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CORPORATE INFORMATION

DIRECTORS

Executive Directors:

- Mr. Lam Kwok Hing Wilfred, JP (*Chairman*)
(appointed with effect from 16 June 2015)
- Mr. Wu Xiaolin (Chief Executive Officer)
(appointed with effect from 16 June 2015)
- Mr. Shi Liangsheng
(appointed with effect from 28 July 2015)
- Mr. Wen Wenfeng
(appointed with effect from 31 July 2015)
- Ms. Jin Cheng, Grace
(redesignated from Executive Director to Non-Executive Director and ceased to be the chairlady with effect from 15 June 2015, resigned as Non-Executive Director with effect from 31 July 2015)
- Mr. Xing Cheng
(resigned with effect from 31 May 2015)
- Mr. He Xiaowu
(resigned with effect from 10 June 2015)
- Mr. Lo Wing Sang
(resigned with effect from 28 July 2015)

Non-Executive Directors:

- Mr. Lung Chee Ming George
(appointed with effect from 31 July 2015)
- Ms. Jin Cheng, Grace
(resigned with effect from 31 July 2015)
- Mr. Lu Zhiqiang
(resigned with effect from 9 July 2015)

Independent Non-executive Directors:

- Mr. Zeng Zhaolin
(appointed with effect from 16 June 2015)
- Mr. Loke Yu alias Loke Hoi Lam
(appointed with effect from 28 July 2015)
- Mr. Tse Long
(appointed with effect from 28 July 2015)
- Ms. Tang Man Yi
(appointed with effect from 10 June 2015 and resigned with effect from 28 July 2015)
- Mr. Ho Long Chin Matthew
(appointed with effect from 15 June 2015 and resigned with effect from 28 July 2015)
- Mr. Chan Chit Kwai, BBS, JP
(resigned with effect from 16 June 2015)
- Mr. Zeng Qingkai
(resigned with effect from 15 June 2015)
- Mr. Fu Wing Kwok, Ewing
(resigned with effect from 10 June 2015)

BOARD COMMITTEES

Audit Committee

- Dr. Loke Yu alias Loke Hoi Lam (*Chairman*)
(appointed as chairman with effect from 28 July 2015)
- Mr. Zeng Zhaolin
(appointed with effect from 16 June 2015)
- Mr. Tse Long
(appointed with effect from 28 July 2015)
- Ms. Tang Man Yi
(appointed as chairlady with effect from 10 June 2015 and resigned with effect from 28 July 2015)

CORPORATE INFORMATION

Mr. Ho Long Chin Matthew
(appointed with effect from 15 June 2015 and resigned with effect from 28 July 2015)

Mr. Chan Chit Kwai, BBS, JP
(resigned with effect from 16 June 2015)

Mr. Zeng Qingkai
(resigned with effect from 15 June 2015)

Mr. Fu Wing Kwok, Ewing
(resigned with effect from 10 June 2015)

Remuneration Committee

Mr. Zeng Zhaolin (*Chairman*)
(appointed as chairman with effect from 16 June 2015)

Mr. Tse Long
(appointed with effect from 28 July 2015)

Dr. Loke Yu alias Loke Hoi Lam
(appointed with effect from 28 July 2015)

Mr. Wen Wenfeng
(appointed with effect from 31 July 2015)

Ms. Tang Man Yi
(appointed with effect from 10 June 2015 and resigned with effect from 28 July 2015)

Mr. Ho Long Chin Matthew
(appointed with effect from 15 June 2015 and resigned with effect from 28 July 2015)

Mr. Chan Chit Kwai, BBS, JP
(resigned with effect from 16 June 2015)

Mr. Zeng Qingkai
(resigned with effect from 15 June 2015)

Mr. Fu Wing Kwok, Ewing
(resigned with effect from 10 June 2015)

Nomination Committee

Mr. Zeng Zhaolin (*Chairman*)
(appointed as chairman with effect from 16 June 2015)

Mr. Tse Long
(appointed with effect from 28 July 2015)

Dr. Loke Yu alias Loke Hoi Lam
(appointed with effect from 28 July 2015)

Mr. Wu Xiaolin
(appointed with effect from 31 July 2015)

Mr. Ho Long Chin Matthew
(appointed as chairman on 15 June 2015 redesignated from chairman to member on 16 June 2015, and resigned with effect from 28 July 2015)

Ms. Tang Man Yi
(appointed with effect from 10 June 2015 and resigned with effect from 28 July 2015)

Mr. Zeng Qingkai
(resigned with effect from 15 June 2015)

Mr. Fu Wing Kwok, Ewing
(resigned with effect from 10 June 2015)

Mr. Chan Chit Kwai, BBS, JP
(resigned with effect from 16 June 2015)

Investment and Management Committee

Mr. Wen Wenfeng (*Chairman*)
(appointed as chairman with effect from 31 July 2015)

Mr. Lam Kwok Hing Wilfred, JP
(appointed as chairman with effect from 16 June 2015 redesignated from Chairman to member on 31 July 2015)

Mr. Zeng Zhaolin
(appointed with effect from 16 June 2015)

Dr. Loke Yu alias Loke Hoi Lam
(appointed with effect from 28 July 2015)

CORPORATE INFORMATION

Mr. Wu Xiaolin

(appointed with effect from 16 September 2015)

Mr. Shi Liangsheng

(appointed with effect from 16 September 2015)

Ms. Tang Man Yi

(appointed as chairlady on 10 June 2015, redesignated from chairlady to member on 16 June 2015, resigned with effect from 28 July 2015)

Mr. Lo Wing Sang

(resigned with effect from 28 July 2015)

Mr. Fu Wing Kwok, Ewing

(resigned with effect from 10 June 2015)

COMPANY SECRETARY

Ms. Hui Wai Man, Shirley

(appointed with effect from 16 June 2015)

Ms. Chu Wing Sze, Jenny

(resigned with effect from 16 June 2015)

