 2014. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's condensed consolidated financial statements for the six months ended 30 June 2014, on which no audit or review report has been published. Information about the Target Group's financial position has been extracted by the Directors from the financial information of the Target Group as set out in its accountant's report included in Appendix II to the Circular.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the 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" 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 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 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 accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" 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 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 Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or 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 event or transaction at 31 August 2014 would have been as presented.

A reasonable assurance engagement to report on whether the 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 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 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 judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the 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 Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited
Certified Public Accountants
Au Yiu Kwan
Practising Certificate No.: P05440

Hong Kong, 2 January 2015



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2 January 2015

Blue Sky Power Holdings Limited
Room 1007–8, 10/F.,
New World Tower I,
16–18 Queen's Road Central,
Hong Kong

Case Ref: AK/BV2245/OCT14

Dear Sir/Madam,

Re: Valuation of 100% Equity Interest in Shine Great Investments Limited and its Subsidiaries

In accordance with the instructions from Blue Sky Power Holdings Limited (hereinafter referred to as the "Company") to us to conduct a business valuation on 100% equity interest in Shine Great Investments Limited (hereinafter referred to as the "Business Enterprise") and its subsidiaries, we are pleased to report that we have made relevant enquiries and obtained other information which we considered relevant for the purpose of providing our valuation as at 30 September 2014 (hereinafter referred to as the "Date of Valuation").

This report states the purpose of valuation, scope of work, economic and industry overviews, an overview of the Business Enterprise, basis of valuation, investigation and analysis, valuation methodology, major assumptions, information reviewed, limiting conditions, remarks and opinion of value.

1. PURPOSE OF VALUATION

This report is prepared solely for the use of the directors and management of the Company. Roma Appraisals Limited (hereinafter referred to as "Roma Appraisals") acknowledges that this report may be made available to the Company for public documentation purpose only.

Roma Appraisals assumes no responsibility whatsoever to any person other than the Company in respect of, or arising out of, the contents of this report. If others choose to rely in any way on the contents of this report they do so entirely at their own risk.

2. SCOPE OF WORK

Our valuation conclusion is based on the assumptions stated herein and on information provided by the management of the Company, the management of the Business Enterprise and/or their representative(s) (together referred to as the "Management").

In preparing this report, we have had discussions with the Management in relation to the development and prospect of the liquefied natural gas fueling station industry, and the development, operations and other relevant information of the Business Enterprise. As part of our analysis, we have reviewed such financial information and other pertinent data concerning the Business Enterprise provided to us by the Management and have considered such information and data as attainable and reasonable.

We have no reason to believe that any material facts have been withheld from us; however, we do not warrant that our investigations have revealed all of the matters which an audit or more extensive examination might disclose.

We do not express an opinion as to whether the actual results of the business operation of the Business Enterprise will approximate those projected because assumptions regarding future events by their nature are not capable of independent substantiation.

In applying these projections to the valuation of the Business Enterprise, we are making no representation that the business expansion will be successful, or that market growth and penetration will be realized.

3. ECONOMIC OVERVIEW

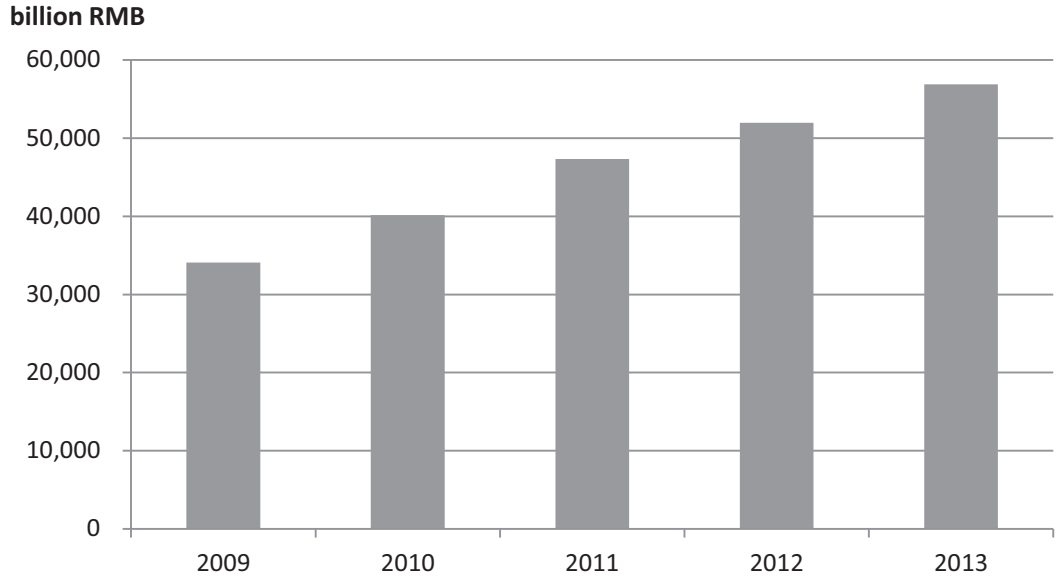
3.1 Overview of the Economy in China

According to the National Bureau of Statistics of China, the nominal gross domestic product ("GDP") of China in the third quarter of 2014 was RMB41,991 billion, an increase of 8.48% over the same period in last year. China was the third largest economy in the world, ranked after the European Union and the United States, in terms of nominal GDP estimated by the International Monetary Fund ("IMF") in 2014. Despite the global financial crisis in late 2008, the Chinese economy continued to be supported by the Chinese government through spending in infrastructure and real estates.

Throughout 2009, the global economic downturn reduced foreign demand for Chinese exports for the first time in many years. The government vowed to continue reforming the economy and emphasized the need to increase domestic consumption in order to make China less dependent on foreign exports. China's economy rebounded quickly in 2010, outperforming all other major economies with robust GDP growth and the economy remained in strong growth in 2011, 2012 and 2013.

Over the past decade from 2004 to 2013, compound annual growth rate of China's nominal GDP was 15.1% and in the government's latest plan, it is targeted to grow at 7% for the period from 2011 to 2015. Figure 1 further illustrates the nominal GDP of China from 2009 to 2013.

Figure 1 — China's Nominal Gross Domestic Product from 2009 to 2013

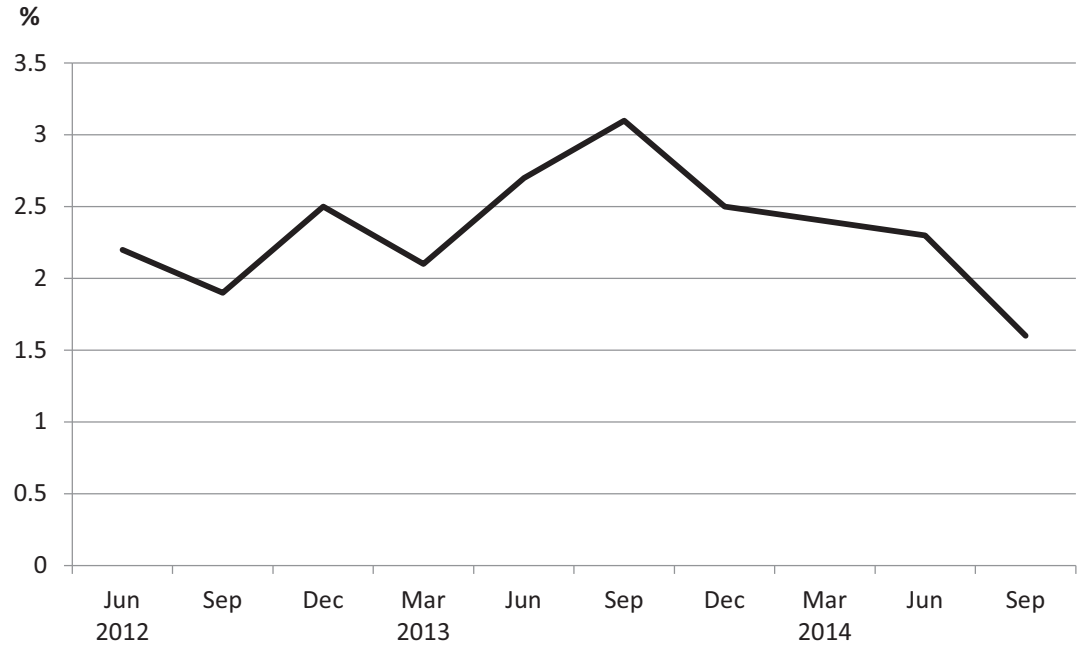


Source: National Bureau of Statistics of China

3.2 Inflation in China

Tackling inflation problem has long been the top priority of the Chinese government as high prices are considered as one of the causes of social unrest. For such a fast-growing economy, the middle-class' demand for food and commodities has been rising continuously. Inflation in China has been driven mainly by food prices, which have been stayed high in 2011. According to the National Bureau of Statistics of China, the consumer price index demonstrated an uptrend in the first half of 2011. Thanks to the government's policies in suppressing commodity prices, the inflation slowed in 2012 and maintained at around 2% to 3% since then. Figure 2 shows the year-over-year change in consumer price index of China from June 2012 to September 2014.

