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Enviro Energy International Holdings Limited

環能國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1102)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

The Board of Directors (the “Board”) of Enviro Energy International Holdings Limited (the “Company”) hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2015 together with comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Notes	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited) (Restated)
Continuing operations			
Revenue	4	184	571
Cost of sales		(42)	(398)
Gross profit		142	173
Other income and gains		3,305	305
Selling and distribution expenses		(64)	(62)
Administrative and operating expenses		(22,963)	(21,264)
Loss before income tax	5	(19,580)	(20,848)
Income tax	6	–	–
Loss for the period from continuing operations		(19,580)	(20,848)
Discontinued operation			
Profit for the period from discontinued operation	7	4	752
Loss for the period		(19,576)	(20,096)

	Notes	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited) (Restated)
Other comprehensive (loss)/income			
<i>Items that may be reclassified to profit or loss:</i>			
Fair value gain/(loss) on available-for-sale investment		88	(62)
Exchange differences arising from translation of foreign operations		(58,441)	4,082
Other comprehensive (loss)/income for the period, net of tax		(58,353)	4,020
Total comprehensive loss for the period		(77,929)	(16,076)
Loss for the period attributable to:			
Owners of the Company			
– Continuing operations		(19,450)	(20,569)
– Discontinued operation		211	1,993
		(19,239)	(18,576)
Non-controlling interests			
– Continuing operations		(130)	(279)
– Discontinued operation		(207)	(1,241)
		(337)	(1,520)
		(19,576)	(20,096)
Total comprehensive (loss)/income for the period attributable to:			
Owners of the Company		(63,478)	(16,531)
Non-controlling interests		(14,451)	455
		(77,929)	(16,076)
Total comprehensive (loss)/income for the period attributable to owners of the Company arising from:			
Continuing operations		(21,454)	(19,530)
Discontinued operation		(42,024)	2,999
		(63,478)	(16,531)
(Loss)/earnings per share attributable to owners of the Company (expressed in HK cent per share)			
	9		
Basic			
– from continuing operations		(0.37)	(0.59)
– from discontinued operation		–	0.06
		(0.37)	(0.53)
Diluted			
– from continuing operations		(0.37)	(0.59)
– from discontinued operation		–	0.06
		(0.37)	(0.53)
Dividends	8	–	–

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	<i>Notes</i>	As at 30 June 2015 <i>HK\$'000</i> (Unaudited)	As at 31 December 2014 <i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment		892	1,278
Exploration and evaluation assets	10	131,179	141,070
Available-for-sale investment		435	347
Club memberships		330	2,700
Deposits		378	467
		133,214	145,862
Current assets			
Inventories		993	1,228
Trade receivables	11	87	108
Deposits, prepayments and other receivables		1,262	2,271
Financial asset at fair value through profit or loss		–	630
Bank balances and cash		45,601	29,033
		47,943	33,270
Assets of disposal group classified as held for distribution		–	977,157
		47,943	1,010,427
Total assets		181,157	1,156,289
Current liabilities			
Other payables		41,868	23,455
		41,868	23,455
Liabilities of disposal group classified as held for distribution		–	217,572
		41,868	241,027
Total liabilities		41,868	241,027
Net current assets		6,075	769,400
Total assets less current liabilities		139,289	915,262
Net assets		139,289	915,262

	<i>Notes</i>	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	<i>12</i>	13,281	13,101
Reserves		40,099	613,541
		53,380	626,642
Non-controlling interests		85,909	288,620
Total equity		139,289	915,262

Notes:

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

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

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

3. SEGMENT INFORMATION

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

- (i) Natural resources and related business
- (ii) Information technology and related business
- (iii) Exploration, development and production of coalbed methane and natural gas in China (discontinued operation (note 7))

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

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

An analysis of the Group's revenue and results by reportable segments is as follows:

