CREATIVE ENERGY SOLUTIONS HOLDINGS LIMITED
科瑞控股有限公司*

(Incorporated in Bermuda with limited liability)

(In Liquidation)

(Stock Code: 8109)

FINAL RESULTS
FOR THE YEARS ENDED 30TH JUNE, 2008 AND 30TH JUNE, 2009

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

* *For identification purposes only*

FINAL RESULTS FOR THE YEARS ENDED 30TH JUNE, 2008 AND 30TH JUNE, 2009

The Joint and Several Liquidators and the Directors of Creative Energy Solutions Holdings Limited (In Liquidation) ("the Company") announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the years ended 30th June, 2008 and 30th June, 2009 together with comparative figures for the year ended 30th June, 2007 as follows:

CONSOLIDATED INCOME STATEMENTS

FOR THE YEARS ENDED 30TH JUNE, 2008 AND 30TH JUNE, 2009

	Notes	**2009** *RMB'000*	2008 *RMB'000*	2007 *RMB'000*
Turnover	*5*	**2,901**	11,956	2,643
Cost of services		**(2,399)**	(11,550)	(1,962)
Gross profit		**502**	406	681
Other income and gains, net	*6*	**291**	1,290	810
Distribution costs		**(135)**	(253)	(1,191)
Administrative expenses		**(1,018)**	(1,586)	(755)
Other operating expenses		**(46)**	(64)	(179)
Impairment loss on assets		**–**	(2,088)	(187,600)
Provision for financial guarantees for a deconsolidated subsidiary		**–**	(6,874)	–
Loss on deconsolidation, net		**–**	(4,874)	–
Loss from operations		**(406)**	(14,043)	(188,234)
Finance costs	*7*	**(1,388)**	(1,299)	(1,302)
Loss before taxation		**(1,794)**	(15,342)	(189,536)
Taxation	*8*	**–**	–	–
Loss for the year	*9*	**(1,794)**	(15,342)	(189,536)
Attributable to:				
Equity holders of the Company		**(1,794)**	(15,342)	(189,536)
Minority interests		**–**	–	–
		(1,794)	(15,342)	(189,536)
Loss per share				
Basic	*11(a)*	**(0.41) cents**	(3.49) cents	(43.08) cents

CONSOLIDATED BALANCE SHEETS

AS AT 30TH JUNE, 2008 AND 30TH JUNE, 2009

	Notes	2009 RMB'000	2008 RMB'000	2007 RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment		**45**	91	155
Goodwill		**–**	–	–
Available-for-sale financial assets		**–**	–	–
		45	91	155
CURRENT ASSETS				
Inventories		**456**	694	884
Work in progress		**53**	172	2,328
Trade and other receivables	*12*	**13,329**	12,040	40,303
Cash and cash equivalents		**30**	944	179
		13,868	13,850	43,694
CURRENT LIABILITIES				
Trade and other payables	*13*	**66,696**	64,749	39,366
Provision for financial guarantees for a deconsolidated subsidiary		**6,874**	6,874	–
Bills payable		**–**	–	1,778
Bank loans and overdrafts		**12,910**	13,091	30,707
Current portion of coupon bonds		**22,356**	22,356	24,766
NET CURRENT LIABILITIES		**108,836**	107,070	96,617
		(94,968)	(93,220)	(52,923)
NET LIABILITIES		**(94,923)**	(93,129)	(52,768)
CAPITAL AND RESERVES				
Share capital		**46,640**	46,640	46,640
Reserves		**(141,563)**	(139,769)	(101,157)
Total equity attributable to equity holders of the Company		**(94,923)**	(93,129)	(54,517)
Minority interests		**–**	–	1,749
TOTAL EQUITY		**(94,923)**	(93,129)	(52,768)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE, 2009

	2009
	RMB'000
Operating activities	
Loss before taxation	**(1,794)**
Adjustments for:	
Depreciation	**46**
Finance costs	**1,388**
Operating loss before changes in working capital	**(360)**
Decrease in inventories	**238**
Decrease in work-in-progress	**119**
Increase in trade and other receivables	**(1,289)**
Increase in trade and other payables	**559**
Net cash used in operating activities	**(733)**
Financing activities	
Loan advanced from the investor	**109**
Net cash generated from financing activities	**109**
Net decrease in cash and cash equivalents	**(624)**
Cash and cash equivalents at the beginning of the year	**944**
Effect of foreign exchange rate changes, net	**(290)**
Cash and cash equivalents at the end of the year	**30**

No disclosure on the movements of the Group's cash flow in the financial statements for the year ended 30th June, 2008 has been made as the new directors were unable to gather sufficient evidence of the Group's cash flow for the year ended 30th June, 2008.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED 30TH JUNE, 2008 AND 30TH JUNE, 2009

1. ORGANISATION AND OPERATIONS

Creative Energy Solutions Holdings Limited (In liquidation) (the "Company") is a public limited company domiciled and incorporated in Bermuda and its shares are listed on Securities on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The trading of the Company's shares on the Stock Exchange has been suspended since 30th September, 2005.

The Company is an investment holding company. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

Due to the failure of the Company to pay its annual government fees and to file its annual return to the Registrar of Companies of Bermuda, the name of the Company was struck off the Register of Companies in Bermuda on 17th October, 2006. Upon the approval of the Bermuda Court of the application by the Company to restore its name on the Registrar of Companies in Bermuda, the Company was reinstated to the Registrar of Companies of Bermuda on 17th July, 2009.

The Company acts as an investment holding company and the Group is principally engaged in the provision of energy efficiency solutions and engineering consulting services in the People's Republic of China ("PRC") including Hong Kong.

The Company's functional currency is Renminbi. The consolidated financial statements are presented in Renminbi as it is considered the most appropriate presentation currency in view of the Company's past practice. All values are rounded to the nearest thousand except when otherwise indicated.

2. WINDING-UP PETITION AND APPOINTMENT OF LIQUIDATORS

On 14th February, 2007, the High Court of Hong Kong ("Court") ordered that the Company be wound-up and appointed the Official Receiver, who was appointed under the Hong Kong Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as provisional liquidator pursuant to Section 194(1)(a) of the Hong Kong Companies Ordinance. The Court appointed Mr. Desmond Chung Seng Chiong and Mr. Roderick John Sutton, both of Ferrier Hodgson Limited, as joint and several liquidators ("Liquidators") of the Company on 3rd May, 2007.

