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

(Incorporated in Bermuda with limited liability)



Interim Report 2015

Hong Kong Stock Code: 6828
Singapore Stock Code: UQ7

www.blueskypower.holdings

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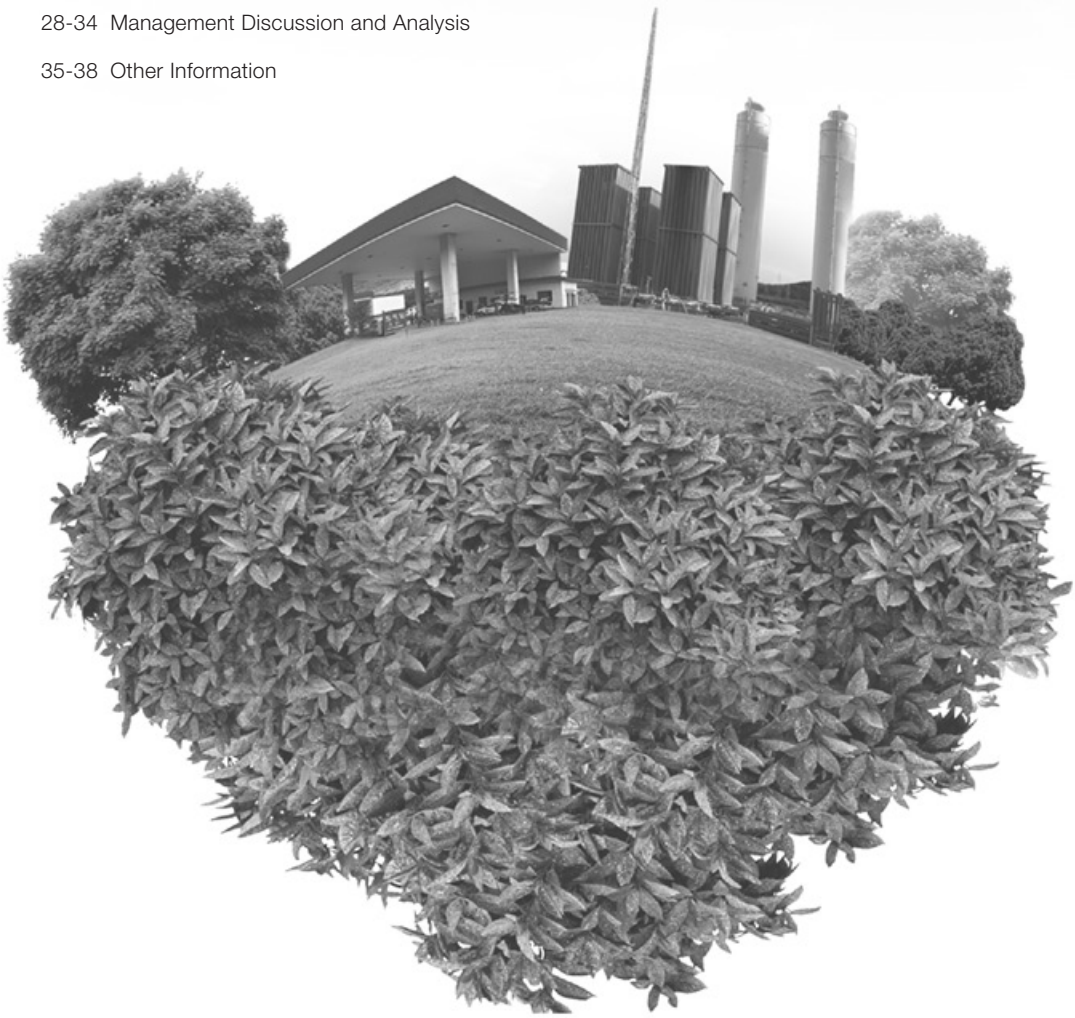
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CORPORATE PROFILE

NATURAL GAS BUSINESS

In recent years, the demand for energy grows as the PRC economy continues to develop. In order to rely less on conventional energy resources such as coal and petroleum, the PRC government has adopted a series of measures to promote development and utilisation of new energy; whereas natural gas, as a form of clean energy, is particularly well-received by the industry.

We have dedicated ourselves to promote the integrated utilisation of natural gas as the strategic focus. Our natural gas business encompasses (i) construction and operation of compressed natural gas ("**CNG**") and liquefied natural gas ("**LNG**") refueling stations for vehicles; and (ii) construction of natural gas connection pipelines and supply of piped gas to industrial parks, commercial complex and residential communities. These facilities benefit from proximity to sources of gas supply, conformance to national policies, and the significant business opportunities arising from the process of gradually replacing conventional energy with eco-friendly clean energy.

With the support of favourable government policies, we will be able to acquire sources of gas and business opportunities by fully leveraging the established cooperative partnerships with other large-scale energy enterprises including China National Petroleum Corporation. We will endeavour to expand into markets with low utilisation of natural gas, seek out projects with high return on equity and high return on assets, and attain long-term growth making use of diversified technologies.

PRINTING BUSINESS

We are a leading books and specialised products printing group serving the international market. We specialise in the 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. Our integrated services include pre-press, printing to finishing/binding services. We are able to combine special printing skills with leather manufacturing technologies to produce high-value added composite products for our customers. Through our full suite of integrated services at our 74,398 sqm production facilities in He Yuan, Guangdong Province, PRC, we are a convenient one-stop shop for customers sourcing for unique products that require a high-level of customisation.

Today we serve a blue-chip base of customers that includes major international publishers and retail stores across Europe, North America and Asia, such as Barnes & Noble Distribution in the US, Parragon Books Ltd. in the UK, as well as Phoenix Offset Productions and World Print Limited in Hong Kong.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Cheng Ming Kit *(Chairman of the Board)*
Mr. Hung Tao
Mr. Kwok Shek San *(Chief Financial Officer)*
Mr. Hu Xiao Ming *(Chief Executive Officer)*
(Appointed on 6 July 2015)
Mr. Sze Chun Lee

Non-executive Director

Ms. Chung Oi Ling, Stella

Independent Non-executive Directors

Mr. Lim Siang Kai
Mr. Wee Piew
Mr. Ma Arthur On-hing

NOMINATING COMMITTEE

Mr. Ma Arthur On-hing *(Chairman)*
Mr. Lim Siang Kai
Mr. Wee Piew
Mr. Cheng Ming Kit

REMUNERATION COMMITTEE

Mr. Ma Arthur On-hing *(Chairman)*
Mr. Lim Siang Kai
Mr. Wee Piew

AUDIT COMMITTEE

Mr. Lim Siang Kai *(Chairman)*
Mr. Wee Piew
Mr. Ma Arthur On-hing

AUTHORISED REPRESENTATIVES

Mr. Kwok Shek San
Mr. Sze Chun Lee

COMPANY SECRETARY

Mr. Siew Chun Fai
(Appointed on 1 August 2015)
Mr. Sit Lak Pun Edmund
(Resigned on 1 August 2015)

REGISTERED OFFICE

Clarendon House, 2 Church Street,
Hamilton HM 11, Bermuda

HEADQUARTERS AND PRINCIPAL EXECUTIVE OFFICE

Room 1411, 14th Floor,
New World Tower I,
16-18 Queen's Road Central,
Hong Kong

BERMUDA SHARE REGISTRAR

Codan Services Limited
Clarendon House, 2 Church Street,
Hamilton HM 11, Bermuda

SINGAPORE SHARE TRANSFER AGENT

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor
One Pacific Place
88 Queensway
Hong Kong

PRINCIPAL BANKERS

Hong Kong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
DBS Bank (Hong Kong) Limited
China Construction Bank (Asia) Corporation Limited