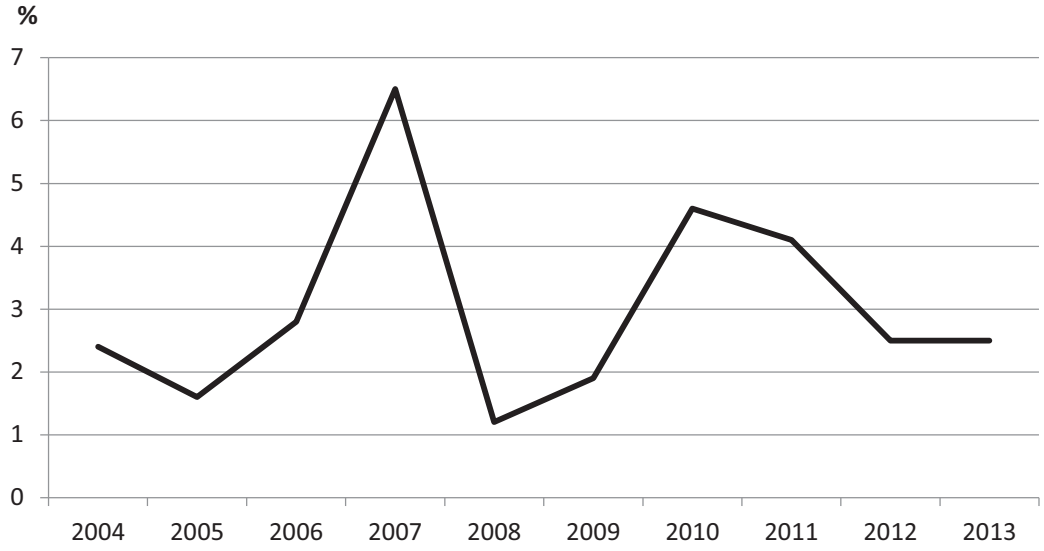
Figure 2 — Year-over-year Change in China's Consumer Price Index from June 2012 to September 2014



Source: National Bureau of Statistics of China

China's inflation rate was volatile during the past decade. According to the IMF, the average inflation rate in China increased sharply from 2.8% in 2006 to 6.5% in 2007, and then dropped drastically to 1.2% and 1.9% in 2008 and 2009 respectively. The inflation rate rebounded and increased to 4.6% in 2010 and maintained at a similar level of 4.1% in 2011. The inflation dropped again in 2012 to 2.5% and maintained at 2.5% in 2013. Figure 3 shows the historical trend of China's inflation rate from 2004 to 2013.

Figure 3 — China's Inflation Rate from 2004 to 2013



Source: International Monetary Fund

4. INDUSTRY OVERVIEW

4.1 Overview of the Natural Gas Industry in China

China is the world's most populous country and has a rapidly growing economy, which has driven the country's high overall energy demand and the quest for securing energy resources. According to U.S. Energy Information Administration ("EIA"), China has become the largest global energy consumer since 2010 and passed Japan. It became the world's third-largest natural gas consumption country in 2013, based on the information from the Ministry of Land and Resources.

According to EIA, the Chinese government is planning to produce about 5.5 trillion cubic meters of natural gas by the end of 2015, in line with its desire to use more natural gas to replace other hydrocarbons in the country's energy portfolio. The Chinese government also anticipates boosting the share of natural gas as part of total energy consumption to around 8% by the end of 2015 and 10% by 2020 to alleviate air pollution resulting from China's heavy coal use.

Generally speaking, the drastic growth of natural gas consumption in China provides prerequisites for the rising of liquefied natural gas fueling station industry.

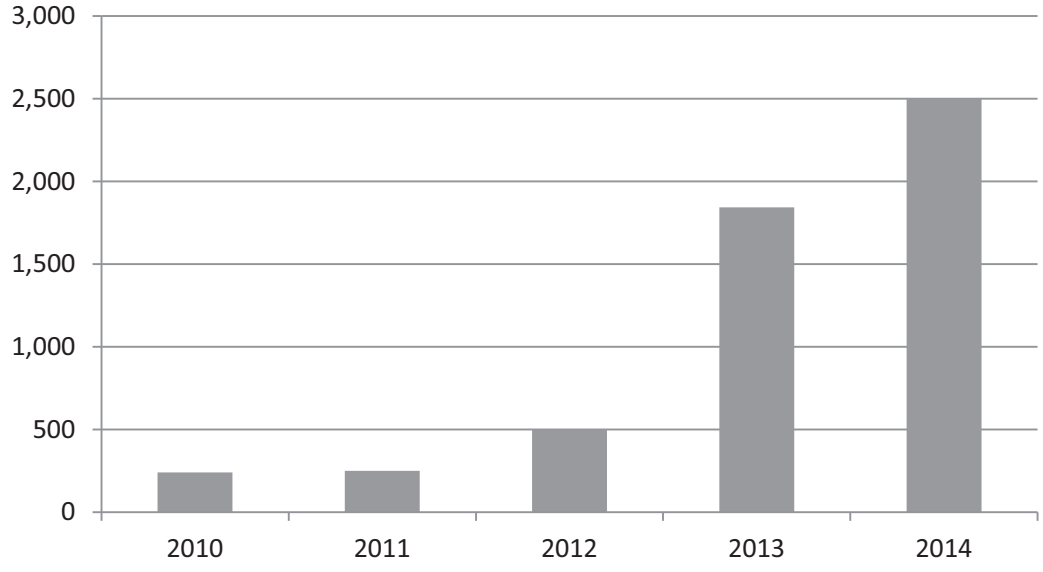
4.2 The Liquefied Natural Gas ("LNG") Fueling Station Industry

The LNG fueling station industry has promising future in China. In recent years, the demand of natural gas vehicles has showed large growth potential since they are more energy efficient and environmentally friendly, compared with traditional gasoline automobiles. According to National Gas Vehicle Engineering Technology Research Center, the total number of natural gas vehicle in China is anticipated to be 4 million by

the end of 2015 and over 5 million over the next 5 to 10 years. Meanwhile, the number of LNG vehicle exceeded 100,000 in 2013 and demonstrated significant growth potential in the following years. As a consequence, the rapid increasing usage of natural gas and natural gas vehicles has boosted the demand and intensive construction of LNG fueling stations in China.

In addition to the above, the urgent need of China's energy structure adjustment promoted the development of LNG fueling stations. The long lasting and widespread haze in China in 2013 accelerated the release of relevant technical rules standardizing the construction of LNG fueling stations. Such technical rules, to some extent, accelerated the government's administrative approval and construction of LNG fueling stations. According to Chemical Industry News & Chemical Market Intelligence ("ICIS"), a division of Reed Business Information, part of Reed Elsevier PLC, the world's largest petrochemical market information provider, the number of LNG fueling station in use was just 500 in 2012, dramatically climbed up to 1,844 in 2013 and is expected to reach around 2,500 by the end of 2014. Figure 4 shows the number of LNG Fueling Stations in China from 2010 to 2014.

Figure 4 — Number of LNG Fueling Stations in China between 2010 and 2014



Source: ICIS

Despite the favorable energy consumption trend and encouraging government policy support, investing in LNG fueling stations may still take risks. According to ICIS, the growth rate of LNG fueling station is faster than that of LNG vehicles, which leads to the situation of oversupply. Consequently, most of the fueling station operating companies generated losses after their stations came into use.

4.3 LNG Pipeline Investments

The Chinese government has made significant investments in the natural gas pipeline infrastructure in the past 10 years as a result of the West-East Gas Pipeline Project (''WEPP''). According to Hydrocarbons Technology, a website providing the latest news in the hydrocarbons industry, the Chinese government has invested USD5.7 billion in WEPP I (2002–2004) and USD22 billion in WEPP II (2008–2012) and WEPP III is anticipated to cost USD19.9 billion (2012–2015).

Besides the considerable investments, the total length of natural gas pipeline has also been increasing remarkably in recent years. According to the statistics from International Energy Agency, by the end of 2010, the total length of China's domestic natural gas pipelines has been 38,566 km and it increased by 10,000 km and reached over 48,000 km at the end of 2013.

5. OVERVIEW OF THE BUSINESS ENTERPRISE

The Business Enterprise is an investment holding company incorporated in the British Virgin Island with limited liability. The Business Enterprise owned fifteen subsidiaries, in which four of the subsidiaries intended to operate gas related projects, while the remaining subsidiaries were dormant and did not engage in any businesses as at the Date of Valuation. Details of the subsidiaries intended to operate gas related projects are as below:

Name of Subsidiary	Percentage of Equity Interest Owned by the Business Enterprise	Status of the Subsidiary
貴州坤煜經貿有限公司 (Guizhou Kunyu Trading Company Limited*)	100%	Active
貴州舜堯能源投資有限公司 (Guizhou Shunyao Energy Investment Company Limited*)	100%	Active
淮安城北新時代能源有限公司 (Huaian New Times Energy Corporation Limited*)	100%	Active
徐州新時代能源有限公司 (Xuzhou New Times Limited*)	73%	Active

Note: The English translation of Chinese names or words in this report, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

The projects ran by Guizhou Kunyu Trading Company Limited, Guizhou Shunyao Energy Investment Company Limited and Huaian New Times Energy Corporation Limited are referred to as ''Kunyu Project'', ''Shunyao Project'' and ''Huaian Project'' respectively. 徐州柳新鎮項目 (Xuzhou Liuxinzhen Project) and 徐州億噸大港項目 (Xuzhou Yidun Project) ran by Xuzhou New Times Limited are referred to as ''Xuzhou Liuxinzhen Project'' and ''Xuzhou

Yidun Project'' respectively. All these projects under the Business Enterprise are collectively referred to as the ''Projects''. As advised by the Management, these Projects are projects that the Management has intention to develop at current stage and expects would bring economic benefits to the Business Enterprise.

The Projects are related to the development of natural gas fueling stations and gas supply pipeline network for gas stations, industrial and residual use. As at the Date of Valuation, some of the pipeline and gas station projects in Kunyu Project have started operation; while Shunyao Project, Huaian Project, Xuzhou Liuxinzhen Project and Xuzhou Yidun Project are at development stage.

As advised by the Management, development of Shunyao Project is expected to complete and commence operation in mid-2015. For Huaian Project and Xuzhou Liuxinzhen Project, capital investment and construction are scheduled in 2015 and operation commencement is expected in 2016. For Xuzhou Yidun Project, capital investment and construction are scheduled in 2015 and operation commencement is expected in late 2015.

6. BASIS OF VALUATION

Our valuation is conducted on a market value basis. According to the International Valuation Standards established by the International Valuation Standards Council in 2011, **market value** is defined as ''the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion''.

7. INVESTIGATION AND ANALYSIS

Our investigation included discussions with members of the Management in relation to the development, operations and other relevant information of the Business Enterprise. In addition, we have made relevant inquiries and obtained further information and statistical figures regarding the economy and LNG fueling station industry in China as we considered necessary for the purpose of the valuation.