In the Hong Kong perspective, as at the date of appointment of the liquidators, the Board, comprising two executive directors and independent non-executive directors, will no longer have the power to present a directors' report or prepare the financial statements.

The new directors were only appointed on 30th January, 2010 and do not have the same detailed knowledge of the financial affairs of the Group as the former directors of the Company might have. The accounting staff responsible for maintaining the books and records of the Company, and preparing its financial statements, had left the Company prior to the appointment of the new directors. The new directors have reviewed such books and records of the Company as were made available to them.

The new directors confirmed that the Company is no longer able to exercise effective control over certain subsidiaries. The Group currently continues its operation mainly through its wholly owned subsidiary, Beijing Creative which is carrying on the business activities in the provision of energy efficiency solutions and engineering consulting services.

On 24th November, 2006, the Stock Exchange announced that the Company had been placed into the de-listing procedure. The Stock Exchange imposed a six-month period to 23rd May, 2007 for the Company to submit a resumption proposal.

On 9th May, 2007, the Company, Million Sino Investments Limited (the "Investor"), the Liquidators and Ferrier Hodgson Limited (the "Escrow Agent") (together the "Relevant Parties") entered into the Escrow and Exclusivity Agreement (the "Agreement") whereby the Investor was given an exclusivity period up to 30th November, 2007 for discussion and finalisation of the resumption proposal of the Company. As additional time is required for finalisation of the resumption proposal, the Relevant Parties entered into the first escrow supplemental agreement, the second escrow supplemental agreement and the third escrow supplemental agreement on 30th November, 2007, 31st May, 2008 and 15th December, 2008 respectively for the extension of the Agreement to 31st May, 2008, 30th November, 2008 and 31st May, 2009 respectively.

On 6th February, 2009, the GEM Listing Committee confirmed that the Company was allowed to proceed with the resumption proposal dated 2nd February, 2009, involving, among other things, the capital reorganisation of the share capital of the Company, the subscription of the new shares (the "Subscription") by the Investor, the schemes of arrangement under the Hong Kong Law and Bermuda Law between the Company and its creditors (the "Schemes") and the restructuring of the corporate structure of the Group (collectively, the "Restructuring Proposal"), subject to the satisfaction of certain conditions (the "Conditions) on or before 5th August, 2009. As various negotiation and court processes had taken a fair amount of time, an application has been made to and approved by the Stock Exchange to extend the deadline for the fulfillment of the Conditions to 30th June, 2010.

3 BASIS OF PREPARATION

Definitions

"Adjusted Shares"	ordinary share(s) of HK$0.001 each in the share capital of the Company upon completion of the Stage I Capital Reorganisation
"Beijing Creative"	Beijing Creative Easy Union Science and Technology of Saving Development Co., Ltd., an indirect wholly-owned subsidiary of the Company
"Capital Reorganisation"	the proposed restructuring of the share capital of the Company comprising the Stage I Capital Reorganisation and the Stage II Capital Reorganisation
"Debt Restructuring"	the proposed restructuring of the indebtedness and liabilities of the Company
"Group Reorganisation"	the proposed restructuring of the corporate structure of the Group pursuant to the Restructuring Agreement
"New Share(s)"	ordinary share(s) of HK$0.05 each in the share capital of the Company upon completion of the Capital Reorganisation
"Restructuring Agreement"	the restructuring agreement dated 17 August 2009 (as amended by the supplemental restructuring agreement dated 31 December 2009)

"Restructuring Proposal"	the proposed restructuring of the Company comprising the Capital Reorganisation, the Subscription, the Debt Restructuring and the Group Reorganisation pursuant to the Restructuring Agreement and the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated 17 August 2009 (as amended by the supplemental subscription agreement dated 31 December 2009)
"Subscription"	the proposed subscription of 8,316,000,000 Adjusted Shares at HK$0.0058 each by the Investor pursuant to the Subscription Agreement
"Stage I Capital Reorganisation"	the proposed restructuring of the share capital of the Company comprising the capital reduction and the share subdivision
"Stage II Capital Reorganisation"	the proposed restructuring of the share capital of the Company comprising the share consolidation
"Scheme Administrators"	such appropriate person(s) to be appointed as the scheme administrators under the Schemes
"Scheme Holdco"	a company to be incorporated by the Company to hold the Other Assets pursuant to the Group Reorganisation

(I) Going concern

On 17th August, 2009, the Company, the Liquidators and the Investor entered into the Restructuring Agreement and the Subscription Agreement for the implementation of the Restructuring Proposal. The Restructuring Proposal comprises the Capital Reorganisation, the Subscription, the Debt Restructuring and the Group Reorganisation. The principal elements of the Restructuring Proposal are as follows:

(i) Stage I Capital Reorganisation

The Company will implement capital reduction and share subdivision after passing of the requisite resolutions by the Independent Shareholders approving the Stage I Capital Reorganisation and compliance with the relevant legal procedures and requirements under all applicable laws and regulations but prior to the Subscription.

(a) Capital reduction

The nominal value of each issue share will be reduced from HK$0.10 to HK$0.001 by cancelling the paid-up capital to the extent of HK$0.099 on each issued share and approximately HK$43.56 million arising from such reduction will all be credited to the accumulated losses account of the Company.

(b) *Share subdivision*

Immediately following the capital reduction, each of the Company's existing authorised but unissued share of HK$0.10 each will be subdivided into 100 unissued share of HK$0.001 each. Accordingly, the authorised but unissued share capital will become HK$99,560,000 comprising of 99,560,000,000 Adjusted Shares.

(ii) Stage II Capital Reorganisation

The Stage II Capital Reorganisation comprises the share consolidation which will become effective immediately after completion of the Subscription.

Share consolidation

Every 50 issued and unissued Adjusted Shares shall be consolidated into one New Share. Accordingly, 100,000,000,000 issued and unissued Adjusted Shares will be consolidated into 2,000,000,000 issued and unissued New Shares.

(iii) Subscription

Pursuant to the Subscription Agreement, immediately after the implementation of the Stage I Capital Reorganisation, the Investor will subscribe for 8,316,000,000 Adjusted Shares (equivalent to 166,320,000 New Shares upon completion of the Stage II Capital Reorganisation), representing approximately 94.5% of the total enlarged share capital of the Company, at a consideration of HK$48.3 million with the subscription price of HK$0.0058 per Adjusted Share.