COMPANY WEBSITE

www.blueskypower.holdings

STOCK CODES

Hong Kong: 6828
Singapore: UQ7

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		Six months ended 30 June	
		2015	2014
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	6	**90,742**	77,263
Cost of sales		**(94,935)**	(66,354)
Gross (loss)/profit		**(4,193)**	10,909
Other gains and losses	7	**968**	1,194
Other income	8	**667**	1,810
Selling and distribution costs		**(2,135)**	(3,267)
Administrative expenses		**(50,712)**	(21,142)
Other operating expenses		**(3,577)**	(2,024)
Finance costs	9	**(11,858)**	(393)
Share of profit of associates		**55**	–
Gain recognised on disposal of subsidiaries		**59,913**	–
Loss before income tax	10	**(10,872)**	(12,913)
Income tax credit/(expense)	11	**2,428**	(17)
Loss for the period		**(8,444)**	(12,930)
Other comprehensive (expense)/income for the period:			
Item that may be reclassified subsequently to profit or loss:			
Exchange (loss)/gain on translation of foreign operations		**(1,566)**	2,819
Total comprehensive expense for the period		**(10,010)**	(10,111)
Loss for the period attributable to:			
Owners of the Company		**(3,457)**	(13,607)
Non-controlling interests		**(4,987)**	677
		(8,444)	(12,930)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(5,348)**	(10,587)
Non-controlling interests		**(4,662)**	476
		(10,010)	(10,111)
Loss per share			(Restated)
– Basic and diluted	13	**(HK0.07 cent)**	(HK0.56 cent)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	30 June 2015 HK$'000 (Unaudited)	31 December 2014 HK$'000 (Audited)
Non-current assets			
Prepaid lease payments		**21,651**	16,309
Property, plant and equipment	14	**286,817**	228,775
Investment properties		**28,009**	28,430
Intangible assets		**583,179**	475,027
Goodwill		**321,092**	317,543
Investment in associates		**192,880**	3,214
Investment in a joint venture		**44,000**	–
Convertible loan to an associate		**–**	3,256
Prepayment		**12,602**	–
Deposits for acquisition of subsidiaries		**17,496**	41,525
Deposits and prepayments for construction costs and acquisition of property, plant and equipment		**98,918**	–
Other non-current assets		**589**	300
		1,607,233	1,114,379
Current assets			
Prepaid lease payments		**535**	362
Inventories		**15,782**	13,932
Trade and other receivables	15	**86,154**	59,384
Amount due from a joint venture		**19,188**	–
Amount due from related parties		**–**	2,650
Amount due from non-controlling shareholders of subsidiaries		**27,822**	27,100
Tax recoverable		**1,590**	1,590
Cash and bank balances		**63,357**	18,613
		214,428	123,631
Current liabilities			
Trade and other payables	16	**93,316**	82,440
Bank and other borrowings	17	**16,022**	23,748
Obligation under finance leases		**5,677**	311
Convertible bonds		**20,976**	39,427
Embedded derivatives		**7,805**	17,341
Amount due to non-controlling shareholders of a subsidiary		**–**	14,706
Amount due to directors		**630**	6,809
Tax payables		**30**	–
		144,456	184,782
Net current assets/(liabilities)		**69,972**	(61,151)
Total assets less current liabilities		**1,677,205**	1,053,228

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	**30 June 2015 *HK$'000* (Unaudited)**	31 December 2014 *HK$'000* (Audited)
Capital and reserves			
Share capital	18	**286,250**	256,223
Reserves		**845,316**	594,997
Equity attributable to owners of the Company		**1,131,566**	851,220
Non-controlling interests		**198,069**	69,136
Total equity		**1,329,635**	920,356
Non-current liabilities			
Obligations under finance leases		**1,118**	1,182
Bank and other borrowings	17	**125,500**	21,500
Convertible notes	23	**84,082**	2,006
Deferred tax liabilities		**136,870**	108,184
		347,570	132,872
		1,677,205	1,053,228

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Equity attributable to owners of the Company								
	Share capital *HK$'000*	**Share premium** *HK$'000*	**Merger reserve** *HK$'000*	**Translation reserve** *HK$'000*	**Statutory reserve** *HK$'000*	**Retained profits** *HK$'000*	**Total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total equity** *HK$'000*
Balance at 1 January 2014 (Audited)	114,977	57,617	(43,048)	20,679	–	43,679	193,904	–	193,904
Loss for the period	–	–	–	–	–	(13,607)	(13,607)	677	(12,930)
Other comprehensive income									
Exchange gain on translation of foreign operations	–	–	–	3,020	–	–	3,020	(201)	2,819
Total comprehensive income for the period	–	–	–	3,020	–	(13,607)	(10,587)	476	(10,111)
Issue of ordinary shares	22,010	82,037	–	–	–	–	104,047	–	104,047
Transaction costs on issue of ordinary shares	–	(2,396)	–	–	–	–	(2,396)	–	(2,396)
Acquisition of subsidiaries	–	–	–	–	–	–	–	16,806	16,806
Capital contributions from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	2,370	2,370
Transfer of statutory reserve	–	–	–	–	327	(910)	(583)	583	–
Transactions with owners	22,010	79,641	–	–	327	(910)	101,068	19,759	120,827
Balance at 30 June 2014 (Unaudited)	136,987	137,258	(43,048)	23,699	327	29,162	284,385	20,235	304,620

	Equity attributable to owners of the Company										
	Share capital *HK$'000*	**Share premium** *HK$'000*	**Share option reserve** *HK$'000*	**Convertible note equity reserve** *HK$'000*	**Merger reserve** *HK$'000*	**Other reserve** *HK$'000*	**Translation reserve** *HK$'000*	**Accumulated losses** *HK$'000*	**Total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total** *HK$'000*
Balance at 1 January 2015 (Audited)	**256,223**	**629,990**	**5,552**	**813**	**(43,048)**	**–**	**28,360**	**(26,670)**	**851,220**	**69,136**	**920,356**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,457)**	**(3,457)**	**(4,987)**	**(8,444)**
Other comprehensive income/(expense)											
Exchange (loss)/gain on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**(1,891)**	**–**	**(1,891)**	**325**	**(1,566)**
Total comprehensive income/ (expense) for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(1,891)**	**(3,457)**	**(5,348)**	**(4,662)**	**(10,010)**
Issue of shares by way of placing	**14,438**	**93,563**	**–**	**–**	**–**	**–**	**–**	**–**	**108,001**	**–**	**108,001**
Transaction cost attributable to issue of shares	**–**	**(2,740)**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,740)**	**–**	**(2,740)**
Issue of convertible note for acquisition of subsidiaries	**–**	**–**	**–**	**91,699**	**–**	**–**	**–**	**–**	**91,699**	**–**	**91,699**
Issue of shares upon conversion of convertible note	**15,589**	**101,918**	**–**	**(35,890)**	**–**	**–**	**–**	**–**	**81,617**	**–**	**81,617**
Recognition of equity-settled share-based payments	**–**	**–**	**6,822**	**–**	**–**	**–**	**–**	**–**	**6,822**	**–**	**6,822**
Transfer to accumulated losses upon forfeiture of share options	**–**	**–**	**(756)**	**–**	**–**	**–**	**–**	**756**	**–**	**–**	**–**
Acquisition of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**132,190**	**132,190**
Acquisition of additional interest in a subsidiary	**–**	**–**	**–**	**–**	**–**	**295**	**–**	**–**	**295**	**(1,795)**	**(1,500)**
Capital injection by non-controlling shareholders of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,200**	**3,200**
Balance at 30 June 2015 (Unaudited)	**286,250**	**822,731**	**11,618**	**56,622**	**(43,048)**	**295**	**26,469**	**(29,371)**	**1,131,566**	**198,069**	**1,329,635**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Net cash used in operating activities	**(51,515)**	(8,607)
Net cash (used in) from investing activities	**(73,191)**	15,910
Cash flow from financing activities		
Borrowing raised, net of transaction costs	**100,202**	7,017
Repayment of bank borrowings	**(11,472)**	(7,500)
Other financing cash flows (net)	**80,967**	(2,614)
Net cash from (used in) financing activities	**169,697**	(3,097)
Net increase in cash and cash equivalents	**44,991**	4,206
Cash and cash equivalents at the beginning of period	**18,613**	30,346
Effect of foreign exchange rate changes	**(247)**	76
Cash and cash equivalents at the end of period	**63,357**	34,628

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated and domiciled in Bermuda as an exempted company with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business is Room 1411, 14/F., New World Tower I, 16-18 Queen's Road Central, Hong Kong. The Company's shares are primary listed on The Stock Exchange of Hong Kong Limited ("**SEHK**") and secondary listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The principal activity of the Company is investment holding. The Company's subsidiaries are principally engaged in (i) sales and distribution of natural gas and other related products; and (ii) sales of book products and sales of specialised products.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company and all values are rounded to the nearest thousands ("**HK$'000**") except when otherwise indicated.

2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 – Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosures requirements of Appendix 16 to the Rules Governing the Listing of Securities on SEHK ("**Listing Rules**").

3. ACCOUNTING POLICIES

The accounting policies used in the preparation of these condensed consolidated financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2014, except for the adoption of the new or amended Hong Kong Financial Reporting Standards ("**new HKFRSs**") issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2015, and HKFRS 11 Joint arrangements.

Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint venture is incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the condensed consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. ACCOUNTING POLICIES (Continued)

Investment in joint venture (Continued)

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. when necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher or value in use and fair value less costs to sell) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

At the date of authorisation of this report, certain new and amended HKFRSs have been issued but are not yet effective, and have not been adopted early by the Group.