As part of our analysis, we have reviewed such financial information and other pertinent data concerning the Business Enterprise provided to us by the Management and have considered such information and data as attainable and reasonable. We have also consulted other sources of financial and business information.

The valuation of the Business Enterprise requires consideration of all pertinent factors, which may or may not affect the operation of the business and its ability to generate future investment returns. The factors considered in our valuation include, but are not necessarily limited to, the following:

- The nature and prospect of the Business Enterprise;
- The financial condition of the Business Enterprise;

- The status and performance of the Projects;
- The economic outlook in general and the specific economic environment and market elements affecting the business, industry and market;
- Relevant licenses and agreements; and
- The business risks of the Business Enterprise such as the ability in maintaining competent technical and professional personnel.

8. VALUATION METHODOLOGY

There are generally three accepted approaches to obtain the market value of the Business Enterprise, namely the Market-Based Approach, Income-Based Approach and Asset-Based Approach. Each of these approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing business entities that are similar in nature.

8.1 Market-Based Approach

The Market-Based Approach values a business entity by comparing prices at which other business entities in a similar nature changed hands in arm's length transactions. The underlying theory of this approach is that one would not pay more than one would have to for an equally desirable alternative. By adopting this approach, the valuer will first look for valuation indication of prices of other similar business entities that have been sold recently.

The right transactions employed in analyzing indications of values need to be sold at an arm's length basis, assuming that the buyers and sellers are well informed and have no special motivations or compulsions to buy or to sell.

8.2 Income-Based Approach

The Income-Based Approach focuses on the economic benefits due to the income producing capability of the business entity. The underlying theory of this approach is that the value of the business entity can be measured by the present worth of the economic benefits to be received over the useful life of the business entity. Based on this valuation principle, the Income-Based Approach estimates the future economic benefits and discounts them to their present values using a discount rate appropriate for the risks associated with realizing those benefits.

Alternatively, this present value can be calculated by capitalizing the economic benefits to be received in the next period at an appropriate capitalization rate. This is subject to the assumption that the business entity will continue to maintain stable economic benefits and growth rate.

8.3 Asset-Based Approach

The Asset-Based Approach is based on the general concept that the earning power of a business entity is derived primarily from its existing assets. The assumption of this approach is that when each of the elements of working capital, tangible and intangible assets is individually valued, their sum represents the value of a business entity and equals to the value of its invested capital (''equity and long term debt''). In other words, the value of the business entity is represented by the money that has been made available to purchase the business assets needed.

This money comes from investors who buy stocks of the business entity (''equity'') and investors who lend money to the business entity (''debt''). After collecting the total amounts of money from equity and debt, and converted into various types of assets of the business entity for its operation, their sum equals the value of the business entity.

8.4 Business Valuation

In the process of valuing the Business Enterprise, we have taken into account of the uniqueness of its operation and the nature of the gas fueling station industry it is participating. Since the Business Enterprise is an investment holding company, the value of the Business Enterprise consists of the values of all its subsidiaries. The value of the subsidiaries is derived from the Projects they operate. Therefore, we have conducted valuation on the Projects to determine market value of the Business Enterprise.

We considered that adopting the Income-Based Approach could take into account of the Management's development and construction plans that were specific to the Projects, as well as capture the growth potential of the Projects in view of the rapid development of the gas supply industry as advised by the Management. Therefore, we considered that the Income-Based Approach would be the most appropriate approach in arriving at the market value of Projects and the Business Enterprise.

The Market-Based Approach was not adopted in this case because there were limited comparable transactions available and most of the important assumptions of the comparable transactions, such as discount or premium on the transaction prices or considerations, were hidden. Also, since most of the Projects were in development stage as at the Date of Valuation, current financial performance would not be indicative for the market value of the Business Enterprise if price multiples (e.g. price-to-sales, price-to-earnings and price-to-book) under guideline public company method of the Market-Based Approach were adopted. Hence, the Market-Based Approach was not adopted.

The Asset-Based Approach was also not adopted because it could not capture the future earning potential and thus market value of the Projects. We have therefore considered the adoption of the Income-Based Approach in arriving at the market value of the Projects.

8.4.1 Discounted Cash Flow

Under the Income-Based Approach, we have adopted the discounted cash flow ("DCF") method, which is based on a simple reversal calculation to restate all future cash flows in present terms. The expected free cash flow for each year was determined as follows:

Expected Free Cash Flow = Net Profit + Depreciation + After-Tax Interest Expenses – Change in Net Working Capital – Capital Expenditure

The present value of the expected free cash flows was calculated as follows:

$$PVCF = CF_1/(1+r)^1 + CF_2/(1+r)^2 + \cdots + CF_n/(1+r)^n$$

In which
PVCF = Present value of the expected free cash flows;
CF = Expected free cash flow;
r = Discount rate; and
n = Number of years.

To adopt this method, we obtained the weighted average cost of capital ("WACC") of the Projects as a basic discount rate. WACC of the Projects is the minimum required return that the Projects must earn to satisfy various capital providers including shareholders and debt holders. WACC calculation takes into account the relative weights of debt and equity. It is computed using the formula below:

$$WACC = W_e \times R_e + W_d \times R_d \times (1 - T_c)$$

In which
R_e *= Cost of equity;*
R_d *= Cost of debt;*
W_e *= Weight of equity value to enterprise value;*
W_d *= Weight of debt value to enterprise value; and*
T_c *= Corporate tax rate.*

8.4.2 Cost of Debt

The cost of debt was determined by the expected borrowing rate of the Projects to finance the Projects. Since the interest expenses paid on debts are tax-deductible for the Projects, the cost of the Projects to get debt funds is less than the required rate of return of the suppliers of the debt capital. The after-tax cost of debt was calculated by multiplying one minus the corporate tax rate by the cost of debt.

8.4.3 Cost of Equity

The cost of equity was determined using the Capital Asset Pricing Model ("CAPM"), which describes the relationship between the risk of the Projects and expected return to investors. It is calculated by the following formula:

$R_e = R_f + \beta$ x Market Risk Premium + Other Risk Premium

In which
R_e = Cost of equity;
R_f = Risk-free rate; and
β = Beta coefficient.

8.4.4 Discount Rate

In order to reflect the status and development stage of each of the Projects, different discount rates were adopted to reflect risks associated with them. For Projects which have already commenced operation as at the Date of Valuation, including Kunyu Project, a relatively lower discount rate was adopted (hereafter referred to as "WACC 1"). For Projects which were at development stage as at the Date of Valuation, including Shunyao Project, Huaian Project, Xuzhou Liuxinzhen Project and Xuzhou Yidun Project, a relatively higher discount rate was adopted (hereafter referred to as "WACC 2").

In the process of determining the WACCs, we adopted several listed companies with similar business scopes and operations to the Projects as comparable companies. After discussions with the Management for understanding their perspective and expectation on the Projects, the comparable companies were selected mainly with reference to the following selection criteria:

- The comparable companies should be either listed on the Hong Kong Stock Exchange, Shenzhen Stock Exchange or the Shanghai Stock Exchange;
- The main business of the comparable listed companies should be operated in China;
- the main business of the comparable listed companies should be related to gas distribution or gas stations operations;
- The unlevered beta of the comparable company should be greater than 0.6;
- The comparable companies should have sufficient listing and operating histories; and
- The financial information of the comparable companies is available to the public.

The comparable companies were shortlisted primarily based on the similarities of the business activities and risks between the Business Enterprise and the comparable companies. The comparable companies have significant portions of business related to gas distribution or gas stations operations, and we considered the Business Enterprise and the comparable companies share similar systematic risks. For the difference in operation scales between the Business Enterprise and the comparable companies, we applied a size premium in the WACC calculation to account for the smaller operation scale and firm size of the Business Enterprise as compared to the comparable companies.

Details of the comparable companies adopted were listed as follows:

Company Name	Stock Code	Listing Location	Business Description
China Oil and Gas Group Ltd.	603.HK	Hong Kong	China Oil and Gas Group Ltd. is engaged in the investments in, and the operation and management of the natural gas and energy related business. Gas operations include city piped gas business, natural gas vehicle refilling stations, pipeline construction and operation, as well as transportation, delivery and distribution of compressed natural gas (CNG) and liquefied natural gas (LNG).
Xinjiang Haoyuan Gas Company Limited	002700.CH	China	Xinjiang Haoyuan Gas Company Limited processes, sells, services and delivers natural gas. The company's main products include delivery and sale of natural gas, and home residents pipeline installation services.
Shaan Xi Provincial Natural Gas Company Ltd.	002267.CH	China	Shaan Xi Provincial Natural Gas Company Ltd. transports natural gas through pipelines.
China Gas Holdings Ltd.	384.HK	Hong Kong	China Gas Holdings Ltd. invests in, operates and manages natural gas distribution pipelines. The company distributes and sells natural gas to residential, commercial and industrial users, and bottles and sells compressed natural gas. China Gas also constructs and operates gas stations.

Company Name	Stock Code	Listing Location	Business Description
ENN Energy Holdings Ltd.	2688.HK	Hong Kong	ENN Energy Holdings Ltd. distributes natural gas in China. The company, through its subsidiaries, invests in, operates, and manages gas pipelines, and sells and distributes piped and bottled gas in China.
Shenergy Company Limited	600642.CH	China	Shenergy Company Limited develops, constructs, and invests in electric power and other energy related projects. The company distributes electric power, heat, and gas.
Shenzhen Gas Corporation Ltd.	601139.CH	China	Shenzhen Gas Corporation Ltd., supplies gas in Shenzhen. The company business includes wholesale of gas, pipeline and the supply of bottled gas, investment and construction in the distribution network of gas transmission.

