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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **International Standard Resources Holdings Limited**, you should at once hand the Prospectus Documents to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong pursuant to Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of any of these documents.

Dealings in the securities of the Company may be settled through CCASS and you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

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## International Standard Resources Holdings Limited

### 標準資源控股有限公司

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 91)

(Warrant Code: 01407)

### OPEN OFFER OF 1,138,585,309 OFFER SHARES ON THE BASIS OF ONE (1) OFFER SHARE FOR EVERY FOUR (4) SHARES HELD ON THE RECORD DATE

#### UNDERWRITERS



英皇證券(香港)有限公司  
Emperor Securities Limited



八方金融有限公司  
OCTAL Capital Limited



Terms used in this cover page have the same meanings as those defined in this Prospectus.

The latest time for acceptance of and payment for the Offer Shares is at 4:00 p.m. on Monday, 5 October 2015. The procedures for acceptance of and payment for the Offer Shares are set out on pages 18 of this Prospectus.

The Underwriting Agreement contains provisions which entitle the Underwriters, by notice in writing, to terminate the Underwriting Agreement prior to the Latest Time for Termination on the occurrence of certain events including force majeure. These events are set out under the section headed "Termination of the Underwriting Agreement" from pages 14 to 15 of this Prospectus. If the Underwriters terminate the Underwriting Agreement, the Open Offer will not proceed.

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Wednesday, 9 September 2015 and that dealings in the Shares may take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be at 4:00 p.m. on Thursday, 8 October 2015), will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

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## TERMINATION OF UNDERWRITING AGREEMENT

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Shareholders should note that the Underwriting Agreement contains provisions entitling the Underwriters, by notice in writing, to terminate their obligations thereunder if any time prior to the Latest Time for Termination:

- (a) the Underwriters become aware of the fact that there shall develop, occur, exist or come into effect:
  - (i) any new law or regulation or any change in existing laws or regulations in Hong Kong or in which the Company conducts or carries on business; or
  - (ii) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions; or
  - (iii) any significant change (whether or not permanent) in local, national or international securities market conditions (any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise) or exchange controls; or
  - (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
  - (v) any material change to the business, financial or trading position or prospects of the Company and/or its subsidiaries,

and in the absolute opinion of the Underwriters, such change has or would have a material and adverse effect on the business, financial or trading position or prospects of the Company and/or its subsidiaries as a whole or the success of the Open Offer or make it inadvisable or inexpedient to proceed with the Open Offer.

- (b) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect of its business, financial or trading position, the Underwriters shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Underwriters from their obligations under the Underwriting Agreement.

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## DEFINITIONS

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*In this Prospectus, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Announcement”	the announcement of the Company dated 30 July 2015 relating to, amongst other things, the proposed Open Offer
“Application Form(s)”	the form(s) of application for use by the Qualifying Shareholder(s) to apply for the Offer Shares
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are open for business other than a Saturday, Sunday, public holiday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon
“CCASS”	the Central Clearing and Settlement System, established and operated by HKSCC
“Chief Securities”	Chief Securities Limited, an underwriter of the Open Offer
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Companies (Winding up and Miscellaneous Provisions) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”	International Standard Resources Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Convertible Notes”	the convertible notes due in 2018 with an aggregate outstanding principal amount of HK\$637,000,000 as at the Latest Practicable Date issued by the Company, details and principal terms of which are set out in the circular of the Company dated 18 February 2015

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## DEFINITIONS

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“Director(s)”	the director(s) of the Company from time to time
“Emperor Securities”	Emperor Securities Limited, an underwriter of the Open Offer
“Ever-Long”	Ever-Long Securities Company Limited, an underwriter of the Open Offer
“Excess Application Form(s)”	the form(s) of application for excess Offer Shares
“Excluded Shareholders”	those Overseas Shareholder(s) whom the Directors, after making relevant enquiry as required under the Listing Rules, consider their exclusion from the Open Offer to be necessary or expedient on account of either the legal restrictions under the law of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Last Trading Day”	Thursday, 30 July 2015, the last day on which the Shares were traded on the Stock Exchange immediately preceding the publication of the Announcement
“Latest Practicable Date”	14 September 2015, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information for inclusion in this Prospectus
Latest Time for Acceptance”	4:00 p.m. on Monday, 5 October 2015 or such other time as may be agreed between the Company and the Underwriters, being the latest time for acceptance of the offer of Offer Shares
“Latest Time for Termination”	4:00 p.m. on Thursday, 8 October 2015 or such other time as may be agreed between the Company and the Underwriters, being the third Business Day after (but excluding) the Latest Time for Acceptance

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Octal Capital”	Octal Capital Limited, an underwriter of the Open Offer
“Offer Share(s)”	1,138,585,309 new Shares proposed to be offered to the Qualifying Shareholders by way of the Open Offer
“Open Offer”	the proposed issue of Offer Shares on the basis of one (1) Offer Share for every four (4) existing Shares at the Subscription Price upon the terms and conditions mentioned herein and more particularly described in the Prospectus Documents
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) on that date is(are) in (a) place(s) outside Hong Kong
“PRC”	the People’s Republic of China
“Prospectus”	this prospectus to be issued by the Company and despatched to the Shareholders
“Prospectus Documents”	the Prospectus, the Application Form(s) and the Excess Application Form(s)
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Wednesday, 16 September 2015, or such other date as may be agreed between the Company and the Underwriters for determining entitlement to the Open Offer
“Registrar”	Tricor Standard Limited of the address Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)

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## DEFINITIONS

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“Shortfall Underwritten Shares”	any Underwritten Shares not accepted by Shareholders or for which duly completed Application Form(s) or Excess Application Form(s) (accompanied by cheques or banker’s cashier orders for the full amount payable on application which are honoured on first or, at the discretion of the Underwriters, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before the Latest Time for Acceptance
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.168 per Offer Share
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Repurchases
“Underwriters”	collectively, Chief Securities, Emperor Securities, Ever-Long and Octal Capital
“Underwriting Agreement”	the underwriting agreement dated 30 July 2015 entered into between the Company and the Underwriters in relation to the Open Offer
“Underwritten Shares”	1,138,585,309 Offer Shares, being all the Offer Shares to be issued under the Open Offer
“Warrant(s)”	390,615,589 listed warrant(s) as at the Latest Practicable Date issued by the Company (warrant code: 01407) conferring the rights to the holders thereof to subscribe in cash for 390,615,589 new Shares, details of which are set out in the circular of the Company dated 27 October 2014
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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## EXPECTED TIMETABLE

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*The expected timetable for the Open Offer is set out below:*

**2015**

Book closure period (both dates inclusive) . . . . .	Friday, 11 September to Wednesday, 16 September
Record Date . . . . .	Wednesday, 16 September
Register of members re-opens . . . . .	Thursday, 17 September
Despatch of Prospectus Documents . . . . .	Thursday, 17 September
Latest time for acceptance of and payment for the Offer Shares and application for excess Offer Shares . . . . .	4:00 p.m. on Monday, 5 October
Open Offer becomes unconditional . . . . .	4:00 p.m. on Thursday, 8 October
Announcement on results of the Open Offer . . . . .	Tuesday, 13 October
Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares expected to be posted on or before . . . . .	Wednesday, 14 October
Certificates for the Offer Shares expected to be despatched on or before . . . . .	Wednesday, 14 October
Dealings in fully-paid Offer Shares expected to commence . . . . .	Thursday, 15 October

All times and dates in this Prospectus refer to Hong Kong local times and dates.

Dates or deadlines specified in this Prospectus are indicative only and may be varied by agreement between the Company and the Underwriters. Any consequential changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE OFFER SHARES**

The latest time for acceptance of and payment for the Offer Shares will not take place if there is:

- (a) a tropical cyclone warning signal number 8 or above, or
- (b) a “black” rainstorm warning
  - (i) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on Monday, 5 October 2015. Instead the latest time for acceptance of and payment for the Offer Shares will be extended to 5:00 p.m. on the same Business Day;



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## EXPECTED TIMETABLE

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- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 5 October 2015. Instead the latest time for acceptance of and payment for the Offer Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Offer Shares does not take place on Monday, 5 October 2015, the dates mentioned in the preceding timetable may be affected. An announcement will be made by the Company in such event as soon as practicable.