4. SEASONALITY OF OPERATIONS

Seasonal fluctuation exists in our natural gas business. The demand is generally higher in the second half of the year due to the winter heating consumption. There is no material impact on the unaudited condensed consolidated interim financial statements as the natural gas business is still in the start-up stage.

Seasonal fluctuation exists in our sales of book and specialised products and in the overall printing industry. The demand is generally higher in the second half of the year when our customers will normally place more orders to us so as to meet their greater sales demand during Christmas and New Year holidays.

Our interim results for the first half of the year may not serve as an indication of our results of operations for the entire financial year.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. SEGMENT REPORTING

Information reported to the executive Directors of the Company, being the chief operating decision makers ("**CODM**"), for the purpose of resources allocation and assessment of segment performance focuses on nature of the goods being sold. These revenue streams and the basis of the internal reports about components of the Group are regularly reviewed by the CODM in order to allocate resources to segments and to assess their performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The above reportable and operating segments were based on the product type. During the year ended 31 December 2014, CODM's focus has been changed after the Group acquired subsidiaries which are mainly engaged in the sales and distribution of natural gas and other related products. As a result, the Group is now organised into the following operating and reportable segments:

1. Sales and distribution of natural gas and other related products – This segment derives its revenue from operations of compressed natural gas ("**CNG**") or liquefied natural gas ("**LNG**") refuelling stations, construction of natural gas connection pipelines and supply of piped gas in the People's Republic of China (the "**PRC**").

2. Sales of book and specialised products – Provision of full suite of services from pre-press to printing to finishing/binding services and production of custom-made and value-added printing products.

Segment revenue below represents revenue from external customers. There were no inter-segment sales for the six months ended 30 June 2015 and 2014.

Segment revenue and results

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

For the six months ended 30 June 2015

	Sales of natural gas and other related products *HK$'000* (Unaudited)	Sales of book and specialised products *HK$'000* (Unaudited)	Consolidated *HK$'000* (Unaudited)
Segment revenue	**42,210**	**48,532**	**90,742**
Segment profit/(loss)	**40,760**	**(9,215)**	**31,545**
Other income and other gains and losses			**1,635**
Central corporate expenses			**(32,194)**
Finance costs			**(11,858)**
Loss before income tax			**(10,872)**

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. SEGMENT REPORTING (Continued)

Segment revenue and results (Continued)

Segment profit from the sales of natural gas and other related products for the six months ended 30 June 2015 consists of a gain recognised on disposal of subsidiaries of HK$59,913,000. The amount represented the gain on disposal of 15% interest in Brightjet Global Limited to an independent third party, and loss of control on Brightjet Global Limited as a result of a joint venture agreement entered into between the Company and two independent parties.

For the six months ended 30 June 2014

	Sales of natural gas and other related products *HK$'000* (Unaudited)	Sales of book and specialised products *HK$'000* (Unaudited)	Consolidated *HK$'000* (Unaudited)
Segment revenue	21,153	56,110	77,263
Segment profit	3,182	7,727	10,909
Other income and other gains and losses			3,004
Central corporate expenses			(26,433)
Finance costs			(393)
Loss before income tax			(12,913)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

Segment assets

	30 June 2015 *HK$'000* (Unaudited)	31 December 2014 *HK$'000* (Audited)
Sales and distribution of natural gas and other related products	**1,501,799**	1,002,276
Sales and distribution of book and specialised products	**191,597**	192,364
Total segment assets	**1,693,396**	1,194,640
Investment in an associate	**14,746**	3,214
Cash and bank balances	**63,357**	18,613
Property, plant and equipment for corporate use	**3,581**	2,550
Prepaid lease payments for corporate use	**5,393**	5,460
Convertible loan to an associate	**–**	3,256
Other unallocated assets	**41,188**	10,277
Consolidated assets	**1,821,661**	1,238,010

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. SEGMENT REPORTING (Continued)

Segment assets and liabilities (Continued)

Segment liabilities

	30 June 2015 *HK$'000* (Unaudited)	31 December 2014 *HK$'000* (Audited)
Sales and distribution of natural gas and other related products	**202,276**	167,535
Sales and distribution of book and specialised products	**23,532**	26,348
Total segment liabilities	**225,808**	193,883
Convertible bonds	**20,976**	39,427
Convertible notes	**84,082**	2,006
Bank and other borrowings	**141,522**	45,248
Embedded derivatives	**7,805**	17,341
Obligation under finance leases	**6,795**	1,493
Other unallocated liabilities	**5,038**	18,256
Consolidated liabilities	**492,026**	317,654

6. REVENUE

An analysis of the revenue, which is also the Group's turnover as follows:

	Six months ended 30 June	
	2015 *HK$'000* (Unaudited)	2014 *HK$'000* (Unaudited)
Revenue		
Sales and distribution of natural gas and other related products	**42,210**	21,153
Sales of book and specialised products	**48,532**	56,110
	90,742	77,263

7. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2015 *HK$'000* (Unaudited)	2014 *HK$'000* (Unaudited)
Net exchange gains	**72**	1,153
Net (losses)/gains on disposals of property, plant and equipment	**(143)**	41
Change in fair value of embedded derivatives	**1,039**	–
	968	1,194

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

8. OTHER INCOME

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Bank interest income	**29**	6
Rental income from investment properties	**609**	645
Reversals of impairment losses on trade receivables	**–**	600
Sundry income	**29**	559
	667	1,810

9. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Finance charges on obligations under finance lease	**9**	–
Interests on bank and other borrowings wholly repayable within five years	**707**	305
Interests on other borrowings not wholly repayable within five years	**2,744**	88
Interest on convertible notes	**6,982**	–
Interest on convertible bonds	**1,416**	–
	11,858	393

10. LOSS BEFORE INCOME TAX

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss before income tax is arrived at after charging:		
Amortisation of prepaid lease payments	**207**	69
Amortisation of intangible assets	**9,712**	–
Cost of inventories recognised as expense*	**94,935**	66,354
Depreciation of property, plant and equipment	**4,959**	2,718
Depreciation of investment properties	**535**	541
Operating lease charges		
– Premises	**1,485**	413
– Motor vehicles	**168**	228

* *Included in cost of inventories are depreciation of property, plant and equipment, amortisation of intangible assets and employee benefit expenses of HK$27,718,000 (2014:HK$18,262,000), which have also been included in the respective total amounts as disclosed above.*

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

11. INCOME TAX CREDIT/(EXPENSE)

No Hong Kong profits tax has been provided for the six months ended 30 June 2015 as the Company and its subsidiaries did not derive any assessable profits in Hong Kong for that period.

In accordance with the relevant PRC enterprise income tax laws, regulations and implementation guidance note, subsidiaries in Mainland China are subject to the PRC enterprise income tax rate at 25% (six months ended 30 June 2014: 25%).

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax		
PRC corporate income tax	**–**	(17)
Deferred tax	**2,428**	–
Total income tax credit/(expense)	**2,428**	(17)

12. DIVIDEND

The Board did not recommend a payment of interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

13. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company of HK$3,457,000 (six months ended 30 June 2014: HK$13,607,000) and on the weighted average number of 4,907,041,297 (six months ended 30 June 2014: 2,429,107,580 after adjusted for share subdivision effective in October 2014) ordinary shares in issue during the period.

The weighted average number of ordinary shares for the purposes of basic and diluted loss per share for the period ended 30 June 2014 have been adjusted to reflect the impact of the share subdivision effected on 15 October 2014.

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options and the conversion of the Company's outstanding convertible bonds and convertible notes as their exercise would result in a decrease in loss per share.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

14. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group has an addition of property, plant and equipment with a cost of HK$7,770,000 (six months ended 30 June 2014: HK$6,737,000). During the six months ended 30 June 2015, the property, plant and equipment acquired on acquisition of subsidiaries amounted to HK$54,250,000 (six months ended 30 June 2014: HK$24,551,000).

