Set out below is the text of a letter received from Opus Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Distribution in Specie for the purpose of inclusion in this Circular.

Opus Capital Limited
創富融資有限公司

18th Floor, Fung House
19–20 Connaught Road Central
Central, Hong Kong

12 January 2015

To: The Independent Board Committee and the Independent Shareholders of Enviro Energy International Holdings Limited

Dear Sirs,

PROPOSED DISTRIBUTION IN SPECIE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed Distribution in Specie, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular dated 12 January 2015 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 24 November 2014 and 5 December 2014, the Company announced of its intention in putting to the Shareholders for consideration a proposed Distribution in Specie to the Shareholders whose name appear on the register of members of the Company on the Record Date on the basis of one Privateco Share for every Share held. A meeting of the Board was held on 4 December 2014 and the Board approved (subject to the approval of Shareholders) the payment of a special dividend by way of the Distribution in Specie.

Although the Distribution in Specie does not constitute a transaction under Chapter 14 of the Listing Rules as stated in the Letter from the Board, the Company will take additional measures in order to protect the interests of the Independent Shareholders and the Circular contains information comparable to those required for a very substantial disposal under Chapter 14 of the Listing Rules. The EGM will be held for the purpose of considering and, if thought fit, approving the relevant resolution in respect of the Distribution in Specie by the Independent Shareholders, by way of poll at the EGM. As at the Latest Practicable Date, Mr. Chan and his associates (including Colpo) control or are entitled to exercise control over the voting rights in respect of 2,207,485,423 Shares, representing approximately 42.13% of the issued share capital of the Company. Since Mr. Chan is expected to be the sole director of the Privateco and will hold approximately 42.13% of the Privateco, Mr. Chan, his associates and parties acting in concert with him (including Colpo) will voluntarily abstain from voting on the relevant resolution approving the Distribution in Specie.

THE INDEPENDENT BOARD COMMITTEE

The Independence Board Committee comprising Mr. David Tsoi, Mr. Lo Chi Kit and Mr. Tam Hang Chuen, all being the independent non-executive Directors has been approved by the Board to advise and make recommendations to the Independent Shareholders as to whether the Distribution in Specie is in the interests of the Company and the Independent Shareholders as a whole, and to recommend the Independent Shareholders whether or not they should vote for or against the resolution to be proposed at the EGM to approve the Distribution in Specie. Our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders has been approved by the Independent Board Committee in this respect.

Our role as the Independent Financial Adviser is to advise the Independent Board Committee and the Independent Shareholders as to: (i) whether the terms of the Distribution in Specie are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole; and (ii) how the Independent Shareholders should vote on the relevant resolution in relation to the Distribution in Specie at the EGM.

OUR INDEPENDENCE

As at the Latest Practicable Date, we do not have any relationship with, or interest in, the Company or any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser in relation to the Distribution in Specie, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things, the various announcements of the Company dated 17 June 2013, 6 September 2013, 23 October 2013, 28 April 2014, 7 July 2014, 24 November 2014 and 5 December 2014, the Company's annual reports: for the financial year ended 31 December 2013 (the "**2013 Annual Report**"); and for the financial year ended 31 December 2008 (the "**2008 Annual Report**"), the Company's interim reports: for the six months ended 30 June 2014 (the "**2014 Interim Report**"); and for the six months ended 30 June 2013 (the "**2013 Interim Report**"), and other information as set out in the Circular.

We have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations made to us by the Company, the Directors and the management of the Company (collectively, the "**Management**"). We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the

Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information have been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not, carried out any independent verification of the information provided by the Management, nor have conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospect. The Directors have collectively and individually accepted full responsibility, including particulars given in compliance with the Listing Rules, for the accuracy of the information contained in the Circular and have confirmed, after having made all reasonable enquires, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other matters of facts the omission of which would make any statement herein or the Circular misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the Distribution in Specie, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

BACKGROUND TO THE DISTRIBUTION IN SPECIE

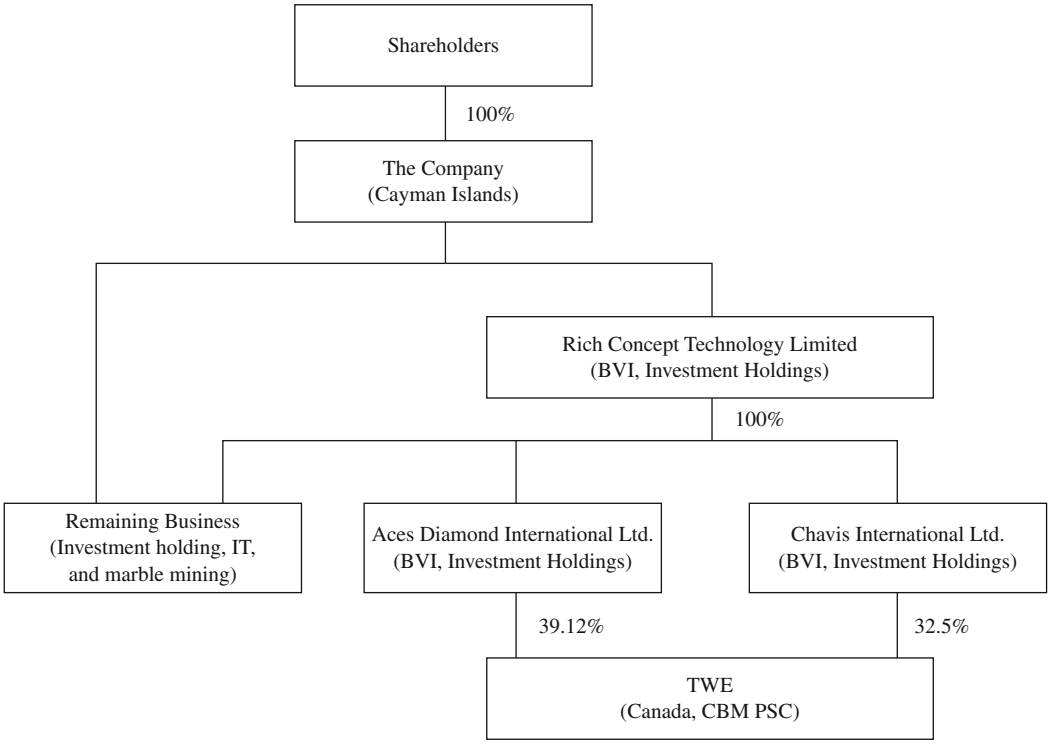
Background of the Company's controlling interest in TWE

As stated in the 2008 Annual Report, in October 2008, the Company acquired the entire issued share capital of Chavis, which owned at that time approximately 63.91% of TWE. TWE holds a 47% interest in and is the operator in the first and currently the only, foreign-operated coalbed methane production sharing contract ("**PSC**") in the PRC. As at the Latest Practicable Date, CNPC holds the remaining 53% of the PSC.