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

REGISTERED OFFICE

Clarendon House

2 Church Street

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Bermuda

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26 Burnaby Street

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HONG KONG BRANCH SHARE REGISTRAR

Union Registrars Limited

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		Six months ended 30 June	
		2015	2014
		HK\$'000	HK\$'000
	Notes	(Unaudited)	(Unaudited)
Turnover	3	176	–
Other income	4	391	8,762
Other gains and losses	5	(75,269)	102,058
Administrative expenses		(16,232)	(8,071)
Finance costs		(82)	(5,041)
		<hr/>	<hr/>
(Loss) profit before taxation		(91,016)	97,708
Taxation	6	(1,279)	–
		<hr/>	<hr/>
(Loss) profit for the period	7	(92,295)	97,708
Other comprehensive (expense) income			
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation to presentation currency		205	(2,290)
		<hr/>	<hr/>
Total comprehensive (expense) income for the period		(92,090)	95,418
		<hr/>	<hr/>
(Loss) profit for the period attributable to:			
Owners of the Company		(92,210)	97,708
Non-controlling interests		(85)	–
		<hr/>	<hr/>
		(92,295)	97,708
		<hr/>	<hr/>
Total comprehensive (expense) income attributable to:			
Owners of the Company		(92,005)	95,418
Non-controlling interests		(85)	–
		<hr/>	<hr/>
		(92,090)	95,418
		<hr/>	<hr/>
(Loss) earnings per share	8		
– basic		HK(3.17) cent	HK4.13 cent
		<hr/>	<hr/>
– diluted		N/A	HK3.01 cent
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Notes	30.6.2015 HK\$'000 (Unaudited)	31.12.2014 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	11	1,367	12
Investment properties	12	88,335	88,459
Goodwill	19	3,257	–
Deposits for acquisition of property, plant and equipment		4,180	4,180
		97,139	92,651
Current assets			
Trade and other receivables	13	28,693	–
Deposits and prepayments		2,967	2,272
Held-for-trading investments	14	378,370	177,108
Amount due from an ex-executive director	15	1,741	–
Bank balances and cash		45,947	339,320
		457,718	518,700
Current liabilities			
Other payables	16	1,885	3,455
Bank borrowings	17	36,186	–
Tax payable		7,791	6,512
		45,862	9,967
Net current assets		411,856	508,733
Total assets less current liability		508,995	601,384
Capital and reserves			
Share capital	20	22,650	22,650
Reserves		486,729	578,734
Equity attributable to owner of the Company		509,379	601,384
Non-controlling interests		(384)	–
		508,995	601,384

The condensed consolidated financial statement on page 5 to 28 were approved and authorized for issue by the board of directors on 26 August 2015 and are signed on its behalf by:

Wu Xiaolin
Director

Wen Wenfeng
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Company								Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Share options reserve HK\$'000	Exchange translation reserve HK\$'000	Accumulated profits HK\$'000	Subtotal HK\$'000	Non- controlling interests HK\$'000	
At 1 January 2015 (audited)	22,650	144,772	4,289	41,400	(1,323)	389,596	601,384	-	601,384
Acquisition of a subsidiary	-	-	-	-	-	-	-	(299)	(299)
Exchange differences arising on translation of functional currency to presentation currency	-	-	-	-	205	-	205	-	205
Loss for the period	-	-	-	-	-	(92,210)	(92,210)	(85)	(92,295)
Total comprehensive expenses for the period	-	-	-	-	205	(92,210)	(92,005)	(384)	(92,389)
At 30 June 2015 (unaudited)	22,650	144,772	4,289	41,400	(1,118)	297,386	509,379	(384)	508,995
At 1 January 2014 (audited)	14,895	-	4,289	-	895	266,925	287,004	-	287,004
Exchange differences arising on translation of functional currency to presentation currency	-	-	-	-	(2,290)	-	(2,290)	-	(2,290)
Profit (loss) for the period	-	-	-	-	-	97,708	97,708	-	97,708
Total comprehensive income (expense) for the period	-	-	-	-	(2,290)	97,708	95,418	-	95,418
Issue of shares upon conversion of convertible notes	7,755	144,772	-	-	-	-	152,527	-	152,527
At 30 June 2014 (unaudited)	22,650	144,772	4,289	-	(1,395)	364,633	534,949	-	534,949

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Note	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Net cash used in operating activities		(324,230)	(8,307)
Investing activities			
Interest received		–	5
Acquisition of a subsidiary	19	(4,178)	–
Receipt of consideration receivable for disposal of food processing and distribution operation		–	1,000
Receipt of deferred consideration for disposal of subsidiaries		–	101,561
Purchase of property, plant and equipment		(1,542)	(1)
Net cash (used in) from investing activities		(5,720)	102,565
Financing activities			
New bank loans raised		36,186	–
Cash from financing activities		36,186	–
Net (decrease) increase in cash and cash equivalents		(293,764)	94,258
Cash and cash equivalents at 1 January		339,320	37,016
Effect of foreign exchange rate changes		391	(69)
Cash and cash equivalents at 30 June, represented by bank balances and cash		45,947	131,205

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

The unaudited condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2014.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRS	Annual improvements to HKFRSs 2010-2012 cycle
Amendments to HKFRS	Annual improvements to HKFRSs 2011-2013 cycle

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

3. TURNOVER AND SEGMENT INFORMATION

The Group's operations are organised based on three business activities which are also the information regularly reported to the chief operating decision maker ("CODM"). The details of operating and reportable segments of the Group are as follows:

- Investment in securities – trading of securities
- Property – property investment
- Supply chain management business – provision of supply chain management services

The operation of supply chain management business was introduced to the Group during the current interim period (see note 19 details).