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## LETTER FROM THE BOARD

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INTERNATIONAL  
STANDARD  
RESOURCES  
標準資源

### International Standard Resources Holdings Limited

### 標準資源控股有限公司

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 91)

(Warrant Code: 01407)

*Executive Directors:*

Cheng Wai Keung

Tam Tak Wah

Tsang Ching Man

*Registered Office:*

Unit E, 29/F., Tower B

Billion Centre

No. 1 Wang Kwong Road

Kowloon

*Independent non-executive Directors:*

Albert Saychuan Cheok (*Chairman*)

Chan Tsz Kit

Chan Yim Por Bonnie

Wang Li

17 September 2015

*To the Shareholders,*

*and for information only, the holders of the Convertible Notes*

Dear Sir or Madam,

**OPEN OFFER OF 1,138,585,309 OFFER SHARES  
ON THE BASIS OF ONE (1) OFFER SHARE  
FOR EVERY FOUR (4) SHARES  
HELD ON THE RECORD DATE**

#### INTRODUCTION

On 30 July 2015, the Company announced that the Company proposes to raise not less than approximately HK\$191.28 million and not more than approximately HK\$207.69 million, before expenses, by issuing not less than 1,138,579,513 Offer Shares and not more than 1,236,239,206 Offer Shares at the Subscription Price of HK\$0.168 per Offer Share on the basis of one (1) Offer Share for every four (4) existing Shares held on the Record Date.

The purpose of this Prospectus is to provide the Shareholders with further information regarding the Open Offer, including information on dealings in and applications for the Offer Shares, and certain financial and other information of the Group.

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## LETTER FROM THE BOARD

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### THE OPEN OFFER

#### Issue statistics

Basis of the Open Offer:	One (1) Offer Share for every four (4) existing Shares held on the Record Date
Subscription Price:	HK\$0.168 per Offer Share
Number of Shares in issue as at the Latest Practicable Date:	4,554,341,236 Shares
Number of Offer Shares:	1,138,585,309 Offer Shares
Total number of Offer Shares to be underwritten by the Underwriters:	Pursuant to the Underwriting Agreement, the Underwriters have conditionally agreed to underwrite the balance of the Offer Shares not being subscribed for by the Shareholders on a fully underwritten basis subject to the terms and conditions of the Underwriting Agreement
Enlarged issued share capital upon completion of the Open Offer:	5,692,926,545 Shares

As at the Latest Practicable Date, there are outstanding Convertible Notes and Warrants entitling the holders thereof to subscribe for an aggregate of 5,308,333,333 and 390,615,589 new Shares respectively.

As at the Latest Practicable Date, each of the holders of the Convertible Notes has given an irrevocable undertaking to the Company not to convert the Convertible Notes into Shares from the date of the undertaking up to and including the Record Date.

Save as the above-mentioned Convertible Notes and the Warrants, the Company had no other outstanding derivatives, options, warrants and conversion rights or other similar rights which were convertible or exchangeable into Shares as at the Latest Practicable Date.

The Offer Shares proposed to be issued pursuant to the terms of the Open Offer represent 25% of the Company's existing issued share capital as at the Latest Practicable Date and 20% of the enlarged issued share capital of the Company immediately following the completion of the Open Offer.

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## LETTER FROM THE BOARD

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### Subscription Price

The Subscription Price is HK\$0.168 per Offer Share, payable in full on acceptance for the relevant provisional allotment of Offer Shares and, where applicable, application for excess Offer Shares under the Open Offer.

The Subscription Price of HK\$0.168 represents:

- (a) a discount of approximately 34.12% to the closing price of HK\$0.255 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 33.75% to the average closing price of approximately HK\$0.2536 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 29.29% to the theoretical ex-entitlement price of HK\$0.2376 per Share based on the closing price of HK\$0.255 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (d) a discount of approximately 0.59% to the closing price of HK\$0.169 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriters with reference to the then market environment, the prevailing market price of the Shares and the recent financial conditions of the Group. The Directors consider the terms of the Open Offer, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Offer Share will be approximately HK\$0.159.

### Status of the Offer Shares

The Offer Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

### Fractions of the Offer Shares

No fractional entitlements to the Offer Shares will be allotted to Qualifying Shareholders. All such fractional entitlements will be aggregated and will be made available for subscription by those Qualifying Shareholders who wish to apply for Offer Shares by way of excess application.

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## LETTER FROM THE BOARD

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### **Qualifying Shareholders**

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of Shares (with the relevant share certificate(s)) with the Registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Thursday, 10 September 2015. The last day of dealings in the Shares on a cum-entitlement basis is Tuesday, 8 September 2015. The Shares have been dealt with on an ex-entitlement basis commencing from Wednesday, 9 September 2015.

### **Rights of the Excluded Shareholders**

Having reviewed the register of members as at the Latest Practicable Date, the Company noted that there were four Overseas Shareholders whose addresses on the register of members were in the PRC, Singapore, Spain and Hawaii, the United States of America. Pursuant to Rule 13.36(2) of the Listing Rules, the Directors have made enquiry regarding the legal restrictions with respect to the offer of the Open Offer to the Overseas Shareholders.

The Directors, after making enquiries pursuant to the Listing Rules, are of the view that (i) the Open Offer will be extended to the Overseas Shareholders with registered addresses in the PRC, Singapore and Spain as no local legal or regulatory compliance is required to be made in these jurisdictions; and (ii) it would be necessary or expedient to exclude the Overseas Shareholder with registered address in Hawaii, the United States of America from the Open Offer due to the time and costs involved in complying with the relevant local legal or regulatory requirements or special formalities in this jurisdiction if the Open Offer is to be made to such Overseas Shareholder.

### **Application for excess Offer Shares and basis for allocation of excess application**

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Excluded Shareholders and for any Offer Shares provisionally allotted but not accepted by completing the Excess Application Form(s) for application for excess Offer Shares and lodging the same with a separate remittance for the excess Offer Shares being applied for. The Board will allocate the excess Offer Shares on a fair and equitable basis and pro-rata basis based on the number of excess Offer Shares applied by the Qualifying Shareholders. No preference will be given to topping-up odd lots to whole board lots.

Shareholders or investors of the Company should note that the number of excess Offer Shares which may be allocated to them may be different where they make applications for excess Offers Shares by different means, such as making applications in their own names or through nominees who also hold Shares for other Shareholders/investors. Investors with their Shares held by a nominee company should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Offer Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

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## LETTER FROM THE BOARD

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Application for excess Offer Shares may be made by completing and signing the enclosed Excess Application Form in accordance with the instructions printed thereon and lodging it, together with a separate remittance for the full amount payable on application in respect of the excess Offer Shares applied for, with the Registrar by not later than 4:00 p.m. on Monday, 5 October 2015. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "International Standard Resources Holdings Limited—Excess Application A/C" and the cheque must be crossed "Account Payee Only".

If no excess Offer Shares are allotted to the Qualifying Shareholders, the amount tendered on application is expected to be returned to such Qualifying Shareholders in full by ordinary post at their own risk to their registered addresses on or before Wednesday, 14 October 2015. If the number of excess Offer Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application money is also expected to be returned to them by ordinary post at their own risk to their registered addresses on or before Wednesday, 14 October 2015. All cheques or banker's cashier orders will be presented for payment upon receipt and all interest earned on such monies, if any, will be retained for the benefit of the Company. Completion and return of the Excess Application Form together with a cheque or banker's cashier order in payment for the excess Offer Shares applied for will constitute a warranty by the applicant that the cheque or banker's cashier order will be honoured on first presentation. If the cheque or banker's cashier order is dishonoured on first presentation, the application for excess Offer Shares is liable to be rejected.

The Excess Application Form is to be use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or banker's cashier orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar.

If the conditions of the Open Offer are not fulfilled by the Latest Time for Termination, the Open Offer will not proceed and the monies received in respect of application for excess Offer Shares without interest will be returned to the applicants by means of cheques crossed "Account Payee Only" to be despatched by post to their registered addresses and, in the case of joint applicants, to the registered address of the applicant whose name first appears on the register of members of the Company at the risk of such applicants on or before Wednesday, 14 October 2015.

### **Share Certificates and Refund Cheques for the Open Offer**

Subject to the fulfilment and/or waiver in whole or in part by the Underwriters of the conditions of the Open Offer, certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 14 October 2015. Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares (if any) are expected to be posted on or before Wednesday, 14 October 2015 by ordinary post to the applicants at their own risk.

### **Registration and distribution of the Prospectus Documents**

The Prospectus Documents will not be registered under any securities regulations of any jurisdictions other than Hong Kong.