Over the period from October 2008 to April 2011, through various subscription of shares by Aces Diamond, a wholly-owned subsidiary of the Company, the Group's indirect controlling interests in TWE has increased from approximately 63.91% in 2008 to approximately 71.61% as at the Latest Practicable Date. As at the Latest Practicable Date, the Company's approximate 71.61% controlling interest in TWE was held as to approximately 39.12% via Aces Diamond and as to approximately 32.5% via Chavis, both of which are indirect wholly-owned subsidiaries of the Company, or approximately 82.92% of the issued common shares, preferred shares and warrants outstanding in the capital of TWE on a fully diluted basis, respectively. As part of the Group Restructuring and to settle the outstanding payables due from TWE to the

Company, Aces Diamond will exercise certain warrants in the capital of TWE. Upon completion of the Group Restructuring, the Privateco Group, through Aces Diamond and Chavis, will hold approximately 77.91% of the issued common shares and preferred shares in the capital of TWE, or approximately 82.92% of the issued common shares, preferred shares and warrants outstanding in the capital of TWE on a fully diluted basis, respectively.

Set out below is a summary of the current shareholding structure of the Group as at the Latest Practicable Date:



Prior to the Termination, the PSC had been administered by PetroChina Coalbed Methane Company Limited, an indirect subsidiary of CNPC. TWE pioneered CBM operations in the Xinjiang region of China and since the PSC came into force in 2006, the project has reported independently evaluated discovered CBM resources and natural gas resources in-place. To date, these are the only independently evaluated CBM resources (including substantial natural gas in other rocks) reported in the Junggar Basin. These reported results, estimated based on drilling results according to international resource-reporting standards, reflect the substantial resource value for both TWE and CNPC, in-place within the total PSC area.

The PSC was executed on 30 December 2005 and came into effect on 1 March 2006. Prior to the Termination, the PSC covered an area of 653.718 square kilometers (approximately 255 square miles) and provided the parties to the contract exclusive rights across the entire area of the PSC, to explore for, develop, produce and sell gas consisting methane and stored in the formations as stated in the PSC.

Prior to the Termination, the project was still in exploration and evaluation phases and did not generate any revenue. As of 30 June 2014, the value of the oil and gas properties attributed to the PSC amounted to approximately HK$1,063.9 million on the Group's financial statements.

Background on the Matter, the Dispute and the Arbitration

On 17 June 2013, the Company announced that TWE was seeking for written clarification from CNPC regarding the CBM fairway lands within the PSC (the "**Matter**"). Due to the Matter, the commencement of the CBM operations was delayed. Furthermore on 6 September 2013, due to a lack of clarification from CNPC on the Matter following a significant period of time, TWE had deemed the Matter an unresolved dispute (the "**Dispute**") and had issued notice to CNPC of referral to arbitration under the terms and conditions of the PSC (the "**Arbitration**").

Following issuance to CNPC of notice of referral of this unresolved Dispute to arbitration, on 23 October 2013, the Company announced that TWE had followed the required process by providing notice of selected arbitration procedure to CNPC according to the terms and conditions of the PSC. As stated in the announcement of the Company dated 23 October 2013, the key points at issue with respect to the Dispute, among others, are:

(a) Clarification on discrepancy of the CBM exploration area, including highly prospective CBM zones and fairway lands between the PSC and the renewed CBM exploration permits and investigation on reported unauthorized coal drilling activity within the PSC area and any land title mismanagement by CNPC;

(b) Dispute on CNPC's failure to certify two international independent expert reports on evaluations of CBM discovered resources and natural gas resources originally in place commissioned by TWE and provided to CNPC in support of application for extension of the exploration period of the PSC;

(c) Dispute on CNPC's failure to validate the capital expenditure incurred by TWE on the project as required by the PSC; and

(d) Dispute on CNPC's failure to cooperate to clarify the land status with relevant ministries.

Subsequently, as disclosed in the announcements of the Company dated 28 April 2014 and 7 July 2014, with respect to the Dispute, TWE had taken advice from its retained special international arbitration counsel and a notice was issued to CNPC on 3 July 2014 to terminate the PSC. In reaching the decision on the Termination, TWE has taken into account CNPC's breaches of the PSC, including the breakdown in the relationship between TWE and CNPC, the reduction in the CBM exploration area as previously reported and the scale of ongoing coal mining activities, and the fact that the project is no longer operationally viable.

On 4 July 2014, TWE's retained special international arbitration counsel formally served a notice of Arbitration on PetroChina Company Limited and CNPC. By this notice of Arbitration, TWE seeks an award of damages as compensation for the losses caused by

CNPC's breaches of the PSC, together with declaratory relief, costs and interest. The amount of damages has taken into account, among others: (i) the CBM discovered resources as previously reported by an independent third party in 2010 according to reporting standard National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities; and (ii) the original gas in place as previously reported by an independent third party in 2011 according to Petroleum Resources Management System of the Society of Petroleum Engineers, details of which have been set forth in 2013 Annual Report.

As at the Latest Practicable Date, TWE has completed the appointment of an international arbitrator to be one of the three arbitrators on the arbitration tribunal for the Arbitration. CNPC has, before the extended deadline, similarly appointed an arbitrator. The third arbitrator, as chairman, has also been appointed and the details of the Arbitration, including place and timetable, shall be finalized.

It should be noted that the Termination is a purported termination and is not effective until it has been ruled by the arbitration tribunal following the hearing.