Source: Bloomberg

Below is the summary of the key parameters of the WACC 1 and WACC 2 of the Projects adopted as at the Date of Valuation:

Key Parameters		As at 30 September 2014	
		WACC 1	WACC 2
(a)	Risk-free Rate	4.07%	4.07%
(b)	Market Risk Premium	10.73%	10.73%
(c)	Beta Coefficient	0.91	0.91
(d)	Size Premium	3.81%	3.81%
(e)	Other Risk Premium	2.00%	3.00%
(f)	Cost of Equity	19.69%	20.69%
(g)	Cost of Debt	13.27%	13.27%
(h)	Weight of Equity Value to Enterprise Value	75.72%	75.72%
(i)	Weight of Debt Value to Enterprise Value	24.28%	24.28%
(j)	Corporate Tax Rate	25.00%	25.00%
	WACC	**17.33%**	**18.08%**

Notes:

(a) The risk-free rate adopted was the yield rate of China 10-year government bond as at the Date of Valuation as extracted from Bloomberg.

(b) The market risk premium adopted was the equity market risk premium of as at the Date of Valuation as extracted from Bloomberg.

(c) The beta coefficient adopted was the average adjusted beta of the comparable companies as extracted from Bloomberg.

(d) The size premium adopted was the size premium for micro-cap companies with reference to the size premium study conducted by Ibbotson Associates, Inc. Ibbotson Associates, Inc. estimates the size premiums using data since 1926 of publicly traded companies of various sizes. Size-based portfolios are constructed and the actual returns of the portfolios are compared with theoretical CAPM return to arrive at the size premiums of the portfolios. According to the study, micro-cap companies refer to companies with market capitalization below USD514 million.

(e) The other risk premium adopted was to reflect the status and development stage of the Projects. Higher premium was adopted for Projects which were at development stage as at the Date of Valuation. The 1% difference is determined based on our professional judgment and valuation experience, taking into account factors including but not limited to the development plans of the Projects, potential obstacles to the development of the Projects, current work-done by the Business Enterprise, and the operation and development experience of the management of the Business Enterprise. We understood from the management of the Business Enterprise that there would be no material legal obstacles to the development of the Projects at development stage, and the development would be mainly construction works and administrative procedures. As the Kunyu Project has been under operation, the management of the Business Enterprise was considered competent and experienced to operate and develop the Projects at development stage. We considered the 1% difference of the other risk premium between WACC 1 and WACC 2 reasonable to reflect the differences in the status and development stage of the Projects.

(f) The cost of equity was determined based on Capital Asset Pricing Model ("CAPM").

(g) The cost of debt adopted was the sum of the China 5-year base lending rate and the high yield emerging markets corporate plus sub-index option-adjusted spread as at the Date of Valuation as extracted from Bloomberg and BofA Merrill Lynch. It is a common valuation practice to adopt and rely on data from credible third-party sources during the valuation process, such as WACC estimation which involves inputs of prevailing economic and financial data. We considered Bloomberg and BofA Merrill Lynch credible and well-known economic and financial data sources and research parties, and hence the data extracted from these sources could be reasonably relied on.

(h) The weight of equity value to enterprise value adopted was derived from the average debt-to-equity ratio of the comparable companies as at the Date of Valuation as extracted from Bloomberg.

(i) The weight of debt value to enterprise value adopted was derived from the average debt-to-equity ratio of the comparable companies as at the Date of Valuation as extracted from Bloomberg.

(j) The corporate tax rate adopted was the corporate tax rate in China.

Hence, we adopted the WACC 1 of 17.33% as the discount rate of the Kunyu Project, and the WACC 2 of 18.08% as the discount rate of the Shunyao Project, Huaian Project, Xuzhou Liuxinzhen Project and Xuzhou Yidun Project as at the Date of Valuation.

8.4.5 Major Assumptions of Cash Flow Projection

8.4.5.1 Revenue

The annual revenue of the Projects was obtained from multiplying the gas selling price to the annual sales volume in each forecasted year. The Management made reference to the development and construction plans of the Projects, in order to determine the commencement time of the operations of the Projects and in turn the timing when the Projects started to generate revenue. For details of the development plan of the Projects, please refer to pages 33 to 35 of the Letter from the Board of the Circular. The gas selling price adopted was estimated by the Management with reference to the actual selling price of operating stations of the Projects amounted to RMB5 per cubic meters in 2014 and market price in the local community amounted to the range of RMB4.6 to RMB5.3 per cubic meters during the first year of operation with reference to the Company's market research on the gas selling price of the mother station, satellite station and industrial users in the local market or market in the nearby city. Annual growth rate of 3%, which was the forecasted inflation of China, was adopted to the gas selling price in the projection. For the purpose of estimating the sales volume of the Projects, the Management has made reference to feasibility studies (hereinafter referred to as the "Feasibility Studies"), which were prepared by Shandong Prudential Ltd (山東信誠建築規劃設計有限公司), Sichuan Delta Energy Development Company Limited (四川石達能源發展有限公司) and Xuzhou Engineering Consulting Centre (徐州市工程諮詢中心) for the research of the local demand for the potential consumption of natural gas by transportation vehicles in areas where the Projects are located.

With reference to the Feasibility Studies, Kunyu Project is expected to reach capacity of about 106 million cubic meters in 2018 and remain constant until the end of project life; Shunyao Project is expected to reach capacity of about 58 million cubic meters in 2018 and remain constant until the end of project life; while after operation commencement, Huaian Project, Xuzhou Liuxinzhen Project and Xuzhou Yidun Project are expected to increase capacity utilization by 8% to 11% each year until the capacities reach about 14 million cubic meters in 2025, about 14 million cubic meters in 2025 and about 13 million cubic meters in 2024 respectively. Afterwards, the capacities would remain constant until the end of project life. The project life of the Projects are estimated by the Management to be 30 years, with reference to the period of the land use rights and the usual useful life of similar gas stations/pipeline work in the market.

The major parameters in estimating the sales volume of the Projects with reference to the Feasibility Studies is listed out below:

Kunyu Project

Gas stations — satellite station (a gas station for sales of natural gas to retail customers, including motor buses, taxis and private vehicles)

1. Number of motor buses (公交車) and coaches (客運車) in the areas where Kunyu Projects are located is expected to increase from 4,038 in year 2014 to 4,932 in year 2018; the gasification rate is expected to increase from 55%–60% in year 2014 to 85% in year 2018;

2. Number of taxis in the areas where Kunyu Projects are located is expected to increase from 7,821 in year 2014 to 9,393 in year 2018; the gasification rate is expected to increase from 60%–80% in year 2014 to 85%–100% in year 2018;

3. The gas consumption by other vehicles (e.g private vehicles) is expected to be accounted for less than 30% of the total gas consumption by transportation vehicles;

4. The total potential gas consumption by transportation vehicles is expected to be amounted to 281.1 million cubic meters in 2018 based on the above parameters and the expected daily gas consumption for each vehicle; and

5. The reasonableness of the designed capacity of the Kunyu Project as compared to the market statistics as mentioned in the Feasibility Studies.

Gas stations — mother station (a gas station for wholesale purpose with the capacity greater than a satellite station)

1. The daily gas consumption for the mother station under Kunyu Project is forecasted to be approximately 55,000 cubic meters, which is made reference to Guizhou Liupanshui Natural Gas Utilisation Plan (貴州省六盤水天然氣下游利用規劃) prepared by CNPC (中石油).

Industrial use

1. The daily gas consumption of the industrial park under Kunyu Project is forecasted to be approximately 79,000 cubic meter, which is made reference to the Feasibility Studies based on the current usage of energy of the industrial users already located in the industrial parks. The industrial users were mainly engaged in various sectors, such as metal processing, petrochemical and coking plant.

Shunyao Project

Gas stations — satellite station

1. Number of motor buses (公交車) in Meitan County is expected to increase from 112 in year 2014 to 137 in year 2018; the gasification rate is expected to increase from 25% in year 2014 to 60% in year 2018;

2. Number of taxis in Meitan County is expected to increase from 260 in year 2014 to 345 in year 2018; the gasification rate is expected to increase from 25% in year 2014 to 60% in year 2018;

3. The daily gas consumption of other vehicles such as private vehicles and coaches amounted to 30% of the total gas consumption of the transportation vehicles;

4. The reasonableness of the designed capacity of the Shunyao Project as compared to the market statistics as mentioned in the Feasibility Studies.

Gas station — mother station

1. The daily gas consumption for the mother station under Shunyao Project is forecasted to be approximately 137,000 cubic meters, which is made reference to Guizhou Natural Gas Business Rule (貴州省天然氣業務規則) prepared by Planning Bureau of CNPC (中石油規劃總院).

Huaian Project

1. Residential use — The total population in the Feasibility Studies is approximately 49,000, with the number of household units of 30,000, and according to the Feasibility Studies, 99% is expected to consume pipeline gas at full capacity.

2. Gas station — 30% of the vehicles is expected to be fuelled by LNG with daily gas consumption of 30,000 cubic meter.

Xuzhou Liuxinzhen Project

1. Residential use — The total population in the Feasibility Studies is approximately 49,000, with the number of household units of 30,000, and according to the Feasibility Studies, 99% is expected to consume pipeline gas at full capacity.

2. Gas station — 30% of the vehicles is expected to be fuelled by LNG at with daily gas consumption of 30,000 cubic meter.

We understand from the Management that the authors of Feasibility Studies are independent third party to the Business Enterprise and the Company. Also, the authors of Feasibility Studies are creditable institutes with extensive experience in design and planning of gas-related projects. Below set out the brief description of the authors of Feasibility Studies:

Shandong Prudential Ltd. was established in August 1992, which is the largest technical institute in Dongying City, Shandong Province. Ever since its formation, the company has established modern enterprise management system. The company has numerous practitioner qualifications including Class A industry building engineering design certificate, Class B oil and gas construction engineering design certificate and Class C utilities sector engineering design certificate respectively. With vast experience in its technical aspects, the company has won the Dongying Municipal Construction Committee as advanced units and also possess the oil and gas qualification certificate in the industry.

徐州市工程諮詢中心 (Xuzhou Engineering Consulting Centre), located in Xuzhou, Jiangsu province, the PRC, is specialised in undertaking all types of construction projects planning, projects advisory, feasibility studies and project management. Xuzhou Engineering Consulting Centre was established under Xuzhou Municipal Development and Reform Commission of the Xuzhou Local Government in 1995. It was a member of the China Engineering Consulting Association, China Production Safety Association, Jiangsu Province Environmental Protection Industry Association and a vice president member of Jiangsu Province Engineering Consulting Association. It was awarded an "Consulting Engineering Credentials" by the National Development and Reform Commission, and has numerous practitioner qualifications including Class B Environmental Impact Assessment Certificate, the Environmental Supervision Class qualification Certificate and Class B Safety Rating Agencies Qualification Certificate.