15. TRADE AND OTHER RECEIVABLES

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**36,019**	56,234
Less: Provision for impairment losses	**(3,969)**	(3,969)
Trade receivables – net	**32,050**	52,265
Deposits, prepayments and other receivables	**35,416**	7,119
Loan to a third party	**18,688**	–
	86,154	59,384

The Group generally allows a credit period of 30 to 120 days and 30 days to its trade customers of printing business and natural gas business respectively. Based on invoice dates, ageing analysis of trade receivables (net of provision for impairment losses) is as follows:

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 – 90 days	**26,543**	37,573
91 – 120 days	**4,339**	10,134
121 – 180 days	**955**	4,095
181 – 365 days	**212**	449
Over 365 days	**1**	14
	32,050	52,265

As at 30 June 2015, included in trade and other receivables, there is a loan receivable of approximately HK$18,688,000 (31 December 2014: Nil) denoted in Renminbi ("**RMB**"). All the loan receivable is short term loan advance to an independent party with interest rate of 12% per annum and repayable within one year. The Group reviewed the recoverable amount of the loan receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

16. TRADE AND OTHER PAYABLES

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables	**17,885**	17,427
Accrued charges and other creditors	**21,429**	29,102
Construction cost payables	**47,547**	34,214
Trade and other deposits received	**6,455**	1,697
	93,316	82,440

Based on invoice dates, the ageing analysis of trade payables is as follows:

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 – 90 days	**13,585**	12,411
91 – 180 days	**3,649**	3,827
181 – 365 days	**556**	1,095
Over 365 days	**95**	94
	17,885	17,427

17. BANK AND OTHER BORROWINGS

The Group's bank borrowings bear interest at floating rates and are unsecured. The Group's other borrowing bear fixed interest rate and is unsecured. Both of the borrowings are denominated in HK$ and RMB and based on the scheduled repayment dates set out in the loan agreements, the Group's bank and other borrowings are repayable as follows:

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**14,101**	21,748
More than one year, but not exceeding two years	**1,921**	2,000
More than two years, but not exceeding five years	**46,000**	–
After five years	**79,500**	21,500
	141,522	45,248

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

17. BANK AND OTHER BORROWINGS (Continued)

The Group's bank loan agreements contain clauses which give the banks the right at their sole discretion to demand immediate repayment at any time irrespective of whether the Group has met the scheduled repayment obligations. Accordingly, the amounts due for repayment after one year but not exceeding two years are classified as current liabilities.

18. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.055 each (1 January and 30 June 2015: HK$0.055 each; 1 January and 30 June 2014: HK$0.55 each)		
Authorised share capital		
At 1 January 2014	909,090,909	500,000
Increase in authorised shares	8,190,909,091	4,505,000
Share subdivision *(note i)*	81,900,000,000	–
At 31 December 2014 and 30 June 2015	91,000,000,000	5,005,000
Issued and fully paid share capital		
At 1 January 2014 (Audited)	209,049,373	114,977
Issue of shares by way of placing *(note ii)*	40,018,000	22,010
Issue of shares upon conversion of convertible notes *(note iii)*	202,391,730	111,315
	451,459,103	248,302
Share subdivision *(note i)*	4,063,131,927	–
	4,514,591,030	248,302
Issue of shares for acquisition of subsidiaries *(note iv)*	62,288,170	3,426
Issue of shares upon conversion of convertible notes *(note iii)*	81,726,700	4,495
At 31 December 2014 (Audited)	4,658,605,900	256,223
Issue of shares by way of placing *(note v)*	262,500,000	14,438
Issue of shares upon conversion of convertible notes *(note vi)*	283,437,810	15,589
At 30 June 2015 (Unaudited)	5,204,543,710	286,250

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

18. SHARE CAPITAL (Continued)

Notes:

(i) On 9 October 2014, the authorised share capital of the Company was increased from HK$500,000,000 divided into 909,090,909 shares of HK$0.55 each to HK$5,005,000,000 divided into 9,100,000,000 shares by creation of additional 8,190,909,091 shares.

Pursuant to a special resolution passed on 8 October 2014, each of the Company's authorised and issued shares of par value HK$0.55 each was subdivided into ten shares of par value of HK$0.055 each ("**Share Subdivision**"). The Share Subdivision was effective on 15 October 2014, the authorised share capital of the Company was divided into 91,000,000,000 shares of HK$0.055 each and the issued share capital of the Company was divided into 4,514,591,000 of HK$0.055 each. Details of Share Subdivision are disclosed in the circular issued by the Company on 16 September 2014.

(ii) In January 2014, the Company issued, by way of placing, 40,018,000 ordinary shares of HK$0.55 each at the issue price of HK$2.60 and the net proceeds from such issues amounted to approximately HK$101,651,000. An amount of HK$79,641,000 in excess of par value was credited to share premium during the year ended 31 December 2014.

(iii) During the year ended 31 December 2014, a total of 202,391,730 new ordinary shares of the Company of HK$0.55 each and 81,726,700 new ordinary shares of the Company of HK$0.055 each were issued upon the conversion of the convertible notes of the Company, respectively.

(iv) On 12 December 2014 and 17 December 2014, the Company issued 30,611,480 and 31,676,690 new ordinary shares of the Company of HK$0.055 each at the issue price of HK$0.356 and HK$0.398 per share, respectively, as part of the consideration for the acquisition of subsidiaries.

(v) In March 2015 and June 2015, the Company issued, by way of placing, 162,500,000 ordinary shares and 100,000,000 ordinary shares of HK$0.055 each at the issue price of HK$0.40 and HK$0.43 respectively and the net proceeds (before legal and professional costs) from such issues amounted to approximately HK$63,355,000 and HK$41,906,000 respectively. An amount of approximately HK$54,417,000 and HK$36,406,000 in excess of par value were credited to share premium during the period ended 30 June 2015.

(vi) During the period ended 30 June 2015, a total of 283,437,810 new ordinary shares of the Company of HK$0.055 each were issued upon the conversion of the convertible notes of the Company.

All shares issued rank pari passu with the existing shares of the Company in all respects.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

19. COMMITMENTS

Capital commitments

At the reporting date, commitments in respect of capital expenditure are as follows:

	30 June 2015 ***HK$'000*** **(Unaudited)**	31 December 2014 *HK$'000* (Audited)
Contracted but not provided for:		
– property, plant and equipment	**45,796**	80,853
– acquisition of 49% interest of Shine Great Investments Limited	**135,240**	363,984
	181,036	444,837

Operating lease commitments as lessee

At the reporting date, the total future minimum lease payments in respect of land and buildings under non-cancellable operating leases are as follows:

	30 June 2015 ***HK$'000*** **(Unaudited)**	31 December 2014 *HK$'000* (Audited)
Within one year	**5,775**	1,877
In the second to fifth year inclusive	**9,585**	409
	15,360	2,286

The Group leases its office premises and carpark under operating leases. The leases run for an initial period of 1 to 20 years, with an option to renew the leases and renegotiate the terms at the expiry date or at dates as mutually agreed between the Group and the landlords. The leases do not include contingent rentals.

Operating lease commitments as lessor

At the reporting date, the total future minimum lease receipts in respect of land and buildings under non-cancellable operating leases are as follows:

	30 June 2015 ***HK$'000*** **(Unaudited)**	31 December 2014 *HK$'000* (Audited)
Within one year	**1,330**	1,314
In the second to fifth year	**1,102**	1,690
	2,432	3,004

The Group leases its investment properties under operating leases. The leases run for an initial period of 5 years and require the tenants to pay security deposits. The leases do not include contingent rentals.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

20. RELATED PARTY TRANSACTIONS

In addition to the transactions or information disclosed elsewhere in these unaudited condensed consolidated interim financial statements, the Group entered into the following material transactions with related parties during the period:

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Key management personnel		
Short-term employee benefits	**4,223**	2,879
Post-employment benefits	**111**	31
Share based payments	**4,507**	–
Key management personnel remuneration	**8,841**	2,910
A company in which certain directors of the Company have controlling interest		
Rental expenses	**168**	168

21. PLEDGE OF ASSETS

The property, plant and equipment of HK$6,251,000 as at 30 June 2015 have been pledged to secure obligation under finance leases utilised by the Group.

As at 31 December 2014, the trade receivables of HK$15,655,000 have been pledged to secure bank borrowings utilised by the Group.

22. ACQUISITION OF SUBSIDIARIES

(a) Acquisitions accounted for business combinations

During the six months ended 30 June 2015, the Group acquired Shine Great Investments Limited ("**Shine Great**") which is principally engaged in the sales and distribution of natural gas and other related products in the PRC. The primary reason for the acquisition was for the expansion of the Group's business and to increase returns to its shareholders.

