



**Coolpoint Energy Limited**

(incorporated in the Cayman Islands with limited liability)

(Stock Code 8032)

SECOND INTERIM REPORT 2009

## CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

# Management Discussion and Analysis

We are glad to announce the completion of acquisition of Coolpoint Ventilation HK Limited, which will broaden the Company's income stream in the future.

Due to competitive market of both traditional Chinese medicine health supplement and western medicine, the Group has been looking into other opportunities exploring more investments to offer sustainable growth to its business. On 20 August 2009, the Group had completed the Acquisition of Coolpoint Ventilation HK Limited, which is expected to allow the Company to engage in business for manufacturing energy-saving equipment and distribution of such equipment. The Directors are of the view that the energy-saving equipment is of considerable development potential and will be the Group's main sources of income in the future. The Directors also expect that the energy-saving equipment will receive positive response upon massive launch in the market.

The Directors will maintain the traditional Chinese medicine and western medicine business as a secondary income stream.

## FINANCIAL REVIEW

### *Segment Information*

For the twelve months ended 31 July 2009 (the "Second Interim Period"), the Group recorded a turnover of HK\$9.74 million, of which HK\$0.99 million was contributed from sales of nutraceutical Chinese herbal products and HK\$8.75 million from sales of western generic medicine in the PRC. The Group incurred loss of approximately HK\$36.32 million.

For the Second Interim Period, the Group's revenue from sales of western medicine was increased by 17.90% due to the expanded sales network in the PRC. However, overall revenue was decreased by 17.48% as the Group's sales from herbal products dropped by 77.43% due to the competitive market. Selling, administrative and other operating expenses decreased by approximately 37.23% mainly because of more stringent controls in this area.

Loss attributable to equity holders of the Company for three months ended 31 July 2009 (the "Quarterly Period") and Second Interim Period were HK\$23.39 million and HK\$36.32 million, as compared to the loss attributable to equity holders of the Company of HK\$13.62 million and HK\$30.52 million for the three months and twelve months ended 31 July 2008. During the Second Interim Period, approximate loss of HK\$27.92 million was attributable from the operation of the pharmaceutical plant.

## *Other Financial Information*

Details of disposals and acquisition of subsidiaries and affiliated companies during the Second Interim Period and up to the date of the Second Interim Report are set out in note 16 and 20 respectively.

Except for certain unlisted securities, no significant investments were held by the Group during the period.

The Group did not have any borrowing as at 31 July 2009 (2008: HK\$9.09 million), the gearing ratio therefore was not applicable (2008: 9.98%). The current ratio of the Group was 98.07 as at the period end compared to 0.50 as at 31 July 2008. On 31 July 2009, the Group maintained a cash and cash equivalents of approximately HK\$64.54 million (31 July 2008: HK\$0.23 million).

Major currencies used for the Group's transactions were Hong Kong dollars and Renminbi. As the fiscal policy of the PRC government in relation to Renminbi is stable throughout the years, there was no significant currency exposure.

Upon the completion of the Disposal, the Group has minimized operating costs as there were no other significant capital commitments as at the period end.

The Group employed 9 full time employees as at 31 July 2009 (31 July 2008: 75). Remuneration of the staff comprised of monthly salary, provident fund contributions, medical claims, education allowances and discretionary options issued based on their contribution to the Group. Staff costs including Directors' remuneration for the period under review amounted to HK\$3.23 million (twelve months ended 31 July 2008: HK\$12.1 million).

Overall, the net assets of the Group were approximately HK\$71.07 million equivalent to approximately HK\$0.03 per share.

## BUSINESS REVIEW

The Directors had successfully engaged the company into a new era of eco-friendly products. On 20 August 2009, acquisition of Coolpoint HK Ventilation Limited was completed.

Completion of the disposal agreement on 17 July 2009 had increased our efficiency in operating the Company, which in the future will enable us to better utilize our assets. Expenses on land tax of the factory in PRC were significantly reduced and reduction of number of staff has significantly lowered our fixed cost.

## FUTURE PLANS AND DEVELOPMENT

We target to increase the profitability of our company by:

- Registering patents and trademarks for our energy-saving products around the world;
- Seeking support from local government;
- Seeking partnership with district's distributors;
- Expanding our sale team in HK and PRC;
- Expanding our factory to increase the production capability; and
- Enhancing our research and development team on eco-friendly area

We are committed to become one of the world leaders for eco-friendly products and technology in the coming years.