Sichuan Delta Energy Development Company Limited was founded in 2006. It is a company with professional engineering qualifications and City Gas Business License (城鎮燃氣經營許可). It mainly engages in oil (gas) field ground construction and engineering design works, long-distance natural gas pipeline engineering and design, gas engineering construction works, project management and related technical and management services. The company also engaged in investment and business city gas projects, new energy and technical services.

8.4.5.2 Cost of Goods Sold

The annual cost of goods sold of the Projects was obtained from multiplying the gas cost price to the annual sales volume in each forecasted year. The gas cost price adopted was estimated by the Management with reference to the actual gas cost of operating stations of the Projects and market price in the local community. Annual growth rate of 3%, which was the forecasted inflation of China, was adopted to the gas cost price in the projection.

8.4.5.3 Operating Expenses

The operating expenses of the Projects were estimated by the Management with reference to the Management's development and construction plans, feasibility studies and actual status of the Projects. The operating expenses include staff salary and training expenses, marketing expenses, general and administrative expenses, repair and maintenance. Annual growth rate of 3%, which was the forecasted inflation of China, was adopted to the operating expenses in the projection after the operation of the Projects were stabilized.

8.4.5.4 Depreciation Expense

The depreciation expense for the fixed assets, intangible assets and forecasted capital expenditure was estimated by straight line depreciation method.

8.4.5.5 Income Tax Expense

The income tax expense was estimated by adopting the corporate tax rate in China of 25% as advised by the Management.

8.4.5.6 Net Profit

Net profit was derived by subtracting the cost of goods sold, operating expenses, depreciation expense and income tax expense from the revenue.

8.4.5.7 Working Capital

The change in working capital was estimated by the Management based on their understanding on the Projects.

8.4.5.8 Capital Expenditure

The capital expenditure adopted for the Projects were estimated by the Management with reference to the Management's development and construction plans and feasibility studies of the Projects.

8.5 Summary of Projects Valuation

With the adoption of WACC 1 and WACC 2, the values of the Projects were showed as follows:

Projects	*RMB*
100% Kunyu Project	102,000,000
100% Shunyao Project	27,000,000
100% Huaian Project	36,000,000
73% Xuzhou Liuxinzhen Project	28,000,000
73% Xuzhou Yidun Project	3,000,000
Total Market Value of the Projects	196,000,000

To determine the market value of the Business Enterprise as at the Date of Valuation, we have considered the percentage of equity interest of the Projects held by the Business Enterprise, cash and debt balances, and non-operating assets and liabilities of the Business Enterprise, based on the latest unaudited consolidated management accounts as at the Date of Valuation as provided by the Management. Detailed calculation is shown as below:

	Denotation/ Calculation	As at 30 September 2014 *RMB*
Total Market Value of the Projects, with the adoption of WACC 1 and WACC 2	A	196,000,000
Add: Cash *(Note 1)*	B	16,266,811
Less: Debt *(Note 2)*	C	21,000,000
Add: Non-Operating Assets *(Note 3)*	D	109,193,030
Less: Non-Operating Liabilities *(Note 4)*	E	61,489,747
Market Value of the Business Enterprise Before Marketability Discount (Rounded)	F=A+B-C+D-E	**238,970,095**
Less: Marketability Discount of 21.10%	G=F×21.10%	50,422,690
Market Value of the Business Enterprise (Rounded), with the adoption of WACC 1 and WACC 2	**H=F-G**	**189,000,000**

Notes:

1. Cash includes cash and cash equivalents attributed to the Business Enterprise, based on the unaudited consolidated management accounts of the Business Enterprise as at the Date of Valuation as provided by the Management.
2. Debt includes bank and other borrowings attributed to the Business Enterprise, based on the unaudited consolidated management accounts of the Business Enterprise as at the Date of Valuation as provided by the Management.
3. Non-operating assets includes (i) all assets of non-operating subsidiaries under the Business Enterprise (excluding cash) and (ii) non-operating assets of operating subsidiaries under the Business Enterprise (excluding cash), based on the latest unaudited consolidated management accounts of the Business Enterprise as at the Date of Valuation as provided by the Management.
4. Non-operating liabilities includes (i) all liabilities of non-operating subsidiaries under the Business Enterprise (excluding debt) and (ii) non-operating liabilities of operating subsidiaries under the Business Enterprise (excluding debt), based on the unaudited consolidated management accounts of the Business Enterprise as at the Date of Valuation as provided by the Management. This amount was net of capitalization of shareholder's loan as advised by the Management as at the Date of Valuation.

8.6 Marketability Discount

Compared to similar interest in public companies, ownership interest is not readily marketable for closely held companies. Therefore, the value of a share of stock in a privately held company is usually less than an otherwise comparable share in a publicly

held company. With reference to the 2014 edition of the FMV Restricted Stock Study Companion Guide, a marketability discount of 21.10% was adopted in arriving at the market value of the Business Enterprise as at the Date of Valuation.

The FMV Restricted Stock Study Companion Guide was published by FMV Opinions, Inc., a business valuation and financial opinion service provider. Under the FMV Restricted Stock Study, 714 private placement transactions of unregistered common stock issued by publicly traded companies from July 1980 through September 2013. The average discount for the 714 transactions, excluding premiums, is 21.10%, and this average discount has been adopted as the marketability discount for the Business Enterprise.

9. MAJOR ASSUMPTIONS

We have adopted certain specific assumptions in our valuation and the major ones are as follows:

- The valuation was primarily based on the financial projections and latest unaudited consolidated management accounts of the Business Enterprise as at 30 September 2014 as provided by the Management. The projections outlined in the financial information provided were assumed to be reasonable, reflecting market conditions and economic fundamentals, and will be materialized;

- The Projects will commence operation as planned by the Management;

- All relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Business Enterprise operates or intends to operate would be officially obtained and renewable upon expiry;

- There will be sufficient supply of technical staff in the industry in which the Business Enterprise operates, and the Business Enterprise will retain competent management, key personnel and technical staff to support its ongoing operations and developments;

- There will be no major change in the current taxation laws in the localities in which the Business Enterprise operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;

- There will be no major change in the political, legal, economic or financial conditions in the localities in which the Business Enterprise operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Business Enterprise; and

- Interest rates and exchange rates in the localities for the operation of the Business Enterprise will not differ materially from those presently prevailing.

10. INFORMATION REVIEWED

Our opinion requires consideration of relevant factors affecting the market value of the Business Enterprise. The factors considered included, but were not necessarily limited to, the following:

- Unaudited consolidated management accounts of the Business Enterprise as at 30 September 2014;
- The financial projections as provided by the Management;
- Historical operational information of the Business Enterprise;
- General descriptions in relation to the Business Enterprise;
- Market trends of LNG fueling station industry in China; and
- Economic outlook in China.

We have discussed the details with the Management. We have also conducted research from various sources to verify the reasonableness and fairness of information provided and we believe that such information is reasonable and reliable. We had assumed the accuracy of information provided and relied on such information to a considerable extent in arriving at our opinion.

11. LIMITING CONDITIONS

The valuation reflects facts and conditions existing at the Date of Valuation. Subsequent events or circumstances have not been considered and we are not required to update our report for such events and conditions.

We would particularly point out that our valuation was based on the information such as company background and business nature of the Business Enterprise provided to us.

To the best of our knowledge, all data set forth in this report are reasonable and accurately determined. The data, opinions, or estimates identified as being furnished by others that have been used in formulating this analysis are gathered from reliable sources; yet, no guarantee is made nor liability assumed for their accuracy.

We have relied on the historical and/or prospective information provided by the Management and other third parties to a considerable extent in arriving at our opinion of value. The information has not been audited or compiled by us. We are not in the position to verify the accuracy of all information provided to us. However, we have had no reason to doubt the truth and accuracy of the information provided to us and to doubt that any material facts have been omitted from the information provided. No responsibilities for the operation and financial information that have not been provided to us are accepted.

We assumed that the Management is competent and perform duties under the company regulation. Also, ownership of the Business Enterprise was in responsible hands, unless otherwise stated in this report. The quality of the Management may have direct impact on the viability of the business as well as the market value of the Business Enterprise.

We have not investigated the title to or any legal liabilities of the Business Enterprise, and have assumed no responsibility for the title to the Business Enterprise appraised.

Our conclusion of the market value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. The conclusion and various estimates may not be separated into parts, and/or used out of the context presented herein, and/or used together with any other valuation or study.

We assume no responsibility whatsoever to any person other than the directors and the Management in respect of, or arising out of, the content of this report. If others choose to rely in any way on the contents of this report, they do so entirely at their own risk.

No change to any item in any part of this report shall be made by anyone except Roma Appraisals. We have no responsibility for any such unauthorized change. Neither all nor any part of this report shall be disseminated to the public without the written consent and approval of Roma Appraisals through any means of communication or referenced in any publications, including but not limited to advertising, public relations, news or sales media.

This report may not be reproduced, in whole or in part, and utilized by any third parties for any purpose, without the written consent and approval of Roma Appraisals.

The working papers and models for this valuation are being kept in our files and would be available for further references. We would be available to support our valuation if required. The title of this report shall not pass to the Company until all professional fee has been paid in full.

12. REMARKS

Unless otherwise stated, all monetary amounts stated in this valuation report are in Renminbi (RMB).

We hereby confirm that we have neither present nor prospective interests in the Company, the Business Enterprise and their associated companies, or the values reported herein.

13. OPINION OF VALUE

Based on the investigation and analysis stated above, the valuation method employed, and the adoption of WACC 1 and WACC 2, the market value of 100% equity interest in the Business Enterprise and its subsidiaries as at the Date of Valuation, in our opinion, was reasonably stated as **RMB189,000,000 (RENMINBI ONE HUNDRED AND EIGHTY NINE MILLION ONLY)**.