An amount of HK$2.7 million out of the subscription proceeds will then be transferred to the Scheme administrators for the creditors' settlement and the balance of the subscription proceeds will be used for working capital and investments of the Company.

(iv) Debt Restructuring

It is proposed that all indebtedness of the Company will be restructured pursuant to the terms of the Restructuring Proposal and the Schemes. The indebtedness owing to the creditors will be discharged in full via the Schemes as follows:

(a) a cash payment in the amount equivalent to 5% of the relevant indebtedness owed to the Creditors (which is approximately HK$2.7 million based on the proof of debt received by the Liquidators up to the Latest Practicable Date), which is funded by the Company out of the proceeds of the Subscription;

(b) the issuance of a total of 880,000 new shares to the creditors at nil consideration, credited as fully paid, representing approximately 0.5% of the enlarged issued share capital of the Company upon completion of the Restructuring Agreement;

(c) the transfer of all subsidiaries of the Company, except Beijing Creative, Easy Union Holdings Limited, Rising Dragon International Limited and Action Win Investments Limited, and all rights and benefits of the Company to pursue claims form third parties (collectively referred to "Other Assets") to the Scheme Administrators or its nominees for the benefit of the Creditors under the Group Reorganisation.

(v) Group Reorganisation

Subject to the issue of the written closing notice by the Liquidators to the Investor upon fulfillment of the conditions precedent to the Restructuring Agreement, under the Group Reorganisation, the structure of the Group will be structured in the following manner:

(a) the Company will set up Scheme Holdco as an investment holding company to hold the Other Assets;

(b) the entire interest of the Other Assets will be disposed to Scheme Holdco in consideration of HK$1;

(c) the entire interest of Scheme Holdco will be disposed to the Scheme Administrators or its nominee in consideration of HK$1.

The Scheme Administrators shall take steps as are appropriate, having regard to the potential costs of and benefit from such steps, to recover any amounts which may be realised from the Other Assets. As a result, the Other Assets will cease to be subsidiaries of the Company and their results will not be consolidated in the financial statements of the Group after completion of the Restructuring Agreement.

The completion of the above Restructuring Agreement is conditional upon the fulfillment of certain terms and conditions, details of which have been included in the announcement jointly issued by the Company and the Investor on 22nd September, 2009.

The new directors have prepared the financial statements on the basis that the Restructuring Proposal of the Company will be successfully implemented and that the Group will be able to improve its financial position and business upon completion of restructuring. As at the date of approval of the financial statements, the new directors are not aware of any circumstances or reasons that would likely affect the successful implementation of the Restructuring Proposal and the intention of the Investor. In light of the foregoing, the new directors opined that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not incorporate any adjustments for possible failure of the above Restructuring Proposal and the continuance of the Group as a going concern.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets. The effect of these potential adjustments has not been incorporated in the financial statements.

(II) Deconsolidation of subsidiaries and subsequent impairment of respective book values

The financial statements have been prepared based on the books and records currently maintained by the Company and its subsidiaries. However, due to the loss of contact with former senior management of certain subsidiaries and lack of relevant personnel support the new directors of the Company (the "new directors"), who are appointed on 30th January, 2010, considered that the control over the following subsidiaries has been lost from 1st July, 2007. The results, assets and liabilities and cash flows of these subsidiaries were deconsolidated from the financial statements of the Group with effect from 1st July, 2007.

Deconsolidated subsidiaries

Bell Investment Holdings (H.K.) Limited
Eternal Well Limited
Wealth Field Investment Limited
Success Field Limited
China Meijia Education Holdings Limited
Creative New Era Technology Limited
Creative Management (Hong Kong) Limited
Creative ECO – Energy Investment Group Limited
Creative Energy (Asia) Limited
Fujian Traving Science & Technology of Saving Development Co., Ltd.
Hainan Creative Easy Union Science & Technology of Saving Development Co., Ltd.
Shenzhen Creative Eternal Well Science & Technology of Saving Development Co., Ltd.
Fujian Creative New Era Control Technology Co., Ltd.

In the opinion of new directors, the consolidated financial statements as at and for the year ended 30th June, 2008 prepared on the aforementioned basis present more fairly the results and state of affairs of the Group as a whole in light of the lost of control of the aforesaid deconsolidated subsidiaries. Due to the lack of complete books and records of aforesaid deconsolidated subsidiaries, the deconsolidated from the consolidated financial statements of the Group only based on this net liability value as at 30th June, 2007, resulting in a gain of RMB183,944,000 which is included in the consolidated income statement for the year ended 30th June, 2008. Moreover, as at 30th June, 2008, the investment in the aforesaid deconsolidated subsidiaries and the amount due from the aforesaid deconsolidated subsidiaries of approximately RMB120,053,000 and RMB68,765,000 respectively are considered not recoverable and, accordingly, full impairment losses have been recognised in the consolidated financial statements.

Due to the significance of the operations of Creative ECO – Energy Investment Group Limited, Creative Energy (Asia) Limited, Fujian Traving Science & Technology of Saving Development Co., Ltd., Hainan Creative Easy Union Science & Technology of Saving Development Co., Ltd., Shenzhen Creative Eternal Well Science & Technology of Saving Development Co., Ltd. and Fujian Creative New Era Control Technology Co., Ltd., any changes to the status of those deconsolidated subsidiaries may have a significant consequential effect on the net liabilities of the Group as at 30th June, 2008 and the results of the Group for the year then ended.

