

Oriental Unicorn Agricultural Group Limited

東麟農業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8120

FIFTH QUARTERLY REPORT

2011 / 2012

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 (the “**Directors**”) of Oriental Unicorn Agricultural Group Limited (the “**Company**”) 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 Hong Kong Limited (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company.*

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

HIGHLIGHTS

- The Company reported a profit attributable to the equity shareholders of the Company of approximately HK\$61,381,000 for the fifteen months ended 31 October 2012 (the “period”), representing a decrease of approximately 44% when compared to the same period of last year.
- The revenue of the Group was approximately 132,036,000 for the period, representing an increase of approximately 15% when compared to the same period of last year.
- Gross profit for the period was approximately HK\$21,916,000 and gross profit margin was 17%.
- The board of Directors (the “Board”) does not recommend the payment of any interim dividend for the fifteen months ended 31 October 2012.

	August 2011 to October 2012 <i>HK\$ million</i>	August 2010 to October 2011 <i>HK\$ million</i>
Revenue	<u>132.0</u>	<u>114.7</u>
Gross profit	21.9	20.9
– ratio to revenue	17%	18%
Other revenue	4.0	3.0
Operating expenditure*	(15.8)	(11.7)
Restructuring cost – professional fees for restructuring in the period	(9.9)	(3.8)
Finance costs	(2.4)	(0.6)
Gain on the Scheme	67.5	69.5
Gain on deconsolidation of subsidiaries	<u>0.4</u>	<u>36.6</u>
Profit before tax	65.7	113.9
Tax	(2.8)	(3.7)
Profit for the period	<u>62.9</u>	<u>110.2</u>
Profit for the period attributable to equity shareholders of the Company	<u>61.4</u>	<u>109.7</u>

* Being selling and distribution costs, and general and administrative expenses

FIFTH QUARTERLY RESULTS (UNAUDITED)

The Board of Oriental Unicorn Agricultural Group Limited presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and fifteen months ended 31 October 2012 together with the comparative figures for the corresponding period in 2011. The fifth quarterly results are unaudited, but have been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and fifteen months ended 31 October 2012

		For the three months ended 31 October		For the fifteen months ended 31 October		For the twelve months ended 31 July
	Note	2012	2011	2012	2011	2011
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Turnover		19,637	28,371	132,036	114,675	86,304
Cost of sales		(20,510)	(22,519)	(110,120)	(93,795)	(71,276)
Gross profit/(loss)		(873)	5,852	21,916	20,880	15,028
Other revenue	4	116	3,008	4,036	3,042	34
Selling and distribution costs		(655)	(722)	(2,930)	(3,744)	(3,022)
General and administrative expenses		(1,511)	(1,862)	(12,920)	(7,964)	(6,102)
Restructuring costs		-	(971)	(9,867)	(3,845)	(2,874)
Profit/(loss) from operating activities		(2,923)	5,305	235	8,369	3,064
Finance costs	5	(411)	(213)	(2,440)	(554)	(341)
Gain on the Scheme	12	-	69,534	67,494	69,534	-
Gain on deconsolidation of subsidiaries		-	401	401	36,592	36,191
Profit/(loss) before tax		(3,334)	75,027	65,690	113,941	38,914
Tax	7	636	(1,105)	(2,805)	(3,662)	(2,557)
Profit/(loss) for the period		(2,698)	73,922	62,885	110,279	36,357
Other comprehensive income/(loss) for the period:						
- Release of exchange fluctuation reserve upon deconsolidation of subsidiaries		-	(20)	(20)	2,348	2,368
- Exchange differences arising on translation of financial statements of overseas subsidiaries		246	(162)	342	931	1,093
Total comprehensive income/(loss) for the period		(2,452)	73,740	63,207	113,558	39,818