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

	Continuing operations			Discontinued operation	Consolidated HK\$'000
	Information technology and related business HK\$'000	Natural resources and related business HK\$'000	Sub-total HK\$'000	Gas exploration in China HK\$'000	
For the six months ended 30 June 2014					
Segment revenue	31	540	571	-	571
Gross profit	22	151	173	-	173
Selling and distribution expenses	-	(62)	(62)	-	(62)
Administrative and operating expenses	(1,086)	(3,174)	(4,260)	(804)	(5,064)
Income tax	-	-	-	1,556	1,556
Segment results	(1,064)	(3,085)	(4,149)	752	(3,397)
Unallocated:					
Other income and gains					305
Administrative and operating expenses					(17,004)
Loss before income tax					(20,096)
Income tax					-
Loss for the period					(20,096)

4. REVENUE

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

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

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

5. LOSS BEFORE INCOME TAX

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

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

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

6. INCOME TAX

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

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

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

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

7. DISCONTINUED OPERATION

On 24 November 2014, the Board of the Company announced a proposed distribution in specie to distribute all of its equity interests of Aces Diamond International Ltd. (“Aces Diamond”) and Chavis International Ltd. (“Chavis”), subsidiaries of the Company who collectively holds 71.61% equity interest in TerraWest Energy Corporation (“TWE”), to its shareholders upon the approval by the shareholders and the completion of a restructuring plan. The distribution in specie was approved by the shareholders of the Company on 28 January 2015 and was completed on 18 February 2015 (note 8). Therefore its results are presented as a discontinued operation in the condensed consolidated interim financial information. Comparative figures have been restated.

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

8. DIVIDENDS AND DISTRIBUTION IN SPECIE

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

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

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

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

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

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

9. (LOSS)/EARNINGS PER SHARE

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

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

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

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

10. EXPLORATION AND EVALUATION ASSETS

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

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

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

11. TRADE RECEIVABLES

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

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

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

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

12. SHARE CAPITAL

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

Notes:

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

13. DISPOSAL OF SUBSIDIARIES

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

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

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

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

14. EVENTS AFTER THE END OF THE REPORTING PERIOD

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

INTERIM DIVIDEND

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

MANAGEMENT DISCUSSION AND OUTLOOK CONTINUING OPERATIONS

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

Business Review

Natural resources and related business

Marble business-operations

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

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

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

Marble business-resources and reserves

As at 30 June 2015, the Company indirectly held approximately 90% of PT. Bara Hugo Energy (“BHE”) which in turn held 37.5% of PT. Grasada Multinational (“GM”), which held a mining permit covering the Maros Marble Project in southwestern Sulawesi, Indonesia (“GM Quarry”). BHE also held warrants in GM which upon exercise will bring its shareholding in GM to 60%. As announced on 17 February 2014, the Company completed a competent person’s report (“CPR”) on the GM Quarry. According to the CPR, as of 30 November 2013, the total proved and probable gross (100%) mineable reserve of marble estimated was approximately 2,613,000 m³. Details of the resources from the CPR have been set out in the annual report of the Company for the year ended 31 December 2014. As at 30 June 2015, there were no material changes to these resource figures.

Information technology and related business

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

DISCONTINUED OPERATION

Gas exploration segment

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

OVERALL RESULTS

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

OTHER COMPREHENSIVE LOSS AND INCOME

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

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

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

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

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

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

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

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

PROSPECTS

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

CORPORATE GOVERNANCE

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

Chairman and chief executive

Code Provision A.2.1

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Deviation

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

Nomination committee

Code Provision A.5.1

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

Deviation

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

AUDIT COMMITTEE

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

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

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

By Order of the Board
Enviro Energy International Holdings Limited
Suen Cho Hung, Paul
Chairman

Hong Kong, 26 August 2015

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Suen Cho Hung, Paul (Chairman), Mr. Sue Ka Lok (Chief Executive Officer) and Mr. Lai Ming Wai; and three Independent Non-executive Directors, namely Mr. David Tsoi, Mr. Chiang Bun and Ms. Leung Pik Har, Christine.