	Date of acquisition	**Percentage of registered capital acquired**	**Purchase consideration**
			HK$'000
Business combination:			
Shine Great	February 2015	51%	134,863

The acquisition-related costs of HK$1,271,000 were recognised as expenses in the current period, within other operating expenses.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

22. ACQUISITION OF SUBSIDIARIES (Continued)

(a) Acquisitions accounted for business combinations (Continued)

Details of provisional fair value of net identifiable assets acquired and provisional goodwill are as follows:

	Shine Great *HK$'000*
Fair value of the purchase consideration:	
– settled by cash *(note)*	54,800
– settled by issue of Convertible Note III *(note 23)*	80,063
Total consideration	134,863
Non-controlling interests	129,574
Acquiree's provisional fair value of net identifiable assets acquired (see below)	(260,888)
Provisional goodwill	3,549

Note: Included the payable of HK$37,800,000 by the Group to Shine Great for the subscription of the share capital of Shine Great as enlarged by the subscription shares, which is recognised as other receivable in Shine Great and other payable in the Group at the date of acquisition.

The non-controlling interests recognised at the acquisition dates were measured by reference to the proportionate share of provisional fair values of the acquirees' net assets at the acquisition dates and amounted to HK$129,574,000.

The net identifiable assets acquired in the transactions are as follows:

Acquirees' provisional fair values at acquisition dates:

	Shine Great *HK$'000*
Net assets acquired:	
Intangible assets	137,906
Property, plant and equipment	54,250
Prepaid lease payments	4,904
Inventories	221
Trade and other receivables	153,315
Interest in associate	12,331
Cash and bank balances	3,097
Other payables and accrued charges	(64,609)
Bank and other borrowings	(7,544)
Obligations under finance leases	(250)
Deferred taxation	(32,733)
	260,888

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

22. ACQUISITION OF SUBSIDIARIES (Continued)

(a) Acquisitions accounted for business combinations (Continued)

The fair values of the assets and liabilities acquired and goodwill have been determined on a provisional basis, awaiting the completion of the identification of separable intangible assets and valuation of the identifiable assets and liabilities.

Net cash outflow arising on acquisitions:

	Shine Great
	HK$'000
Purchase cash consideration	54,800
Bank balances and cash acquired	(3,097)
	51,703

Goodwill arose from the above acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of the business.

None of the goodwill arising on these acquisition is expected to be deductible for tax purposes.

During the period, acquired subsidiary contributed HK$4,280,000 to the Group's turnover and incurred loss of HK$3,876,000 for the period between the respective dates of acquisition and the end of the reporting period.

Had the above acquisition been effected at the beginning of the reporting period, the total amount of revenue of the Group for the six months ended 30 June 2015 would have been approximately HK$92,096,000 and the amount of the loss for the period would have been approximately HK$15,025,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the reporting period, nor is it intended to be a projection of future results.

(b) Acquisition of assets through acquisition of subsidiaries

During the six months ended 30 June 2015, the Group acquired Well Organising Group Limited ("**Well Organising**") which are holdings operating rights for the sales and distribution of natural gas and other related products in the PRC. The Directors of the Company are of the opinion that the subsidiary acquired does not constitute a business as defined in HKFRS 3, therefore, the acquisitions have been accounted for as acquisitions of assets rather than business combination. The primary reason for the below acquisition was for the expansion of the Group's business and to increase returns to its shareholders.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

22. ACQUISITION OF SUBSIDIARIES (Continued)

(b) Acquisition of assets through acquisition of subsidiaries (Continued)

	Date of acquisition	Percentage of registered capital acquired	Purchase consideration
			HK$'000
Well Organising	January 2015	100%	160,444

Details of fair value of net identifiable assets acquired and purchase consideration are as follows:

	Well Organising
	HK$'000
Fair value of net assets acquired:	
Interest in an associate	160,518
Cash and bank balances	2
Other payables	(76)
	160,444
Fair value of the purchase consideration:	
– settled by cash	22,000
– settled by issue of Convertible Note II *(note 23)*	138,444
Total consideration	160,444

Net cash outflow (inflow) arising on acquisitions:

	Well Organising
	HK$'000
Purchase cash consideration	22,000
Bank balances and cash acquired	(2)
	21,998

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

23. CONVERTIBLE NOTES

(a) As part of the consideration for the acquisition of Cloud Decade, convertible note with principal amount of HK$498,432,000 was issued on 30 July 2014 with conversion price of HK$2.36 subject to adjustment (the "**Convertible Note I**") to the vendor. It entitled the holder to convert it into ordinary shares of the Company at any time between the date of issue of the Convertible Note I and its maturity date, which is on the third anniversary of the date of issue of the Convertible Note I. If the Convertible Note I has not been converted, it will be redeemed on maturity date at the entire principal amount. The conversion price is adjusted to HK$0.236 per share after the Share Subdivision. The Convertible Note I bears no interest.

The Convertible Note I contains two components, liability and equity components. The equity component is presented in equity heading "convertible note equity reserve". The effective interest rate of the liability component is 15.7% per annum.

The movement of the liability component of the Convertible Note I during the period is set out below:

	HK$'000
As at 1 January 2015	2,006
Converted during the period	(2,046)
Interest charged	40
As at 30 June 2015 (Unaudited)	–

(b) As part of the consideration for the acquisition of Well Organising Group Limited ("**Well Organising**") convertible note with principal amount of HK$143,000,000 was issued on 28 January 2015 with conversion price of HK$0.408 subject to adjustment (the "**Convertible Note II**") to the vendor. It entitled the holder to convert it into ordinary shares of the Company at any time between the date of issue of the Convertible Note II and its maturity date, which is on the third anniversary of the date of issue of the Convertible Note II. If the Convertible Note II has not been converted, it will be redeemed on maturity date at the entire principal amount. The Convertible Note II bears no interest.

The Convertible Note II contains two components, liability and equity components. The equity component is presented in equity heading "convertible note equity reserve". The effective interest rate of the liability component is 19.8% per annum.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

23. CONVERTIBLE NOTES (Continued)

(b) (Continued)

The movement of the liability component of the Convertible Note II during the period is set out below:

	HK$'000
As at 1 January 2015	–
Issue during the period	80,680
Converted during the period	(37,503)
Interest charged	4,418
As at 30 June 2015 (Unaudited)	47,595

(c) As part of the consideration for the acquisition of Shine Great, convertible note with principal amount of HK$77,805,000 was issued on 24 February 2015 with conversion price of HK$0.379 subject to adjustment (the "**Convertible Note III**") to the vendor. It entitled the holder to convert it into ordinary shares of the Company at any time between the date of issue of the Convertible Note III and its maturity date, which is on the third anniversary of the date of issue of the Convertible Note III. If the Convertible Note III has not been converted, it will be redeemed on maturity date at the entire principal amount. The Convertible Note III bears no interest.

The Convertible Note III contains two components, liability and equity components. The equity component is presented in equity heading "convertible note equity reserve". The effective interest rate of the liability component is 18.0% per annum.

The movement of the liability component of the Convertible Note III for the period is set out below:

	HK$'000
As at 1 January 2015	–
Issue during the period	46,128
Converted during the period	(12,165)
Interest charged	2,524
As at 30 June 2015 (Unaudited)	36,487

As at 30 June 2015, the outstanding principal amount of the Convertible Note II and Convertible Note III are approximately HK$77,662,000 and HK$57,805,000 respectively.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

24. SUBSEQUENT EVENTS

(i) On 16 July 2015, the Company entered into an acquisition agreement with a vendor, pursuant to which the Group shall acquire the entire equity interests in Smart Rainbow Investments Limited ("**Smart Rainbow**") and its subsidiaries. Smart Rainbow is principally engaged in the investment of LNG receiving terminal and LNG trading business in the PRC. The total consideration amounted to HK$100,000,000 to be fully settled by the allotment and issue of consideration shares. Mr. Cheng Ming Kit, an executive Director and a substantial shareholder of the Company, holds 100% equity interest of the vendor. The transaction constitutes a connected transaction under the Listing Rules. At the date hereof, the transaction has not been completed yet. For details, please refer to the Company's circular dated 26 August 2015.

(ii) On 23 July 2015, the Company granted share options to certain eligible persons to subscribe for a total of 101,950,670 ordinary shares of the Company with the exercise price of HK$0.395 per share. The management of the Group is in the process of accessing the fair value of the share options.

(iii) On 10 August 2015, the Company entered into an acquisition agreement with independent vendor, pursuant to which the Group shall acquire the entire equity interests in Energy Shell Limited and its subsidiaries (the "**Target Group**"). The Target Group is principally engaged in (i) the transportation of CNG and LNG; (ii) the wholesales of CNG and LNG; and (iii) the operation of the liquefied-to-compressed natural gas ("**L-CNG**") refueling station in Shandong province in the PRC. The total consideration amounted to HK$158,000,000, of which HK$17,500,000 shall be satisfied by cash, HK$40,000,000 shall be satisfied by promissory note and the balance of HK$100,500,000 shall be satisfied by the allotment and issue of 251,250,000 consideration shares. The management of the Group is in the process of performing due diligence on the Target Group. At the date hereof, the transaction has not been completed yet. Further announcement will be posted in due course.