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## LETTER FROM THE BOARD

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The Company will send the Prospectus Documents to the Qualifying Shareholders and the Company will send the Prospectus to the Excluded Shareholders for their information only and no Application Form(s) or Excess Application Form(s) will be sent to the Excluded Shareholders.

Distribution of the Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of the Prospectus Documents (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restriction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder who is in any doubt as of his/her/its position should consult an appropriate professional adviser without delay.

It is the responsibility of any person (including but not limited to agent, custodian, nominee and trustee) outside Hong Kong wishing to make an application for the Offer Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Offer Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. Shareholders should consult their professional advisers if in doubt. For the avoidance of doubt, neither Hong Kong Securities Clearing Company Limited nor HKSCC Nominees Limited will give, or be subject to, any of the above representation or warranty.

### APPLICATION FOR LISTING

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. The Offer Shares are expected to continue to be traded in existing board lot of 50,000 Shares.

Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty in Hong Kong, Stock Exchange trading fees, SFC transaction levy and other applicable fees and charges in Hong Kong.

Subject to the grant of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

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## LETTER FROM THE BOARD

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### Underwriting Agreement

Date	:	30 July 2015	
Issuer	:	the Company	
Underwriters	:		<b>Approximate percentage of share of Underwritten Shares pursuant to the Underwriting Agreement</b>
		Chief Securities	14.44%
		Emperor Securities	9.63%
		Ever-Long	51.85%
		Octal Capital	24.08%
			<hr/>
			100.00%
			<hr/> <hr/>
Total number of Shortfall Underwritten Shares	:	Pursuant to the Underwriting Agreement, the Underwriters have conditionally agreed to underwrite the balance of the Offer Shares not being subscribed for by the Shareholders on a fully underwritten basis subject to the terms and conditions of the Underwriting Agreement.	
Commission	:	2.5% of the aggregate Subscription Price in respect of the maximum number of the Underwritten Shares contemplated upon signing of the Underwriting Agreement (assuming all Warrants are exercised for Shares)	

The Directors consider the terms of the Underwriting Agreement, including the commission rate, accord with the market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

To the best of the Directors' knowledge, information and belief, Chief Securities, Emperor Securities, Ever-Long and Octal Capital and their respective ultimate beneficial owners are Independent Third Parties; and the Underwriters' ordinary and usual course of business includes underwriting.

Pursuant to the Underwriting Agreement, in the event of the Underwriters being called upon to subscribe for or procure subscribers of the Shortfall Underwritten Shares:

- (a) the Underwriters shall not subscribe, for their own account, for such number of Shortfall Underwritten Shares which will result in their shareholding and the shareholding of parties acting in concert (within the meaning of the Takeovers Code) with them in the Company equal to or exceed 10.00% of the voting rights of the Company upon the completion of the Open Offer;



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## LETTER FROM THE BOARD

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- (b) the Underwriters shall use all reasonable endeavours to ensure that each of the subscribers of the Shortfall Underwritten Shares procured by them or subunderwriter(s) shall be Independent Third Parties, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.00% or more of the voting rights of the Company upon completion of the Open Offer; and
- (c) the Shortfall Underwritten Shares would be allocated on a pro rata basis of the Underwriters' underwriting obligations.

To the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, the Underwriters have entered into sub-underwriting arrangements/ agreements and the sub-underwriters are Independent Third Parties.

The Board has not received any information or irrevocable undertakings from any Substantial Shareholders indicating their intention to take up the securities of the Company to be offered to them under the Open Offer.

### Conditions of the Open Offer

The Open Offer is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant in principle (subject to allotment of Offer Shares) and not having withdrawn or revoked the listing of and permission to deal in all the Offer Shares (in their fully paid form);
- (b) the filing and registration of all documents relating to the Open Offer, which are required to be filed or registered with the Registrar of Companies in Hong Kong;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders; and
- (d) compliance with and performance of all the undertakings and obligations of the Company and the Underwriters under the terms of the Underwriting Agreement.

Save for condition (d) (so far as it relates to the Company) which can be waived in whole or in part by written notice to the Company by the Underwriters, all the conditions precedent set out above cannot be waived. If any of the conditions of the Open Offer are not fulfilled and/or waived on or before the Latest Time for Acceptance (or such other time and/or date as the Company and the Underwriters may determine in writing), the Underwriting Agreement shall terminate (save in respect of any rights and obligations which may accrue under the Underwriting Agreement prior to such termination) and neither the Company nor the Underwriters shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breach and the Open Offer will not proceed.

### Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions entitling the Underwriters, by notice in writing, to terminate their obligations thereunder if any time prior to the Latest Time for Termination:

- (a) the Underwriters become aware of the fact that there shall develop, occur, exist or come into effect:
  - (i) any new law or regulation or any change in existing laws or regulations in Hong Kong or in which the Company conducts or carries on business; or
  - (ii) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions; or

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## LETTER FROM THE BOARD

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- (iii) any significant change (whether or not permanent) in local, national or international securities market conditions (any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise) or exchange controls; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of god, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any material change to the business, financial or trading position or prospects of the Company and/or its subsidiaries;

and in the absolute opinion of the Underwriters, such change has or would have a material and adverse effect on the business, financial or trading position or prospects of the Company and/or its subsidiaries as a whole or the success of the Open Offer or make it inadvisable or inexpedient to proceed with the Open Offer.

- (b) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect of its business, financial or trading position, the Underwriters shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Underwriters from their obligations under the Underwriting Agreement.

### WARNING OF THE RISK OF DEALING IN THE SHARES

**Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out under the section headed “Termination of the Underwriting Agreement” above). Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

**Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Wednesday, 9 September 2015 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.**

**Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on Thursday, 8 October 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.**

## LETTER FROM THE BOARD

### CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE OPEN OFFER

The existing shareholding structure of the Company as at the Latest Practicable Date and the shareholding structure of the Company immediately upon completion of the Open Offer are set out below for illustration purpose only:

Shareholders	As at the Latest Practicable Date		Immediately after the completion of the Open Offer (assuming no Qualifying Shareholders shall take up his/her/its entitlements under the Open Offer)		Immediately after the completion of the Open Offer (assuming all Qualifying Shareholders shall take up his/her/its entitlements under the Open Offer)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Woode Investment Limited (Note 1)	996,049,583	21.87	996,049,583	17.50	1,245,061,978	21.87
Leung Yuk Kit (Note 2)	577,755,000	12.69	577,755,000	10.15	722,193,750	12.69
Che Weng Kei (Note 3)	421,550,000	9.26	421,550,000	7.40	526,937,500	9.26
Albert Saychuan Cheok (Note 4)	550,000	0.01	550,000	0.01	687,500	0.01
Lyu Guoping (Note 5)	500,000	0.01	500,000	0.01	625,000	0.01
<b>Public</b>						
Underwriters (Note 6)	-	-	1,138,585,309	20.00	-	-
Other public Shareholders	2,557,936,653	56.16	2,557,936,653	44.93	3,197,420,817	56.16
<b>Total</b>	4,554,341,236	100.00	5,692,926,545	100.00	5,692,926,545	100.00

*Notes:*

1. Woode Investment Limited, which is formerly known as Smart Dragon Global Limited, is wholly-owned by Mr. Woody Yeung.
2. Ms. Leung Yuk Kit's interests are held through two of her wholly-owned companies, namely Good Max Holdings Limited and Kingston International Capital Limited.
3. Included 279,050,000 Shares held by Mr. Che Weng Kei's wholly-owned company, namely Fully Interest Limited.
4. Mr. Albert Saychuan Cheok is the chairman and an independent non-executive Director of the Company.
5. Mr. Lyu Guoping is the chief executive officer of the Company.
6. This scenario is for illustration purpose only and will never occur. Pursuant to the Underwriting Agreement, in the event of the Underwriters being called upon to subscribe for or procure subscribers to subscribe for any of the Underwritten Shares:
  - (a) the Underwriters shall not subscribe, for its own account, for such number of the Offer Shares which have not been taken up by the Qualifying Shareholders which will result in the shareholding of them and parties acting in concert (within the meaning of the Takeovers Code) with them in the Company equal to or exceed 10.00% of the voting rights of the Company upon the completion of the Open Offer; and
  - (b) the Underwriters shall ensure that none of the subscribers of the Shortfall Underwritten Shares will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of such subscription.