# UNAUDITED CONSOLIDATED RESULTS

The Board of Directors (the "Board") of Coolpoint Energy Limited (formerly known as GreaterChina Technology Group Limited) (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the periods from 1 May 2009 to 31 July 2009 (the "Quarterly Period") and from 1 August 2008 to 31 July 2009 (the "Second Interim Period") together with the comparative unaudited consolidated results for the corresponding periods in 2008 as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Notes	For the three months ended 31 July		For the twelve months ended 31 July	
		2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Audited) HK\$'000
Turnover		1,250	3,606	9,736	11,799
Cost of sales	3	(885)	(2,480)	(5,350)	(5,900)
Gross profit		365	1,126	4,386	5,899
Other revenue	3	110	50	779	73
Other gains/(losses)	3	27	826	(845)	(1,115)
Impairment loss on intangible assets		(1,282)	(430)	(1,282)	(430)
Impairment loss on property and land use rights		(28,296)	–	(28,296)	–
Impairment loss on construction in progress		–	(4,000)	–	(4,000)
Impairment loss on available-for-sale investments		(194)	–	(194)	–
Loss on disposal of subsidiaries	16	(2,919)	–	(2,919)	–
Release of translation reserve upon disposals of subsidiaries		12,589	–	12,589	–
Selling, administrative and other operating expenses		(3,328)	(11,018)	(19,151)	(30,509)
Loss from operation	5	(22,928)	(13,446)	(34,933)	(30,082)
Finance costs		(460)	(176)	(1,385)	(439)
Loss before taxation		(23,388)	(13,622)	(36,318)	(30,521)
Taxation	6	–	–	–	–
Loss for the period		(23,388)	(13,622)	(36,318)	(30,521)
Attributable to:					
Equity holders of the Company		(23,388)	(13,622)	(36,318)	(30,521)
Loss per share	7				
Basis (HK cents)		(1.14)	(0.67)	(1.78)	(1.49)
Diluted (HK cents)		(1.13)	(0.66)	N/A	N/A

The accompanying notes forms part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

		At 31 July 2009 (Unaudited) HK\$'000	At 31 July 2008 (Audited) HK\$'000
	Notes		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	1	52,014
Land use rights	9	–	29,225
Intangible assets	10	–	1,797
Available-for-sale investment	11	–	194
		<hr/>	
		1	83,230
		<hr/>	
<b>Current assets</b>			
Inventories		1,266	3,774
Trade receivables	12	91	2,310
Other receivables, deposits and prepayments	13	898	1,122
Deposits for acquisition of subsidiaries		5,000	–
Held-to-maturity securities	11	–	394
Cash and cash equivalent		64,544	230
		<hr/>	
		71,799	7,830
		<hr/>	
<b>Current liabilities</b>			
Trade payables	14	–	712
Other payables and accruals		732	3,813
Receipts in advance		–	1,398
Other tax payables		–	646
Interest-bearing bank borrowings	15	–	5,704
Due to ultimate holding company	18(a)	–	977
Directors' loan	18(b)	–	2,167
Obligations under a finance leases		–	179
		<hr/>	
		732	15,596
		<hr/>	
<b>Net current assets/(liabilities)</b>		<b>71,067</b>	<b>(7,766)</b>
		<hr/>	
<b>Total assets less current liabilities</b>		<b>71,068</b>	<b>75,464</b>
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## CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED) (CON'T)

		At 31 July 2009 (Unaudited) <i>HK\$'000</i>	At 31 July 2008 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
<b>Non-current liabilities</b>			
Obligation under finance leases		–	63
<b>Net assets</b>		<b>71,068</b>	75,401
<b>EQUITY</b>			
Share capital	17	23,427	20,427
Reserves		47,641	54,974
<b>Equity attributable to equity holders of the Company</b>		<b>71,068</b>	75,401

The accompany notes forms part of these condensed consolidated financial statements.