Background of the Distribution in Specie and the Group Restructuring

In light of the Matter, the Dispute and the Arbitration, on 24 November 2014 and 5 December 2014, the Company announced of its intention in putting to the Shareholders for consideration a proposed Distribution in Specie to the Shareholders whose name appear on the register of members of the Company on the Record Date on the basis of one Privateco Share for every Share held. A meeting of the Board was held on 4 December 2014 and the Board approved (subject to approval of the Shareholders) the payment of a special dividend by way of the Distribution in Specie. The Distribution in Specie is intended to be declared out of amounts, standing to the credit of the Share Premium Account. As at 30 June 2014, the amount standing to the credit of the Share Premium Account was approximately HK$929.5 million. After the completion of the Distribution in Specie, assuming there are no other changes to the Share Premium Account, the amount standing to the credit of the Share Premium Account is expected to be reduced to approximately HK$318.2 million. The application of the Share Premium Account to effect the Distribution in Specie will be subject to the passing of an ordinary resolution by the Independent Shareholders by way of poll at the EGM, and to the Company being able to pay its debt as they fall due in the ordinary course of business, in each case in accordance with the articles of association of the Company and the Companies Law.

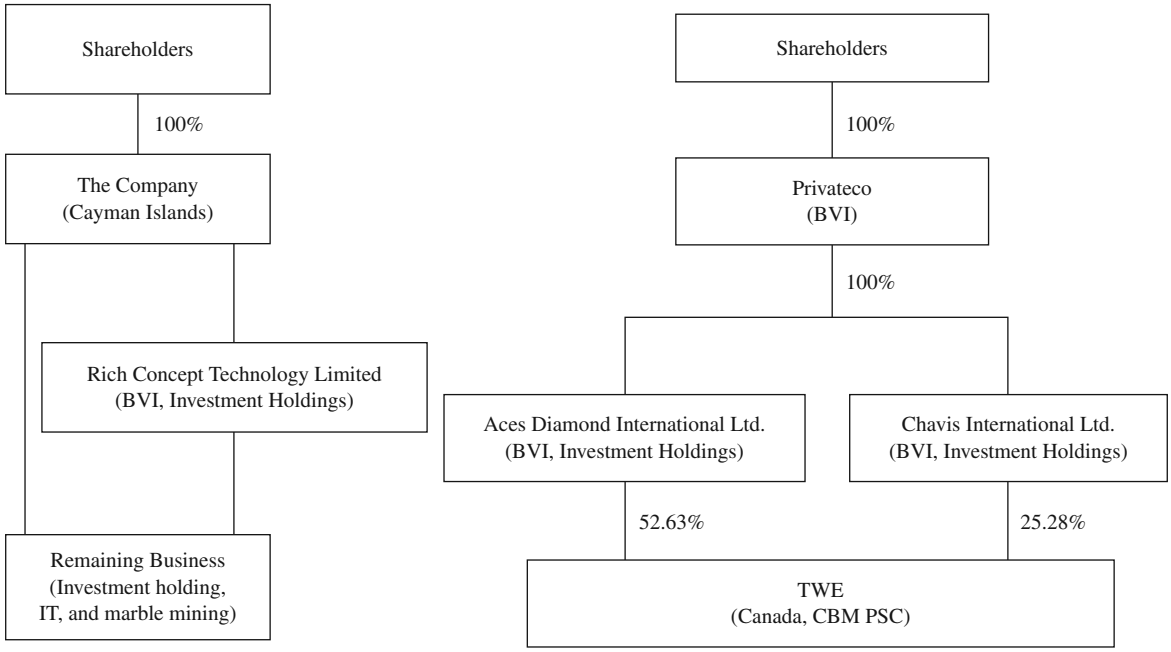
No application will be made for the listing of, and permission to deal in, the Privateco Shares on the Stock Exchange or any other stock exchange. Upon completion of the Distribution in Specie, the Privateco Group will cease to be the subsidiaries of the Company and Privateco will be held directly by the Shareholders. The Company will continue as a publicly listed company on the Stock Exchange and will continue to operate the Remaining Businesses.

The Group Restructuring will be implemented to prepare for the separation of the Privateco Group from the Remaining Businesses in order to facilitate the Distribution in Specie. The Group Restructuring will involve, among other things, the incorporation of

Privateco and the transfer of interests in each of Aces Diamond and Chavis to Privateco such that the Company will directly hold the entire interest in Privateco, to facilitate the Distribution in Specie.

The Group Restructuring shall be conducted on terms which are (i) in compliance with all applicable laws and regulations of all relevant jurisdictions including Hong Kong, BVI and the Cayman Islands; and (ii) where applicable, pursuant to the requirements of the Stock Exchange or such other governmental or regulatory bodies or authorities of competent jurisdiction. The Group Restructuring does not require prior approval of the Shareholders as all steps are conducted between the Company and its wholly-owned subsidiaries.

The Chart below summarizes the respective structure of the Privateco Group and the Remaining Group immediately after Completion of the Group Restructuring and the Distribution in Specie:



The Distribution in Specie will be conditional upon:

(i) completion of Group Restructuring; and

(ii) the passing of an ordinary resolution by the Independent Shareholders at the EGM to approve the Distribution in Specie and the application of the Share Premium Account to effect the Distribution in Specie.

None of the above conditions can be waived.

PRINCIPAL FACTORS AND REASONS CONSIDERED

We would like to draw the Independent Shareholders' attention to the reasons for the Distribution in Specie as set out in the sub-section headed "Reasons for the Distribution in Specie" in the Letter from the Board. In summary, the Board believes it is in the best interest of the Company and the Independent Shareholders as a whole to effect the Distribution in Specie for the following reasons:

(a) **Sensitivity and confidentiality of information on the Arbitration** — the Company will be subject to potential disclosure requirements under the Listing Rules for information on the Arbitration which may be highly sensitive and confidential which may negatively affect the negotiation and outcome of the Arbitration;

(b) **Possible impact on the fund raising ability and future development of the Group** — the uncertainty of the outcome of the Arbitration may impact the Group's fund raising ability which in turn affects the future development of the Group;

(c) **No dilutive effect on the Shareholders** — there is no dilutive effect on the Shareholders with respect to their shareholding in the Company and the Privateco Group as a result of the Group Restructuring and the Distribution in Specie; and

(d) **Lack of liquid market for Privateco Shares** — the Privateco Shares do not have a liquid market as compared to the Shares which are traded on the Main Board of the Stock Exchange and no cash exit could be offered to Shareholders to realise all or part of their shareholdings in the Privateco Group.