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

Six months ended 30 June 2015 (unaudited)

	Investment in securities HK\$'000	Property HK\$'000	Supply chain management business HK\$'000	Consolidated HK\$'000
SEGMENT TURNOVER	-	-	176	176
SEGMENT RESULT	(79,660)	(756)	(210)	(80,626)
Unallocated corporate income				391
Unallocated corporate expenses				(10,699)
Finance costs				(82)
Loss before taxation				(91,016)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

3. TURNOVER AND SEGMENT INFORMATION (Continued)

Six months ended 30 June 2014 (unaudited)

	Investment in securities HK\$'000	Property HK\$'000	Total HK\$'000
SEGMENT RESULT	<u>70,571</u>	<u>(126)</u>	70,445
Unallocated corporate income			8,759
Unallocated corporate expenses			(7,941)
Other gains and losses			31,486
Finance costs			<u>(5,041)</u>
Profit before taxation			<u>97,708</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents (loss) profit before taxation from each segment without allocation of central administrative costs, directors' remuneration, finance costs, other income and other gains or losses (excluding the fair value changes and gain/loss from held-for-trading investments, which is included in the investment in securities segment result). This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

4. OTHER INCOME

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Interest income	391	263
Imputed interest income on deferred consideration receivables	–	8,499
	391	8,762

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Fair value changes on held-for-trading investments	(84,308)	70,572
Gain on disposal of held-for-trading investments	9,039	–
Net gain on derivative financial instruments	–	31,486
	(75,269)	102,058

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

6. TAXATION

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
The taxation charge comprises:		
Hong Kong Profits Tax	<u>1,279</u>	–

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for current period. No provision for Hong Kong Profits Tax is made for the prior period as the Company and its subsidiaries incorporated in Hong Kong have no assessable profits.

No provision for the People's Republic of China ("PRC") Enterprise Income Tax is made as those subsidiaries established in the PRC have no assessable profits for both periods.

7. (LOSS) PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
(Loss) profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	166	33
Interest expense	82	–
Interest expense on convertible notes	–	<u>5,041</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

8. (LOSS) EARNINGS PER SHARE

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

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
(Loss) earnings:		
(Loss) earnings for the purpose of basic (loss) earnings per share	(92,210)	97,708
Effect of dilutive potential ordinary shares:		
– Interest expense on convertible notes	–	5,041
– Net gain on derivative financial instruments	–	(31,486)
		<hr/>
(Loss) earnings for the purpose of diluted (loss) earnings per share	(92,210)	71,263
		<hr/>
	Six months ended 30 June	
	2015	2014

Number of shares:

Weighted average number of ordinary shares for the purpose of calculation of basic and diluted (loss) earnings per share	2,906,073,250	2,368,614,686
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For the six months ended 30 June 2015, diluted loss per share was not presented as the assumed exercise of share options during the period has an anti-dilutive effect.

9. RESULTS FOR THE PERIOD

The principal activities of the Group during the current interim period are investment in securities, property business and supply chain management business. All of which are not affected by seasonal or cyclical factors for its operations.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

10. DIVIDEND

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the current interim period.

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements HKD'000	Furniture & Fixtures HKD'000	Total Motor Vehicles HKD'000	Total HKD'000
COST				
At 31/12/2013	638	385	231	1,254
Disposal	–	(50)	–	(50)
At 31/12/2014	638	335	231	1,204
Additions	1,293	249	–	1,542
Write off	(639)	(249)	–	(888)
At 30/06/2015	1,292	335	231	1,858
DEPRECIATION AND AMORTISATION AND IMPAIRMENT LOSSES				
At 31/12/2013	638	364	185	1,187
Provided for the year	–	9	46	55
Eliminated on write off	–	(50)	–	(50)
At 31/12/2014	638	323	231	1,192
Provided for the period	127	39	–	166
Eliminated on write off	(639)	(228)	–	(867)
At 30/06/2015	126	134	231	491
NET BOOK VALUE				
At 30/06/2015	1,166	201	–	1,367
At 31/12/2014	–	12	–	12

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

12. INVESTMENT PROPERTIES

The fair value of the Group's investment properties as at 30 June 2015 and 31 December 2014 has been arrived at on the basis a valuation carried out by LCH (Asia-Pacific) Surveyors Limited, an independent valuers not connected with the Group. The fair value was arrived at using direct comparison method where comparison is based on prices realised or market prices of comparable properties. The valuer has used comparable properties of similar size, character and location and are analysed and weighted against all the respective advantages and disadvantages of each property and arrived at fair comparison of capital value.

No fair value change has been recognised in profit or loss for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil) and the movement of investment properties was result of exchange realignment.

13. TRADE AND OTHER RECEIVABLES

The following is an analysis of trade and other receivables at the end of the reporting period:

	30.6.2015	31.12.2014
	HK\$'000	HK\$'000
Trade receivables	31	–
Other receivables	28,662	–
	28,693	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

13. TRADE AND OTHER RECEIVABLES (Continued)

The following is an aged analysis of trade receivables presented based on invoice date, which approximated the revenue recognition date, at the end of the reporting period:

	30.6.2015 HK\$'000	31.12.2014 <i>HK\$'000</i>
Within 90 days	31	–

Included in other receivables as at 30 June 2015 is an amount of HK\$28,000,000 for the refund of deposits paid for acquisition of lands in the PRC during the current period. In February 2015, the Group has entered into five agreements with five independent third parties for the acquisition of five piece of land (which the five pieces of land can be aggregated into one single piece of land) in Luoyang in the PRC at a total consideration of HK\$30,000,000. Subsequently, the five agreements were cancelled in April 2015 and during the current period a refund of HK\$2,000,000 was received. The amount of HK\$28,000,000 was fully recovered in July 2015.

14. HELD-FOR-TRADING INVESTMENTS

	30.6.2015 HK\$'000	31.12.2014 <i>HK\$'000</i>
Held-for-trading investments include:		
Equity securities listed in Hong Kong	378,370	177,108

The fair values are determined with reference to quoted market bid prices.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

15. AMOUNT DUE FROM AN EX-EXECUTIVE DIRECTOR

This amount due is unsecured, non-interest bearing and is repayable on demand.