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the twelve months ended 31 July 2009

	Issued share capital HK\$'000	Share premium HK\$'000	Share-based payment reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance at 31 July 2007	20,389	399,095	97	6,345	(331,357)	94,569
Exchange difference arising on translation of overseas operations	-	-	-	6,645	-	6,645
Loss for the period	-	-	-	-	(30,521)	(30,521)
<b>Total recognized income and expenses for the year</b>	-	-	-	6,645	(30,521)	(23,876)
Recognition of equity-settled share-based payment	-	-	4,526	-	-	4,526
Cancellation of share options	-	-	(85)	-	85	-
Exercise of share options	38	156	(12)	-	-	182
Balance at 31 July 2008	20,427	399,251	4,526	12,990	(361,793)	75,401
Exchange difference arising on translation of overseas operations	-	-	-	(401)	-	(401)
Release of translation reserve upon disposal of subsidiaries	-	-	-	(12,589)	-	(12,589)
Loss for the period	-	-	-	-	(36,318)	(36,318)
<b>Total recognized income and expenses for the year</b>	-	-	-	(12,990)	(36,318)	(49,308)
Cancellation of share options	-	-	(36)	-	36	-
Issue of shares	3,000	41,975	-	-	-	44,975
Balance at 31 July 2009	23,427	441,226	4,490	-	(398,075)	71,068

The accompany notes forms part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the twelve months ended 31 July 2009

	For the twelve months ended 31 July	
	2009 (Unaudited) HK\$'000	2008 (Audited) HK\$'000
Net cash used in operating activities	(9,188)	(7,398)
Net cash generated from/(used in) investing activities	37,616	(8)
Net cash generated from financing activities	35,885	3,178
Increase/(decrease) in cash and cash equivalent	64,313	(4,228)
Cash and cash equivalents at beginning of period	230	4,384
Effect of foreign exchange rate changes	1	74
Cash and cash equivalents at end of period	64,544	230

The accompany notes form part of these condensed consolidated financial statements.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (1998 Revision) of the Cayman Islands. The Company's shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of the Group are trading of Chinese herbal products, provision of portal development and information technology advisory services and consultation services, and manufacture and sale of western medicine.

## 2. BASIS OF PREPARATION

The condensed unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of GEM listing Rules. They have been prepared under the historical cost convention, as modified for certain financial instruments which are carried at fair value, as appropriate.

In preparing these financial statements, the Directors are aware of the loss of approximately HK\$36,318,000 for the twelve months ended 31 July 2009 and accumulated losses of approximately HK\$398,075,000 as at 31 July 2009. The Directors have prepared these financial statements on the assumption that the Group will continue as a going concern by taking into consideration that the holding company of the Group has agreed to provide adequate financial support to the Group to enable it to meet all its financial obligations as they fall due in the foreseeable future.

The accounting policies and methods of computation used in the preparation of these unaudited consolidated financial statements are consistent with those adopted in preparing the annual audited financial statements for the year ended 31 July 2008.

## 3. TURNOVER, OTHER REVENUE AND OTHER GAINS/(LOSSES)

	For the three months ended 31 July		For the twelve months ended 31 July	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Audited) HK\$'000
<b>Turnover</b>				
Sales	1,250	3,606	9,736	11,798
Rendering of services	-	-	-	1
	<b>1,250</b>	<b>3,606</b>	<b>9,736</b>	<b>11,799</b>
<b>Other revenue</b>				
Interest income	1	1	1	24
Others	109	49	778	49
	<b>110</b>	<b>50</b>	<b>779</b>	<b>73</b>
<b>Other gains/(losses)</b>				
Impairment loss on held-to-maturity securities	-	-	-	(386)
Gain/(loss) on disposal of property, plant and equipment	58	-	58	(3)
Loss on deregistration of subsidiaries	(43)	(4)	(43)	(4)
Gain/(loss) on disposal of held-to-maturity securities	-	(25)	(125)	15
Write off of construction in progress	-	-	-	(437)
Write back of other payables	-	855	-	855
Write off of inventory	(21)	-	(340)	-
Write off of property, plant and equipment	-	-	(395)	-
Professional fees on general offer	-	-	-	(1,155)
Others	33	-	-	-
	<b>27</b>	<b>826</b>	<b>(845)</b>	<b>(1,115)</b>

#### 4. SEGMENT INFORMATION

Segment information is presented by way of primary segment reporting basis, by business segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the herbal products segment engages in the trading of Chinese herbal products;
- (b) the advisory services segment engages in the provision of portal development and information technology advisory services and consultation services; and
- (c) the western medicine products segment engages in the manufacture and sale of western medicine products.