Yours faithfully,
For and on behalf of
Roma Appraisals Limited

The following is the text of a report received from Crowe Horwath (HK) CPA Limited, Certified Public Accountants, Hong Kong, for inclusion in this circular.



國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International

9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

REPORT ON THE DISCOUNTED FUTURE CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF 100% EQUITY INTEREST IN SHINE GREAT INVESTMENTS LIMITED AND ITS SUBSIDIARIES

TO THE BOARD OF DIRECTORS OF BLUE SKY POWER HOLDINGS LIMITED

We refer to the discounted future cash flows on which the business valuation (the "Valuation") dated 2 January 2015 prepared by Roma Appraisals Limited in respect of the appraisal of the market value of 100% equity interest in Shine Great Investments Limited and its subsidiaries (hereinafter collectively referred to as "Shine Great Group") is based. The Valuation is prepared based on the discounted future cash flows and is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Responsibilities

The directors of Blue Sky Power Holdings Limited (the "Directors") are responsible for the preparation of the discounted future cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

It is our responsibility to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future cash flows used in the Valuation. The discounted future cash flows do not involve the adoption of accounting policies.

Basis of opinion

We conducted our work in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the Directors have properly compiled the discounted future cash flows in accordance with the bases and assumptions as set out in the Valuation. We performed procedures on the arithmetical calculations and the compilations of the discounted future cash flows in accordance with the bases and assumptions.

Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation.

Other matters

Without qualifying our opinion, we draw to your attention that we are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based and our work does not constitute any valuation of Shine Great Group or an expression of an audit or review opinion on the Valuation.

The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong, 2 January 2015

Sze Wing Chun
Practising Certificate No.: P06035

Quam CAPITAL 華富嘉洛企業融資

2 January 2015

The Board of Directors
Blue Sky Power Holdings Limited (the "Company")

Dear Sirs,

RE: THE DISCOUNTED FUTURE CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF 100% EQUITY INTEREST IN SHINE GREAT INVESTMENTS LIMITED AND ITS SUBSIDIARIES

We refer to the business valuation (the "Valuation") prepared by Roma Appraisals Limited (the "Valuer") set out in Appendix V to the circular of the Company dated 2 January 2015 (the "Circular") in relation to the acquisition of 100% equity interest in Shine Great Investments Limited and its subsidiaries (collectively the "Target Group"). Terms defined in this letter shall have the same meanings as those used in the Circular, unless the context otherwise requires.

The Valuation, which has been arrived at using the discounted cash flow method, is based on the cash flow forecast of the Target Group (the "Forecasts") provided by the management of the Company. As the Forecasts are regarded as a profit forecast under Rule14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), we have been engaged solely for the purpose of reporting to you under Rule 14.62(3) of the Listing Rules and for no other purpose. We are not reporting on the arithmetical calculations of the Forecasts or the Valuation, nor the adoption of accounting policies thereof. Our work does not constitute any valuation of the Target Group. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

We have discussed with the management of the Company and the Valuer the information and documents provided by the Company and the Target Group. We understand such information and documents form part of the bases and assumptions upon which the Forecasts have been prepared and for which you as the Directors are solely responsible. The Forecasts are based on a number of bases and assumptions pertaining to the business of the Target Group. As the relevant bases and assumption are about future events which may or may not occur, the actual financial performance of the business of the Target Group may or may not achieve as expected and the variation may be material.

We have also considered the letter from Crowe Horwath (HK) CPA Limited of today to you regarding the calculation upon which the Forecasts have been made. We have noted that no accounting policies of the Company have been adopted in your preparation of the Forecasts as the Valuation relates only to discounted future estimated cash flows.

On the basis of the foregoing, we are of the opinion that the Forecasts, for which you as the Directors are solely responsible, have been made after due and careful enquiry.

Your faithfully,
For and on behalf of
Quam Capital Limited
Gary Mui
Deputy Chief Executive Officer

RESPONSIBILITY STATEMENT

This circular, 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 Group. The Directors, having made all reasonable inquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE OF INTERESTS

Interests of Directors

As at the Latest Practicable Date, the interests of the Directors in the share capital of the Company or any associated corporation (within the meaning of Part XV of the SFO) 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 which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) Interest in the Company

Name	Number of Shares	Nature of interest	Percentage of shareholding
Mr. Sze Chun Lee	1,800,000	Beneficial Owner	0.04%
	196,488,480	Interest of controlled corporation *(note 1)*	4.22%
Ms. Chung Oi Ling, Stella	206,340,000	Interest of controlled corporation *(note 2)*	4.43%
Mr. Cheng Ming Kit	304,325,000	Beneficial owner	6.53%
	291,268,000	Interest of controlled corporation *(note 3)*	6.25%
Mr. Kwok Shek San	7,800,000	Beneficial Owner *(note 4)*	0.17%

Notes:

1. China Print Power Limited holds 196,488,480 Shares and is beneficially owned by Mr. Sze Chun Lee as to 43.75%. Mr. Sze is the director of China Print Power Limited. Since Mr. Sze owned one-third or more of the interests in China Print Power Limited, he is deemed to be interested in those 196,488,480 Shares respectively.

2. Ms. Chung Oi Ling, Stella is deemed to be interested in 206,340,000 Shares by virtue of her 100% interest in Flame Capital Limited. She is a director of Flame Capital Limited.

3. Mr. Cheng Ming Kit is deemed to be interested in 291,268,000 shares by virtue of his 100% interest in Grand Powerful Group Limited. He is a director of Grand Powerful Group Limited. He is also a director of New Times.

4. Mr. Kwok Shek San is an executive Director and personally holds 7,800,000 Shares.

(ii) Interest in China Print Power Limited

Name	Number of shares	Percentage of shareholding
Mr. Sze Chun Lee	4,375	43.75%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or any chief executive of the Company had an interest or short position in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which would have 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 which he was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules to be notified to the Company and the Stock Exchange.

Past directorship of the Directors

Cheng Ming Kit is currently an executive director and chief executive officer of New Times and was an executive director of Grand T G Gold Holdings Limited (stock code: 08299) from November 2008 to June 2009, which shares are listed on the Stock Exchange.

Arthur Ma On-hing is currently an executive director of Sunrise (China) Technology Group Limited (stock code: 8226), whose shares are listed in the Growth Enterprise Market of the Stock Exchange.

Interests of experts in the Group

None of the experts named in the paragraph headed "Qualifications of experts" in this appendix has any shareholding in any company in the enlarged Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in the enlarged Group.

Interests in assets

Power Printing Products Limited ("PPPL") (a subsidiary of the Company) and (Hong Kong) Power Printing Limited ("HKPPL") (a company controlled by Mr. Sze Chun Lee) entered into an agreement on 1st November, 2008 whereby HKPPL rents out a vehicle to PPPL

at a monthly rent of HK$28,000 for a period of one calendar year and automatically renewed annually. The agreement may be terminated by any party by giving 30 days' notice in writing to the other party.

Save as disclosed above, none of the Directors or experts named in the paragraph headed "Qualifications of experts" in this appendix has any direct or indirect interest in any assets acquired or disposed of by or leased to any member of the enlarged Group or is proposed to be acquired or disposed of by or leased to any member of the enlarged Group since 31 December 2013, being the date to which the latest published audited accounts of the Company were made up.

Interests in contracts or arrangements

None of the Directors has any material interests in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the enlarged Group taken as a whole.

Service contracts

There is no existing or proposed service contract between any member of the Group and any Director or proposed Director (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensations)).

Competing business

None of the Directors or any of their respective associates has any interest in any business which competes or is likely to compete, either directly or indirectly, with the Group's business.

LITIGATION

(1) On 25 September 2014, 山東瑞泰管業有限公司(Shandong Ruitai Guan Ye Company Limited*) ("RuiTai") initiated a claim (the "Claim") against 貴州坤煜經貿有限公司 (Guizhou Kunyu Trading Company Limited*) ("KunYu"), an indirectly wholly owned subsidiary of Shine Great in the PRC, for (i) RMB617,332.36 as debt; (ii) RMB132,831.87 as penalty; and (iii) costs of proceeding, concerning the dispute over the agreements of the purchase of certain industrial products.

On 10 October 2014, the PRC court ruled that a sum of RMB750,164.23 as bank deposit in the bank account of KunYu or the equivalent amount of assets of KunYu has to be frozen pending the judgment of the Claim.

On 11 November 2014, KunYu has entered into an out-of-court settlement agreement (the "Settlement") with RuiTai. Pursuant to the Settlement, KunYu shall pay RuiTai a sum of RMB557,332.36 before 31 December 2014 as full and final settlement of the Claim. Upon payment of the Settlement, RuiTai has withdrawn the Claim on 18 November 2014 and applied for unfreezing the frozen assets of KunYu.

(2) An indirect non-wholly owned subsidiary of the Company, 濟南勝樂福舟有限公司 (Jinan Shengle Fuzhou Company Limited*) was named as the defendant in a civil litigation commenced by 山東圓通管道工程有限公司 (Shandong Yuantong Pipeline Engineering Company Limited*) as the plaintiff on 24 October 2014 for the repayment of a loan of RMB one million together with interest of RMB238,000 and lawyer's fee of RMB24,320. On 2 December 2014, the parties to the civil litigation reached a settlement agreement through mediation whereby the defendant agreed to pay the sum of RMB1,262,320 to the plaintiff on 10 December 2014 to settle the civil litigation, the settlement sum of RMB1,262,320 will be fully satisfied by the defendant with the plaintiff by the court deducting such sum from the fund of the defendant.