In our assessment of the Distribution in Specie, we have considered, amongst other things, these reasons, and have highlighted our views on each of these as set out below:

1. Sensitivity and confidentiality of information on the Arbitration

Under the Listing Rules and in particular, Rule 13.09(2), the "Inside Information Provisions" under Part XIVA of the SFO impose statutory obligations on listed issuers and their directors to disclose and announce inside information as soon as reasonably practicable after the information has come to the listed issuers' knowledge. Furthermore, the SFC published the "Guidelines on Disclosure of Inside Information" in June 2012 to assist corporations to comply with their obligations to disclose inside information under Part XIVA of the SFO (the "**Guidelines**"). In particular, under the Guidelines, it highlights that "legal disputes and proceedings" are common examples of events or circumstances where a disclosure obligation may arise for a corporation. As discussed with the Management and the Company's arbitration counsel, since TWE is a non-wholly owned subsidiary of the Company, we agree with their view that all developments of the Dispute and the Arbitration will give rise to potential disclosure requirements of the Company under the Listing Rules.

As stated in the Letter from the Board, as a non-wholly owned subsidiary of the Company, TWE has been sending updates to the Company regarding the development of the arbitration including the issuance of notices to CNPC to commence the Arbitration process, the matters in dispute, and the engagement of special international arbitration counsel and the termination of the PSC. As and when the Company received these updates, it published announcements on the websites of the Stock Exchange and the Company to ensure timely and even dissemination of information to the Shareholders. As the Arbitration continues, the Company expects to receive further updates from TWE which may include information regarding the content of the determination of Arbitration directions such as timetable, use of language and Arbitration seat, the date of submission of the pleadings by the claimant, the submission of defense by the respondent, the production of evidence documents, the examination of expert witnesses and the outcome of the Arbitration.

As stated in the Letter from the Board and as discussed with the Company's Arbitration counsel and the Management, it is generally assumed as a matter of commercial dealings that arbitration proceedings will be:

(a) private (third parties who are not a party to the arbitration agreement cannot attend any hearings or play any part in the arbitration proceedings); and

(b) confidential (which is a main reason commercial parties choose arbitration over court proceedings to resolve disputes. Arbitration arises through the contractual agreement to arbitrate that provides the necessary legal framework for arbitration in a private manner, as opposed to a dispute in a court which is open to the public and the press).

As the negotiation process for the Arbitration may span over a lengthy period of time and that the negotiation process and the information being discussed in this negotiation process is highly sensitive and confidential, any public disclosure of this information during the negotiation process may negatively affect the outcome and process of the Arbitration which may negatively affect the outcome of a possible settlement.

As discussed with the Management, arbitration is for matter to be resolved in a private and confidential manner which is different from court proceedings. During the Arbitration process, sensitive issues may be raised and may create unnecessary tension between the two parties as the public and the press may provide different interpretation on the information. The disclosure of information regarding the Arbitration in the public defeats one of the main reasons for parties to choose arbitration over court proceedings and therefore disclosure of any sort would affect negotiation opportunities.

In light of the above, we concur with the view of the Board that the Distribution in Specie is in the interest of the Company and the Independent Shareholders as a whole with respect to this reason.

2. Possible impact on the fund raising ability and future development of the Group

As stated in the Letter from the Board, the Arbitration is still at its early stage and the timing for the whole Arbitration process may take a long time. As discussed with the Management, the Company has approached several financial institutions and they have expressed concerns on the impact that the Arbitration may have on the Group as a whole. The Management is of the view that the existence of the Arbitration within the Group and the uncertainty as to its timing and outcome will have a negative impact on the Company's fund raising ability which in turn affects the future development of the Group. In our opinion, it is reasonable to expect that financial institutions are cautious and usually try to avoid funding companies which themselves are and/or their major assets and/or operations are under disputes and legal proceedings, the outcome and timing of which is uncertain as this increases the risk profile of those companies. In light of this, we concur with the view of the Board that the Arbitration will affect the fund raising ability of the Group which in turn affects the future development of the Group.

3. No dilutive effect on the Shareholders

As stated in the Letter from the Board, the only outcome from the Arbitration, if successful, would be a cash settlement from CNPC, and it is the current intention of TWE to distribute all settlement proceeds, after payment of all relevant tax and expenses, to its shareholders. The Group Restructuring and the Distribution in Specie have the objective of enabling the Shareholders to hold a direct investment in the Privateco Group thereby allowing them to benefit from the proceeds to be received by TWE, if the outcome of the Arbitration is successful, and at the same time the Company can focus on developing the Remaining Businesses.

Therefore, upon completion of the Group Restructuring and the Distribution in Specie, the Shareholders maintain their respective interest, on a pro rata basis, in both the Privateco Group and the Group and there will be no dilutive effect on such interests. In light of this, we are of the view that the Distribution in Specie is fair and reasonable to the Company and the Independent Shareholders as a whole with respect to this reason.

4. Liquidity of the Privateco Shares

In addition to the above, as set out in the Letter from the Board, the Privateco Shares do not have a liquid market as compared to the Shares which are traded on the Main Board of the Stock Exchange and no cash exit could be offered to the Shareholders to realise all or part of their shareholdings in the Privateco Group. Furthermore, taking into account of the current early stage of the Arbitration and the uncertainty over the time and outcome of the Arbitration, the shareholders' investment in the Privateco Group might be locked up before the completion of the Arbitration with no way to exit before the completion of the Arbitration. In light of the above, we are of the view that the illiquidity and the possible locked up of the Privateco Shares may not be in the interest of the Independent Shareholders.

However, due to the current early stage of the Arbitration and the uncertainty over the time and outcome of the Arbitration, we agree with the Board that it is difficult and inappropriate to impose a value on the Privateco Group and hence the value of a Privateco Share. Therefore the absence of an immediate cash exit and alternative as part of the Distribution in Specie is acceptable and reasonable.