#### 4. SEGMENT INFORMATION (CON'T)

##### Business segments

The following table presents revenue and results for the Group's business segments for the period:

	Herbal products		Advisory services		Western medicine products		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008
	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000
<b>Segment Revenue*</b>								
Turnover	988	4,378	-	1	8,748	7,420	9,736	11,799
<b>Segment Results</b>	<b>(1,393)</b>	<b>(5,718)</b>	<b>-</b>	<b>(1)</b>	<b>(8,016)</b>	<b>(8,124)</b>	<b>(9,409)</b>	<b>(13,843)</b>
Loss on disposal of subsidiaries	-	-	-	-	(2,919)	-	(2,919)	-
Impairment loss on intangible assets	-	-	-	-	(1,282)	(430)	(1,282)	(430)
Impairment loss on property and land use rights	-	-	-	-	(28,296)	-	(28,296)	-
Release of translation reserve upon disposals of subsidiaries	-	-	-	-	12,589	-	12,589	-
Impairment loss on construction-in progress	-	-	-	-	-	(4,000)	-	(4,000)
Impairment loss on available-for-sale investment	-	-	-	-	-	-	(194)	-
Unallocated corporate expenses							(5,422)	(11,809)
Loss from operation							(34,933)	(30,082)
Finance costs							(1,385)	(439)
Loss before taxation							(36,318)	(30,521)
Taxation							-	-
Loss for the period							(36,318)	(30,521)

\* There were no inter-segment sales

## 5. LOSS FROM OPERATION

The Group's loss from operation is arrived at after charging/(crediting):

	For the three months ended 31 July		For the twelve months ended 31 July	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Audited) HK\$'000
Depreciation of property, plant and equipment	1,405	1,678	5,431	6,286
Amortisation of intangible assets	86	195	470	677
Amortisation of land use rights	119	204	654	681
Research and development costs	-	17	-	24
Bad debts written off	-	95	-	95
Provision for slowing inventories	-	422	-	524
Net foreign exchange gains	(33)	(227)	(12)	(931)
Minimum lease payments under operating leases in respect of land and buildings	4	498	732	1,740
Auditors' remuneration	-	520	-	520
Staff costs (including directors' remuneration):				
– Salaries and other benefits	560	1,153	2,892	7,211
– Share-based payment	-	4,526	-	4,526
– Pension scheme contributions	90	103	331	363
	650	5,782	3,233	12,100

## 6. TAXATION

No provision for Hong Kong profits tax has been made as the Group had no assessable profits for the twelve months ended 31 July 2009 (2008: Nil). No provision for PRC enterprise income tax has been made as the PRC subsidiary incurred a loss for the twelve months ended 31 July 2009 (2008: Nil).

There was no significant unprovided deferred taxation as at 31 July 2009.

## 7. LOSS PER SHARE

The calculation of basic loss per share are based on the loss attributable to equity holders for the Quarterly Period and Second Interim Period of approximately HK\$23,388,000 and approximately HK\$36,318,000 respectively and on the weighted average number of shares of approximately 2,045,956,460 and approximately 2,043,517,508 in issue during the periods.

The calculation of basic loss per share in the comparative periods are based on the net loss attributable to equity holders for the three months and twelve months ended 31 July 2008 of approximately HK\$13,622,000 and approximately HK\$30,521,000 respectively and on the weighted average number of shares of 2,040,470,013 and 2,042,695,590 in issue during the three months and twelve months ended 31 July 2008.

The calculation of diluted loss per share for the three months ended 31 July 2009 and 31 July 2008 are based on the net loss attributable to equity holders of approximately HK\$23,388,000 and approximately HK\$13,622,000 respectively and on the weighted average number of shares for the purposes of calculating diluted loss per share of 2,067,649,409 and 2,054,334,975 in issue during the three months ended 31 July 2009 and 31 July 2008.

Diluted loss per share amount for the twelve months ended 31 July 2009 and 2008 has not been disclosed as the share options outstanding during those periods had an anti-dilutive effect on the diluted loss per share for those periods.