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

For the three months and fifteen months ended 31 October 2012

	For the three months ended 31 October		For the fifteen months ended 31 October		For the twelve months ended 31 July
<i>Note</i>	2012	2011	2012	2011	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Profit/(loss) for the period attributable to:					
– Equity shareholders of the Company	(2,698)	73,346	61,381	109,685	36,339
– Non-controlling interests	–	576	1,504	594	18
	<u>(2,698)</u>	<u>73,922</u>	<u>62,885</u>	<u>110,279</u>	<u>36,357</u>
 Total comprehensive income/(loss) for the period attributable to:					
– Equity shareholders of the Company	(2,452)	73,159	61,703	112,831	39,672
– Non-controlling interests	–	581	1,504	727	146
	<u>(2,452)</u>	<u>73,740</u>	<u>63,207</u>	<u>113,558</u>	<u>39,818</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i> <i>(Restated)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i> <i>(Restated)</i>	<i>(Unaudited)</i> <i>(Restated)</i>
 Earnings/(loss) per share	<i>8</i>	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>
Basic	<u>(0.8)</u>	<u>142.3</u>	<u>23.0</u>	<u>293.4</u>	<u>107.5</u>
Diluted	<u>N/A</u>	<u>125.0</u>	<u>18.5</u>	<u>282.6</u>	<u>N/A</u>

NOTES

1. CORPORATE INFORMATION

During the period, the Group is principally engaged in feedstock and related businesses, mainly involving in the manufacturing, development, distribution of feedstock products, animal husbandry and related activities.

The registered office of the Company is at Ugland House, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies.

The Company's shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") and the Hong Kong Companies Ordinance. These unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 July 2011. The accounting policies and method of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the annual financial statements of the Group for the year ended 31 July 2011.

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards. For those which are effective for accounting periods beginning on 1 August 2011, the adoption has no material effect on the reported results and the financial position of the Group for the current or prior accounting periods. For those which are not yet effective and have not been early adopted, the Group is in the process of assessing their impact on the Group's results and financial position.

3. TURNOVER

Turnover represents the net invoiced value of goods sold after allowances for returns and discounts, and net of value-added tax.

NOTES (CONT'D)

4. OTHER REVENUE

	For the three months ended 31 October		For the fifteen months ended 31 October		For the twelve months ended
	2012	2011	2012	2011	31 July 2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Non-refundable fee contributions from Former Investor	-	3,000	3,000	3,000	-
Interest income	12	8	42	22	14
Gain on disposal of property, plant and equipment	-	-	-	20	20
Other sundry income	104	-	994	-	-
	<u>116</u>	<u>3,008</u>	<u>4,036</u>	<u>3,042</u>	<u>34</u>

5. FINANCE COSTS

	For the three months ended 31 October		For the fifteen months ended 31 October		For the twelve months ended
	2012	2011	2012	2011	31 July 2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Interest on advances from the Former Investor	-	66	66	388	322
Interest on advances from the Investor	-	105	105	124	19
Other interest	80	2	155	2	-
Imputed interest on convertible notes	331	40	2,114	40	-
	<u>411</u>	<u>213</u>	<u>2,440</u>	<u>554</u>	<u>341</u>

NOTES (CONT'D)

6. TAX

	For the three months ended 31 October		For the fifteen months ended 31 October		For the twelve months ended
	2012	2011	2012	2011	31 July 2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
PRC enterprise income tax					
Provision/(Write-back) for the period	(636)	1,105	2,805	3,639	2,534
Under-provision in respect of prior periods	-	-	-	23	23
	<u>(636)</u>	<u>1,105</u>	<u>2,805</u>	<u>3,662</u>	<u>2,557</u>

No provision for Hong Kong profits tax has been made as the Group does not have any estimated assessable profits arising in Hong Kong for both periods.

The provision for PRC enterprise income tax is calculated at 25% on the estimated assessable profits of the subsidiaries operating in the PRC in accordance with the relevant income tax rules and regulations of the PRC for both periods.