(III) Departure from the Hong Kong Financial Reporting Standards ("HKFRSs")

Due to the left of the accounting staff responsible for maintaining the books and records of the Company, the new directors do not have sufficient information to compile the financial statements of the Group for the year ended 30th June, 2008 so as to comply with the HKFRSs. The following information are not disclosed in the said financial statements:

(a) Information about the extent and nature of the financial instruments as required by HKFRS 7 "Financial Instruments: Disclosure" issued by the HKICPA;

(b) Details of the Group's policy in respect of the financial risk management as required by HKFRS 7 "Financial Instruments: Disclosure" issued by the HKICPA;

(c) Details of related parties transactions as required by Chapter 14 and/or Chapter 14A of the Listing Rules and HKAS 24 "Related Party Disclosures" issued by the HKICPA;

(d) Details of the Group's aging of debtors and creditors as required by the Listing Rules;

(e) Details of analysis of pledge of assets as required by the Hong Kong Companies Ordinance;

(f) Information of deferred taxation and taxation charge reconciliation as required by HKAS 12 "Income Taxes" issued by the HKICPA;

(g) Details of directors' and employees' emoluments as required by the Listing Rules and the Hong Kong Companies Ordinance;

(h) Segment information disclosures as required by HKAS 14 "Segment Reporting";

(i) Cash flow statement as required by HKAS 7 "Cash Flow Statements";

(j) Departure from HKFRS 2 "Share-Based Payment" in accounting for share options;

(k) Details of the disclosure on the movements of the Group's property, plant and equipment as required by HKAS 1: "Presentation of Financial Statements";

(l) Details of employee retirement benefits as required by HKAS 19 "Employee Benefits"; and

(m) Departure from HKFRS 39 "Financial Instruments: Recognition and Measurement" in accounting for warrants.

Due to the left of the accounting staff responsible for maintaining the books and records of the Company, the new directors do not have sufficient information to compile the financial statements of the Group for the year ended 30th June, 2009 so as to comply with the HKFRSs. The following information is not disclosed in the said financial statements:

(a) Details of related party disclosures as required by HKAS 24 "Related Party Disclosures" issued by the HKICPA;

(b) Details of directors' and employees' emoluments as required by the Listing Rules and the Hong Kong Companies Ordinance; and

(c) Segment information disclosures as required by HKAS 14 "Segment Reporting".

4. THE ADOPTION OF NEW AND REVISED HKFRS

The HKICPA has issued certain new and revised HKFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Group.

HKAS 1 (Amendments)	Capital disclosures
HKFRS 7	Financial Instruments: Disclosures
HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirement and their Interaction

There have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these developments. However, as a result of the adoption of HKFRS 7, "Financial Instruments: Disclosures" and the amendments to HKAS 1, "Presentation of financial statements: Capital disclosures", there have been some additional disclosures provided as follows:

As a result of the adoption of HKFRS 7, the financial statements include expanded disclosure about the significance of the Group's financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, "Financial Instruments: Disclosure and presentation".

The amendments to HKAS 1 introduce additional disclosure requirements to provide information about the level of capital and the Company's objectives, policies and processes for managing capital.

Both HKFRS 7 and the amendments to HKAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial statements.

The Group has not early applied any new standard, amendment or interpretation that has been issued but is not yet effective for the current accounting period *(see note 15)*.

5. TURNOVER

Turnover represents revenue arising from provision of energy savings services and selling of lottery machine. The amount of each significant category of revenue recognised in turnover during the two years are as follows:

	2009	2008	2007
	RMB'000	*RMB'000*	*RMB'000*
Revenue from provision of energy savings services	**2,413**	313	2,643
Sale of lottery machines	**488**	11,643	–
	2,901	11,956	2,643

6. OTHER INCOME AND GAINS, NET

	2009	2008	2007
	RMB'000	*RMB'000*	*RMB'000*
Net exchange gain	**260**	1,177	663
Others	**31**	113	147
	291	1,290	810

7. FINANCE COSTS

	2009	2008	2007
	RMB'000	*RMB'000*	*RMB'000*
Interest on a bank loan wholly repayable within five years	**1,388**	1,299	1,302

8. TAXATION

(i) Overseas income tax

The Company is incorporated in Bermuda and is exempted from taxation in Bermuda. The Company's subsidiaries established in the British Virgin Islands are incorporated under the International Business Companies Acts of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income taxes.

(ii) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits for the years ended 30th June, 2008 and 30th June, 2009 (2007: Nil).

(iii) PRC enterprise income tax

No provision for PRC enterprise income tax has been made as Beijing Creative has sustained a loss for the years ended 30th June, 2008 and 30th June, 2009 (2007: Nil).

9. LOSS FOR THE YEAR

Loss for the two years have been arrived at after charging the following:

	2009	2008	2007
	RMB'000	*RMB'000*	*RMB'000*
Staff costs:			
Salaries and other benefits	**262**	298	605
Pension costs – defined contribution plans	**6**	10	25
Depreciation of property, plant and equipment	**46**	64	278
Operating lease rentals of premises	**78**	97	156
Research and development costs	**–**	–	93
Auditors' remuneration			
– Current year	**351**	331	10
– Overprovision in prior years	**–**	593	–

10. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Loss of RMB15,342,000 and RMB1,794,000 for the years ended 30th June, 2008 and 30th June, 2009 (2007: Nil) attributable to equity holders of the Company have been dealt with in the financial statements of the Company.

11. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to the equity holders of the Company for the years ended 30th June, 2008 and 30th June, 2009 of approximately RMB15,342,000 and RMB1,794,000 respectively (2007: approximately RMB189,536,000) and the weighted average number of 440,000,000 (2007: 440,000,000) ordinary shares in issued in these two years.

(b) Diluted loss per share

Since the outstanding share options and convertible bonds are anti-dilutive to the loss per share, no diluted loss per share is presented for the two years (2007: N/A).

12. TRADE AND OTHER RECEIVABLES

	2009	2008	2007
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	**7,045**	5,882	7,616
Less: allowance for impairment	**(862)**	(862)	(2,521)
	6,183	5,020	5,095
Other receivables	**32,112**	32,070	35,169
Less: Allowance for impairment	**(25,075)**	(25,075)	–
	7,037	6,995	35,169
	13,220	12,015	40,264
Deposit	**79**	–	–
Prepayments	**30**	25	39
	13,329	12,040	40,303

13. TRADE AND OTHER PAYABLES

	2009	2008	2007
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	**4,503**	3,167	6,493
Other payables and accruals	**13,766**	13,155	32,873
Amounts due to other deconsolidated subsidiaries	**48,427**	48,427	–
	66,696	64,749	39,366

14. SUBSEQUENT EVENTS

Details of subsequent events are summarised in notes 2 and 3 to the financial statements.

15. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEARS ENDED 30TH JUNE, 2008 AND 30TH JUNE, 2009

The HKICPA has issued the following standards, interpretations and amendments which are not yet effective as of the date of these financial statements:

Effective for annual periods beginning on or after 1st January, 2009

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate

Effective for annual periods beginning on or after 1st July, 2009

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners

Effective for transfers on or after 1st July, 2009

HK(IFRIC) – Int 18	Transfer of Assets from Customers

Apart from the above, the HKICPA has also issued "Improvements to HKFRSs" which sets out amendments to a number of HKFRSs. Except for the amendments to HKFRS 5 which is effective for annual periods beginning on or after 1st July, 2009, other amendments are effective for annual periods beginning on or after 1st January, 2009.