(iv) On 13 August 2015, Templeton Strategic Emerging Markets Fund IV, LDC (the "**Subscriber**") entered into a convertible bond subscription agreement (the "**Convertible Bond Subscription Agreement**") with the Company, pursuant to which the Subscriber conditionally agreed to subscribe, and the Company conditionally agreed to issue convertible bond in an aggregate principal amount of HK$116,000,000, which will be convertible into 290,000,000 shares at the initial conversion price of HK$0.40. The Subscriber is managed by Templeton Asset Management Ltd's Emerging Markets Group. Under the terms of the Convertible Bond Subscription Agreement, the Company granted a subscription option (the "**Subscription Option**") to the Subscriber to subscribe in cash for additional convertible bond at the issue price of up to HK$116,000,000, which is the price equivalent to 100% of the principal amount of such additional convertible bond. The Subscription Option is exercisable by the Subscriber or a special purpose vehicle of the Subscriber (the "**Subscriber's SPV**"). The conversion price of such additional convertible bond shall be the same as the conversion price under the Convertible Bond Subscription Agreement. At the date hereof, the issue of the Convertible Bond has not been completed yet.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is an integrated natural gas provider and distributor that offers innovative and diversified clean energy solution in the PRC. The Group focuses on the downstream natural gas distribution business which encompasses (i) construction and operation of compressed natural gas ("**CNG**") and liquefied natural gas ("**LNG**") refueling stations for vehicles; and (ii) construction of natural gas connection pipelines and supply of piped gas to industrial parks, commercial complex and residential communities.

BUSINESS REVIEW

The Group continued its swift expansion of the natural gas business sector. The scale of operations for our projects in Liaoning Province, Sichuan Province and Jinan, Shandong Province started to ramp up gradually during the period ended 30 June 2015. During the period ended 30 June 2015, the Group recorded a total revenue of approximately HK$42.2 million from the natural gas business, arising from the contribution of the projects in Liaoning Province, Shandong Province, Sichuan Province and Guizhou Province. It represented an increase of 99.5% from the last corresponding period, which recorded a revenue of HK$21.2 million only from the natural gas business and mainly contributed from one project in Shandong Province.

During the period, the Group also completed a number of acquisitions:

(1) the acquisition of 48% interest in the natural gas project in Hainan Province (the "**Hainan Project**") in January 2015, which owned 17 natural gas refueling stations in Hainan Province and is believed to be the largest operator of natural gas refueling stations for vehicles in Haikou in terms of the number of gas stations; and

(2) the acquisition of 51% interest in the natural gas project in Guizhou Province (the "**Guizhou Project**") in February 2015, which consisted of a number of piped gas and gas stations projects and two gas refueling stations are in operation currently.

Following the completion of the acquisitions, the footprints for the Group's natural gas business were further enhanced.

As part of the natural gas price reforms, the National Development and Reform Committee ("**NDRC**") has announced effective from 1 April 2015, the wholesale ceiling prices charged by pipeline enterprises to gas distributors on "base" volumes of gas would be raised by RMB0.04 per cubic meter, and that "incremental" volumes would be decreased by RMB0.44 per cubic meter. It is expected that the spirit of the natural gas price reforms is to adjust the natural gas price in the PRC stage by stage and to achieve full adjustment for the purpose of allowing natural gas price to be completely determined by market mechanism. Such price adjustment, to a certain extent, helped promote the natural gas utilization in certain areas in the PRC where our projects are located during the period ended 30 June 2015. Following the trimming in international crude oil prices from the second half of 2014, the Group believes that further downward gas price adjustment will be announced in 2015 and the policy will lower the cost of gas purchase of the Group and beneficial to our future development of the natural gas business in the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue

Revenue increased by 17.5% from HK$77.3 million for HY2014 to HK$90.7 million for HY2015 which was mainly due to the expansion of natural gas business and recorded an increase of revenue from natural gas business of HK$21.1 million for HY2015, offset by the decrease in revenue of the printing business by HK$7.6 million due to the increased competition in the market.

Gross Profit/Loss and Segment Profit/Loss

The Group turned from the gross profit of HK$10.9 million for HY2014 to the gross loss of HK$4.2 million for HY2015 which was mainly due to (i) the amortisation expense of intangible assets of natural gas projects of HK$9.7 million; (ii) the natural gas projects were in the ramp-up stage in HY2015; and (iii) the decreasing gross profit margin of the printing business, including the increased labour costs in the PRC.

The natural gas business of the Group recorded a segment profit of HK$40.8 million during HY2015, which increased significantly from HK$3.2 million for HY2014, owing to the scale of operations of our natural gas projects starting to ramp up during HY2015 and the gain recognised on disposal of subsidiaries in HY2015. On the other hand, the printing business of the Group recorded a segment loss of HK$9.2 million during HY2015, as compared to a segment profit of HK$7.7 million during HY2014, due to the intense competition of the printing market during HY2015.

Other Gains and Losses and Other Income

Other gains and losses and other income decreased by 45.6% from HK$3.0 million for HY2014 to HK$1.6 million for HY2015, which is mainly due to the decrease in net exchange gains by HK$1.1 million and there is no reversals of impairment losses on trade receivables during HY2015.

Operating Expenses

(a) Selling and distribution costs

Selling and distribution costs decreased by 34.7% from HK$3.3 million for HY2014 to HK$2.1 million for HY2015. This was mainly due to the decrease in (i) transportation and freight charges; (ii) business trip expenses; and (iii) certificate and declaration expenses of the printing business during HY2015.

(b) Administrative expenses

The significant increase in administrative expenses by 139.9% from HK$21.1 million for HY2014 to HK$50.7 million for HY2015 was mainly due to the increase in staff costs by HK$20.8 million and transportation and travelling fee by HK$6.9 million.

(c) Other operating expenses

Other operating expenses increased by 76.7% from HK$2.0 million for HY2014 to HK$3.6 million for HY2015 which was mainly due to the increased legal and professional fee of HK$1.6 million.

(d) Finance costs

Finance costs increased from HK$0.4 million for HY2014 to HK$11.9 million for HY2015 which was due to the addition of (i) interest on convertible bonds of HK$1.4 million, (ii) interest on corporate bonds of HK$2.7 million and (iii) imputed interest from convertible notes of HK$7.0 million and increase in interest on bank and other borrowing of HK$0.4 million during HY2015.

MANAGEMENT DISCUSSION AND ANALYSIS

(e) Gain recognised on disposal of subsidiaries

Gain recognised on disposal of subsidiaries of HK$59,913,000 represented the gain arising from disposal of 15% equity interests of Brightjet Global Limited at a consideration of HK$12,000,000 to an independent third party and loss of control on Brightjet Global Limited as a result of a joint venture agreement entered into between the company and two independent parties.

(f) Income tax credit/(expense)

Income tax credit/(expense) was calculated at 25% and 16.5% of the estimated assessable profits of its PRC subsidiaries and Hong Kong subsidiaries for both periods, respectively.

During the period, the income tax credit of HK$2.4 million for HY2015 represented the reversal of deferred tax provision arising from fair value adjustments of intangible assets from acquisition of various natural gas projects.

(g) Loss attributable to owners of the Company

As a result of the foregoing, the Group's loss for the period attributable to owners of the Company was arrived at HK$3.5 million, representing an decrease by HK$10.1 million from HK$13.6 from HY2014.

FUTURE PROSPECTS AND DEVELOPMENT

The Group is optimistic about the long term economic development in the PRC. There are a number favorable policies launched by the PRC government which will enhance the development of natural gas industry in the PRC, including but not limited to (i) urbanization plan; (ii) the proposal for energy conservation and environmental protection; and (iii) action plans for eliminating highly polluting coal-fired boilers and replacing with natural gas-fired boilers among high energy consumption industries. Therefore, it is expected that there will be escalating demand for natural gas in the PRC for industrial, transportation and residential uses and the Group will continue to benefit from the development of the natural gas industry in the PRC.

Looking ahead, the Group will continue to expand its footprints for the natural gas business in the PRC. Amid the recent crackdown on corruption and shake-up of the energy sector in the PRC and trimming of international oil prices, it creates a window of opportunities to acquire natural gas projects with more rooms for negotiation on deal pricing. The Group will spare no efforts to explore potential merger and acquisition opportunities, which can enhance the market presence and financial return of the Group.