16. OTHER PAYABLES

The following is an analysis of other payables at the end of the reporting period:

	30.6.2015 <i>HK\$'000</i>	31.12.2014 <i>HK\$'000</i>
Accrued expenses	389	3,455
Other payables	1,496	–
	1,885	3,455

17. BANK BORROWINGS

	30.6.2015 <i>HK\$'000</i> (Unaudited)	31.12.2014 <i>HK\$'000</i> (Audited)
Bank loans (Notes)	36,186	–

Notes

1. The bank loans are secured by a deposit of foreign currency in the amount of US\$4,730,552 and bearing an interest of 1.95% per annum.
2. The bank loans were contractually repayable within one year and contained a repayable on demand clause.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

18. CONVERTIBLE NOTES

2012 CN Convertible Note

On 16 August 2012, the Company entered into a placing agreement (as supplement and amended by a side letter dated 27 August 2012) (the “2012 CN Placing Agreement”) with a placing agent whereby the Company agreed, subject to conditions (including the Stock Exchange’s and shareholders’ approval) issue zero coupon convertible notes in a maximum aggregate principal amount of HK\$120,000,000 (the “2012 CN Convertible Notes”). The placing could be completed by a maximum of four tranches provided that the aggregate principal amount of the 2012 CN Convertible Notes to be issued by the Company for each partial completion should not be less than HK\$30,000,000. The tranches fall under placing were subject to the same terms and conditions under the 2012 CN Placing Agreement.

The 2012 CN Convertible Notes were denominated in Hong Kong dollars with a conversion period of 36 months from the first issue date and could be converted into ordinary shares of the Company at HK\$0.12 per ordinary share, and might be adjusted upon occurrence of adjustment events, which included consolidation or sub-division of shares, capitalisation of profits or reserves, capital distributions, issue for cash of securities which were convertible into or exchangeable for or carried rights of subscription for new shares or modification of rights of conversion or exchange or subscription attached to such securities that the total effective consideration per share which was less than 80% of the market price, issue shares for cash at a price per share which was less than 80% of the market price, issue shares for the acquisition of assets at a total effective consideration per share which was less than 80% of the market price, and would in any event not be adjusted below the par value of the share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

18. CONVERTIBLE NOTES *(Continued)*

2012 CN Convertible Note (Continued)

The 2012 CN Convertible Notes contained three components, the liability component, conversion option and issuer's early redemption option. The conversion option gave the holder's right at any time to convert the 2012 CN Convertible Notes into ordinary shares of the Company. However, since the 2012 CN Convertible Notes were denominated in HK\$ and the functional currency of the Company was RMB, the conversion option will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments, the conversion option was accounted for as a derivative liability. The early redemption option gave the issuer the right to redeem the note at par at any time before maturity. Both conversion option derivative and early redemption option were measured at fair value with changes in fair value recognised profit and loss.

The fair value of the liability component upon the issuance of the note was calculated at the present value of the principal amount. The 2012 CN Convertible Notes could only be redeemed at par at the discretion of the issuer in whole or in part anytime before the maturity date. All tranches of the 2012 CN Convertible Notes will mature on 28 November 2015.

The 2012 CN Convertible Notes with principal amount of HK\$120,000,000 was issued on 29 November 2012 which could be converted into ordinary shares of the Company at HK\$0.12 per share. The aggregate fair value of the 2012 CN Convertible Notes at 29 November 2012 was approximately HK\$127,871,000, represented a loss in fair value on initial recognition of HK\$7,871,000 recognised in the profit and loss. The effective interest rate of 23.52% was used to determine the fair value of the liability component on initial recognition.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

18. CONVERTIBLE NOTES *(Continued)*

2012 CN Convertible Note *(Continued)*

At 31 December 2013, the aggregate principal amount under the 2012 CN Convertible Notes outstanding amounted to HK\$120,000,000 and the carrying amount of the liability component and the fair values of the embedded conversion option and early redemption option in aggregate approximately HK\$77,138,000 and HK\$101,834,000, respectively. In April 2014, the holder of the 2012 CN Convertible Notes had given notices to the Company to convert all of the 2012 CN Convertible Notes in aggregate principal amount of HK\$120,000,000 to ordinary shares of the Company. During the six months ended 30 June 2014, an aggregate fair value gain on embedded conversion option and early redemption option of HK\$31,486,000 in respect of the 2012 CN Convertible Notes prior to the conversion was recognised in the profit and loss.

The fair values of the embedded conversion option and the issuer's early redemption option were determined using binomial option pricing model, the valuation was performed by independent valuer, Asset Appraisal Limited, and the inputs into the model at each respective date were as follow:

	(Date of conversion) 25.4.2014	(Date of conversion) 16.4.2014	(Date of conversion) 10.4.2014	(Date of conversion) 8.4.2014	(Date of conversion) 7.4.2014	(Date of conversion) 3.4.2014	31.12.2013
Conversion price	HK\$0.120	HK\$0.120	HK\$0.120	HK\$0.120	HK\$0.120	HK\$0.120	HK\$0.120
Share price	HK\$0.150	HK\$0.145	HK\$0.147	HK\$0.155	HK\$0.156	HK\$0.148	HK\$0.178
Expected volatility	51.21%	51.06%	51.02%	51.02%	51.02%	51.15%	47.09%
Remaining life	1.59 years	1.62 years	1.63 years	1.64 years	1.64 years	1.65 years	1.92 years
Risk-free rate	0.301%	0.313%	0.308%	0.326%	0.333%	0.357%	0.320%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

18. CONVERTIBLE NOTES *(Continued)*

2012 CN Convertible Note *(Continued)*

The movements of the components of 2012 CN Convertible Notes during the periods ended 30 June 2014 were set out below:

	Principal amount <i>HK\$'000</i>	Liability component <i>HK\$'000</i>	Embedded derivatives <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2014	120,000	77,138	101,834	178,972
Change in fair value	–	–	(31,486)	(31,486)
Interest charged	–	5,041	–	5,041
Converted during the period	(120,000)	(82,179)	(70,348)	(152,527)
At 30 June 2014	–	–	–	–