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after the beginning of the Group's first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. HKAS 1 (Revised) will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the consolidated income statement and statement of comprehensive income). The new directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretation will have no material impact on the results and the financial position of the Group.

AN EXTRACT OF AUDITORS' REPORT FOR THE YEAR ENDED 30TH JUNE, 2008

Basis for disclaimer of opinion and qualified opinion arising from disagreement about accounting treatments

1. Comparative figures

The comparative figures in the current year's financial statements are derived from the financial statements for the year ended 30th June, 2007 which contained a disclaimer of opinion. We were unable to carry out audit procedures necessary to obtain adequate assurance on the preceding year's figures. Accordingly, we were unable to express an opinion on the comparative figures appearing in the current year's financial statements. We have not been able to ascertain whether the comparative figures will have any effect on the current year's balance sheet and income statement items.

2. Deconsolidation of subsidiaries

As further explained in Note 3 (II) to the consolidated financial statements, certain subsidiaries were deemed disposed of by the Group due to the loss of control on 1st July, 2007 and a corresponding disposal gain, based on the net liability value of these subsidiaries as at 30th June, 2007, of approximately RMB183,944,000 has been recognised in the consolidated income statement. The new directors are of the view that the investments in and amounts due from those deconsolidated subsidiaries of approximately RMB120,053,000 and RMB68,765,000 respectively cannot be recovered and, accordingly, impairment losses of the same amounts have been recognised in the consolidated income statement.

No sufficient evidence has been provided to satisfy ourselves as to whether the Company had lost control of these subsidiaries on 1st July, 2007. Due to the lack of complete books and records of these former subsidiaries, we have not been able to obtain sufficient appropriate audit evidence to assess (i) the net liability value of these former subsidiaries at 30th June, 2007 and, hence, the gain on deemed disposal arising therefrom; and (ii) the carrying value of and the balances with these former subsidiaries at 30th June, 2008 and, hence, the impairment losses arising therefrom. Any adjustment that would be required may have a consequential significant effect on the net liabilities of the Group as at 30th June, 2008 and loss attributable to the equity holders for the year then ended.

3. Provision for financial guarantees to a deconsolidated subsidiary

As further explained in the consolidated financial statements as at 30th June, 2008, the Group had made provision for financial guarantees to an unconsolidated subsidiary, including related accrued interest, of approximately RMB6,874,000. Since confirmations of such balances have not been received from the respective creditors, we have not been able to assess the accuracy and completeness of the above liabilities. There are no other satisfactory alternative procedures that we could perform to satisfy ourselves that this balance and the related disclosures have been properly recorded and reflected in the consolidated financial statements as at 30th June, 2008.

4. Share option and warrants

We were unable to obtain documentation to support the details of the share option and warrants as at 30th June, 2008. Accordingly, there are no required accountancy treatment and disclosure about the share option scheme being made in the financial statements. This is not in accordance with the requirements of HKFRS 2 "Share-Based Payment" and HKFRS 39 "Financial Instruments: Recognition and Measurement" in accounting for share options and warrants.

5. Cash flow statement

The financial statements do not contain a cash flow statement. This is not in accordance with the requirements of HKAS 7 "Cash Flow Statements". In our opinion, information about the Group's cash flows is necessary for a proper understanding of the Group's state of affairs and loss for the year ended 30th June, 2008. It is not practicable to quantify the effect of the departure from these requirements.

6. Departure from the Hong Kong Financial Reporting Standards ("HKFRSs")

Because certain accounting records could not be located, the following required disclosures have not been made in the financial statements:

i. Details of the Group's policy in respect of the financial risk management as required by HKFRS 7 "Financial Instruments: Disclosures" issued by the HKICPA;

ii. Details of related parties transactions as required by Chapter 14 and/or Chapter 14A of the Listing Rules and HKAS 24 "Related Party Disclosures" issued by the HKICPA;

iii. Information about the extent and nature of the financial instruments as required by HKAS 32 "Financial Instruments: Presentation" issued by the HKICPA;

iv. Details of the Group's aging of debtors and creditors as required by the Listing Rules;

v. Details of analysis of pledge of assets as required by the Hong Kong Companies Ordinance;

vi. Information of deferred taxation and taxation charge reconciliation as required by HKAS 12 "Income Taxes" issued by the HKICPA;

vii. Details of directors' and employees' emoluments as required by the Listing Rules and the Hong Kong Companies Ordinance;

viii. Segment information disclosures as required by HKAS 14 "Segment Reporting";

ix. Details of the disclosure on the movements of the Group's property, plant and equipment as required by HKAS 1: "Presentation of Financial Statements"; and

x. Details of employee retirement benefits as required by HKAS 19 "Employee Benefits".

7. Coupon bonds

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of the coupon bonds totaling approximately RMB22,356,000 as at 30th June, 2008 in the consolidated balance sheet.

8. Trade and other receivables

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of trade receivables and other receivables totaling approximately RMB5,000,000 and RMB6,000,000 respectively as included in the consolidated financial statements of trade and other receivables.

Allowance for impairment of approximately RMB25,937,000 as at 30th June, 2008 was brought forward from 30th June, 2007. It was not possible for us to obtain sufficient evidence and explanation in relation to the total amount of allowance for impairment made against the amount of trade and other receivables as at 30th June, 2008. Therefore, we are unable to comment on whether the amount of allowance made is adequate.

9. Trade and other payables

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of trade payables and other payables and accruals totaling approximately RMB3,167,000 and RMB12,238,000 respectively as included in the consolidated financial statements of trade and other payables.

10. Amounts due to deconsolidated subsidiaries

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of amounts due to deconsolidated subsidiaries totaling approximately RMB48,427,000 included in the consolidated financial statements of trade and other payable.

11. Unsecured bank loan

No bank confirmation letters have been received by us up to the date of this report in respect of bank loan approximately RMB13,091,000 as included in the consolidated balance sheet. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves that the financial statements contain the full disclosure of all the information pertaining to these bank accounts such as contingent liabilities and pledge of assets, etc.