The Group also always strives to identify more potential low-cost natural gas sources. Recently, overseas LNG is on the downward price trend. In the PRC market, the imports of LNG has improved because the supply capacity and infrastructure of importing LNG is getting more available and up to date a total of 12 LNG terminals have been completed and launched for operation. Therefore, it is expected that utilizing imported LNG will be an important evolving trend in the natural gas market, especially the cities along the coastal areas. The Group is exploring the opportunities to invest in LNG receiving terminals in PRC and identify certain overseas LNG sources with competitive pricing to import low-cost LNG and tap into the business of LNG trading in the PRC and/or to supply the Group's own LNG refueling stations. On 16 July 2015, the Company entered into an acquisition agreement to acquire Smart Rainbow Investments Limited, which will hold the 10% interest in a LNG receiving terminal in Haikou and will engage in the LNG trading business in the PRC. The Board believes that the abovementioned acquisition can facilitate the Group to tap into the LNG trading business in the PRC and also secure available overseas low-cost gas sources to be utilized in our own natural gas projects, which can further improve the profit margin.

USE OF PROCEEDS

On 18 December 2013, the Company entered into a placing agreement, pursuant to which the Company has agreed to issue 41,800,000 new ordinary shares of HK$0.55 each at the issue price of HK$2.60 per share by way of placing (the "**January 2014 Placement**") to not less than six placees, who are independent third parties. As at the date of the placing agreement, the closing market price of the Company's shares as quoted on the Stock Exchange was HK$2.86 per share.

On 28 January 2014, the January 2014 Placement was completed. The net proceeds from the January 2014 Placement after deducting related transaction costs was HK$101.7 million, which represented a net issue price of HK$2.43 per share, of which HK$92.0 million has been utilised as payment for acquisitions of natural gas projects including projects located in Shandong, Liaoning, Huanggang, Guizhou, Xuzhou, Haikou, Sichuan and Jinan and HK$9.7 million has been utilized as working capital of the Group.

On 30 September 2014, the Company issued convertible bonds in the principal amount of HK$50,000,000 (the "**October 2014 Placement**") to not less than six placees, who and whose are individuals, institutional, corporates or other professional investors and the ultimate beneficial owners are independent third parties.

On 17 October 2014, the October 2014 Placement was completed. The net proceeds from the issue of new shares after deducting related transaction costs was HK$49.2 million, of which HK$40.7 million has been utilised as payment for acquisitions of natural gas projects including projects located in Dongying, Sichuan, Haikou, Guizhou and Huanggang and HK$8.5 million has been utilised as working capital of the Group.

On 13 March 2015, the Company entered into a placing agreement, pursuant to which the Company has agreed to issue 162,500,000 new ordinary shares of HK$0.055 each at the issue price of HK$0.40 per share by way of placing (the "**March 2015 Placement**") to not less than six placees, who and whose ultimate beneficial owners are independent third parties. As at the date of the placing agreement, the closing market price of the Company's shares as quoted on the Stock Exchange was HK$0.42 per share.

On 27 March 2015, the March 2015 Placement was completed. The net proceeds from the March 2015 Placement after deducting related transaction costs was HK$63.3 million, which represented a net issue price of HK$0.39 per share, of which HK$60.0 million was used for expansion of natural gas business including projects located in Liaoning, Haikou, Sichuan, Guizhou and others and HK$3.3 million was used for general working capital.

On 29 May 2015, the Company entered into another placing agreement pursuant to which the Company has agreed to issue 100,000,000 new ordinary shares of HK$0.055 each at the issue price of HK$0.43 per share by way of placing (the "**June 2015 Placement**") to not less than six placees, who and whose ultimate beneficial owners are independent third parties. As at the date of the placing agreement, the closing market price of the Company's shares as quoted on the Stock Exchange was HK$0.48 per share.

On 18 June 2015, the June 2015 Placement was completed. The net proceeds from the June 2015 Placement after deducting related transaction costs was HK$41.5 million, which represented a net issue price of HK$0.415 per share, of which HK$36.1 million was used for expansion of natural gas business including projects located in Liaoning, Haikou, Sichuan, Guizhou and others and HK$5.4 million was used for general working capital.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE AND FINANCIAL RESOURCES

The Group financed its operations with shareholders' equity, and bank and other borrowings.

The Group maintained bank deposits, bank balances and cash amounting to HK$63.4 million as at 30 June 2015 (31 December 2014: HK$18.6 million) an increase of 240.4% to 31 December 2014.

The Group had total borrowings of HK$253.4 million as at 30 June 2015 (31 December 2014: HK$88.2 million). The Group's gearing ratio, which is the total borrowings divided by the total assets, was 13.9% (31 December 2014: 7.1%).

As at 30 June 2015, the property, plant and equipment of HK$6,251,000 have been pledged to secure obligation under finance leases of the Group. As at 31 December 2014, certain of the Group's bank borrowings are secured by a charge over certain of the Group's trade receivable of HK$15,655,000.

The Group's non-current assets increased to HK$1,607.2 million (31 December 2014: HK$1,114.4 million), primarily due to the increase in investment in associates of HK$189.7 million, intangible assets of HK$108.2 million, and property, plant and equipment of HK$58.0 million and the addition of investment in joint venture of HK$44.0 million, deposits and prepayments for construction costs and acquisition of property, plant and equipment of HK$98.9 million and prepayment of HK$12.6 million.

As at 30 June 2015, the Group's current assets amounted to HK$214.4 million (31 December 2014: HK$123.6 million), mainly comprised of inventories of HK$15.8 million (31 December 2014: HK$13.9 million), trade and other receivables of HK$86.2 million (31 December 2014: HK$59.4 million), amount due from a joint venture of HK$19.2 million (31 December 2014: Nil), amounts due from non-controlling shareholders of subsidiaries of HK$27.8 million (31 December 2014: HK$27.1 million) and cash and bank balances of HK$63.4 million (31 December 2014: HK$18.6 million).

As at 30 June 2015, the Group's current liabilities of HK$144.5 million (31 December 2014: HK$184.8 million), mainly comprised of trade and other payables of HK$93.3 million (31 December 2014: HK$82.4 million), bank and other borrowings of HK$16.0 million (31 December 2014: HK$23.7 million), convertible bonds of HK$21.0 million (31 December 2014: HK$39.4 million) and embedded derivatives of HK$7.8 million (31 December 2014: HK$17.3 million).

As at 30 June 2015, the net current assets of the Group amounted to HK$70.0 million (31 December 2014: net current liabilities of HK$61.2 million). The Group's current ratio (calculated on the basis of the Group's current assets over current liabilities) was 1.48 as at 30 June 2015 (31 December 2014: 0.67).

During the period ended 30 June 2015 and up to the date of this report, the Company has entered into separate agreements with independent third parties in respect of the issue of the corporate bonds by the Company and details of the subscription are as follows:

Subscribers	Issue Date	Bond period	Principal amount *(HK$'000)*
Yin Jing Ming（殷景明）	17 July 2015	5 years	10,000
Other corporate bond holders		5 to 8 years	146,500
			156,500

During the period ended 30 June 2015, the Group has not entered into any financial instrument for hedging purposes nor other hedging instruments to hedge against foreign exchange rate risks.

EMPLOYEES' INFORMATION

Our employees are based in Hong Kong and the PRC. As at 30 June 2015, there were 871 (31 December 2014: 826) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses and share options to eligible staff based on their performance and contributions to the Group.

Salaries of and allowances for the Group's employees for the six months ended 30 June 2015 were HK$44.2 million (six months ended 30 June 2014: HK$24.0 million).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's borrowings are denominated in HK$ and its revenue is mainly denominated in US$, HK$ and RMB. Since the HK$ is pegged to US$, the Group's exposure to fluctuations in exchange rate between HK$ and US$ is relatively low. As the RMB is not a freely convertible currency and is regulated by the PRC government, the future exchange rates can vary significantly from current or historical exchange rates. Meanwhile, the Group will continue to pay close attention to the currency fluctuations of RMB, and will adopt proper measures to reduce the currency risk exposures of the Group based on its operating needs.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group had no material contingent liabilities.

PLEDGE OF ASSETS

Details of the Group's assets pledged are set out in note 21 to the unaudited condensed consolidated interim financial statements.