(3) In December 2014, 貴州坤煜經貿有限公司 (Guizhou Kunyu Trading Company Limited*) ("**KunYu**"), an indirectly wholly owned subsidiary of Shine Great in the PRC, initiated a claim against (i) 中石油昆侖燃氣有限公司 (PetroChina Kunlun Gas Company Limited*) ("**PetroChina Kunlun**"), a holder of 60% interest of 六盤水中石油昆侖燃氣有限公司 (Liupanshui PetroChina Kunlun Gas Company Limited*), ("**Liupanshui PetroChina Kunlun**"), an 40% associate of Shine Great Group, and (ii) Liupanshui PetroChina Kunlun, in relation to (i) performance of the obligation of PetroChina Kunlun under the investment agreements with KunYu, including the procurement of Liupanshui PetroChina Kunlun to be accountable for all the relevant expenditure and development cost of the project of 六盤水市紅橋新區白泥村 (Liupanshui City Hongqiaoxin District Baini Village*), (ii) repayment of land lease payment of RMB5,000,000 and certain expenses to KunYu, which has been paid on behalf of Liupanshui PetroChina Kunlun, and (iii) cost of legal proceedings. The legal proceeding is still ongoing.

Save as disclosed above, neither the Company nor any of the subsidiaries of the enlarged Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of the subsidiaries of the enlarged Group as at the Latest Practicable Date.

QUALIFICATIONS OF EXPERTS

Name	Qualification
Roma Appraisals Limited	valuer
Crowe Horwath (HK) CPA Limited	Certified Public Accountants, Hong Kong
Quam Capital	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO

CONSENTS

The experts named in the paragraph headed "Qualifications of experts" in this appendix have given and have not withdrawn their respective written consents to the issue of this circular with copies of their reports, valuation or letters (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the enlarged Group within the two years preceding the date of this circular and are or may be material:

1. an agreement dated 6 September 2012 (as supplemented on 6 September 2012 and 13 December 2012) between 深圳中港新時代能源有限公司 (Shenzhen Sino Hong Kong New Times Energy Corporation Limited) ("Shenzhen Sino"), an indirectly wholly-owned subsidiary of Shine Great and 徐州市銅山區柳新鎮人民政府 (The People's Government of Liuxin Town, Tongshan District, Xuzhou City, Jiangsu Province, the PRC*) in relation to supply of natural gas for residential and commercial use and the construction of (i) LNG storage integrated logistics services base, (ii) three LNG Refilling Stations, (iii) L-CNG Refilling Stations, with proposed investment amount of US$30,000,000 in Liuxin Town;

2. an agreement dated 12 November 2012 (as supplemented on 12 November 2012, 10 December 2012, 5 March 2013 and 22 October 2013 respectively) among Shenzhen Sino (which was subsequently replaced by another indirectly wholly-owned subsidiary of Shine Great, 淮安新時代有限公司 (Huai'an New Times Energy Corporation Limited) ("Huai'an New Times"), 朱志清 (Zhu Zhiqing), 蘇榮利 (Su Rongli), and 唐烽 (Tang Feng) and 貴州坤煜經貿有限公司 (Guizhou Kunyu Trading Company Limited) ("Kunyu"), an indirect wholly-owned subsidiary of Shine Great, in relation to Huai'an New Times's acquisition of 100% equity interest in Kunyu at the consideration of RMB65,100,000, satisfied by RMB37,100,000 in cash and the issue of convertible bonds with principal amount of RMB28,000,000 by Huai'an New Times;

3. an agreement dated 1 December 2012 (as supplemented on 1 December 2012 and 5 March 2013) among Shenzhen Sino (which was subsequently replaced by Huai'an New Times), 黎作義 (Li Zuoyi), 黎作軍 (Li Zuojun), 張超林 (Zhang Chaolin) and 張志超 (Zhang Zhichao) and 貴州舜堯能源投資有限公司 (Guizhou Shunyao Energy Investment Company Limited) ("Shun Yao") in relation to Huai'an New Times's acquisition of 100% equity interest in Shun Yao at the consideration of RMB26,920,500, satisfied as to RMB13,000,000 in cash and the balance of RMB13,920,500 by the issue of convertible bonds by New Times;

4. a placing agreement dated 7 February 2013 between the Company and Get Nice Securities Limited relating to the placing of up to 34,840,000 new Shares at HK$0.98 each;

5. a stated owned land use right transfer contract dated 22 February 2013 between Kunyu and 貴州省國土資源廳貴陽國家高新技術產業開發區國土資源分局 (The branch of Bureau of the Land and Resources of Guiyang Hi-Tech Industrial Development Area of the Department of Land and Resources of Guizhou Province*) in relation to the transfer of the land use rights of the parcel of land with a total gross area of 2,121.70 square metres, located at the South-East of the intersection between the National Road 210 and Yingbin Road (East) (Jin Yang District 2011–08) for for a term of 40 years at the consideration of RMB20,000,000;

6. an investment agreement dated 16 May 2013 between Kunyu and 貴州水城經濟開發區管委會 (Management committee of Guizhou Shuicheng Economic Development Zone*) in relation to the investment of RMB120,000,000 into the natural gas supplies project in 水城經濟開發區 (Shuicheng Economic Development Zone*);

7. a natural gas supply contract dated 27 June 2013 between Kunyu and 六盤水圓通出租汽車服務有限公司 (Liu Panshui Yuantong Taxi Services Limited*) in relation to the supply of natural gas of RMB4.5 per cubic meter from 27 June 2013 to 27 June 2014;

8. a natural gas supply cooperation agreement dated 27 June 2013 (as supplemented on 18 July 2013) between Kunyu, as the lender and supplier, and 六盤水遠開客運有限公司 (Liu Panshui Yuankai Transportation Company Limited*), as the borrower and user, in relation to (i) the provision of interest free loan of RMB6,000,000 from 14 May 2013 to 14 November 2015 for the purchase of 32 taxi; and (ii) the exclusive supply of natural gas of RMB4.8 per cubic meter;

9. a joint venture agreement dated 20 July 2013 (as supplemental on 27 September 2013 and 20 November 2013) between Joy Trade Limited (a subsidiary of the Company) and 山東禹城華意天然氣開發有限公司 (Shandong Yu Cheng Huayi Natural Gas Development Company Limited*) ("Huayi") in relation to the formation of the 德州華鑫天然氣有限公司 (Dezhou Huaxin Natural Gas Company Limited*) (the "JV") with registered capital of US$5,705,000 (RMB35,000,000), of which Huayi holds 40% and Joy Trade Limited holds 60% and the relevant rights and obligations of its shareholders;

10. an agreement dated 20 November 2013 between JV and Huayi relating to the leasing of a parcel of land with an area of approximately 24,526 square meters located at 中國山東省禹城市十裡望回族鄉101省道西 (101 Shengdaoxi, Shiliwang Huizuxiang, Yu Cheng City, Shandong Province, the PRC*) from Huayi to JV for a term from 20 November 2013 to 30 June 2033 for RMB22,000 per quarter exclusive of utilities and other going charges;

11. an agreement dated 25 November 2013 between Goldlink and 肖剛明 (Xiao Gangming) whereby Goldlink agreed to purchase 6,000 ordinary shares of US$1 each of Focus On Group Limited for a consideration of HK$55,000,000;

12. a placing agreement dated 18 December 2013 between China Galaxy International Securities (Hong Kong) Co., Limited (the "Placing Agent") and the Company relating to the placing of a maximum of 41,800,000 new Shares at HK$2.60 each;

13. an exclusive operational agreement dated 5 January 2014 between 普揚有限公司 (Rich Result Limited), an indirect wholly-owned subsidiary of Shine Great, and 淮安市淮陽區丁集鎮人民政府 (the People's Government of Ding Ji Town, Huai Yang District of Huai An City, Jiangsu Province, the PRC*) in relation to the operation of natural gas residential and commercial natural gas provision network for a term of 30 years with proposed investment amount of US$15,000,000;

14. a joint venture agreement dated 10 March 2014 between Goldlink and 黃典卿 (Huang Dianqing) relating to the formation of a joint venture with issued share capital of US$100, of which 黃典卿 holds 45% and Goldink holds 55% for the possible acquisition of 55% equity interest in 黃崗市環孚天然氣有限公司 (Huanggang City Huanfu Natural Gas Co., Ltd.*);

15. a sale and purchase agreement dated 5 May 2014 (as supplemental on 23 June 2014) among New Topic Limited as vendor, Goldlink as purchaser and Mr. Lee Tsz Hang and Mr. Lin Zhangli as guarantors for the acquisition of all the issued share capital of Cloud Decade Limited for a consideration of HK$515,432,000;

16. a sale and purchase agreement dated 24 September 2014 between 吳順均 (Wu Shun Jun) and 朱永帥 (Zhu Yong Shuai) as vendors and 深圳耀佳德能源有限公司 (Shenzhen Yaojiade Energy Resources Limited*) as purchaser for the acquisition of 75% equity interest in 四川富瑞德能源開發有限公司 (Sichuan Rich Reid Energy Development Co., Ltd.*) for a consideration of RMB17,250,000;

17. a placing agreement dated 30 September 2014 between the Company and Placing Agent whereas the Placing Agent would procure the placees to subscribe for the convertible bonds in the principal amount of up to HK$50,000,000 which shall be converted into 12,690,355 conversion Shares at the initial conversion price of HK$3.94 each;

18. the Subscription Agreement;

19. the Sale and Purchase Agreement;

20. a sale and purchase agreement dated 9 October 2014 between 桂菊明 (Gui Juming*) as vendor and 深圳華威豪能源有限公司 (Shenzhen Warwick Ho Energy Company Limited*) as purchase for the acquisition of 55% of the entire issued share capital of 黃崗市環孚天然氣有限公司 (Huanggang City Central Corfu Natural Gas Company Ltd.*) for a consideration of RMB10,000,000;

21. a sale and purchase agreement dated 1 November 2014 among Huang Minghua as vendor, Goldlink as purchaser and Fan Dream Ltd. for the acquisition of all the issued share capital of Fan Dream Ltd. for a consideration of RMB6,000,000;

22. a memorandum of understanding dated 25 November 2014 among Waypost Limited (“Waypost”), Triple Energy Limited (“Triple”) and the Company pursuant to which (i) Waypost agreed to subscribe from Triple for 158,000,000 placement shares for a consideration of AUD790,000; (ii) Waypost agreed to lend to CFT Heilongjiang (HK) Limited for a sum of AUD500,000 and (iii) the Company and Triple will enter into a underwriting agreement pursuant to which Waypost will underwrite 208,333,333 placement shares in Triple; and

23. the sale and purchase agreement dated 3 November 2014 between Goldlink and 吳玉生 (Wu Yusheng) in relation to the acquisition of the entire issued share capital of Well Organising Group Limited.