12. Finance costs

Finance costs for the amounts approximately RMB1,299,000 recorded in the consolidated income statement were not properly supported by relevant documentation therefore we were unable to satisfy ourselves as to whether these amounts are fairly stated in the financial statements.

13. Available-for-sale financial assets

As disclosed in the consolidated financial statements, full allowance has been made against the investment in the available-for-sale financial assets which was brought forward from 30th June, 2007. No financial information of this investee company have been received by us up to the date of this report. In the absence of all necessary information from the investee company, we have not been able to perform audit procedures that we considered necessary to satisfy ourselves as to the carrying amount of the investee company as at 30th June, 2008.

Fundamental uncertainty related to the going concern basis

In forming our opinion, we have considered the adequacy of the disclosure in note 3(I) to the financial statements concerning the adoption of the going concern basis on which the financial statements have been prepared. As explained in note 3(I) to the financial statements, the Company is currently negotiating with a potential investor for the purpose of restructuring of the Company's indebtedness and revitalising the Group's financial position and business. The financial statements have been prepared on a going concern basis, the validity of which depends upon the successful outcomes of the measures to be implemented and in process by the Group to improve the financial position and business of the Group. The financial statements do not include any adjustments that would result from the failure of these measures. We consider that the appropriate disclosures have been made but, because of the significant uncertainties relating to the outcome of the restructuring proposal are so extreme, we were not able to determine whether the going concern basis used in preparing these financial statements is appropriate. Accordingly, we have disclaimed our opinion.

Disclaimer of opinion: disclaimer on view given by financial statements

Because of the significance of each of (i) the possible effect of the limitations in evidence available to us as set out in the basis for disclaimer opinion paragraphs; and (ii) the fundamental uncertainty relating to the going concern basis, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 30th June, 2008 and of the loss of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

In respect alone of the limitations on our work as set out in the basis for disclaimer of opinion paragraphs of this report:

- We have not obtained all the information and explanations that we consider necessary for the purpose of our audit; and

- We were unable to determine whether proper books of accounts have been kept.

AN EXTRACT OF AUDITORS' REPORT FOR THE YEAR ENDED 30TH JUNE, 2009

Basis for disclaimer of opinion and qualified opinion arising from disagreement about accounting treatments

1. Comparative figures

The comparative figures in the current year's financial statements are derived from the financial statements for the year ended 30th June, 2008 which contained a disclaimer of opinion. We were unable to carry out audit procedures necessary to obtain adequate assurance on the preceding year's figures. Accordingly, we were unable to express an opinion on the comparative figures appearing in the current year's financial statements. We have not been able to ascertain whether the comparative figures will have any effect on the current year's balance sheet and income statement items.

2. Deconsolidation of subsidiaries

As detailed in the consolidated financial statements, certain subsidiaries were deemed disposed of by the Group due to the loss of control on 1st July, 2007 and a corresponding disposal gain, based on the net liability value of these subsidiaries as at 30th June, 2007, of approximately RMB183,944,000 has been recognised in the consolidated income statement. The new directors are of the view that the investments in and amounts due from those deconsolidated subsidiaries of approximately RMB120,053,000 and RMB68,765,000 respectively cannot be recovered and, accordingly, impairment losses of the same amounts have been recognised in the consolidated income statement.

No sufficient evidence has been provided to satisfy ourselves as to whether the Company had lost control of these subsidiaries on 1st July, 2007. Due to the lack of complete books and records of these former subsidiaries, we have not been able to obtain sufficient appropriate audit evidence to assess the carrying value of and the balances with these former subsidiaries at 30th June, 2008 and, hence, the impairment losses arising therefrom. Any adjustment that would be required may have a consequential significant effect on the net liabilities of the Group as at 30th June, 2009 and loss attributable to the equity holders for the year then ended.

3. Provision for financial guarantees to a deconsolidated subsidiary

As further explained in the consolidated financial statement, as at 30th June, 2009, the Group had made provision for financial guarantees to a deconsolidated subsidiary, including related accrued interest, of approximately RMB6,874,000. Since confirmations of such balances have not been received from the respective creditors, we have not been able to assess the accuracy and completeness of the above liabilities. There are no other satisfactory alternative procedures that we could perform to satisfy ourselves that this balance and the related disclosures have been properly recorded and reflected in the consolidated financial statements as at 30th June, 2009.

4. Share option and warrants

We were unable to obtain documentation to support the details of the share option and warrants as at 30th June, 2009. Accordingly, there are no required accountancy treatment and disclosure about the share option scheme being made in the financial statements. This is not in accordance with the requirements of HKFRS 2 "Share-Based Payment" and HKFRS 39 "Financial Instruments: Recognition and Measurement" in accounting for share options and warrants.

5. Departure from the Hong Kong Financial Reporting Standards ("HKFRSs")

Because certain accounting records could not be located, the following required disclosures have not been made in the financial statements:

i. Details of related parties transactions as required by Chapter 14 and/or Chapter 14A of the Listing Rules and HKAS 24 "Related Party Disclosures" issued by the HKICPA;

ii. Details of directors' and employees' emoluments as required by the Listing Rules and the Hong Kong Companies Ordinance;

iii. Segment information disclosures as required by HKAS 14 "Segment Reporting"; and

iv. Details of employee retirement benefits as required by HKAS 19 "Employee Benefits".

6. Coupon bonds

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of the coupon bonds totaling approximately RMB22,356,000 as at 30th June, 2009 in the consolidated balance sheet and its corresponding disclosure for attached warrants.

7. Trade and other receivables

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of trade receivables and other receivables totaling approximately RMB5,000,000 and RMB6,000,000 respectively included in the consolidated financial statements of trade and other receivables.

8. Trade and other payables

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of trade payables and other payables and accruals totaling approximately RMB4,503,000 and RMB12,509,000 respectively as included in the consolidated financial statements of trade and other payable.

9. Amounts due to deconsolidated subsidiaries

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of amounts due to deconsolidated subsidiaries totaling approximately RMB48,427,000 included in the consolidated financial statements of trade and other payable.

10. Unsecured bank loan

No bank confirmation letters have been received by us up to the date of this report in respect of bank loan approximately RMB12,910,000 as included in the consolidated balance sheet. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves that the financial statements contain the full disclosure of all the information pertaining to these bank accounts such as contingent liabilities and pledge of assets, etc.