In addition, the Privateco Group is not in operation and, as mentioned above, the only outcome of the Arbitration, if successful, would be a cash payment from CNPC, and it is the current intention of TWE to distribute all proceeds, after all relevant tax and expenses, to its shareholders. Therefore if the outcome of the Arbitration is successful, then the Shareholders will receive their proportional cash payment through the cash distribution, which the Shareholders then can use for any use at their discretion. However, should the Distribution in Specie not occur, the potential cash payout from a possible successful outcome from the Arbitration may remain within the Group and may or may not be distributed back to the Shareholders. Therefore in light of this, we concur with the Board that the Distribution in Specie, on balance, although without a market trading facilities for the Privateco Shares, is in the interest of the Independent Shareholders as a whole.

However, Shareholders should note that upon completion of the Distribution in Specie, the Privateco Group will cease to be subsidiaries of the Company and will be held directly by the Shareholders. No application will be made for the listing of, and permission to deal in, the Privateco Shares on the Stock Exchange or any other stock exchange. The Privateco Shares will not have a liquid market as compared to the Shares which are traded on the Main Board of the Stock Exchange. The Privateco Group will not be regulated by the Stock Exchange and will comply with the Listing Rules only to the extent relevant provisions are incorporated in the new articles of association to be adopted by the Privateco on completion of the Group Restructuring. Shareholders should note that the outcome of the Arbitration is uncertain and in the event that the Arbitration is not successful, no proceeds will be distributed to the shareholders of Privateco.

Furthermore, the Shareholders should note that upon completion of the Distribution in Specie, the Privateco Shares will not have a liquid market as compared to the Shares which are traded on the Main Board of the Stock Exchange. Therefore, the Shareholders will not be able to: (i) enjoy any potential positive effect; or (ii) adversely affected by any potential negative effect, on the Shares that may arise during and/or due to the Arbitration process whether the outcome of the Arbitration is favourable or otherwise.

In light of the above, in particular:

(a) the potential disclosure requirements under the Listing Rules of the sensitive and confidential information on the progress of the Arbitration may negatively affect the negotiation and outcome of the Arbitration;

(b) the possible negative impact on the fund raising ability and future development of the Group and also the negative impact on investor confidence due to the uncertainty on the timing and outcome of the Arbitration;

(c) there is no dilutive effect on the Shareholders with respect to their shareholding in the Group and the Privateco Group as a result of the Group Restructuring and the Distribution in Specie;

(d) while there is a lack of a liquid market for the Privateco Shares, the outcome of the Arbitration, if successful, is a cash payment and distribution back to the Shareholders proportional to their respective shareholdings in the Privateco Group; and

(e) the illiquidity of the Privateco Shares may not be in the interest of the Company and the Shareholders,

we are of the opinion that the Distribution in Specie, on the balance of the above, in addressing the above reasons and concerns is fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole.

PROTECTION OF THE RIGHTS AND INTERESTS OF THE INDEPENDENT SHAREHOLDERS

While the Distribution in Specie is fair and reasonable for the practical, commercial and legal reasons highlighted in the section above, in assessing whether the Distribution in Specie is fair and acceptable to the Company and the Independent Shareholders as a whole, consideration also needs to be given to the level of protection of the rights and interests of the Independent Shareholders under the Distribution in Specie and whether their rights and interests as the Privateco shareholders have diminished due to the Distribution in Specie. In formulating our view on this aspect, we have considered, among other, the following:

1. Intention of the Privateco Group

Privateco was incorporated in BVI with limited liability on 24 December 2014 and has not carried on any business since its incorporation. Upon completion of the Group Restructuring, Privateco's principal activity will be investment holding. As stated in the Letter from the Board, Privateco may not engage in any business other than those carried out by Privateco as at the date of adoption of the New Articles unless approved by the shareholders of Privateco by way of ordinary resolution in general meeting. As at the date of adoption of the New Articles, the only business that will be carried out by Privateco will be the holding of its equity interest in TWE through its shareholding interests in Aces Diamond and Chavis.

It is the intention that the Privateco Group will not conduct any business other than to be involved in the Arbitration. In addition, the Privateco Group will not hold any assets other than its equity interest in TWE, nor will it inject any major assets, nor dispose of any majors assets unless prior approval by the holders of Privateco Shares has been obtained.

As stated in the Letter from the Board, since the beginning of the Arbitration, TWE has obtained funds on a stand-alone basis as a private company, the terms of which are subject to confidentiality provisions, and the Company has not provided funds or any

financial support to TWE for the Arbitration up to the Latest Practicable Date. To the best of the knowledge of the Directors having made enquiries, TWE has raised funds from investors to support the Arbitration, and may continue to do so and/or explore other means of financing as the case progresses. As at the Latest Practicable Date, TWE did not indicate that it would require funding from the shareholders of Privateco as the case progresses. If and when it requires funding from the shareholders of Privateco, TWE will send notice and provide details of the funding opportunity to the shareholders of Privateco accordingly.

As disclosed in the Announcements and the Letter from the Board, the only outcome from the Arbitration, if successful, would be a cash settlement from CNPC, and it is the current intention of TWE to distribute all settlement proceeds, after payment of all relevant tax and expenses, to its shareholders. Upon receipt of such dividends (if any) from TWE, it is the current intention of Aces Diamond and Chavis, being the shareholders of TWE and wholly-owned subsidiaries of the Privateco upon completion of the Group Restructuring, to distribute such dividends, after payment of all relevant tax and expenses to the Privateco. Similarly, it is the current intention of the Privateco to distribute such dividends, after payment of all relevant tax and expenses, to its shareholders. Under the articles of TWE, subject to the Business Corporations Act of Canada and the rights of the holders of issued shares of TWE, the directors of TWE may from time to time declare and authorize payment of such dividends as they may deem advisable.

In addition, as stated in the Letter from the Board, pursuant to the proposed new articles of association of Privateco to be adopted on completion of Group Restructuring, subject to the Act, the directors of Privateco shall make a declaration and pay to all shareholders on a pro rata basis a dividend upon the receipt by the Company of any dividend or distribution from company(ies) in which it has an equity interest provided they are satisfied on reasonable grounds that immediately after payment the value of Privateco's assets exceeds its liabilities and Privateco is able to pay its debts as they fall due. In the event that the arbitration is not successful, TWE will be dissolved, and correspondingly the Privateco, Aces Diamond and Chavis will be dissolved as well, all in accordance with their constitutional documents and applicable law.