NOTES (CONT'D)

7. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the following data:

	For the fifteen months ended 31 October	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Profit attributable to shareholders of the Company	<u>61,381</u>	<u>109,685</u>
	Weighted average number of ordinary shares at 31 October	
	2012	2011
	<i>'000 shares</i>	<i>'000 shares</i>
Issued ordinary shares at the beginning of the period	1,352,400	1,352,400
Effect of Capital Reduction	<u>(1,318,590)</u>	<u>(1,318,590)</u>
Ordinary shares deemed to be in issue at the beginning of the period	33,810	33,810
Effect of issuance of Subscription Shares	194,934	3,151
Effect of issuance of Creditors Shares (note 12)	25,991	420
Effect of issuance of Conversion Shares	<u>12,612</u>	<u>–</u>
Weighted average number of ordinary shares at the end of the period	<u>267,347</u>	<u>37,381</u>

33,810,000 ordinary shares are deemed to be in issue as at 1 August 2010 assuming that the Capital Reduction was effective on that date. The comparative figure for the fifteen months ended 31 October 2011 has been adjusted accordingly.

The calculation of basic earnings per share attributable to shareholders of the Company for the three months ended 31 October 2012 is based on the profit attributable to shareholders of the Company of approximately HK\$2,698,000 (2011: earnings of approximately HK\$73,346,000) and the weighted average number of shares in issue during the three months ended 31 October 2012 of 356,610,000 (for the three months ended 31 October 2011: 51,549,000 ordinary shares are deemed to be in issue assuming that the Capital Reduction was effective on 1 August 2010).

NOTES (CONT'D)

7. EARNINGS/(LOSS) PER SHARE (CONT'D)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the following data:

	For the fifteen months ended 31 October	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to shareholders of the Company	61,381	109,685
Interest on convertible notes	2,114	40
	<hr/>	<hr/>
Profit attributable to shareholders of the Company (diluted)	63,495	109,725
	<hr/> <hr/>	<hr/> <hr/>
	Weighted average number of ordinary shares for the fifteen months ended 31 October	
	2012	2011
	<i>'000 shares</i>	<i>'000 shares</i>
Weighted average number of ordinary shares at 31 October	267,347	37,381
Effect of issuance of Conversion Shares	76,733	1,444
	<hr/>	<hr/>
	344,080	38,825
	<hr/> <hr/>	<hr/> <hr/>

No diluted earnings per share is presented for the three months ended 31 October 2012 as the conversion of the outstanding convertible notes during the periods has an anti-dilutive effect on the basic earnings/(loss) per share. For the three months ended 31 October 2011, the calculation is based on diluted earnings of approximately HK\$73,386,000, and the weighted average number of 58,723,000 shares (diluted) during the three months ended 31 October 2011.

NOTES (CONT'D)

8. RESERVES

	Attributable to shareholders of the Company											
	Share capital	Share premium	Convertible Capital reserve	Convertible			PRC statutory reserve	Exchange fluctuation reserve	Accumulated losses	Non-controlling interests		
				Share option reserve	bond equity reserve	Warrants reserve				Total	interests	Total
HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
At 1 August 2010	67,620	101,086	27,104	14,364	29,634	4,807	-	(2,279)	(403,581)	(161,245)	-	(161,245)
Capital contribution from the non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	5,732	5,732
Conversion upon expiry of the conversion period of convertible bonds	-	-	29,634	-	(29,634)	-	-	-	-	-	-	-
Conversion upon expiry of warrants	-	-	4,807	-	-	(4,807)	-	-	-	-	-	-
Conversion upon lapse of warrants	-	-	-	(14,364)	-	-	-	-	14,364	-	-	-
Total consolidated income for the year	-	-	-	-	-	-	-	3,333	36,339	39,672	146	39,818
Transfer to PRC authorized reserve	-	-	-	-	-	-	873	-	(873)	-	-	-
At 31 July 2011 and 1 August 2011	67,620	101,086	61,545	-	-	-	873	1,054	(353,751)	(121,573)	5,878	(115,695)
Capital restructuring	(66,268)	(101,086)	-	-	-	-	-	-	167,354	-	-	-
Issuance of Subscription Shares	9,600	38,400	-	-	-	-	-	-	-	48,000	-	48,000
Issuance of Creditors Shares (note 12)	1,280	45,440	-	-	-	-	-	-	-	46,720	-	46,720
Issuance of convertible notes (note 11)	-	-	8,647	-	-	-	-	-	-	8,647	-	8,647
Release of capital reserve upon:												
- deconsolidation of subsidiaries	-	-	(27,104)	-	-	-	-	-	27,104	-	-	-
- discharge of convertible bonds under the Scheme	-	-	(34,441)	-	-	-	-	-	34,441	-	-	-
Capital contribution from the non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	1,505	1,505
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(8,887)	(8,887)
Issuance of conversion shares for convertible notes	2,032	8,128	(3,994)	-	-	-	-	-	-	6,166	-	6,166
Total comprehensive income for the period	-	-	-	-	-	-	-	76	64,079	64,155	1,504	65,659
At 31 July 2012	14,264	91,968	4,653	-	-	-	873	1,130	(60,773)	52,115	-	52,115
Total comprehensive income for the period	-	-	-	-	-	-	-	246	(2,698)	(2,452)	-	(2,452)
At 31 October 2012	14,264	91,968	4,653	-	-	-	873	1,376	(63,471)	49,663	-	49,663