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## LETTER FROM THE BOARD

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### REASONS FOR THE OPEN OFFER AND THE USE OF PROCEEDS

The gross proceeds from the Open Offer are approximately HK\$191.28 million. The net proceeds from the Open Offer, after deducting expenses, are estimated to be approximately HK\$181 million. The Company is principally engaged in coalbed methane gas exploration and exploitation in the PRC, sale of electronic components and treasury which include securities trading and money lending businesses. The Company intends to utilise approximately 70% of the net proceeds from the Open Offer for the repayment of debts and the remaining net proceeds for the general working capital of the Group.

The estimated expense in relation to the Open Offer, including financial, legal and other professional advisory fees, underwriting commission, printing and translation expenses, will be borne by the Company. Having considered other fund-raising alternatives for the Group, such as bank borrowings, and taking into account the benefits and cost of each of the alternatives, the Open Offer allows the Group to strengthen its balance sheet without incurring additional interest rates. The Board considers that the Open Offer is in the interest of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so. **However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

The Directors consider that the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole having taken into account the terms of the Open Offer.

### FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST TWELVE MONTHS

Apart from the fund raising activities mentioned below, the Company has not conducted other equity fund raising exercise in the twelve months immediately preceding the Latest Practicable Date.

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
6 October 2014	Issue of 542,543,940 bonus warrants to the shareholders on the basis of two (2) warrants for every fifteen (15) Shares held. Each warrant will entitle the holder thereof to subscribe for one new Share at an initial subscription price of HK\$0.35.	No issue price was received by the Company upon issue of the bonus warrants. Full exercise of the subscription rights attached to the warrants would result in the issue of 542,543,940 new Shares, and the total subscription monies would be approximately HK\$189.89 million.	General working capital of the Group, repayment of part of the outstanding convertible notes and potential investments to be identified.	As at the Latest Practicable Date, approximately HK\$53.17 million has been received. Together with the remaining proceeds to be received, the subscription monies will be used as intended.

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## LETTER FROM THE BOARD

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### PROCEDURES FOR ACCEPTANCE AND PAYMENT OF THE OFFER SHARES

Qualifying Shareholders will find enclosed with this Prospectus an Application Form which entitles the Qualifying Shareholders to subscribe for the number of Offer Shares shown therein. **If a Qualifying Shareholder wishes to exercise his rights to subscribe for the number of the Offer Shares specified in the Application Form, the Qualifying Shareholders must lodge the Application Form in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by no later than 4:00 p.m. on Monday, 5 October 2015. All remittances must be made by cheques or banker's cashier orders in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "International Standard Resources Holdings Limited — Open Offer Account" and crossed "ACCOUNT PAYEE ONLY".**

It should be noted that unless the duly completed Application Form, together with the appropriate remittance, has been lodged with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Monday, 5 October 2015, the relevant assured allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

The Application Form contains further information regarding the procedures to be followed if Qualifying Shareholders wish to accept the whole or part of their assured allotment. All cheques and banker's cashier orders accompanying completed Application Form will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an Application Form with a cheque and/or a banker's cashier order will constitute a warranty by the applicant that the cheque and/or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any Application Form in respect of which the accompanying cheque and/or banker's cashier order is dishonoured on first presentation, and, in such event, the relevant assured allotment and all rights and entitlements given pursuant to which will be deemed to have been declined and will be cancelled.

The Application Form is for use only by the person(s) named therein and is not transferable. No receipt will be issued in respect of any acceptance monies received. If the conditions of the Underwriting Agreement are not fulfilled and/or waived and/or the Underwriting Agreement is terminated in accordance with its terms before the Latest Time for Termination, the monies received in respect of acceptance of Offer Shares will be returned to the Qualifying Shareholders or, in case of joint applicants, to the first-named person without interest by means of cheques despatched by ordinary post to the respective addresses specified in the register of members of the Company at their own risk on or before Wednesday, 14 October 2015.

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## LETTER FROM THE BOARD

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### POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE NOTES AND THE WARRANTS

As at the Latest Practicable Date, the Company has (i) Convertible Notes in the aggregate outstanding principal amount of HK\$637,000,000 entitling the holders thereof to convert them for an aggregate of 5,308,333,333 new Shares; and (ii) 390,615,589 Warrants entitling holders thereof to subscribe for 390,615,589 new Shares. The Open Offer may lead to adjustments to the conversion price and/or the number of Shares to be issued upon conversion of the Convertible Notes in accordance with the terms and conditions of the Convertible Notes; and the subscription price of the Warrants and/or the number of Shares to be issued upon exercise of the Warrants in accordance with the respective terms and conditions of the Warrants. Further announcement will be made by the Company in this regard.

In the event that the Open Offer having been completed, (i) the conversion price and the number of Shares to be allotted and issued upon exercise of all the conversion rights attaching to the outstanding Convertible Notes; and (ii) the subscription price of the Warrants and/or the number of Shares to be issued upon exercise of the Warrants, will be adjusted in the following manner:

#### The Convertible Notes

<b>Principal amount of Convertible Notes outstanding as at the Latest Practicable Date</b>	<b>Conversion price per Share before adjustment</b>	<b>Conversion price per Share after adjustment</b>	<b>Number of Shares issuable upon exercise of the conversion rights attaching to all the outstanding Convertible Notes before adjustment</b>	<b>Number of Shares issuable upon exercise of the conversion rights attaching to all the outstanding Convertible Notes after adjustment</b>
HK\$637,000,000	HK\$0.12	HK\$0.11	5,308,333,333	5,790,909,090

#### The Warrants

<b>Subscription price per Share before adjustment</b>	<b>Subscription price per Share after adjustment</b>	<b>Number of Shares issuable upon exercise of the subscription rights attaching to all the outstanding Warrants before adjustment</b>	<b>Number of Shares issuable upon exercise of the subscription rights attaching to all the outstanding Warrants after adjustment</b>
HK\$0.35	HK\$0.33	390,615,589	414,289,261

### ADDITIONAL INFORMATION

Your attention is drawn to the appendices to this Prospectus for additional information.

By order of the Board  
International Standard Resources Holdings Limited  
Tam Tak Wah  
Executive Director

## 1. FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 December 2012, 2013 and 2014 and the six months ended 30 June 2015 is disclosed in the annual reports of the Company for the years ended 31 December 2012 (pages 35 to 119), 2013 (pages 40 to 123) and 2014 (pages 40 to 131) and the interim report of the Company for the six months ended 30 June 2015 (pages 19 to 48) respectively. These annual reports and interim report are published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.intl-standardresources.com](http://www.intl-standardresources.com)).

## 2. INDEBTEDNESS

At the close of business on 31 July 2015, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Prospectus, the Group had outstanding borrowings and debt instruments of approximately HK\$776,703,000, details of which are as follows:

### Borrowings

The Group had outstanding other borrowing payable to an independent third party of approximately RMB10,996,000 (approximately to HK\$13,749,000) relating to the coalbed methane business under the production sharing contract and amounts due to the non-controlling interests of a subsidiary of approximately HK\$13,954,000, which are unsecured, interest free and repayable on demand.

### Debt instruments

The Group had outstanding convertible notes with principal amount of HK\$637,000,000, bearing interest at 2% per annum, payable semi-annually in arrear on 30 June and 31 December, and will mature on 31 December 2018.

The Group had outstanding bonds with an aggregate principal amount of approximately HK\$112,000,000 which comprising bonds with an aggregate principal amount of approximately HK\$111,000,000 with the interest rate of 6% payable annually and matured on the third anniversary of the date of issue and bonds with an aggregate principal amount of approximately HK\$1,000,000 with the interest rate of 7% payable annually and matured on the fifth anniversary of the date of issue.

### Pledge of assets

As at 31 July 2015, the Group had pledged bank deposits of approximately HK\$181,000 to secure bank facilities granted to the Group. As at 31 July 2015, there was no outstanding balance under any of the banking facilities granted to the Group.

Save as disclosed above and otherwise mentioned in this Prospectus, except and apart from intragroup liabilities, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities at the close of business on 31 July 2015.

For the purpose of the indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the approximate rates of exchange prevailing as at 31 July 2015.

### 3. WORKING CAPITAL

The Directors are of the opinion that, in the absence of unforeseen circumstances and after taking into account the internal financial resources, the cash flows to be generated from the operating activities and the expected net proceeds from the Open Offer, the Group has sufficient working capital for its present requirements and for the period up to the twelve months from the date of this Prospectus.

### 4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position or outlook of the Group since 31 December 2014 (being the date to which the latest published audited financial statements of the Group were made up) and up to and including the Latest Practicable Date.