As at the Latest Practicable Date, the PSC has been purportedly terminated, TWE was no longer the operator of the PSC and the only activity TWE is currently engaged in is participation in the Arbitration. Shareholders should note that the Termination is a purported termination and is not effective until it has been ruled by the arbitration tribunal following the hearing and pursuant to the PSC the right to arbitrate disputes survives the purported termination of the PSC. As stated in the Letter from the Board, audited financial statements of the Privateco will be prepared for each financial year and a copy of which together with the directors' report will be sent to the shareholders of Privateco within the time prescribed under the Listing Rules. However, subject to compliance with all applicable laws, the Privateco may instead send to its shareholders a summary financial statement derived from the Privateco's annual accounts and the directors' report provided that any shareholder may by notice in writing served on the Privateco, demand that the Privateco sends to him, in addition to a summary financial statement, a complete printed copy of the Privateco's annual financial statements and the directors' report thereon.

In light of the above, we are of the view that the financial and economic benefits to the Independent Shareholders from a potential successful outcome of the Arbitration is not diminished by becoming the Privateco shareholders due to the Distribution in Specie and therefore is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

2. Director and management continuity

As stated in the Letter from the Board, the sole director of the Privateco is Mr. Chan who is also an executive Director, Chairman and Chief Executive Officer of the Company, and the controlling Shareholder (as defined under the Listing Rules). As at the Latest Practicable Date, Mr. Chan, through Colpo and his personal interests held approximately 42.13% of the issued share capital of the Company. Mr. Chan will hold approximately 42.13% of the Privateco upon completion of the Distribution in Specie on a pro rata basis. Furthermore subsequent to the Distribution in Specie, Mr. Chan will continue to be the sole director of Aces Diamond and Chavis, the holding companies of the Privateco Group for its shareholding interest in TWE.

Currently, the board of directors of TWE comprises four directors, namely, Mr. Chan (also an executive Director), Dr. Arthur Ross Gorrell (also an executive Director), Mr. Donald O. Downing and Mr. Chan Wan Tsun Adrian Alan. Amongst these directors, Mr. Chan and Mr. Chan Wan Tsun Adrian Alan are representatives of the Company and, subsequent to the Completion of the Distribution in Specie, of the Privateco. Dr. Arthur Ross Gorrell represents another shareholder of TWE which holds over 10% of equity interest in TWE. Mr. Donald O. Downing is one of the management founders of TWE and has been with TWE since its inception. The board of directors of TWE has agreed that prior to the Distribution in Specie, the Company may nominate another representative to the board of directors of TWE. The Company will identify suitable candidates and effect the appointment as soon as possible prior to the Distribution in Specie. As TWE does not intend to have any other operations, the main responsibility of these directors with respect to TWE will be to manage matters in relation to the Arbitration upon completion of the Distribution in Specie. Based on the articles of TWE, all matters to be determined at board meetings are to be decided by a majority of votes. Under the articles of TWE, at every annual general meeting of TWE, all the directors will retire from office and eligible for re-election by the shareholders entitled to vote at the annual general meeting. It is the intention of Privateco to maintain three representatives on the board of directors of TWE until the Arbitration is resolved. As such, Aces Diamond and Chavis, being wholly-owned subsidiaries of Privateco and holding approximately 77.91% of the issued common and preferred shares in the capital of TWE, will exercise their voting rights at the annual general meeting of Privateco to ensure the representatives of Privateco are re-elected. With three representative directors on the board of TWE, the Privateco will be able to monitor and ensure that TWE will take appropriate steps to deal with the Arbitration.

In light of the above, we are of the view that the Independent Shareholders becoming the Privateco shareholders due to the Distribution in Specie will continue to enjoy director and management continuity for the Privateco Group with respect to the management of TWE and matters in relation to the Arbitration, which is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

3. Disclosure and approval requirements to safeguard interests of the Privateco shareholders

As stated in the Letter from the Board, interests of the Privateco shareholders will be safeguarded by the proposed new articles of association of Privateco to be adopted on completion of the Group Restructuring, which will be comparable to the existing articles of association of the Company and contain provisions comparable to the rules governing connected transactions and notifiable transactions contained in the Listing Rules, so that certain transactions will be subject to independent shareholders' approval and independent advice. In particular:

(a) any connected transaction falling within the definition of the Listing Rules which requires the approval of independent shareholders must be approved by the disinterested Privateco shareholders by way of ordinary resolution in general meeting, the notice convening which is accompanied by a circular containing the advice of an independent financial adviser;

(b) any notifiable transaction falling within the definition of the Listing Rules which requires the approval of shareholders must be approved by the Privateco shareholders by way of ordinary resolution in general meeting; and

(c) no shares of Privateco will be issued for cash unless they are first offered to all shareholders in proportion to their respective shareholdings in Privateco.

A summary of the proposed new articles of association of Privateco is set out in Appendix IV to the Circular and also stated in the Letter from the Board, under the sub-section headed "Intention of the Privateco Group".

Interests of the Privateco shareholders will also be safeguarded by the Takeovers Code (until the Privateco is no longer regarded as a public company for the purposes of the Takeovers Code).

In light of the fact that the interests of the Independent Shareholders becoming the Privateco shareholders due to the Distribution in Specie, will be safeguarded by the Takeovers Code and the amended articles of association of the Privateco such that they can enjoy similar rights and protection as shareholders of the Company, we are of the view that this is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

In light of the above, namely:

(i) the financial and economic benefits to the Independent Shareholders as the Privateco shareholders from a potential successful outcome of the Arbitration is not diminished due to the Distribution in Specie;

(ii) Independent Shareholders as the Privateco shareholders will continue to enjoy director and management continuity for the Privateco Group with respect to the management of TWE and matters in relation to the Arbitration; and

(iii) the interests of the Independent Shareholders as the Privateco shareholders due to the Distribution in Specie, will be safeguarded by the Takeovers Code and the amended articles of association of the Privateco such that they can enjoy the similar rights and protection as shareholders of the Company,

we are of the opinion that the rights and interests of the Independent Shareholders being the Privateco shareholders are protected and that their rights and interests have not diminished due to the Distribution in Specie. As such we are of the view that the Distribution in Specie is fair and reasonable so far as the Company and the Independent Shareholders as a whole are concerned.