## 8. PROPERTY, PLANT AND EQUIPMENT

During the twelve months ended 31 July 2009, disposal of fixed assets and write off of fixed assets amounted to approximately HK\$58,000 and approximately HK\$395,000 at net book value. Addition to fixed assets amounted to approximately HK\$18,000 during the period.

## 9. LAND USE RIGHTS

The land use rights are valid for a period of 50 years from 1999 and situated in the PRC. At 31 July 2008, part of the land use rights of the Group with a net book value of approximately HK\$12.1 million were pledged to bank to secure the bank loans (note 15).

No land use rights held by the Group was pledged to bank for bank loan as at 31 July 2009.

## 10. INTANGIBLE ASSETS

The intangible assets represent traditional Chinese medicine formulae, certain protocols for herbal medicine and licences for western medicine acquired by the Group.



**11. INVESTMENT IN SECURITIES**

	<b>31 July 2009</b> <b>(Unaudited)</b> <i>HK\$'000</i>	31 July 2008 (Audited) <i>HK\$'000</i>
<b>Held-to-maturity security</b>		
Unlisted debts security at fair value	–	780
Less: Impairment loss	–	(386)
	<hr/>	<hr/>
	–	394
<hr/>		
<b>Available-for-sale investment</b>		
Unlisted securities at fair value	<b>194</b>	194
Less: Impairment loss	<b>(194)</b>	–
	<hr/>	<hr/>
	–	194
	<hr/>	<hr/>

During the twelve months ended 31 July 2008, the Group assessed the carrying amount of its investment in held-to-maturity security and available-for-sale investment and determined to recognise an impairment loss of approximately HK\$194,000 to reflect the estimated fair value of the securities (2008: HK\$386,000).

**12. TRADE RECEIVABLES**

The Group allows an average credit period of 60 to 90 days to its trade customers. An aged analysis of the trade receivables as at the balance sheet date, based on invoice date, and net of provisions was as follows:

	<b>31 July 2009</b> <b>(Unaudited)</b> <i>HK\$'000</i>	31 July 2008 (Audited) <i>HK\$'000</i>
0 – 60 days	<b>27</b>	1,570
61 – 90 days	–	116
Over 90 days	<b>64</b>	624
	<hr/>	<hr/>
	<b>91</b>	2,310
	<hr/>	<hr/>

**13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	<b>31 July 2009</b> <b>(Unaudited)</b> <i>HK\$'000</i>	31 July 2008 (Audited) <i>HK\$'000</i>
Other receivables	451	217
Utility and other deposits	349	838
Prepayments	98	67
	<hr/>	
	<b>898</b>	<b>1,122</b>
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**14. TRADE PAYABLES**

As at 31 July 2009, the aged analysis of trade payables was as follows:

	<b>31 July 2009</b> <b>(Unaudited)</b> <i>HK\$'000</i>	31 July 2008 (Audited) <i>HK\$'000</i>
0 – 60 days	–	188
61 – 90 days	–	52
Over 90 days	–	472
	<hr/>	
	<b>–</b>	<b>712</b>
	<hr/> <hr/>	

**15. INTEREST-BEARING BANK BORROWINGS**

As at 31 July 2009, no land use rights was pledged to bank for bank loan as mentioned in note 9. As at 31 July 2008, the bank loans are secured by certain buildings and part of the land use rights of the Group with a total net book value of approximately HK\$32,438,000.

	<b>31 July 2009</b> <b>(Unaudited)</b> <i>HK\$'000</i>	31 July 2008 (Audited) <i>HK\$'000</i>
Within one year	–	5,704
In the second year	–	–
	<hr/>	
Bank loans – secured	<b>–</b>	<b>5,704</b>
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## 16. DISPOSAL OF SUBSIDIARIES

Power Essence Limited (“Power Essence”), a wholly-owned subsidiary of the Company holding the entire beneficial equity interest in Guangdong Richtungen Pharmaceutical Co., Ltd (“Richtungen”), entered into a conditional disposal agreement with a third party, which became effective on 23 April 2009, pursuant to which Power Essence conditionally agreed to sell and the third party conditionally agreed to acquire the disposal assets, being the entire equity interest in Golden Unit Limited, which owns 100% interest of Richtungen, and the shareholder’s loan, for a net consideration of HK\$44 million inclusive of the amount for repayment of HK\$6 million. It is also agreed by both parties that the third party will lease back the manufacturing plant erected on the land and machineries of Richtungen to the Group for a term of three years with six-month notice period for termination by either contractual parties. The disposal constitutes a very substantial disposal of the Company under the GEM Listing Rules and has been completed on 17 July 2009.