### 5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

#### Business Review

##### *Coalbed Methane (“CBM”) Business*

CBM is a kind of quality, clean and efficient natural gas existing in coal mines. With the development and utilisation plan of CBM become crystallised, it has not only brought positive effect on the prevention of coal mine accidents and reduced air pollution, but also helped to alleviate the problem of energy shortage and secured the provision of clean energy.

The Group, through its wholly-owned subsidiary, Canada Can-Elite Energy Limited (“**Can-Elite**”) explores, develops and produces CBM in Anhui Province. Pursuant to the Production Sharing Contract (the “**PSC**”) entered into between Can-Elite and China United Coalbed Methane Corporation Limited (“**China United**”), a state-owned company specialised in CBM business established with the approval from the State Council of the People’s Republic of China, in which China National Offshore Oil Corporation holds 70% of its equity interest, Can-Elite can exploit the coalbed methane resources in a total exploration area of approximately 356.802 square kilometers, which was subsequently expanded to 567.843 square kilometers, located in Su’nan area, Anhui Province (the “**Contract Area**”; Su’nan Block and Luling Block) in the PRC, for a term of 30 years with effect from 1 April 2008. The profit sharing ratio between Can-Elite and China United is 70:30.

During the six months ended 30 June 2015 (the “**Period**”), to facilitate the development plans prepared by China United, Can-Elite conducted experimental design and research works on new drilling proposals. Preparatory works for testing of the pair of U-shaped horizontal wells have now been essentially accomplished (i.e. selection of site location, workforce and proposals), thus, drillings can be envisaged to begin in September. After adequate data is collected from experimental wells, Can-Elite will proceed into the tasks of formulating development plans, compiling feasibility reports, designing of works and seeking project approvals, so as to realise full production.



To achieve successful progress of the development, on 31 July 2015, the Group, through Can-Elite, entered into the Strategic Cooperation Framework Agreement on Sunan Coalbed Gas Integrated Development Project with Suzhou Municipal People's Government ("**Suzhou People's Government**"), pursuant to which, Suzhou People's Government shall support Can-Elite's expansion of its coalbed gas integrated development project and strengthen coordination of projects with external parties with a view to getting the project to be included under the state and provincial related energy development planning. In addition, it shall timely establish the project coordination entity; assist Can-Elite in executing the project construction conditions; and provide support and assistance in the areas of acquiring land for construction and environmental protection to create a sound investment and operating environment for Can-Elite.

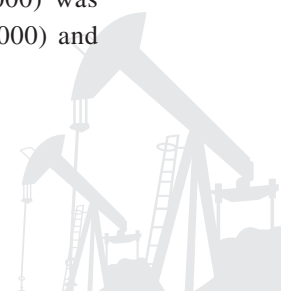
Simultaneously, to ensure the sales of gas yielded from the block are made in a timely and efficient manner, on 31 July 2015, Can-Elite also entered into the Investment Cooperation Agreement on Coalbed Gas Development and Utilisation Project with Suzhou Municipal Development and Reform Commission ("**Suzhou DRC**"), pursuant to which, Suzhou DRC has agreed and shall support Can-Elite's construction of a primary station and certain ancillary stations for coalbed gas filling within Suzhou and will actively assist Can-Elite in implementing site selection for project development and coordinating all relevant permit procedures for the processing and utilisation of coalbed gas produced from the exploration wells. Furthermore, the Group has initiated preliminary communications with several target customers and formed the intent to collaborate. Upon all permits and licences are in place, sales programme will be launched.

During the Period, the Group has deployed nine more exploration wells in Su'nan Block; all of which have finished fracturing operation and kicked off the process of drainage and collection. To date, there has been gas yield from four of them. At the same time, to facilitate the preparation of reserve report of the block where the nine wells are located, drilling of one parametric well was finished during the Period. Proven reserves across the area of 30 to 35 square kilometers within Su'nan Block are expected to be obtained through these ten wells. At present, the Group has entered into negotiation with China United and started the preparatory works for preparing reserve reports, the draft of which is targeted to be submitted by the end of this year. In addition, the exploration report on the 2D seismic survey carried out across an area of 110 square kilometers deep down in Su'nan Block is completed, which will provide data support for exploring further proven reserves in the area.

In late July 2015, executive directors and senior management of the Group reached out to Suzhou where the project is located, to visit the government and the relevant authorities. Meanwhile, on-site inspection was conducted and comments on next step of development were shared with the government officials.

As at the end of the Period, the Group drilled a total of 28 exploration wells, 7 of which have commenced production.

Under the exploration stage, the CBM business contributed about HK\$1,076,000 (2014: HK\$1,510,000) of the revenue in the Period. A loss of HK\$63,777,000 (2014: HK\$125,221,000) was recorded mainly resulting from the amortisation of PSC of HK\$53,834,000 (2014: HK\$53,189,000) and the imputed interest on convertible notes of HK\$33,295,000 (2014: HK\$40,868,000).



*Electronic Components Business*

In view of the slowdown of retail market in electronic components, the revenue generated from this segment dropped significantly to HK\$41,510,000, which represent a 40.63% decrease as compared to the corresponding period in 2014. The Group will regularly review the range of products distributed to confront with the increasingly difficult business environment so as to generate stable revenue and higher return.

*Treasury Business*

The treasury business includes securities trading and money lending business.

The Group adopts a prudent approach for all its investments with the view for short to medium term profit. The investment market sentiment has been rebound during the first half of the year. Taking advantage of the booming stock markets, the Group has invested surplus funds in certain securities listed in Hong Kong. As at 30 June 2015, the Group held an investment portfolio with market value of approximately HK\$106,796,000.

For the Period, a profit of HK\$50,643,000 (2014: loss of HK\$3,322,000) is recorded mainly due to the gain on disposal and net gain on revaluation of the financial assets at fair value through profit or loss. The management will monitor the stock markets closely and keep looking for opportunities of realising the investment gains.

The Group carries its money lending business by providing both corporate and personal loans that were secured or unsecured. Strict internal policy for granting and on-going review of the loan is established so as to ensure the business risk is manageable. Moreover, to meet the statutory requirements and to cope with the complexity of business environment, regular review and updates of internal policy is performed.

Due to the new countercyclical measures for property mortgage loans introduced by the Hong Kong Monetary Authority in February 2015 (i.e. to lower the maximum loan-to-value ratio by 10 percentage points), the demand for second mortgage will probably be increased and benefit the Group. For the Period, revenue generated from this segment (i.e. interest income) amounted to approximately HK\$140,000.

**Prospects**

Amongst all kinds of energy, natural gas is gaining popularity in the global market. In the future, demand for natural gas will be growing in the PRC; the tight supply and demand of natural gas will persist. Despite the slower economic growth in the PRC, the dropping of international crude oil and coal prices as well as the slowdown in growth of demand on natural gas which pose positive impacts on the balance of demand and supply, the external dependency of natural gas was improved. According to the statistical data published by the relevant authorities, the external dependency for 2014 was 32.4%, representing an increase of 1.2 percentage points when compared to that of the last year. Imported gas prices and the price difference to gasoline are factors of restraining the fall of non-resident natural gas price in the PRC.

The Central People's Government of the PRC is paying ever-more attention to the development and utilisation of CBM. In the PRC's "Report on the Work of the Government" for 2015, Premier Li Keqiang reiterated the need to vigorously develop shale gas and CBM. Government at all levels take supporting and encouraging measures in respect of policy planning, pricing and preferential tax treatment, ancillary facilities, etc. In order to resolve and control environmental pollution, especially the continued severe smog problem, the State Council of the PRC issued the "Air Pollution Prevention and Control Action Plan" stating clear policies and measures to strongly promote the use of clean energy, including natural gas, and to accelerate the implementation of "replacing coal by natural gas" project. The National Development and Reform Commission of the PRC and the National Energy Administration of the PRC formulate the "12th Five-Year Plan on Natural Gas Development". According to the "CBM Exploration and Development Action Plan" recently issued by the National Energy Administration of the PRC, by 2020: (i) the proven geological reserve of CBM in the PRC will be increased by one trillion cubic meters; (ii) the drainage and collection capacity for CBM (coal gas) will reach 40 billion cubic meters, with almost full utilisation of 20 billion cubic meters from above-ground reserve and an utilisation rate of over 60% for 20 billion cubic meters from coal gas drainage; and (iii) three to four industry bases for CBM industry will be constructed, and in key coal mining areas, coal mining and gas production will be conducted simultaneously. It is expected that in the next three to five years or even a longer period, the increase in demand for natural gas will accelerate especially in Eastern PRC and coastal region that are covered by the Contract Area. The demand for natural gas is the most prominent and features with strong pricing advantages.