REMAINING BUSINESSES

Based on figures extracted from the segment information from the 2014 Interim Report, as at 30 June 2014, the asset value and net asset value of the Privateco Group amounted to approximately HK$1,064.2 million and HK$826.8 million, respectively, representing approximately 86.3% and 84.3% of the Group's asset value and net asset value, respectively. As at 30 June 2014, the asset value and net asset value of the Remaining Businesses amounted to approximately HK$169.1 million and HK$154.0 million, respectively, representing approximately 13.7% and 15.7% of the Group's asset value and net asset value, respectively.

Upon completion of the Distribution in Specie, the asset value of the Privateco Group will no longer be accounted for in the Company's consolidated financial statements as the Company will not own any shares in the Privateco Group.

The Remaining Businesses comprise mainly the Group's marble business. As at the Latest Practicable Date, the Company indirectly holds approximately 90% of PT. Bara Hugo Energy which in turn holds 37.5% of PT. Grasada Multinational, which holds a mining permit covering the Maros Marble Project in southwestern Sulawesi, Indonesia. Details of the Remaining Businesses have been set out in the sub-section headed "Principal Activities of the Group" as set out in the Letter from the Board. In summary, we would like to highlight the following points with respect to the Remaining Businesses:

(a) as of 30 November 2013, the total proved and probable gross (100%) mineable reserve of marble estimated was approximately 2,613,000 cubic metres. According to 2013 Annual Report, the entire local area of the marble quarry is known for high quality marble quarries and the quarry is supported by substantial, estimated although uncategorized marble resources at the concession;

(b) as at the Latest Practicable Date, the Group had more than 10 employees from the Hong Kong office and the Jakarta office involved in the marble business, including operational, marketing and support staff;

(c) the Company has also a co-operation agreement with another Indonesian marble company whereby the Group has been appointed as the general distributor in Indonesia and exclusive distributor overseas for some marble products. The Group will also have an exclusive right to use cutting and processing facilities as well as a warehouse, which are all located in the Jakarta area. This quarry is currently producing high quality marble in South Sulawesi, Indonesia, producing 300 to 500 cubic metres per month, with capacity to reach 1,000 cubic metres per month in a relatively short period of time. The Group has already generated orders for products from this quarry in excess of 5,000 square metres for a project in Indonesia, representing contract value in excess of US$200,000. The co-operation represents an excellent opportunity for the Group to move into a more integrated business model to secure a sustainable supply of quality marble products. According to 2013 Annual Report, the Management are of the view that the co-operation represents an excellent opportunity for the Group to move into a more integrated business model to secure a sustainable supply of quality marble products;

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

In light of the above and as stated in the Letter from the Board, the Board is of the view that: (a) the Remaining Group's assets are still of sufficient value to warrant its continued listing on the Stock Exchange under Rule 13.24 of the Listing Rules; and (b) the Remaining Businesses have sufficient level of operations to warrant its continued listing on the Stock Exchange under Rule 13.24 of the Listing Rule.

Furthermore, as stated in the Letter from the Board, prior to the Termination, the project under the PSC was still in exploration and evaluation phases and did not generate any revenue. As a result of the Arbitration, whether the outcome is successful or otherwise, TWE does not intend to have any other operation. As such the Distribution in Specie will not have any operational impact on the continuing operations of the Remaining Group, which in essence is the Remaining Businesses. While there may be a cash payout from a successful outcome of the Arbitration, this may or may not happen and the timing of the outcome is also uncertain. In light of the above, we are of the view that the continued listing of the Company on the Stock Exchange will not be effected due to the Distribution in Specie.

FINANCIAL EFFECTS ON THE REMAINING GROUP

Net assets

Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix III to the Circular, the unaudited pro forma net assets of the Remaining Group would decrease by approximately 84.38% from approximately HK$980.78 million as at 30 June 2014 to approximately HK$153.15 million, assuming the Distribution in Specie had taken place on 30 June 2014.

Liquidity

Based on the unaudited pro forma financial information of the Remaining Group as set out in the Appendix III to the Circular, the current ratio in terms of current assets over current liabilities, would increase from approximately 0.70 times as at 30 June 2014 to approximately 1.09 times, assuming the Distribution in Specie has taken place on 30 June 2014.

Earnings

Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix III to the Circular, the unaudited pro forma profit after tax of the Remaining Group would increase from approximately HK$17.25 million to approximately HK$23.21 million for the year ended 31 December 2013, assuming the Distribution in Specie had taken place on 1 January 2013.

Gearing ratio

Based on the unaudited pro forma financial information of the Group as set out in Appendix III to the Circular, as at 30 June 2014, the Group had no external borrowings and this would remain the same if the Distribution in Specie had taken place on 30 June 2014.

Working Capital

Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix III to the Circular, the audited pro forma cash and cash equivalents of the Remaining Group as at 30 June 2014 would decrease by 3.69% from approximately HK$10.02 million to approximately HK$9.65 million assuming the Distribution in Specie had taken place on 30 June 2014. We also noted that the Company completed an open offer in November 2014 raising net proceeds of approximately HK$33.4 million. As set out in Appendix I to the Circular, the Directors are of the opinion that, after taking into account the financial resources available to the Group, including the existing cash and bank balances and other internal resources available to the Group, and assuming completion of the Distribution in Specie, the Group has sufficient working capital for its present requirements and for at least 12 months from the date of the Circular.

Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix III to the Circular, despite the fact that the unaudited pro forma net asset value of the Remaining Group would decrease and that the working capital would also decrease

slightly assuming that the Distribution in Specie had taken place on 30 June 2014, the liquidity (current ratio) would improve. There will be no change in the gearing ratio as the Group had no external borrowings. Furthermore, the earnings will increase assuming that the Distribution in Specie had taken place on 1 January 2013. In light of the reasons and factors considered for the Distribution in Specie as set out above, we consider that, on balance, the financial effects of the Distribution in Specie on the Remaining Group is acceptable.