NOTES (CONT'D)

9. INTERIM DIVIDEND

The directors does not recommend the payment of any interim dividend for the fifteen months ended 31 October 2012 (for the fifteen months ended 31 October 2011: Nil).

10. SHARE CAPITAL

	Par value <i>HK\$</i>	Number of ordinary shares	Amount <i>HK\$</i>
Authorised:			
At 1 August 2011	0.050	3,000,000,000	150,000,000
Reduction of par value and cancellation of shares		(1,647,600,000)	(148,647,600)
After reduction of par value and cancellation of shares	0.001	1,352,400,000	1,352,400
Consolidation of 40 shares into 1 share	0.001	(1,318,590,000)	–
After consolidation of shares	0.040	33,810,000	1,352,400
Increase in shares	0.040	4,966,190,000	198,647,600
At 31 October 2012	0.040	<u>5,000,000,000</u>	<u>200,000,000</u>
Issued and fully paid:			
At 1 August 2011	0.050	1,352,400,000	67,620,000
Reduction of par value	(0.049)	–	(66,267,600)
After reduction of par value	0.001	1,352,400,000	1,352,400
Consolidation of 40 shares into 1 share	0.001	(1,318,590,000)	–
After consolidation of shares	0.040	33,810,000	1,352,400
Subscription Shares issued	0.040	240,000,000	9,600,000
Creditors Shares issued	0.040	32,000,000	1,280,000
Conversion Shares issued	0.040	50,800,000	2,032,000
At 31 October 2012	0.040	<u>356,610,000</u>	<u>14,264,400</u>

NOTES (CONT'D)

11. CONVERTIBLE NOTES

The Convertible Notes contain a liability component and an equity component. The equity component is credited to the Company's capital reserve. The annual effective interest rate of the liability component is 18.103% per annum. The movement of the liability component for the period is as follows:

	<i>HK\$'000</i>
Proceeds of issue	22,000
Equity component	<u>(8,647)</u>
Liability component at date of issue	13,353
Imputed Interest charged	2,114
Converted into shares	<u>(6,166)</u>
Liability component at 31 October 2012	<u><u>9,301</u></u>

During the fifteen months ended 31 October 2012, a principal sum of HK\$10,160,000 of the Convertible Notes issued by the Company was converted into 50,800,000 shares of the Company.

NOTES (CONT'D)

12. SCHEME OF ARRANGEMENT

Details of the gain on the Scheme are as follow:

	For the fifteen months ended 31 October 2012 <i>HK\$'000</i> <i>(Unaudited)</i>
Convertible bonds	106,600
Amounts due to deconsolidated subsidiaries	1,356
Other payables and accruals	14,182
Amount due to a Director	38
Amount due to the Former Investor	5,198
	<hr/>
Total liabilities settled	127,374
Consideration paid:	
Cash	(13,160)
Total fair value of Creditors Shares	(46,720)
	<hr/>
Gain on the Scheme	<u>67,494</u>

The total fair value less total par value of the Creditors Shares will be credited to the share premium account of the Company.

13. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures in the condensed consolidated statement of comprehensive income have been re-classified in order to conform with the current financial period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group recorded profit attributable to the equity shareholders of the Company of HK\$61,381,000 for the fifteen months ended 31 October 2012 (the “period”), of which, representing a decrease of approximately 44% or approximately HK\$48,304,000 as compared with the corresponding period in 2011, mainly due to the decrease in gain on deconsolidation of subsidiaries of the Company for the period as compared with that for the corresponding period in 2011.

Operating expenses for the period were approximately HK\$15,850,000, an increase of 35% or approximately HK\$4,142,000 as compared with the same period in the previous year. The increase was mainly due to allocating additional resources to meet the business needs in line with the growth in revenue in the period.

The total revenue of the Group for the period was approximately HK\$132,036,000, representing an increase of 15% or approximately HK\$17,361,000 as compared to the same period in the previous year; while gross profit increased 5% or approximately HK\$1,036,000. This was attributable to our appropriate marketing strategy and outstanding internal management.

For the three months ended 31 October 2012, the Group recorded loss attributable to the shareholders of approximately HK\$ 2,698,000 while approximately HK\$ 73,346,000 of profit attributable to shareholders was recorded for the corresponding period in 2011. Such loss was mainly due to the absence of a gain on the scheme of arrangement for the three months ended 31 October 2012 which amounted to approximately HK\$ 69,534,000 for the corresponding period in 2011. Also, price cut and sales promotion of the Group’s products for the three months ended 31 October 2012 was another cause to the loss due to fiercer market competition arising from the increased number of feed plants adjacent to the factories of the Group. As mentioned in the sections of business review and prospect in the result announcements for the last two quarters, following the commencement of operation of feed plants nearby since July this year, market competition has been increasingly fierce around such area, and in order to maintain our existing market share, the Group adopted several measures such as significant price cut for sales promotion as well as offering gift. Although our market share did not experience a material drop, gross loss resulted while our feed plants recorded a loss in sales also. Meanwhile, price of hog remained low, thus our animal husbandry segment merely realized small profit.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Prospect

The Group intends to consolidate existing market share through improving sale models on one hand, and accelerate the transformation or upgrading process of feed products through self-development or cooperation with external partners on the other, with an aim to enhance our market competitiveness and gross profit margin of our products.

The Group's feeding company will strive to seek excellent piglets and cooperate and research with scientific research institutions to find out the most optimized breeding stock, through which realizes an outstanding breed with low mortality rate and excellent quality which allows the Group to sell at a higher price than similar products. Besides, we may also extend our feeding species to include poultry, such as quality chicken and goose.

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the fifteen months ended 31 October 2012 (for the fifteen months ended 31 October 2011: nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the fifteen months ended 31 October 2012.

AUDIT COMMITTEE

The audit committee of the Company consists of three independent non-executive Directors, namely, Ms. Wong Yan Ki Angel, Ms. Liao Aimin and Mr. Li Jingxing with written terms of reference in compliance with the Rule 5.28 to 5.33 to the GEM Listing Rules. The audit committee has reviewed the fifth quarterly results for the three months and fifteen months ended 31 October 2012.

CHANGE OF FINANCIAL YEAR END DATE OF THE COMPANY

The Company has changed its financial year end date from 31 July to 31 December. Therefore, the financial period will cover the period of seventeen months from 1 August 2011 to 31 December 2012.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES OF THE COMPANY

As at 31 October 2012, the interests or short positions of the directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in ordinary shares and underlying shares of the Company

Name of director	Capacity and nature of interest	Share/equity derivatives	Number of shares/ equity derivatives held	Percentage of the Company's issued share capital	Note
Mr. Li Wing Chiu	Through controlled corporation	Ordinary shares	219,356,000 shares	61.51%	(1)
Ms. Wong Moon Ha	Through controlled corporations and personal interests	Ordinary shares	14,000,000 shares	3.93%	(2)
Mr. Wong Sai Wa	Personal interests	Ordinary shares	96,185 shares	0.03%	

Note:

- (1) The shares were held by Thousand Jade International Limited, the entire issued capital of which is owned by Mr. Li Wing Chiu, an executive director and Chairman of the board of Directors of the Company.
- (2) 10,000,000 shares were held by Concord Pharmaceutical Technology (Holdings) Limited, which is a wholly-owned subsidiary of Concord Management Limited, the entire issued capital of which is owned by Ms. Wong Moon Ha, an non-executive director of the Company. 4,000,000 shares were directly held Ms. Wong Moon Ha.