19. ACQUISITION OF A SUBSIDIARY

In February 2015, China Luen Kin Company Limited (“China Luen Kin”), a 60% owned subsidiary of the Company, entered into a conditional agreement with 深圳醇自然實業有限公司 (“深圳醇”), an independent third party to the Group (the “Acquisition Agreement”), pursuant to which, China Luen Kin has conditionally agreed to purchase or procure to purchase the entire equity interest in 深圳市東方日輝供應鏈有限公司 (“東方日輝”) at the aggregate of (i) the consideration of RMB2,600,000 (equivalent to approximately HK\$3,257,000) for the entire equity interest in 東方日輝 under the Acquisition Agreement and (ii) the consideration of RMB1,020,000 (equivalent to approximately HK\$1,268,000) to be paid as Compensation under the Supplement Memorandum entered in February 2015 (the “Acquisition”).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

19. ACQUISITION OF A SUBSIDIARY (Continued)

The Acquisition was completed on 13 March 2015 and 東方日輝 is principally engaged in supply chain management business. The acquisition had been accounted for using the acquisition method of accounting.

	Fair value amount at the completion date
	<i>HK\$'000</i>
<hr/>	
Net identifiable assets of the subsidiary acquired (provisional basis):	
Bank balances and cash	347
Trade receivable	24
Other receivable	909
Other payables	(12)
	<hr/>
	1,268
	<hr/>
Consideration transferred, satisfied by cash	4,525
	<hr/>
Consideration transferred	4,525
Less: Net assets acquired	(1,268)
	<hr/>
Goodwill arising on acquisition (provisional basis)	3,257
	<hr/>
Analysis of net outflow of cash and cash equivalents in respect of acquisition of a subsidiary:	
Cash consideration paid	(4,525)
Bank balances and cash acquired	347
	<hr/>
	(4,178)
	<hr/>

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 valuation of the identifiable assets and liabilities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

19. ACQUISITION OF A SUBSIDIARY (Continued)

The acquiree contributed turnover of HK\$176,000 and loss of HK\$83,000 to the Group for the period between the date of acquisition to 30 June 2015.

20. SHARE CAPITAL

	Number of shares	Amount <i>US\$'000</i>	As presented <i>HK\$'000</i>
Ordinary shares of US\$0.001 each			
Authorised:			
At 1 January 2014, 31 December 2014 and 30 June 2015	100,000,000,000	100,000	775,000
Issued and fully paid:			
At 1 January 2014	1,906,073,250	1,906	14,895
Issue of shares upon conversion of convertible notes	1,000,000,000	1,000	7,755
At 31 December 2014 and 30 June 2015	2,906,073,250	2,906	22,650

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

21. LEASING ARRANGEMENTS

The Group as lessee

At the end of the reporting period, the Group had outstanding commitment for future minimum lease payments under non-cancellable operating leases in respect of office premises which fall due as follows:

	30.6.2015	31.12.2014
	HK\$'000	HK\$'000
Within one year	4,129	2,701
In the second to fifth year inclusive	5,698	3,709
	9,827	6,410

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated for lease term of 1 to 2 years.

22. RELATED PARTY TRANSACTIONS

The key management personnel are the directors of the Company. The short-term remuneration and contributions to retirement benefits of directors for the six months period ended 30 June 2015 was HK\$1,9420,000 (six months ended 30 June 2014: HK\$2,143,000) and nil (six months ended 30 June 2014: HK\$39,000) respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted bid prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted bid prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets/ financial liabilities	Fair value as at		Fair value Hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	30.6.2015 HK\$'000	31.12.2014 HK\$'000				

Financial asset at FVTPL:

Listed equity securities (Note 14)	378,370	127,108	Level 1	Quoted bid prices in an active market	N/A	N/A
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

There were no transfer between level 1 and level 2 in the current and prior periods.

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair value.

Fair value measurements and valuation processes

The directors of the Company use their judgement in selecting an appropriate valuation technique to determine fair value of the held-for-trading investments. Valuation techniques commonly used by market practitioners are applied. The fair value of the held-for-trading investments are determined at the end of the reporting period with movements in fair value recognised in profit or loss. In estimating the fair value of these held-for-trading investments, the Group uses quoted market bid prices from active market (see note 14).

Information about the valuation techniques and inputs used in determining the fair value of the assets are disclosed above.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

24. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by the management in applying the Group's accounting policies as the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

25. EVENT AFTER THE END OF THE REPORTING PERIOD

On 17 June 2015, the Company entered into a placing agreement with a placing agent to place (the "Placing") 390,644,000 shares of the Company of US\$0.001 each at a placing price of HK\$0.201 each.

Subsequent to the end of the reporting period, on 8 July 2015, 390,600,000 shares of HK\$0.201 each of the Company were successfully placed by the placing agent to not less than six placees at a placing price of HK\$0.201 per share. The net proceeds from the Placing amounted to approximately HK\$77 million, of which approximately HK\$60 million is intended to be applied for the Group's segment of "Property – property investment"; and approximately HK\$17 million is intended to be applied for the Group's overall operating expenses.

26. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six months ended 30 June 2015 were approved and authorized for the issue by the board of directors on 26 August 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

Revenue

In the first half of year 2015, the Group's revenue was approximately HK\$0.18 million (six months ended 30 June 2014: Nil). This represented service income received from supply chain management business during the reporting period.

Segmental Results

Investment in securities business

There was no revenue generated from the operation of investment in securities for the reporting period (six months ended 30 June 2014: Nil) and its segmental result reflected a loss of approximately HK\$79.66 million (six months ended 30 June 2014: profit of approximately HK\$70.57 million).

Property business

There was no revenue generated from the Group's property business for the reporting period (six months ended 30 June 2014: Nil) and its segmental result suffered a loss of approximately HK\$0.76 million (six months ended 30 June 2014: loss of approximately HK\$0.13 million).