RECOMMENDATION

In light of the above and having considered in particular that:

(a) the Company will be subject to potential disclosure requirements under the Listing Rules for information on the Arbitration which may be highly sensitive and confidential which may negatively affect the negotiation and outcome of the Arbitration;

(b) the uncertainty of the Arbitration and its outcome and timing may impact the Group's fund raising ability which in turn affects the future development of the Group and also impact investor confidence in the Group;

(c) there is no dilutive effect on the Shareholders with respect to their shareholding in the Company and the Privateco Group as a result of the Group Restructuring and the Distribution in Specie;

(d) there is a lack of a liquid market for the Privateco Shares, the outcome of the Arbitration, if successful, is a cash payment and distribution back to the Shareholders proportional to their respective shareholdings in the Privateco Group;

(e) the financial and economic benefits to the Independent Shareholders as the Privateco shareholders from a potential successful outcome of the Arbitration is not diminished due to the Distribution in Specie;

(f) Independent Shareholders becoming the Privateco shareholders will continue to enjoy director and management continuity for the Privateco Group with respect to the management of TWE and matters in relation to the Arbitration;

(g) the interests of the Independent Shareholders becoming the Privateco shareholders due to the Distribution in Specie, will be safeguarded by the Takeovers Code and the amended articles of association of the Privateco such that they can enjoy similar rights and protection as shareholders of the Company; and

(h) on balance, the financial effects due to the Distribution in Specie is acceptable,

we are of the opinion that: (i) Distribution in Specie is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend: (i) the Independent Board Committee to advise the Independent Shareholders; and (ii) the Independent Shareholders, to vote in favour of the relevant resolution to be proposed at the EGM to approve the Distribution in Specie.

In any event, any Shareholder who does not wish to participate in the Distribution in Specie may sell his/her Shares on or before the last day of dealings in the Shares cum-entitlements to the Distribution in Specie, which is expected to be Thursday, 29 January 2015.

Arrangements for Shareholders

The distribution of Privateco Shares will be arranged by Tricor Investor Services Limited. Shareholders holding Shares through CCASS will need to inform CCASS about their denomination before the Distribution in Specie. CCASS will then inform Tricor Investor Services Limited on the number of share certificates and their denominations to be printed and distributed. The notification to Tricor Investor Services Limited on the number of share certificates and their denominations by Shareholders holding Shares through CCASS should be conducted through their brokers, and this is expected to take place between the Record Date, Thursday, 5 February 2015, and the day of dispatch of certificate of Privateco Shares, Wednesday, 18 February 2015. CCASS will be setting a deadline for brokers by which brokers have to submit the required information. As it is the responsibility of brokers to notify CCASS, CCASS would not directly communicate with individual Shareholders.

For any future transfer of Privateco Shares, Tricor Investor Services Limited will act as the transfer agent. Shareholders of Privateco Shares will need to inform Tricor Investor Services Limited on the transfer and for each transfer, Tricor Investor Services Limited will charge HK$2.50.

Overseas Shareholders

As the Distribution in Specie to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdiction outside Hong Kong, Overseas Shareholders who are citizens or residents or nationals of a jurisdiction outside Hong Kong should keep themselves informed about and observe any applicable legal or regulatory requirements and where necessary seek legal advice. It is the responsibilities of the Overseas Shareholders to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions). As at the Latest Practicable Date, the Company did not have any Overseas Shareholders. As stated in the Letter from the Board, in the event that the Company has any Overseas Shareholders as at the close of business on the Record Date, the Board will make enquiries regarding the legal restrictions under the applicable securities legislation of the relevant jurisdictions and the requirements of the relevant regulatory body or stock exchange with respect to the offer of the Distribution in Specie to such Overseas Shareholders. If there are no legal restrictions, the Distribution in Specie will be extended to the applicable Overseas Shareholders. If the advice from legal advisers is that either (i) the Circular will be required to be registered or filed with or subject to approval by the relevant regulatory authorities (as the case may be) in these jurisdictions; or (ii) the Company would need to take additional steps to comply with the regulatory requirements of the relevant regulatory authorities in these jurisdictions, and as a result the

Company would need to incur additional time and costs for legal compliance (as the case may be), the Directors are of the view that it would be expedient not to extend the Distribution in Specie to such Overseas Shareholders.

Principal Potential Risks

Independent Shareholders shall note the following principal potential risks in relation to the Distribution in Specie:

(a) Distribution in Specie may or may not happen

Shareholders should note that the Distribution in Specie is subject to the approval by the Shareholders as described in the Circular. Shareholders and/or potential investors in the Company should be aware that implementation of the Distribution in Specie may or may not become effective. There is no assurance that the Distribution in Specie will be approved or will materialise as a result thereof. Meanwhile, the Shareholders and prospective investors are advised to exercise caution in dealing in the Shares.

(b) Illiquidity of Privateco Shares

Shareholders should note that upon completion of the Distribution in Specie, the Privateco Group will cease to be subsidiaries of the Company and will be held directly by the Shareholders. No application will be made for the listing of, and permission to deal in, the Privateco Shares on the Stock Exchange or any other stock exchange. The Privateco Shares will not have a liquid market as compared to the Shares which are traded on the Main Board of the Stock Exchange. The Privateco Group will not be regulated by the Stock Exchange and will comply with the Listing Rules only to the extent relevant provisions are incorporated in the new articles of association to be adopted by the Privateco on completion of the Group Restructuring. Shareholders should note that the outcome of the Arbitration is uncertain and in the event that the Arbitration is not successful, no proceeds will be distributed to the shareholders of Privateco.

Yours faithfully,
For and on behalf of
Opus Capital Limited
Alvin Lai
Chief Executive Officer

Mr. Alvin Lai is the Chief Executive Officer of the Opus Capital Limited and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Alvin Lai has over 15 years of financial industry, investments, corporate finance and legal experience in Asia and Australia. Mr. Lai is a qualified legal practitioner in New South Wales, Australia. Mr. Alvin Lai has acted as financial adviser and/or independent financial adviser to many companies and transactions involving fundraising and/or mergers and acquisition in Asia.