For the above reason, the reasonable development and utilisation over the Contract Area can satisfy the increasing market demand for natural gas in the PRC, and at the same time bring a higher return to the Group.

In the second half of the year, the Group will continue accelerating the CBM projects with China United and strive to make breakthrough in key areas.

In respect of the exploration in Su'nán Block, focus will be put on the drilling of the additional proven reserves in certain areas, as well as to investigate the overall geological conditions and potential resources. To this end, the ten exploration wells and the parametric well in completion will be drawn on to prepare reserve reports as required in an attempt to extend the proven reserves coverage to an area of 30 to 50 square kilometers. After reviewing the first round of drilling, exploration and gas production, and considering the results of seismic exploration deep under Su'nán Block, the Group will decide on a new round of exploration well deployment with specific locations and designated quantities. The effective coal area within Su'nán Block will be larger than 200 square kilometers, representing more than nine times of the areas with proven reserves in Luling Block (23 square kilometers). As Su'nán Block is adjacent to Luling Block, the geological conditions are similar. The information gathered from drilling work has shown that the potential of natural gas resource in Su'nán Block is huge and worth expecting.

In respect of the development of Luling Block, as per the request from China United, new drilling methods will be tested prior to the preparation and submission of the development plan. Preparation of development plan will be commenced once the testing results are satisfactory. In the meantime, trial sales programme will be launched so as to solidify the foundation of mass sales of gas in the future. On the other hand, the Group will continue to fulfil its duties regarding the maintenance, repair, drainage, collection and safety functions for the existing drilling wells within the area.



In the coming years, the Group will continue to fulfill the duties as stipulated in the contract entered into with China United, and to transform exploration to commercial development and production in a well-organised manner so as to meet the profit target quickly.

Meanwhile, Can-Elite and Shenzhen Clouds Energy Technology Limited, another wholly-owned subsidiary of the Group, will further strengthen the scientific and technological innovation and the building of elite team to generate technological advantages in the industry.

At the same time, the Group will closely monitor the development of its treasury business and electronic components business for a reasonable application of the Group's resources to benefit the Group and its shareholders.

### **Proposed bonus issue of warrants**

On 4 September 2015, the Board proposed the bonus issue of warrants (the “**2015 Bonus Warrants**”) to the Shareholders whose names appear on the register of members of the Company on the record date for ascertaining the entitlements of Shareholders to the 2015 Bonus Warrants on the basis of one (1) 2015 Bonus Warrant for every five (5) Shares held on the record date.

Each 2015 Bonus Warrant will entitle the holder thereof to subscribe in cash for one new Share at an initial subscription price of HK\$0.091, subject to adjustment, at any time during the period which is expected to commence on the date of the issue of the 2015 Bonus Warrants and end on the date falling 12 months from the date of issue of the 2015 Bonus Warrants (both days inclusive). The bonus warrant issue is conditional upon, among other things, the approval by the Shareholders of the issue of 2015 Bonus Warrants and any new Shares at an extraordinary general meeting of the Company; and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the 2015 Bonus Warrants and any new Shares, details of which are set out in the announcement of the Company dated 4 September 2015.

**(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET  
TANGIBLE LIABILITIES OF THE GROUP**

The unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company (the “Unaudited Pro Forma Financial Information”) has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the Open Offer of 1,138,585,309 Offer Shares at HK\$0.168 per Offer Share on the basis of one (1) Offer Share for every four (4) Shares held on the Record Date on the unaudited consolidated net tangible liabilities of the Group as if the Open Offer had taken place on 30 June 2015.

The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only and, based on the judgements, estimates and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible liabilities of the Group attributable to owners of the Company upon completion of the Open Offer as at 30 June 2015 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2015, as extracted from the Company’s published 2015 interim report for the six months ended 30 June 2015, and is adjusted for the effect of the Open Offer.



	Unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2015 <i>HK\$'000</i>	Adjustment for intangible asset <i>HK\$'000</i>	Unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2015 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Open Offer <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company immediately after the completion of the Open Offer as at 30 June 2015 <i>HK\$'000</i> <i>(Note 3)</i>
Based on 1,138,585,309 Offer Shares at subscription price of HK\$0.168 per Offer Share	1,434,310	(2,530,781)	(1,096,471)	181,142	(915,329)
					<i>HK\$</i>
Unaudited consolidated net tangible liabilities of the Group per Share attributable to owners of the Company as at 30 June 2015 before completion of the Open Offer <i>(Note 4)</i>					(0.241)
Unaudited pro forma adjusted consolidated net tangible liabilities of the Group per Share attributable to owners of the Company immediately after completion of the Open Offer <i>(Note 5)</i>					(0.161)

*Notes:*

- (1) The unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company of HK\$1,096,471,000 as at 30 June 2015 is extracted from the unaudited consolidated statement of financial position of the Group as at 30 June 2015 included in the published interim report of the Company.
- (2) The estimated net proceeds from the Open Offer of approximately HK\$181,142,000, are based on 1,138,585,309 Offer Shares to be issued at the subscription price of HK\$0.168 per Offer Share and after deduction of the estimated related expenses, including among others, underwriting commission, arranger fee and other professional fees, which are directly attributable to the Open Offer, of approximately HK\$10,140,000.

- (3) The unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company immediately after the completion of the Open Offer represents the unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2015 plus the estimated net proceeds from the Open Offer as set out in Note 2 above.
- (4) The calculation of the unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company per Share as at 30 June 2015 before the completion of the Open Offer is determined based on the unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company of HK\$1,096,471,000 as discussed in Note 1 above and the 4,554,318,052 Shares of the Company as at 30 June 2015.
- (5) Unaudited pro forma adjusted consolidated net tangible liabilities of the Group per Share attributable to owners of the Company as at 30 June 2015 immediately after completion of the Open Offer is determined based on the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company immediately after completion of the Open Offer of approximately HK\$915,329,000 as discussed in Note 3 above, divided by 5,692,903,361 Shares which represents:
- (i) 4,554,318,052 Shares of the Company in issue as at 30 June 2015; and
  - (ii) 1,138,585,309 Offer Shares to be issued pursuant to the Open Offer.
- (6) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible liabilities to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2015.



**(B) REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF ADJUSTED  
CONSOLIDATED NET TANGIBLE LIABILITIES OF THE GROUP**

*The following is the text of a report, prepared for inclusion in this Prospectus, received from the independent reporting accountants of the Company, HLM CPA Limited, Certified Public Accountants, Hong Kong, in relation to the Group's unaudited pro forma financial information.*

**恒健會計師行有限公司**  
**HLM CPA LIMITED**  
**Certified Public Accountants**

Room 305, Arion Commercial Centre  
2-12 Queen's Road West, Hong Kong.  
香港皇后大道西 2-12 號聯發商業中心 305 室  
Tel 電話: (852) 3103 6980  
Fax 傳真: (852) 3104 0170  
Email 電郵: info@hlm.com.hk

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The Board of Directors  
International Standard Resources Holdings Limited  
Unit E, 29/F, Tower B  
Billion Centre  
No. 1 Wang Kwong Road  
Kowloon

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of International Standard Resources Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company (the "Director") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2015 and notes as set out in Appendix II of the prospectus issued by the Company dated 17 September 2015 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the open offer of 1,138,585,309 offer shares at HK\$0.168 per offer share on the basis of one offer share for every four shares held on the record date (the "Open Offer") on the Group's net tangible liabilities as at 30 June 2015 as if the Open Offer had taken place at 30 June 2015. As part of this process, information about the Group's net tangible liabilities has been extracted by the Directors from the Group's condensed consolidated financial statements for the six months ended 30 June 2015, on which a review report has been published.



**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" (the "AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

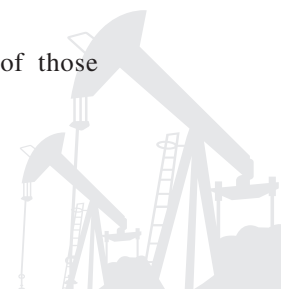
We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.