Supply chain management business

The revenue generated from the operation of supply chain management business for the reporting period was approximately HK\$0.18 million (six months ended 30 June 2014: No such segment) and its segmental result suffered a loss of approximately HK\$0.21 million (six months ended 30 June 2014: No such segment).

Cost of Sales

As there was only service income received from supply chain management business recorded in the period under review, no cost of sales was recorded (six months ended 30 June 2014: Nil).

Gross Profit or Loss

As described above, neither gross profit nor gross loss arose in the reporting period (six months ended 30 June 2014: Nil).

Other Income

The Group's other income for the reporting period decreased to approximately HK\$0.39 million from approximately HK\$8.76 million for the corresponding period in 2014. Such decrease was mainly due to imputed interest income of approximately HK\$8.50 million on deferred consideration receivable in 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Gains and Losses

Other losses of the Group amounted to approximately HK\$75.27 million for the reporting period (six months ended 30 June 2014: a gain of approximately HK\$102.06 million). The losses mainly consisted of the loss on fair value change of held-for-trading investments of approximately HK\$84.31 million (six months ended 30 June 2014: a gain of approximately HK\$70.57 million), gain on disposal of held-for trading investments of approximately HK\$9.04 million (six months ended 30 June 2014: Nil) and no gain on fair value change of derivative financial instruments (six months ended 30 June 2014: a gain of approximately HK\$31.49 million).

Selling and Distribution Costs

No selling and distribution costs were incurred by the Group for the reporting period (six months ended 30 June 2014: Nil).

Administrative Expenses

The Group's administrative expenses for the reporting period was increased to approximately HK\$16.23 million from approximately HK\$8.07 million in the corresponding period in 2014. The increase was mainly due to the additional expenses were incurred in the reporting period for the supply chain management business development.

Finance Costs

The Group's finance costs for the reporting period was decreased to approximately HK\$0.08 million from approximately HK\$5.04 million in the corresponding period in 2014. The decrease was due to the fact that all outstanding convertible notes were fully converted into ordinary shares of the Company in April 2014 and as such, no finance costs on those convertible notes was incurred thereafter.

Loss for the Period and Loss Per Share

The Group's loss attributable to owners of the Company for the reporting period was approximately HK\$92.21 million (six months ended 30 June 2014: profit of approximately HK\$97.71 million). The decrease was mainly due to the loss on fair value change of held-for-trading investments and no gain on fair value change of derivative financial instruments. Basic loss per share of the Group was HK3.17 cents per share for the six months ended 30 June 2015 (six months ended 30 June 2014: earnings per share HK4.13 cent per share).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period under review, the businesses and operations of the Group were investment in securities business, property business and supply chain management business.

As the supply chain management business was under development stage, the Group effectively controlled and monitored the operation expenses as well as managed its financial position during the reporting period.

In order to strengthen the capital base and financial resources of the Group, the Company has successfully completed the Placing of 390,600,000 shares of the Company of HK\$0.201 each with net proceeds of approximately HK\$77 million on 8 July 2015. With the strengthened financial position, the Group will deploy more resources and take appropriate strategy to expand the sources of income from the property investment business. The Group will cautiously search for investment opportunities so as to produce a steady growth in the Group's long term performance.

Investment in securities business

No revenue was generated from the operation of investment in securities for the reporting period and its segmental loss of approximately HK\$79.66 million (six months ended 30 June 2014: profit of approximately HK\$70.57 million) was due to the loss on change in fair value of held-for-trading investments.

Property business

The investment properties acquired were still under renovation during the reporting period. As such no revenue was generated but a few administrative expenses were incurred for monitoring the progress of renovation works as well as the property leasing market in Guiyang city, the PRC.

Supply chain management business

During the reporting period, a revenue of approximately HK\$0.18 million was recorded from the operation of supply chain management business (six months ended 30 June 2014: No such segment). This represented service income received during the reporting period. The segmental result suffered a loss of approximately HK\$0.21 million was mainly due to the costs incurred for the operating expense.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PROSPECTS

In the first half of the year 2015, the market sentiment continued to be adversely affected by the economic slowdown in the PRC. Due to the fiscal policies and measures taken by central government of the PRC, the market's confidence gradually improved. The Group will also keep on monitoring and analysing government policies and the market trend in an active manner, so as to align its development and marketing strategies to grasp opportunities.

Moreover, the Group will continue to dedicate its efforts to the development of its existing businesses and other potential projects with a view to providing steady returns as well as fruitful growth for its shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2015, the Group's bank balances and cash was approximately HK\$45.95 million (31 December 2014: approximately HK\$339.32 million), representing a decrease of 86.46%. There was approximately HK\$36.19 million bank borrowings as at 30 June 2015 (31 December 2014: Nil).

As at 30 June 2015, the current ratio (current assets/current liabilities) was 9.98 times (31 December 2014: 52.04 times) and the net current assets amounted to approximately HK\$411.86 million (31 December 2014: approximately HK\$508.73 million).

During the reporting period, the net cash used in operating activities was approximately HK\$324.23 million, the net cash generated from financing activities was approximately HK\$36.19 million and the net cash used in from investing activities was approximately HK\$5.72 million. As a result, the net decrease in cash and cash equivalents during the reporting period was approximately HK\$293.76 million.

No issuance and redemption of convertible notes

There was no issuance and redemption of convertible notes during the reporting period. All operations of the Group were financed by funds generated internally.

MANAGEMENT DISCUSSION AND ANALYSIS

SHARE OPTION

A share option scheme (the “Share Option Scheme”) was adopted on 25 May 2012, whereby the Board may, at its absolute discretion, grant options to any eligible participants including directors and employees of the Group to subscribe for shares in the Company. On 23 December 2014, the Company has granted share options under the Share Option Scheme to certain eligible grantees (the “Grantees”), which enable the Grantees to subscribe for an aggregate of 190,550,000 ordinary shares of the Company of USD0.001 each in the share capital of the Company at an exercise price of HK\$0.405 per share. During the six months ended, no share options were granted.