11. Finance costs

Finance costs for the amounts approximately RMB1,388,000 recorded in the consolidated income statement were not properly supported by relevant documentation therefore we were unable to satisfy ourselves as to whether these amounts are fairly stated in the financial statements.

12. Available-for-sale financial assets

As disclosed in the consolidated financial statements, full allowance has been made against the investment in the available-for-sale financial assets which was brought forward from 30th June, 2008. No financial information of this investee company have been received by us up to the date of this report. In the absence of all necessary information from the investee company, we have not been able to perform audit procedures that we considered necessary to satisfy ourselves as to the carrying amount of the investee company as at 30th June, 2009.

Fundamental uncertainty related to the going concern basis

In forming our opinion, we have considered the adequacy of the disclosure in note 3(I) to the financial statements concerning the adoption of the going concern basis on which the financial statements have been prepared. As explained in note 3(I) to the financial statements, the Company is currently negotiating with a potential investor for the purpose of restructuring of the Company's indebtedness and revitalising the Group's financial position and business. The financial statements have been prepared on a going concern basis, the validity of which depends upon the successful outcomes of the measures to be implemented and in process by the Group to improve the financial position and business of the Group. The financial statements do not include any adjustments that would result from the failure of these measures. We consider that the appropriate disclosures have been made but, because of the significant uncertainties relating to the outcome of the restructuring proposal are so extreme, we were not able to determine whether the going concern basis used in preparing these financial statements is appropriate. Accordingly, we have disclaimed our opinion.

Disclaimer of opinion: disclaimer on view given by financial statements

Because of the significance of each of (i) the possible effect of the limitations in evidence available to us as set out in the basis for disclaimer opinion paragraphs; and (ii) the fundamental uncertainty relating to the going concern basis, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 30th June, 2009 and of the loss of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

In respect alone of the limitations on our work as set out in the basis for disclaimer of opinion paragraphs of this report:

- We have not obtained all the information and explanations that we consider necessary for the purpose of our audit; and

- We were unable to determine whether proper books of accounts have been kept.

BUSINESS REVIEW

The Company acts as an investment holding company and the Group is principally engaged in the provision of energy efficiency solutions and engineering consulting services in the People's Republic of China ("PRC") including Hong Kong.

The Liquidators were appointed on 3rd May, 2007 pursuant to an Order of the High Court. As such, the Liquidators do not have the same knowledge of the financial affairs of the Group as the board would have, particularly in relation to the transactions entered into by the Group prior to the appointment of the Liquidators.

SUSPENSION OF TRADING OF THE COMPANY'S SHARES AND APPOINTMENT OF THE PROVISIONAL LIQUIDATORS AND JOINT AND SEVERAL LIQUIDATORS

Trading in the Company's shares on Stock Exchange has been suspended since 30th September, 2005.

On 11th December, 2006, Peter Beck & Partner Vermogensverwaltung petitioned to the High Court for the winding up of the Company. The petition was filed as the Company could not meet the statutory demand issued by the petitioner for settlement of a total outstanding debt of approximately US$1.9 million (equivalent to approximately HK$14.7 million) owed by the Company. The winding up Order was made by the High Court on 14th February, 2007 and the Official Receiver was appointed as the Provisional Liquidator.

Upon the application of the Provisional Liquidator on 11th April, 2007, Mr. Desmond Chung Seng Chiong and Mr. Roderick John Sutton, both of Ferrier Hodgson Limited were appointed as the Liquidators by the High Court on 3rd May, 2007.

RESTRUCTURING OF THE GROUP AND KEY EVENTS AFTER THE APPOINTMENT OF THE LIQUIDATORS

Prior to the appointment of the Liquidators, on 24th November, 2006, the Stock Exchange informed the Company that if the Company has not submitted a viable resumption proposal on or before 23rd May, 2007, the Stock Exchange intends to cancel the listing of the Company on the expiry of the said date.

On 3rd May, 2007, the Liquidators were appointed and they worked together with the Investor and submitted a resumption proposal immediately after their appointment.

On 9th May, 2007, the Liquidators, on behalf of the Company, submitted the first resumption proposal to the Stock Exchange for the purpose of fulfilling Rule 9.15 of GEM Listing Rules and the same was further revised and submitted to the Listing Committee on 2nd February, 2009.

On 6th February, 2009, the GEM Listing Committee confirmed in writing that the Company was allowed to proceed with the resumption proposal involving, among other things, the capital reorganisation of the share capital of the Company, the subscription of new Shares (the "Subscription") by Million Sino Investments Limited (the "Investor"), the schemes of arrangement under the Hong Kong Law and Bermuda Law between the Company and its creditors (the "Schemes") and the restructuring of the corporate structure of the Group (collectively, the "Restructuring Proposal"), subject to the satisfaction of the following conditions on or before 5th August, 2009 (which was subsequently extended to 30th June, 2010):

(i) completion of the Subscription and all the transactions contemplated under the Restructuring Proposal;

(ii) completion of the placing down of the Shares by the Investor to maintain public float;

(iii) the Schemes becoming effective;

(iv) uplift of the winding up order and discharge of the Liquidators;

(v) publication of all outstanding financial results and reports;

(vi) reinstatement of the Company's status in the Registrar of Companies in Bermuda;

(vii) completion of a follow-up review on the internal control system by an independent professional party to demonstrate that the Group has in place an adequate and effective internal control system, in particular, addressing the weaknesses associated with the issues raised by auditors in their audit reports;

(viii) fulfilling the personnel requirements under the GEM Listing Rules relating to the appointment of independent non-executive directors and company secretary;

(ix) disclosure of details of the resumption proposal and the actions taken by the Company to remedy those matters that gave rise to the Stock Exchange's proposal to cancel the listing of the Company by way of announcement(s); and

(x) inclusion of a pro forma balance sheet of the Group upon completion of the Restructuring Proposal prepared in accordance with Rule 7.31 of the GEM Listing Rules in the circular relating to the Restructuring Proposal and that the pro forma net assets attributable to shareholders of the Company (the "Shareholders") should be consistent with that presented in the resumption proposal.

Up to the date of this report, the Company has fulfilled conditions (vi) and (vii).

On 2nd March, 2009, the Company set up a wholly-owned subsidiary, Action Win Investments Limited ("Action Win").