The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

**HLM CPA Limited**

*Certified Public Accountants*

**Ho Pak Tat**

Practising Certificate Number: P05215

Hong Kong

17 September 2015

## 1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

## 2. SHARE CAPITAL

The share capital of the Company as at the Latest Practicable Date and following completion of the Open Offer was and will be as follows:

### As at the Latest Practicable Date:

<i>Issued and fully paid share capital</i>	4,554,341,236 Shares
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### Upon completion of the Open Offer:

<i>Offer Shares to be issued</i>	1,138,585,309 Shares
----------------------------------	----------------------

<i>Shares in issue upon completion of the Open Offer</i>	5,692,926,545 Shares
--	----------------------

*Note:* Under the Companies Ordinance, with effect from 3 March 2014, the concept of authorised share capital no longer exists and the Shares no longer have a par or nominal value.

All the Shares in issue and to be issued rank and will rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Offer Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were outstanding Convertible Notes and Warrants which entitle the holders thereof to subscribe for 5,308,333,333 Shares and 390,615,589 Shares respectively.

Save for the outstanding Convertible Notes and Warrants, the Company had no other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date.



### 3. DISCLOSURE OF INTERESTS

#### Interests of Directors and chief executives

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

Name of Director/ Chief Executive	Capacity or Nature of Interests	Number of Shares	Number of underlying shares	Total	Approximate percentage of issued share capital of the Company
Albert Saychuan Cheok (Note 1)	Beneficial owner	550,000	73,333	623,333	0.01%
Lyu Guoping (Note 2)	Beneficial owner	500,000	16,666	516,666	0.01%

*Notes:*

1. Mr. Albert Saychuan Cheok is the chairman and an independent non-executive Director of the Company.
2. Mr. Lyu Guoping is the chief executive officer of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executives of the Company had or was deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or an employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### Substantial Shareholders

As at the Latest Practicable Date, so far as is known to, or can be ascertained after reasonable enquiry by any Directors or chief executive of the Company, the following persons had an interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, deemed to be interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Company and the amount of each of such persons' interests in such securities, together with particulars of any options in respect of such capital were as follows:

### Positions in the Shares and/or underlying shares of the Company

Name of Shareholder	Capacity or Nature of Interests	Number of Shares	Number of underlying shares	Total	Approximate percentage of issued share capital of the Company
Woode Investment Limited (Note 1)	Beneficial owner	996,049,583	88,362,166	1,084,411,749	23.81%
Leung Yuk Kit (Note 2)	Interest of controlled corporation	577,755,000	62,000,000	639,755,000	14.04%
Che Weng Kei (Note 3)	Beneficial owner and interest of controlled corporation	421,550,000	–	421,550,000	9.25%
New Alexander Limited (Note 4)	Beneficial owner	–	5,141,666,666	5,141,666,666	112.89 %

*Notes:*

1. Woode Investment Limited, which is formerly known as Smart Dragon Global Limited, is wholly-owned by Mr. Woody Yeung.
2. Ms. Leung Yuk Kit's interests are held through two of her wholly-owned companies, namely Good Max Holdings Limited and Kingston International Capital Limited.
3. Included 279,050,000 Shares held by Mr. Che Weng Kei's wholly-owned company, namely Fully Interest Limited.
4. New Alexander Limited is interested in the Convertible Notes in an aggregate outstanding principal amount of HK\$617,000,000 as at the Latest Practicable Date.



**Positions in the Shares and/or Offer Shares**

<b>Name of Shareholder</b>	<b>Capacity or Nature of Interests</b>	<b>Number of Shares</b>	<b>Approximate percentage of issued share capital of the Company (as enlarged by the issue of the Offer Shares)</b>
Ever-Long Securities Company Limited (Note 1)	Beneficial owner	641,001,112	11.25%
Ever-Long Holdings Limited (Notes 1 and 2)	Interest of controlled corporation	651,401,112	11.44%
Styland Holdings Limited (Notes 1 and 2)	Interest of controlled corporation	809,401,112	14.21%

*Notes:*

1. Ever-Long Securities Company Limited, one of the Underwriters, is wholly-owned by Ever-Long Holdings Limited which in turn is wholly-owned by Styland Holdings Limited.
2. Included Shares held by the subsidiaries of the respective shareholders.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executives of the Company) who had interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

**4. EXPERT AND CONSENT**

The following is the qualification of the expert who has given its advice or opinion which is contained in this Prospectus:

<b>Name</b>	<b>Qualification</b>
HLM CPA Limited	Certified Public Accountants

HLM CPA Limited has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its report as set out in this Prospectus and reference to its name in the form and context in which they appear respectively.

As at the Latest Practicable Date, HLM CPA Limited was not beneficially interested in the share capital of any member of the Company, did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company, or any interest, either direct or indirect, in any assets which had been since 30 June 2015 (being the date to which the latest published financial statements of the Company were made up) acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to the Company.

#### **5. MATERIAL LITIGATION**

As at the Latest Practicable Date, the Group had escrow monies in the sum of HK\$85,000,000 placed at a firm of solicitors in Hong Kong, K&L Gates, as an escrow agent of the Group. Despite the repeated requests served to K&L Gates for the release of the escrow monies, the Group had not received the escrow monies. It was reported that a partner in K&L Gates was arrested by the Hong Kong police and charged with theft and forgery with respect to escrow monies held in escrow accounts; the case was concluded in the Court of First Instance when the partner pleaded guilty and was sentenced to 12 years' imprisonment. The Group has instituted legal proceedings against K&L Gates, claiming for the return of the escrow monies.

As at the Latest Practicable Date, save as disclosed above, so far as known to the Directors, there is no litigation, arbitration or claim of material importance in which the Company is engaged or pending or threatened against the Company.

#### **6. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

#### **7. MATERIAL CONTRACTS**

During the two years immediately preceding the date of this Prospectus, the following contracts, not being contracts entered into in the ordinary course of business, have been entered by the Company and are or may be material:

- (a) the placing agreement dated 12 November 2014 entered into between the Company and GEO Securities Limited in relation to the placing of the three-year 6.0% coupon unlisted bonds to be issued by the Company in an aggregate principal amount of up to HK\$100,000,000;
- (b) the placing agreement dated 12 November 2014 entered into between the Company and GEO Securities Limited in relation to the placing of the five-year 7.0% coupon unlisted bonds to be issued by the Company in an aggregate principal amount of up to HK\$100,000,000;
- (c) the convertible notes restructuring agreement dated 5 February 2015 entered into between the Company and New Alexander Limited in connection with the restructuring of the convertible notes due 31 December 2015 in the outstanding principal amount of HK\$637,000,000 issued by the Company;
- (d) the arranger agreement dated 30 July 2015 entered into between the Company and Ever-Long relating to the Open Offer; and
- (e) the Underwriting Agreement.



## 8. PARTICULARS OF DIRECTORS

(i) Name	Address
<i>Executive Directors:</i>	
Mr. Cheng Wai Keung	Unit E, 29/F., Tower B Billion Centre No. 1 Wang Kwong Road Kowloon
Mr. Tam Tak Wah	Unit E, 29/F., Tower B Billion Centre No. 1 Wang Kwong Road Kowloon
Ms. Tsang Ching Man	Unit E, 29/F., Tower B Billion Centre No. 1 Wang Kwong Road Kowloon
<i>Independent non-executive Directors:</i>	
Mr. Chan Tsz Kit	Unit E, 29/F., Tower B Billion Centre No. 1 Wang Kwong Road Kowloon
Mr. Chan Yim Por Bonnie	Unit E, 29/F., Tower B Billion Centre No. 1 Wang Kwong Road Kowloon
Mr. Albert Saychuan Cheok	Unit E, 29/F., Tower B Billion Centre No. 1 Wang Kwong Road Kowloon
Mr. Wang Li	Unit E, 29/F., Tower B Billion Centre No. 1 Wang Kwong Road Kowloon



**(ii) Biographical Details of Directors****Executive Directors**

**Mr. Cheng Wai Keung**, aged 50, was appointed as an executive director of the Company in November 2010. He obtained a bachelor's degree in business administration from Hong Kong Baptist University in the early 1990's. Mr. Cheng has over 20 years of experience in Hong Kong financial market. He has extensive experience in investment and securities dealing and held senior positions in sales and marketing of various financial institutions in Hong Kong. Mr. Cheng has been appointed as the public relations manager of the Company since May 2010. He is currently an executive director of Grand Peace Group Holdings Limited, the securities of which are listed on the GEM Board of The Stock Exchange of Hong Kong Limited.