CAPITAL STRUCTURE

On 17 June 2015, the Company entered into a placing agreement with a placing agent to place 390,644,000 shares of the Company of US\$0.001 each at a placing price of HK\$0.201 each. The Placing was completed subsequent to the end of the reporting period, on 8 July 2015, 390,600,000 shares of the Company with net proceeds of approximately HK\$77 million, of which approximately HK\$60 million is intended to be applied for the Group’s segment of “Property – property investment”; and approximately HK\$17 million is intended to be applied for the Group’s overall operating expenses.

Save as the disclosure above, there was no changes in the capital structure of the Company during the reporting period.

As at 30 June 2015, the Group’s gearing ratio calculated on the basis of bank borrowings of approximately HK\$36.19 million (31 December 2014: Nil) and total assets of approximately HK\$554.86 million (31 December 2014: approximately HK\$611.35 million), was 6.12% (31 December 2014: zero).

Subsequent to the end of the reporting period, on 8 July 2015, the Group completed the Placing with net proceeds of approximately HK\$77 million, resulting with an improvement of the gearing ratio.

MANAGEMENT DISCUSSION AND ANALYSIS

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

There has been no significant change in the Group's policy in terms of exchange rate exposure. The Group operates mainly in Hong Kong and the PRC. Most of the transactions are denominated in Hong Kong dollars ("HK\$") and Renminbi ("RMB"). The exchange rate of RMB against HK\$ is relatively stable. Hence, the Group neither anticipates any significant exchange risk exposure nor has a foreign currency hedging policy. However, management of the Group will monitor foreign exposure closely and consider the use of hedging instruments when necessary.

PLEDGE OF ASSETS

At the end of the reporting period, except as disclosed in notes 17 to the condensed consolidated financial statements, no other pledge of assets was made by the Group.

EMPLOYEES AND REMUNERATION POLICIES

As of 30 June 2015, the Group had approximately 30 full time management, administrative and operation staff in the PRC and Hong Kong.

The Group provides competitive remuneration packages with attractive discretionary bonus to employees. The Group regularly reviews its remuneration packages in light of the overall development of the Group as well as the market conditions. In addition, the Group has adopted a share option scheme for eligible employees (including directors) to provide incentives to those with outstanding performance and contribution to the Group.

ADDITIONAL INFORMATION

INTERIM DIVIDEND

The Board did not recommend the payment of interim dividend in respect of the six months ended 30 June 2015 (six months ended 30 June 2014: Nil). Accordingly, no closure of register of members of the Company is proposed.

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

At 30 June 2015, the interests of the directors and chief executive of the Company in the share options, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in the shares and underlying shares

Share options

Name of director and the CEO	Capacity	Number of options held	Number of underlying shares
Mr. Lo Wing Sang (Note 1)	Beneficial owner	5,500,000	5,500,000

Note:

1. Mr. Lo Wing Sang resigned as director and CEO on 28 July 2015.

Save as disclosed above, none of the Directors nor the chief executive of the Company has any interests and short positions in any shares, share options or underlying shares of the Company or any of its associated corporations as at 30 June 2015.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, the interests or short positions of none of the persons other than a director or chief executive of the Company in the shares and underlying shares of the Company as recorded in the register maintained under Section 336 of the SFO.

ADDITIONAL INFORMATION

CORPORATE GOVERNANCE

The Board is committed to maintaining a high standard of corporate governance in the best interests of the shareholders of the Company (“Shareholders”). The corporate governance principles adopted by the Company emphasize on a highly efficient Board, sound internal controls and the transparency and accountability to all Shareholders.

Throughout the period from 1 January 2015 to 30 June 2015, the Company has complied with the Corporate Governance Code (the “Code”) as contained in Appendix 14 of the Listing Rules, except for deviations from Code Provision A.6.7.

Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meeting. Due to other important business engagements at the relevant time, not all independent non-executive director and non-executive director attended the annual general meeting held on 26 March 2015.

The Board will continue to review and improve the corporate governance practices and standards of the Company to ensure that the Group’s business and decision making processes are regulated in a proper and prudent manner.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2015.

Audit Committee

During the six months ended 30 June 2015 and up to the date of this report, the Audit Committee previously comprised of Mr. Fu Wing Kwok, Ewing, Mr. Zeng Qingkai, Mr. Chan Chit Kwai, Ms. Tang Man Yi and Mr. Ho Long Chin, Matthew. Mr. Fu Wing Kwok, Ewing resigned as the Chairman of the Audit Committee with effect from 10 June 2015. Ms. Tang Man Yi was appointed as the Chairlady of the Audit Committee with effect from 10 June 2015 and resigned with effect from 28 July 2015, Mr. Zeng Qingkai resigned as the member of the Audit Committee with effect from 15 June 2015. Mr. Ho Long Chin Matthew was appointed as the member of the Audit Committee with effect from 15 June 2015 and resigned with effect from 28 July 2015. Mr. Chan Chit Kwai resigned as the member of the Audit Committee with effect from 16 June 2015.

ADDITIONAL INFORMATION

Now the Audit Committee comprises of three independent non-executive directors, Dr. Loke Yu alias Loke Hoi Lam was appointed as the Chairman of the Audit Committee with effect from 28 July 2015, Mr. Tse Long was appointed as the member of the Audit Committee with effect from 28 July 2015. Mr. Zeng Zhaolin was appointed as the member of the Audit Committee with effect from 16 June 2015.

The terms of reference of the Audit Committee comply with the code provisions of the Code. The Audit Committee is responsible for reviewing and supervising the Group's financial reporting process and internal control system and providing advice and recommendations to the Board.

During the reporting period, the Audit Committee has reviewed with management of the Company on internal controls and financial reporting matters related to the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 June 2015.

The Audit Committee of the Company has reviewed the unaudited interim results of the Group for the six months ended 30 June 2015.