DIVIDEND

Details of the dividend are set out in note 12 to the unaudited condensed consolidated interim financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITIONS AND DISPOSAL

During the six months ended 30 June 2015, the Group had the following material acquisitions and disposal:

1) On 7 October 2014, a wholly owned subsidiary of the Company entered into a conditional subscription agreement and a conditional sale and purchase agreement with Shine Great Investments Limited ("**Shine Great**") and Total Belief Limited respectively, both are wholly owned subsidiaries of New Times Energy Corporation Limited, pursuant to which the Group agreed to (1) subscribe for approximately 14.54% of the issued share capital of Shine Great as enlarged by the subscription shares ("**Enlarged Share Capital**") for cash consideration of RMB30,000,000 (equivalent to approximately HK$37,800,000) (the "**Subscription**"); and (2) acquire an aggregate of 8,546,210 Shine Great shares, representing approximately 85.46% of the Enlarged Share Capital, which comprises of (i) 3,646,210 Shine Great shares, representing 36.46% of the Enlarged Share Capital ("**Transaction I**"); and (ii) 4,900,000 Share Great shares, representing 49% of the Enlarged Share Capital ("**Transaction II**") for an aggregate consideration of HK$230,045,259, which is to be satisfied by (a) cash of HK$17,000,000; and (b) issuing convertible bonds in the principal amount of up to HK$213,045,259. Shine Great and its subsidiaries are principally engaged in sales and distribution of natural gas and other related products. Details are set out in the circular dated 2 January 2015. The Subscription and Transaction I were completed on 24 February 2015.

2) On 3 November 2014, a wholly owned subsidiary of the Company entered into a conditional acquisition agreement with an independent vendor, pursuant to which the Group shall acquire the entire equity interests in Well Organising Group Limited and its subsidiaries (the "**Target Group**") and upon completion of the reorganisation as set out in the circular dated 23 December 2014. The Target Group will hold 48% equity interests in the Haikou Xinyuan Natural Gas Technology Co., Ltd. The total consideration amounted to HK$165,000,000 to be satisfied by (a) cash of HK$22,000,000; and (b) issuing convertible bonds in the principal amount up to HK$143,000,000. The Target Group is principally engaged in sales and distribution of natural gas and other related products. Details are set out in the circular dated 23 December 2014. The transaction was completed on 28 January 2015.

3) On 15 June 2015, a direct wholly owned subsidiary of the Company entered into a sale and purchase agreement to dispose of 15% equity interests of Brightjet Global Limited at a consideration of HK$12,000,000 to an independent third party and entered into a joint venture agreement with the then shareholders, pursuant to which the Group and the independent party shall jointly control Brightjet Global Limited (the "**JV Group**"). After the disposal, Brightjet Global Limited has become a joint venture of the Company. The JV Group holds 55% equity interests in the Huanggang City Central Corfu Natural Gas Company Ltd. The JV Group is principally engaged in sales and distribution of natural gas and other related products. The transaction was completed on 15 June 2015 and the gain on disposal of subsidiaries of HK$59,913,000 was recognised during HY2015.

OTHER INFORMATION

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

As at 30 June 2015, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")) which were required to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required as recorded in the register required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("**Model Code**") contained in the Rules Governing the Listing of Securities on SEHK ("**Listing Rules**") were as follows:

(i) Interest in the Company

Name of Director	Nature of Interest	Number of Shares	Approximate percentage of shareholding
Mr. Cheng Ming Kit	Beneficial owner	245,405,000	4.72%
	Interest of controlled corporation *(note 1)*	399,764,000	7.68%
Mr. Sze Chun Lee	Beneficial owner	1,800,000	0.03%
	Interest of controlled corporation *(note 2)*	196,488,480	3.78%
Mr. Kwok Shek San	Beneficial owner	7,296,000	0.14%
Ms. Chung Oi Ling, Stella	Interest of controlled corporation *(note 3)*	206,340,000	3.96%

Notes:

1. Mr. Cheng Ming Kit, holds 100% interest in Grand Powerful Group Limited and is deemed to be interested in 399,764,000 Shares held by Grand Powerful Group Limited. Mr. Cheng Ming Kit personally holds 245,405,000 Shares.

2. Mr. Sze Chun Lee holds 43.75% interest in China Print Power Limited and is deemed to be interested 196,488,480 Shares held by China Print Power Limited. Mr. Sze Chun Lee personally holds 1,800,000 Shares.

3. Ms. Chung Oi Ling, Stella holds 100% interest in Flame Capital Limited and is deemed to be interested in 206,340,000 Shares held by Flame Capital Limited.

(ii) Interest in associated corporations

Name of Director	Name of associated corporation	Number of Shares	Percentage of shareholding
Mr. Sze Chun Lee	China Print Power Limited	4,375	43.75%

Save as disclosed above, as at 30 June 2015, none of the Directors and the chief executive officer of the Company had any interests or short positions in the shares, warrants, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they were taken or deemed to have under such provisions of the SFO); or which were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or as otherwise notified to the Company or the SEHK pursuant to the Model Code.

OTHER INFORMATION

SHARE OPTIONS

At the special general meeting of the Company held on 26 May 2011, the terms of the share option scheme was adopted by providing incentive to eligible participants to work better for the interests of the Group, under which the Board may, at its discretion, offer to grant options to any full-time or part-time employee and Directors of the Company or any of its subsidiaries.

During the period, no share options were granted nor exercised under the Scheme. A total of 6,010,500 share options were lapsed. As at 30 June 2015, share options were outstanding under the Scheme entitling the holders to subscribe for 144,047,060 shares of par value HK$0.055 each in the capital of the Company, which represented approximately 2.77% of the shares in issue at that date.

As at 28 August 2015 and 30 March 2015, being year 2015 interim report date and year 2014 annual report date, the total number of shares available for issue upon exercise of all options to be granted under share option scheme must not exceed 408,472,990 shares and 99,009,813 shares respectively, which representing about 7.79% and 1.98% of the shares in issue on that date respectively.

Save as determined by the directors and provided in the offer of the grant of the relevant options, there is no general requirement that an option must be held for any minimum period before it can be exercised.

The following table discloses movements of the Company's share options during the six months ended 30 June 2015:

Category of grantee	Exercise price per share option *HK$*	Date of grant	Exercisable period	Number of share options as at 1 January 2015	Number of share options granted during the period	Number of share options lapsed during the period	Number of share options as at 30 June 2015
Directors:							
Mr. Cheng Ming Kit	0.286	21 July 2014	21 July 2015 to 20 July 2024	24,906,730	–	–	24,906,730
Mr. Hung Tao	0.286	21 July 2014	21 July 2015 to 20 July 2024	24,906,730	–	–	24,906,730
Mr. Kwok Shek San	0.286	21 July 2014	21 July 2015 to 20 July 2024	24,906,730	–	–	24,906,730
Ms. Chung Oi Ling	0.286	21 July 2014	21 July 2015 to 20 July 2024	24,906,730	–	–	24,906,730
Mr. Lim Siang Kai	0.286	21 July 2014	21 July 2015 to 20 July 2024	2,490,670	–	–	2,490,670
Mr. Wee Piew	0.286	21 July 2014	21 July 2015 to 20 July 2024	2,490,670	–	–	2,490,670
				104,608,260	–	–	104,608,260
Employees	0.286	21 July 2014	21 July 2015 to 20 July 2024	14,000,000	–	–	14,000,000
	0.349	1 September 2014	1 September 2015 to 31 August 2018	31,449,300	–	(6,010,500)	25,438,800
				45,449,300	–	(6,010,500)	39,438,800
Total				150,057,560	–	(6,010,500)	144,047,060

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, persons/corporations (other than the Directors and the chief executive officer of the Company) which had interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, or to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

Name	Capacity	Number of Shares	Percentage of shareholding
Quantum China Asset Management Limited	Corporate interest	462,376,000	8.88%
Lee Tsz Hang *(Note)*	Beneficial owner	401,789,000	7.72%

Note:

Mr. Lee Tsz Hang holds 100% interest in Win Ways Investment Limited and is deemed to be interested in 125,000,000 Shares held by Win Ways Investment Limited. Mr. Lee Tsz Hang personally holds 276,789,000 Shares.

Other than disclosed above, the Company has not been notified of any persons/corporations (other than the directors and chief executive officer of the Company) who had interests or short positions in the shares or underlying shares of the Company, which would fall to be disclosed to the Company under the Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of SFO as at 30 June 2015, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

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

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

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code provisions listed in the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on SEHK ("**Listing Rules**") throughout the six months ended 30 June 2015.

OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transaction by the Directors. The Board confirms that, having made specific enquiries with all Directors, during the six months ended 30 June 2015, all Directors have complied with the required standards of the Model Code.

AUDIT OR REVIEW OF THE INTERIM FINANCIAL RESULTS

The interim financial results have not been audited or reviewed by the Group's external auditors.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters. The Audit Committee has also reviewed the unaudited interim results of the Group for the six months ended 30 June 2015.

By order of the Board
Blue Sky Power Holdings Limited
Cheng Ming Kit
Chairman

Hong Kong, 28 August 2015