**Mr. Tam Tak Wah**, aged 50, was appointed as an executive director and the corporate development director of the Company in September 2009. Mr. Tam is also the authorised representative of the Company. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants of the United Kingdom. He is appointed to membership of Disciplinary Panel of the Hong Kong Institute of Certified Public Accountants for the period from February 2014 to January 2016. Mr. Tam has over 25 years of experience in accounting, corporate finance and corporate development. He is currently an executive director of Mission Capital Holdings Limited, an independent non-executive director of Tech Pro Technology Development Limited and China For You Group Company Limited and is a non-executive director of Kingbo Strike Limited, all of these companies are listed on the main board of The Stock Exchange of Hong Kong Limited. He was an independent non-executive director of Siberian Mining Group Company Limited, a company listed on the main board of The Stock Exchange of Hong Kong Limited during the period from 11 June 2007 to 18 February 2014 and Goldenway, Inc, a company the common stock of which were traded in the OTCQB of the United States of America during the period from 30 September 2011 to 16 August 2013.

**Ms. Tsang Ching Man**, aged 35, was appointed as an executive director of the Company in August 2009. She is also the company secretary, the authorised representative and the chief financial officer of the Company. Ms. Tsang obtained a Bachelor of Business Administration (Hons) degree in Accountancy from City University of Hong Kong in 2004. She is a member of the Hong Kong Institute of Certified Public Accountants. Ms. Tsang started her career in July 2004 mainly involved in audit assignment in audit firms.



**Independent non-executive Directors**

**Mr. Chan Tsz Kit**, aged 39, was appointed as an independent non-executive director of the Company in September 2009. He is also the chairman and a member of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee of the Company. Mr. Chan is a Certified Public Accountant in Hong Kong. He has over ten years of working experience in public accounting and over five years of experience in providing professional services to listed companies in the United States of America. Mr. Chan was a partner in a CPA firm, Albert Wong & Co., from 2007 to 2010. He is currently the chief financial officer of a company listed on the NASDAQ Exchange in the United States of America.

**Mr. Chan Yim Por Bonnie**, aged 49, was appointed as an independent non-executive director of the Company in July 2011. He is also the chairman and a member of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee of the Company. Mr. Chan is a solicitor and notary public (practicing) in Hong Kong who was admitted as a solicitor in Hong Kong in 1991 and in England and Wales in 1992. He is currently a member of The Law Society of Hong Kong as well as the Hong Kong Society of Notaries. Mr. Chan obtained a Bachelor's Degree of Laws in 1988 and a Master's Degree of Laws in 1993 and has been practicing as a solicitor in the commercial field in Hong Kong since 1991. He established his own firm, Messrs. Yeung & Chan, Solicitors in 1996 and is now a senior partner of the firm. He has been a part time lecturer and tutor of the Postgraduate Certificate in Laws in The University of Hong Kong since 2002 and was admitted as an adjunct lecturer of the HKU School of Professional and Continuing Education in 2009.

**Mr. Albert Saychuan Cheok**, aged 65, was appointed as chairman and independent non-executive director of the Company in July 2013. He is also the chairman and a member of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee of the Company. Mr. Cheok graduated from the University of Adelaide, Australia, with a First Class Honours degree in Economics. He is a Fellow of the Australian Society of Certified Public Accountants and is a banker with over 40 years of experience in banking in the Asia-Pacific region, particularly in Australia, Hong Kong and Malaysia. He was the chairman of Bangkok Bank Berhad in Malaysia for the period from September 1995 to November 2005 and was formerly the Deputy Commissioner of Banking of Hong Kong and an executive director in charge of Banking Supervision at the Hong Kong Monetary Authority. Mr. Cheok is currently a member of the Board of Governors of the Malaysian Institute of Corporate Governance in Malaysia.

Mr. Cheok is the chairman and independent non-executive director of AcrossAsia Limited and an independent non-executive director of Hongkong Chinese Limited and China Aircraft Leasing Group Holdings Limited, all of which are listed on The Stock Exchange of Hong Kong Limited. He is the independent non-executive chairman of Auric Pacific Group Limited and Amplefield Limited, both of which are listed on Singapore Exchange Securities Trading Limited (“SGX”). He is also the independent non-executive chairman of Bowsprit Capital Corporation Limited, the manager of First Real Estate Investment Trust which is a healthcare real estate investment trust listed on the SGX and LMIRT Management Limited, the manager of Lippo Malls Indonesia Retail Trust which is a real estate investment trust listed on the SGX. Mr. Cheok is an independent non-executive director of Adavale Resources Limited, a coal exploration company listed on the Australian Securities Exchange. He was formerly the independent non-executive chairman of Creative Master Bermuda Limited, which was listed on the SGX, from May to September 2011, the vice chairman of Export and Industry Bank, Inc., which is listed on The Philippine Stock Exchange, from February 2006 to April 2012, and an independent non-executive director of Metal Reclamation Berhad, a public listed company in Malaysia, from May 1998 to July 2015.

**Mr. Wang Li**, aged 33, was appointed as an independent non-executive director of the Company in September 2009. He is also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Wang obtained a Bachelor of Economics degree from Peking University in 2005 and a Master in Finance degree from the University of St. Andrews, United Kingdom in 2008. He was a research assistant of Skyone Securities Company Limited, a trust manager of Citic Trust Company Limited and a senior manager of Hongyuan Huizhi Investment Company Limited. Mr. Wang is currently a manager of China Resources SZITIC Trust Company Limited.



## 9. PARTIES INVOLVED IN THE OPEN OFFER AND CORPORATE INFORMATION

<b>Registered office/principal place of business in Hong Kong</b>	Unit E, 29/F., Tower B Billion Centre No. 1 Wang Kwong Road Kowloon
<b>Authorised representatives</b>	Ms. Tsang Ching Man Unit E, 29/F., Tower B Billion Centre No. 1 Wang Kwong Road Kowloon  Mr. Tam Tak Wah Unit E, 29/F., Tower B Billion Centre No. 1 Wang Kwong Road Kowloon
<b>Company secretary</b>	Ms. Tsang Ching Man A member of the Hong Kong Institute of Certified Public Accountants
<b>Auditors</b>	HLM CPA Limited <i>Certified Public Accountants</i> Room 305, Arion Commercial Centre 2-12 Queen's Road West Hong Kong
<b>Underwriters</b>	Chief Securities Limited 14/F., Man Yee Building 68 Des Voeux Road Central, Hong Kong  Emperor Securities Limited 23/F. and 24/F., Emperor Group Centre 288 Hennessy Road, Wanchai, Hong Kong  Ever-Long Securities Company Limited 18/F., Dah Sing Life Building 99-105 Des Voeux Road Central, Hong Kong  Octal Capital Limited 801-805, 8/F., Nan Fung Tower 88 Connaught Road Central, Hong Kong

**Legal Advisers**

On Hong Kong Law:  
TC & Co.  
Unit 2201-3, 22nd Floor  
Tai Tung Building  
8 Fleming Road  
Wanchai  
Hong Kong

**Principal Bankers**

DBS Bank (Hong Kong) Limited  
16/F., The Center  
99 Queen's Road Central, Hong Kong

The Bank of East Asia, Limited  
10 Des Voeux Road Central  
Hong Kong

**Share Registrar**

Tricor Standard Limited  
Level 22, Hopewell Centre  
183 Queen's Road East, Hong Kong

**10. EXPENSES**

The estimated expenses in connection with the Open Offer (including but not limited to the underwriting commission, arranger fee, printing, registration, translation, legal and accounting charges) are approximately HK\$10.14 million and are payable by the Company.

**11. MISCELLANEOUS**

- (a) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired by, disposed of or leased to or which are proposed to be acquired by, disposed of or leased to the Company since 31 December 2014, being the date to which the latest published audited accounts of the Company were made up.
- (b) As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company.

The English text of this Prospectus shall prevail over the Chinese text in the case of inconsistency.

**12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

A copy of each of the Prospectus Documents and the consent letter as referred to under the section headed "Expert and Consent" in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.



**13. LEGAL EFFECT**

The Prospectus Documents and all acceptance of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all person concerned bound by the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**14. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours (Saturdays and public holidays excepted) at Unit E, 29/F., Tower B, Billion Centre, No. 1 Wang Kwong Road, Kowloon from the date of this Prospectus up to and including 5 October 2015:

- (a) the articles of association of the Company;
- (b) the report issued by HLM CPA Limited in connection with the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group as set out in Appendix II to this Prospectus;
- (c) the annual reports of the Company for the years ended 31 December 2013 and 31 December 2014;
- (d) the material contracts as referred to in the section headed “Material Contracts” of Appendix III to this Prospectus;
- (e) the written consent referred to in the section headed “Expert and Consent” of Appendix III to this Prospectus; and
- (f) this Prospectus.