The net assets of the subsidiaries disposed were as follows:

	<i>HK\$'000</i>
Property, plant and equipment	27,081
Land use rights	18,806
Intangible assets	33
Inventories	2,277
Trade receivables	642
Other receivables, deposits and prepayment	83
Cash and cash equivalent	489
Trade payables	(1,224)
Other payables and accruals	(1,027)
Receipts in advance	(901)
Other tax payable	(216)
	<hr/>
	46,043
Loss on disposal	(2,919)
	<hr/>
Total consideration	43,124
	<hr/>
<b>Satisfied by:</b>	
Cash consideration, net of transaction costs	43,124
	<hr/> <hr/>
<b>Net cash inflow arising on disposal:</b>	
Cash consideration	43,124
Bank balances and cash disposed of	(489)
	<hr/>
	42,635
	<hr/> <hr/>

**17. SHARE CAPITAL**

	<b>31 July 2009</b> <b>(Unaudited)</b> <i>HK\$'000</i>	31 July 2008 (Audited) <i>HK\$'000</i>
Authorised:		
5,000,000,000 ordinary shares of HK\$0.01 each	<b>50,000</b>	50,000
Issued and fully paid:		
2,342,695,590 ordinary shares of HK\$0.01 each (2008: 2,042,695,590 ordinary shares)	<b>23,427</b>	20,427

**18. MATERIAL RELATED PARTIES TRANSACTIONS**

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties, other than those disclosed elsewhere in these financial statements, are disclosed below.

**(a) Due to ultimate holding company**

On 14 July 2008, the Company signed a loan agreement with Blue Bright Limited ("Blue Bright"), whereby Blue Bright would grant a loan to the Company for the period from 14 July 2008 to 13 July 2009 with a maximum principal sum of HK\$10 million. The loan bears simple interest at the HSBC prime rate on the principal sum. If the loan interest cannot be paid at the month end, the new principal sum will be the original principal plus the overdue interest. The principal loan sum shall be repaid at the end of the loan period and the interest payment shall be settled at the end of each month on a monthly basis. The amount was fully settled in July 2009.

**18. MATERIAL RELATED PARTIES TRANSACTIONS (CON'T)****(b) Director's loan**

On 30 May 2008 the Company signed a loan agreement with Ms. Cheng Kit Yin, Kelly, whereby she would grant a loan to the Company for the period from 29 May 2008 to 29 May 2009 with the maximum principal sum of HK\$2.2 million. The loan bears simple interest at the HSBC prime rate on the principal sum. If the loan interest cannot be paid at the month end, the new principal sum will be the original principal plus the overdue interest. The principal loan shall be repaid at the end of the loan period and the interest payment shall be settled at the end of each month on a monthly basis. The amount was fully settled in July 2009.

**(c) Interest-bearing other loans**

During 2009, the Company signed promissory notes in aggregate approximately HK13,907,000 with United Sky Resources Limited ("United Sky"), which a shareholder of United Sky has indirect interests in Blue Bright. The loans bear simple interest at 18% per annum on the outstanding principal and are repayable on 31 October 2009. They were secured by all issued ordinary share of GC Investment. The amount was fully settled in July 2009.

**19. CONTINGENT LIABILITIES**

iSolutions Development Limited ("iSolutions"), a wholly-owned subsidiary of the Company had entered into a lease agreement with a landlord for lease of the office premises for a term of 3 years since 20 January 2007. In October 2009, iSolutions had requested the landlord for surrender of the property by securing a new tenant with higher rental to take up the lease for the remaining of the term. But the landlord declined the offer. iSolutions delivered up possession of the property to the landlord after seeking legal opinion in December 2008. In April 2009, the landlord had instructed its solicitor to demand for a total sum of approximately HK\$1 million representing the rent and management fee outstanding since November 2008 to April 2009. Based on the legal opinion that a duty on the part of the landlord to mitigate the loss in case if the tenant breaches the tenancy, in which event, the landlord would have account for not accepting the terms that are no less than favorable as the existing term of tenancy and therefore, iSolutions is not indebted to the landlord and accordingly, no provision for the claim has been recognized in the consolidated financial statements.