Remuneration Committee

During the six months ended 30 June 2015 and up to the date of this report, the Remuneration Committee previously comprised of Mr. Fu Wing Kwok, Ewing, Mr. Zeng Qing Kai, Mr. Chan Chit Kwai, Ms. Tang Man Yi and Mr. Ho Long Chin, Matthew. Mr. Fu Wing Kwok, Ewing resigned as the member of the Remuneration Committee with effect from 10 June 2015. Ms. Tang Man Yi was appointed as the member of the Remuneration Committee with effect from 10 June 2015 and resigned with effect from 28 July 2015. Mr. Zeng Qingkai resigned as the member of the Remuneration Committee with effect from 15 June 2015. Mr. Ho Long Chin Matthew was appointed as the member of the Remuneration Committee with effect from 15 June 2015 and resigned with effect from 28 July 2015. Mr. Chan Chit Kwai resigned as the Chairman of the Remuneration Committee with effect from 16 June 2015.

ADDITIONAL INFORMATION

Now the Remuneration Committee comprises of three independent non-executive directors and one executive director, Mr. Zeng Zhaolin was appointed as the Chairman of the Remuneration Committee with effect from 16 June 2015, Dr. Loke Yu alias Loke Hoi Lam and Mr. Tse Long were appointed as the member of the Remuneration Committee with effect from 28 July 2015 and Mr. Wen Wenfeng was appointed as the member of the Remuneration Committee with effect from 31 July 2015.

The terms of reference of the Remuneration Committee comply with the code provisions of the Code. The Remuneration Committee is principally responsible for offering advice to the Board on the matters pertaining to the remuneration policy and remuneration structure of the directors and senior management of the Company.

Nomination Committee

During the six months ended 30 June 2015 and up to the date of this report, the Nomination Committee previously comprised of Mr. Fu Wing Kwok, Ewing, Mr. Zeng Qingkai, Mr. Chan Chit Kwai, Ms. Tang Man Yi and Mr. Ho Long Chin, Matthew. Mr. Fu Wing Kwok, Ewing resigned as the member of the Nomination Committee with effect from 10 June 2015. Ms. Tang Man Yi was appointed as the member of the Nomination Committee with effect from 10 June 2015 and resigned with effect from 28 July 2015. Mr. Zeng Qingkai resigned as the Chairman of the Nomination Committee with effect from 15 June 2015. Mr. Ho Long Chin Matthew was appointed as the Chairman of the Nomination Committee with effect from 15 June 2015, ceased to be the Chairman of the Nomination Committee and remains as the member of the Nomination Committee with effect from 16 June 2015, and resigned as the member of the Nomination Committee with effect from 28 July 2015. Mr. Chan Chit Kwai resigned as the member of the Nomination Committee with effect from 16 June 2015.

Now the Nomination Committee comprises of three independent non-executive directors and one executive director, Mr. Zeng Zhaolin was appointed as the Chairman of the Nomination Committee with effect from 16 June 2015, Dr. Loke Yu alias Loke Hoi Lam and Mr. Tse Long were appointed as the member of the Nomination Committee with effect from 28 July 2015. Mr. Wu Xiaolin was appointed as the member of the Nomination Committee with effect from 31 July 2015.

ADDITIONAL INFORMATION

The terms of reference of the Nomination Committee comply with the code provisions of the Code. The Nomination Committee is principally responsible for reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become Board members, assessing the independence of the INEDs, and making recommendations to the Board on the appointment and reappointment of directors and succession planning for directors.

Investment and Management Committee

During the six months ended 30 June 2015 and up to the date of this report, the Investment and Management Committee previously comprised of Mr. Fu Wing Kwok, Ewing, Mr. Lo Wing Sang and Ms. Tang Man Yi. Mr. Fu Wing Kwok, Ewing resigned as the Chairman of the Investment and Management Committee with effect from 10 June 2015. Ms. Tang Man Yi was appointed as the the Chairlady of the Investment and Management Committee with effect from 10 June 2015, redesignated from the Chairlady of the Investment and Management Committee to the member of the Investment and Management Committee with effect from 16 June 2015 and resigned as the member of the Investment and Management Committee with effect from 28 July 2015. Mr. Lo Wing Sang resigned as the member of the Investment and Management Committee with effect from 28 July 2015.

Now the Investment and Management Committee comprises of four executive directors and two independent non-executive directors, Mr. Wen Wenfeng was appointed as the Chairman of the Investment and Management Committee with effect from 31 July 2015, Mr. Lam Kwok Hing Wilfred was appointed as the Chairman of the Investment and Management Committee with effect from 16 June 2015 and redesignated from the Chairman of the Investment and Management Committee to the member of the Investment and Management Committee with effect from 31 July 2015. Dr. Loke Yu alias Loke Hoi Lam was appointed as the member of the Investment and Management Committee with effect from 28 July 2015 and Mr. Zeng Zhaolin was appointed as the member of the Investment and Management Committee with effect from 16 June 2015. Mr. Wu Xiaolin and Mr. Shi Liangsheng was appointed as the member of the Investment and Management Committee on 16 September 2015.

The Investment and Management Committee is primarily responsible for (i) acting as a delegate for the Board generally; (ii) making decisions and resolutions, and to exercise all powers of the Board on all matters of the Group in relation to its daily operation and investment activities; and (iii) making recommendations to the Board concerning matters of corporate significance not otherwise dealt with by any other committees of the Board.

ADDITIONAL INFORMATION

REVIEW OF ACCOUNTS

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls, and financial reporting matters including the review of the unaudited interim financial statements for the period under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

PUBLICATION OF UNAUDITED INTERIM RESULTS

The Company's 2015 interim report is published on the website of the Stock Exchange at www.hkex.com.hk and on the Company's website at www.cnepgl.com.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere appreciation to our Shareholders for their continuous supports. I would also extend my gratitude and appreciation to the Group's management and staff members for their dedication and hard work during the period.

By Order of the Board
Lam Kwok Hing Wilfred, JP
Chairman

Hong Kong, 26 August 2015