On 13th May, 2009, Action Win entered into a loan agreement with the Investor and the Company entered into a share mortgage deed with the Investor, pursuant to which the Investor provided a credit facility in the sum of HK$4.5 million to Action Win to provide working capital for continuation of the principal operations of the Group prior to completion of the Subscription. The loan, if drawndown, is interest free and repayable at the later of (i) within 3 Business Days after completion of the subscription agreement contemplated under the Restructuring Proposal; and (ii) 12 months after the date of the said loan agreement. The shares of Action Win have been pledged in favour of the Investor for any loans drawdown by Action Win.

On 17th August, 2009, the Company, the Liquidators and the Investor entered into the restructuring agreement and the subscription agreement for the implementation of the Restructuring Proposal which comprises of capital reorganisation, subscription of new shares of the Company, debt restructuring and the Group reorganisation.

On 24th September, 2009, a special general meeting of the Company was convened in order to (i) appoint executive directors of the Company; and (ii) appoint auditors of the Company (the "SGM"). The purpose of the SGM is solely for facilitating the implementation of the Restructuring Proposal. However, the validity and ownership of certain voting shares of the Company is in question and the Liquidators had conducted investigation on the ownership of the shares and reported to the relevant regulators.

On 31st December, 2009, the Company, the Liquidators and the Investor entered into a supplemental restructuring agreement and a supplemental subscription agreement which extended the long stop dates of the same to 30th June, 2010.

On 30th January, 2010, a further special general meeting of the Company was convened and Mr. John Howard Batchelor, Mr. Cheng Chi Ho, Mr. Chow Wai Shing Daniel and Mr. Yeung Ka Wing were appointed as executive directors of the Company (the "New Directors") on 30th January, 2010.

On 23rd April, 2010, a restructuring committee (the "Restructuring Committee") has been set up to deal with and approve any matters in relation to the Restructuring Proposal, as reasonably and necessarily required by the Directors, including but not limited to, the approval and publication of financial statements, the approval of relevant legal documents, convening meetings and the publication of circulars to the Shareholders and scheme documents to the Creditors on behalf of the Company. The Restructuring Committee consists of four members comprising the New Directors, being the executive Directors. Mr. Chow Wai Shing Daniel is the chairman of the Restructuring Committee. The formation of the Restructuring Committee has been approved by the Board.

On 23rd April, 2010, Mr. Chow Wai Shing Daniel has been appointed as a secretary of the Company.

PROSPECTS

It is anticipated that the financial position of the Group will be substantially improved upon the completion of the proposed restructuring of the Group as contemplated under such agreement. The Investor and the Liquidators anticipate all existing liabilities owed to the creditors of the Company will be compromised and discharged through a proposed Hong Kong and Bermuda schemes of arrangement.

It is the Investor's intention to maintain the Group's existing energy and engineering consulting business, currently conducted through Beijing Creative Easy Union Science & Technology of Saving Development Co. Limited, an indirect wholly-owned subsidiary of the Company and which is currently the only operating subsidiary of the Company.

With the strong and continuous support provided by the Investor to the Group in terms of both business and financial aspects, the Group will be able to sustain its retail business at a sufficient level in upcoming financial years and expand its business to a substantial level within a reasonable period of time after the resumption of trading in the shares of the Company on the Stock Exchange.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

To the best knowledge of the Liquidators and the Directors, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the years ended 30th June, 2008 and 30th June, 2009.

CORPORATE GOVERNANCE

The Company's code on corporate governance practices was adopted by reference to the provisions of the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 15 of the GEM Listing Rules. However, due to the severe financial difficulties of the Group and the prolonged suspension in trading of the shares of the Company on the Stock Exchange, the directors are unable to comment as to whether the Company has complied with the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules throughout the years ended 30th June, 2008 and 30th June, 2009.

ADOPTED CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Trading in the securities of the Company has been suspended since 17th July, 2006 and Directors are of the opinion that since the date of securities trading suspension, the code set out in the Rules 5.46 to 5.68 of the GEM Listing Rules for securities transactions by Directors during the years ended 30th June, 2008 and 30th June, 2009 is not applicable.

DIVIDENDS

No dividend has been paid or declared by the Company during the years ended 30th June 2008 and 30th June 2009. (2007: Nil).

THE AUDIT COMMITTEE

Following Mr. Hon Wa Fa's resignation as independent non-executive director and member of the audit committee on 26th March, 2006, the Company has only two independent non-executive directors and two members of the Audit Committee, none of them has appropriate professional qualifications or accounting or related financial management expertise as required in Rule 5.05(2) of the GEM Listing Rules. Hence, the Company is unable to comply with Rules 5.05(1), 5.05(2) and 5.28 of the GEM Listing Rules.

Both the Liquidators and the Directors have taken reasonable steps to contact the remaining two independent non-executive directors, namely Mr. Shi Jian Hui and Ms. To Sin Ning. However, both of them were un-contactable. As a result, the audited accounts of the Group for the years ended 30th June, 2008 and 30th June, 2009 have not been reviewed by the audit committee.

EMOLUMENT POLICY

To the best knowledge of the Liquidators and the Directors, the emolument policy for the employees of the Group is based on their respective merit, qualifications and competence and prevailing market conditions.

PUBLICATION OF INFORMATION ON WEBSITES

This results announcement is available for viewing on the website of Stock Exchange at www.hkex.com.hk and on the website of the Company at www.hklistedco.com/8109.asp.

by Order of the Board
Creative Energy Solutions Holdings Limited
(In Liquidation)
CHOW Wai Shing
Executive Director

For and on behalf of
Creative Energy Solutions Holdings Limited
(In Liquidation)
Desmond Chung Seng Chiong and
Roderick John Sutton
Joint and Several Liquidators

Hong Kong, 4 May, 2010

On the basis of the information available from certain previous announcements made by the Company and the records at the Companies Registry in Hong Kong, the Board comprises Mr. John Howard Batchelor, Mr. Cheng Chi Ho, Mr. Chow Wai Shing Daniel, Mr. Yeung Ka Wing, Mr. Shum Fong Chung and Ms. Lin Rong Ying as the executive Directors and Mr. Shi Jian Hui and Ms. To Sin Ning as the independent non-executive Directors.

The directors of the Company and the Liquidators collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company and the Liquidators, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the "Latest Company Announcement" page of the GEM website at http://www.hkgem.com for at least 7 days from the date of this posting and on the website of the Company at http://www.hklistedco.com/8109.asp.