## 20. SUBSEQUENT EVENTS

Subsequent to the balance sheet date, the Group has entered into the following subsequent events:

- (i) The Company entered into an acquisition agreement on 23 June 2009 pursuant to which Great Missions Holdings Limited ("Great Mission"), a wholly-owned subsidiary of the Company, conditionally agreed to purchase and Mr. Leung Hin Ting (the "Vendor") conditionally agreed to sell the 66.58% of the equity interest in Coolpoint Ventilation Equipment Limited ("Coolpoint HK") and the amount owed by Coolpoint HK to the Vendor (the "Loan") for a total consideration of HK\$89,350,000, which will be satisfied by issuing 950,000,000 ordinary shares of the Company at HK\$0.073 per share and a cash payment of HK\$20,000,000. The Vendor has obtained verbal undertaking from the remaining shareholders to sell their remaining 33.42% minority interest of Coolpoint HK to Great Mission. The acquisition was completed on 20 August 2009.

The fair value of the net assets of Coolpoint HK and its subsidiary ("Coolpoint Group") is still under progress of valuation. It is therefore considered not practicable to disclose the fair value of net assets of Coolpoint Group for recognition in the unaudited condensed consolidated financial statements and also any charge or credit to the equity.

For further details, please refer to the Company's announcement and circular dated on 2 July 2009 and 20 July 2009 respectively.

- (ii) On 14 August 2009, Great Mission further entered into an acquisition agreement to acquire from 30.14% equity interest of Coolpoint HK at HK\$0.80 per share for a total consideration of approximately HK\$10,183,000. Amongst the total consideration, approximately HK\$8.80 million will be satisfied by way of cash and HK\$1.38 million will be satisfied by way of issuing 9,220,437 minority shares to one of the Minority Shareholders at HK\$0.15 per share.

For further details, please refer to the Company's announcement dated on 16 August 2009 and 3 September 2009 respectively.

# INTERIM DIVIDEND

The Board does not recommend any interim dividend for the twelve months ended 31 July 2009 (2008: Nil).

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 July 2009, the interests and short positions of the directors in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Rules 5.46 to 5.67 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules"), were as follows:

The interests of the directors in the share options of the Company are separately disclosed under the section "Share Option Scheme" of this report.

In addition to the above, a director has non-beneficial personal equity interest in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES**

Save as disclosed in the share option scheme under the section "Share Option Scheme" of this report, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## **CHANGE OF FINANCIAL YEAR END DATE**

The financial year end date of the Company has been changed from 31 July to 31 December commencing from the financial year 2008/09. Accordingly, the forthcoming financial period will cover 17-month period from 1 August 2008 to 31 December 2009. For details, please refer to the Company's announcement dated 7 May 2009.



## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 July 2009, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

### *Long positions:*

Name	Number of ordinary shares held	Percentage of the Company's issued share capital
Blue Bright Limited	1,075,532,204	45.91
China Global Gains Investment Limited	135,616,000	5.79

Saved as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short position in the shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## SHARE OPTION SCHEME

Pursuant to an ordinary resolution in writing of the sole shareholder of the Company passed on 21 February 2000, the Company adopted a share option scheme (the "Old Scheme") pursuant to which the directors were authorised to grant options to employees of the Company or its subsidiaries, including executive directors of such companies, to subscribe for shares of the Company. Options granted under the Old Scheme entitled the holder to subscribe for shares from the date of grant up to 20 February 2010.

On 8 April 2002, the Company passed an ordinary resolution to terminate of the Old Scheme and adopted a new share option scheme (the "Revised Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations in compliance with the amended Chapter 23 of the GEM Listing Rules. All the share options granted under the Old Scheme and remained outstanding on the date of termination of that scheme continue to be valid and exercisable in accordance with the provisions of that scheme.