GENERAL

(a) The company secretary of the Company is Mr. Sit Lak Pun Edmund. Mr. Sit Lak Pun Edmund is a fellow member of the Hong Kong Institute of Certified Public Accountants as well as the Association of Chartered and Certified Accountants in the United Kingdom.

(b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the headquarters and principal place of business of the Company in Hong Kong is situated at Rooms 1007–8, 10/F, New World Tower I, 16–18 Queen's Road Central, Hong Kong.

(c) The Hong Kong branch share registrar of the Company is Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal office of the Company at Rooms 1007–08, 10/F New World Tower I 16–18 Queen's Road Central Hong Kong and the Company's Singapore share registrar and share transfer office, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32–01 Singapore Land Tower, Singapore 048623 during normal business hours up to and including 23 January 2015:

(a) the Bye-laws of the Company;

(b) the annual reports of the Company for the two years ended 31 December 2013 and the interim report of the Company for the six months ended 30 June 2014;

(c) the circular(s) of the Company issued pursuant to Chapter 14 and/or Chapter 14A of the Listing Rules since 31 December 2013, being the date of the latest published audited accounts, including the circulars of the Company published on 29 June 2014 and 22 December 2014, respectively;

(d) the accountant's report on Shine Great Group, the text of which is set out in Appendix II;

(e) the accountants' report on the unaudited pro forma financial information of the enlarged Group, the text of which is set out in Appendix IV;

(f) the report on the valuation of Shine Great Group prepared by the valuer, the text of which is set out in Appendix V;

(g) the reports on forecasts underlying the valuation of Shine Great Group, the texts of which are set out in Appendix VI;

(h) the material contracts of the enlarged Group referred to in the paragraph headed "Material contracts" in this appendix; and

(i) the written consents referred to in the paragraph headed "Consents" in this appendix.



Blue Sky Power Holdings Limited
藍天威力控股有限公司

(incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 6828)

(Singapore Stock Code: UQ7)

NOTICE IS HEREBY GIVEN THAT the a special general meeting of Blue Sky Power Holdings Limited (the "**Company**") will be held at Level 21, The Center, 99 Queen's Road Central, Central, Hong Kong on Friday, 23 January 2015 at 11:00 a.m. (the "**SGM**") for the purpose of considering and, if thought fit, passing with or without modifications the following resolution of the Company:

Any shareholder of the Company ("**Shareholder**"), person being a depository agent or a holder of a securities account maintained with The Central Depository (Pte) Limited ("**Depositor**") or proxy who wishes to attend, speak and vote at the SGM may do so via video conferencing at Level 30, Singapore Land Tower, 50 Raffles Place, Singapore 048623. The person attending the said video conference will be able to pose questions to the Company management and to comment on issues on the SGM's agenda. Please be on time to avoid disrupting the SGM as the SGM will commence at the stipulated time.

APPROVAL OF THE ACQUISITION AND THE ISSUE OF THE CONVERTIBLE BONDS (AS ORDINARY RESOLUTION)

"**THAT**:

(a) the subscription agreement dated 7 October 2014 (the "**Subscription Agreement**") entered into between (1) Shine Great Investment Limited ("**Shine Great**"); and (2) Goldlink Capital Limited, a wholly owned subsidiary of the Company ("**Goldlink**"), pursuant to which Shine Great agreed to allot and issue, and Goldlink agreed to subscribe, 1,453,790 shares of Shine Great, at the aggregate subscription consideration of RMB30,000,000 (equivalent to approximately HK$37,800,000) subject to the terms and conditions set out in the Subscription Agreement, be and is hereby approved, ratified and confirmed and the directors of the Company be and are hereby authorised to implement the transactions contemplated under the Subscription Agreement and to do all such acts and execute all such documents with any amendments to the terms of the Subscription Agreement which are not inconsistent with the purpose thereof as may be approved by the directors of the Company; and

(b) the sale and purchase agreement dated 7 October 2014 (the "**Sale and Purchase Agreement**") entered into between (1) Total Belief Limited ("**Total Belief**"); and (2) Goldlink, pursuant to which Total Belief agreed to sell, and Goldlink agreed to acquire, an aggregate of 8,546,210 shares of Shine Great, at the aggregate

consideration of HK$230,045,259, to be satisfied by the payment of HK$17,000,000 in cash and up to HK$213,045,259 by the issue of the three year convertible bonds by the Company (the "**Convertible Bonds**") to Total Belief and/or New Times Energy Corporation Limited ("**New Times**"), the indirectly holding company of Total Belief or their nominees, pursuant to the terms and conditions set out in the Sale and Purchase Agreement, be and is hereby approved, ratified and confirmed and the directors of the Company be and are hereby authorised to implement the transactions contemplated under the Sale and Purchase Agreement and to do all such acts and execute all such documents with any amendments to the terms of the Sale and Purchase Agreement which are not inconsistent with the purpose thereof as may be approved by the directors of the Company; and

(c) approval be and is hereby given to the Directors to:

(i) create and issue the Convertible Bonds due in three years with an aggregate principal amount of up to HK$ 213,045,259 to Total Belief or its nominee(s), such Convertible Bonds, at the option of the holder thereof, to be convertible into new ordinary shares of the Company (the "**Conversion Shares**") at HK$0.379 per share of par value HK$0.055 each of the Company ("**Share**") in accordance with the terms and conditions of the Convertible Bonds as set out in the Sale and Purchase Agreement, including but not limited to the following restrictions:

(1) the Company shall not issue such number of Conversion Shares which would result in:

(1a) the public float of the Shares being less than the specific percentage as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited the "**Listing Rules**") immediately following such exercise; and

(1b) the aggregate shareholding of the holder of the Convertible Bonds (the "**Bondholder**") and parties acting in concert with it (as defined in the Code on Takeovers and Mergers of Hong Kong (the "**Takeovers Code**") immediately after such exercise exceeding 29.9% (or if applicable, the maximum percentage (to one decimal place) of the Shares it could then acquire without being required to make a mandatory general offer for the Shares under Rule 26 of the Takeovers Code of the enlarged issued share capital of the Company;

(collectively, the "**Conversion Restrictions**"), such issue of the Convertible Bonds shall also subject to such adjustments as the terms and conditions of the Convertible Bonds may provide and on such other terms and conditions as the directors of the Company may decide;

(ii) subject to the Conversion Restrictions as set out under paragraphs (1a) and (1b) to allot and issue such number of Conversion Shares (the "**Specific Mandate**") as may be required or permitted to be allotted or issued on the conversion of the

Convertible Bonds to the Bondholder on the conversion thereof, subject to and otherwise in accordance with the terms and conditions of the Convertible Bonds, whereby such Conversion Shares shall rank pari passu in all respects with the then existing shares of the Company and shall be entitled to all dividends and other distributions the record date of which is on or after the relevant conversion date of exercise of the conversion rights under the Convertible Bonds. The Specific Mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and

(iii) to take such steps, make such adjustments to the terms and conditions of the Convertible Bonds or to any documents and exercise such discretion as they may from time to time deem fit, advisable, desirable, expedient or necessary to give full effect to the Sale and Purchase Agreement.''

Yours faithfully
For and on behalf of
Blue Sky Power Holdings Limited
Cheng Ming Kit
Chairman

Hong Kong, 2 January 2015

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Place of business in Hong Kong:
Rooms 1007–08, 10/F
New World Tower I
16–18 Queen's Road Central
Hong Kong

Notes:

1. A Singapore Proxy Form (for Singapore Shareholders), a HK Proxy Form (for Hong Kong Shareholders) or a Depositor Proxy Form (for Depositors) is enclosed herewith.

2. A Shareholder who is entitled to attend and vote at the SGM may appoint another person as his/her proxy to attend and vote instead of him/her. A Shareholder entitled to attend and vote at the SGM who is a holder of two or more shares is entitled to appoint no more than two proxies to attend and vote on his/her behalf. If a Shareholder is the Depository or a clearing house (in each case, as defined in the bye-laws of the Company) (or its nominee(s)), the Depository or a clearing house (or its nominee(s)) may appoint more than two proxies to attend and vote at the SGM. A proxy need not be a Shareholder of the Company.

3. A Shareholder (other than The Central Depository (Pte) Limited or a clearing house or its nominee(s)) in Singapore who wishes to appoint a proxy should complete the attached Singapore Proxy Form. Thereafter, the Singapore Proxy Form must be lodged at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32–01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the SGM.

4. A Shareholder in Hong Kong who wishes to appoint a proxy should complete the attached HK Proxy Form. Thereafter, the HK Proxy Form must be lodged at the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for the SGM.

5. A Depositor whose name appears in the Depository Register (as defined in Section 130A of the Singapore Companies Act) and who is unable to attend personally but wishes to appoint a nominee to attend and vote on his behalf, or if such Depositor is a corporation, should complete the attached Depositor Proxy Form and lodge the same at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32–01 Singapore Land Tower, Singapore 048623, not later than 48 hours before the time appointed for the SGM.

6. Where a Shareholder appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified.

7. The instrument appointing a proxy shall be in writing under the hand of the appointor or by his/her attorney duly authorised in writing. If a Shareholder or Depositor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer, attorney or other person authorised to sign the same.

8. Completion and return of the Singapore Proxy Form, the HK Proxy Form or the Depositor Proxy Form will not preclude members or Depositor as the case may be from attending and voting in person at the meeting or at any adjournment thereof (as the case may be) should they so wish, and in such event, such proxy form shall be deemed to be revoked.

9. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.

10. As at the date of this circular, the executive directors of the Company are Mr. Cheng Ming Kit, Mr. Sze Chun Lee, Mr. Hung Tao and Mr. Kwok Shek San; the non-executive director of the Company is Ms. Chung Oi Ling, Stella; and the independent non-executive directors of the Company are Mr. Lim Siang Kai, Mr. Wee Piew and Mr. Ma Arthur On-hing.