Eligible participants of the Revised Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, and any minority shareholder in the Company's subsidiaries. The Revised Scheme became effective on 18 April 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Revised Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Revised Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences from the date of acceptance of the offer for the grant of options but shall end in any event not later than ten years from the date on which the offer for grant of the option is made subject to the provisions for early termination thereof.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Movements of share options of the Company during the period are as follows:

Date of grant of share options	Exercise price HK\$	Number of share options				Balance as at 31.7.2009	
		Balance as at 1.8.2008	Granted during the period	Exercised during the period	Cancelled during the period		
<i>Directors</i>							
Ms. Cheng Kit Yin, Kelly	24.7.2008	0.092	20,000,000	-	-	-	20,000,000
Ms. Chung Wai Han	24.7.2008	0.092	20,000,000	-	-	-	20,000,000
Ms. Lam Wing Ah	24.7.2008	0.092	20,000,000	-	-	-	20,000,000
Mr. Leung King Yue, Alex	24.7.2008	0.092	20,000,000	-	-	-	20,000,000
Mr. Leong Chi Wai	24.7.2008	0.092	20,000,000	-	-	-	20,000,000
Mr. Ma Man Pong	24.7.2008	0.092	20,000,000	-	-	-	20,000,000
Ms. Kuo Kwan <sup>#</sup>	24.7.2008	0.092	5,000,000	-	-	(5,000,000)	-
			125,000,000	-	-	(5,000,000)	120,000,000
<i>Other employees</i>							
In aggregate	24.7.2008	0.092	1,000,000	-	-	-	1,000,000
			126,000,000	-	-	(5,000,000)	121,000,000

<sup>#</sup> Resigned on 14 September 2008.

At the balance sheet date, the Company had 121,000,000 share options outstanding under the Revised Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 121,000,000 additional ordinary shares of the Company and additional share capital of HK\$1,210,000 and share premium of HK\$9,922,000 (before issue expenses).

## CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the rules set out in Rules 5.48 to 5.67 (where applicable) of the GEM Listing Rules as the code for dealing in securities of the Company by the Directors (the "Code"). All Directors have complied with the required standard as set out in the Code during the Second Interim Period.

## CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Code of Corporate Governance Practices (the "CG Code") set out in Appendix 15 of the GEM Listing Rules throughout the Second Interim Period, except the following deviation:

### *Code provision A.4.1*

The code provision A.4.1 of the CG Code provides that non-executive directors should be appointed for specific terms, subject to re-election. The Company has deviated from this provision in that all independent non-executive directors are not appointed for specific terms. They are, however, subject to retirement by rotation at least once every three years in accordance with the Company's Articles of Association.

## REMUNERATION COMMITTEE

The Company established a remuneration committee on 1 August 2005 with written terms of reference. The remuneration committee comprised Mr. Tang Chi Chung, Matthew (chairman of the remuneration committee), Mr. Chee Man Sang, Eric and Ms. Lam Tak Yee. The written terms of reference include the specific duties of making recommendations to the Board of Directors of the Company on the Company's policy and structure for all remuneration of directors and senior management, having the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management and making recommendations to the Board of Directors of the remuneration of the non-executive directors.

## AUDIT COMMITTEE

The Company's audit committee was formed on 17 March 2000 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's internal control procedures, annual reports, financial statements, half-year reports and quarterly reports and to provide advice and comments thereon to the board of directors. The audit committee currently comprises three independent non-executive directors, Mr. Chee Man Seng, Eric (chairman of the audit committee), Ms. Lam Tak Yee and Mr. Tang Chi Chung, Matthew. The audit committee has reviewed the unaudited consolidated interim results of the Group and has provided advice and comments thereon.

## DIRECTORS' INTERESTS IN A COMPETING BUSINESS

For the twelve months ended 31 July 2009, the directors are not aware of any business or interest of the directors, the management shareholders and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interests which any such person has or may have with the Group.

## PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the twelve months ended 31 July 2009.

By order of the Board  
**Coolpoint Energy Limited**  
**Chung Wai Han**  
*Executive Director*

Hong Kong, 9 September 2009

At the date of this report, the Board comprises:

*Executive Directors:*

Ms. Chung Wai Han  
Ms. Lam Wing Ah  
Mr. Leong Chi Wai  
Mr. Leung King Yue, Alex  
Mr. Ma Man Pong

*Non-executive Director:*

Ms. Cheng Kit Yin, Kelly

*Independent Non-executive Directors:*

Mr. Chee Man Sang, Eric  
Ms. Lam Tak Yee  
Mr. Tang Chi Chung, Matthew