Save as disclosed herein, as at 31 October 2012, none of the Directors had short positions in the shares or underlying shares of equity derivatives of the Company and no other person was individually and/or collectively entitled to exercise or control the exercise of 5% or more of the voting power at general meeting of the Company and was able, as a practical matter, to direct or influence the management of the Company.

SHARE OPTION SCHEMES

The Company had no share option scheme in effect during the period.

No new share option was granted under any option scheme of the Company to any person during the period.

At 31 October 2012, no person had any interest in option under any share option scheme to subscribe for shares of the Company.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES OF THE COMPANY

As at 31 October 2012, in so far as known to the directors or chief executives of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, the following persons (not being directors and chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Substantial Shareholders

Name	Capacity and nature of interest	Share/equity derivatives	Number of shares/ equity derivatives held (long position)	Percentage of the Company's issued share capital	Note
Thousand Jade International Limited	Corporation	Ordinary shares	219,356,000shares	61.51%	(1)
Mr. Li Wing Chiu	Through controlled corporation	Ordinary shares	219,356,000shares	61.51%	(1)
Mr. Peng Guomin	Personal interests	Ordinary shares	25,000,000 ordinary shares	7.01%	
Will Summit Limited	Corporation	Convertible note	22,750,000 ordinary shares	6.38%	(2)
Ms. Chen Shu Huan	Through controlled corporation	Convertible note	22,750,000 ordinary shares	6.38%	(2)
Power Soar Limited	Corporation	Convertible note	20,000,000 ordinary shares	5.61%	(3)
Mr. Hung Cho Chiu	Through controlled corporation	Convertible note	20,000,000 ordinary shares	5.61%	(3)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES OF THE COMPANY (CONT'D)

Substantial Shareholders (Cont'd)

Note:

- (1) The shares were held by Thousand Jade International Limited for which its entire share capital is wholly-owned by Mr. Li Wing Chiu, an executive director and Chairman of the board of Directors of the Company.
- (2) The underlying shares were held by Will Summit Limited for which its entire share capital is wholly-owned by Ms. Chen Shu Huan, a holder of the CN issued by the Company on 26 October 2011. Of which, the holder is entitled to the right attaching to the CN to subscribe for 22,750,000 shares of the Company.
- (3) The underlying shares were held by Power Soar Limited for which its share capital is wholly-owned by Mr. Hung Cho Chiu, a holder of the CN issued by the Company on 26 October 2011. Of which, the holder is entitled to the right attaching to the CN to subscribe for 20,000,000 shares of the Company.

Save as disclosed above, as at 31 October 2012, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors.

The Company has made specific enquiry to all Directors and the Directors have confirmed that they have complied with all the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules during the period ended 31 October 2012.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the period ended 31 October 2012, with the exception of the matters listed below, the Company complied with the principles of good governance (the “Principles”) and code provision (the “Code Provision”) as set out in the “Code on Corporate Governance Practices” contained in Appendix 15 of the GEM Listing Rules.

Ms. Wong Moon Ha was appointed on 26 October 2011. Ms. Wong Moon Ha, former executive director who was re-designated as non-executive director on the same date. Such appointments were not appointed for a specific term.

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

None of the Directors or their respective associates had any interest in any business which competes with or may compete with the business of the Group during the period.

On behalf of the Board
Li Wing Chiu
Chairman

Hong Kong, 14 December 2012

As at the date of this report, the Board comprises four executive Directors, namely, Mr. Li Wing Chiu, Mr. Wang Zhiming, Mr. Zhang Xiaobin and Mr. Wong Sai Wa; one non-executive Director, namely Ms. Wong Moon Ha, and three independent non-executive Directors, namely Ms. Wong Yan Ki Angel, Ms. Liao Aimin and Mr. Li Jingxing.

This report will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of seven days from the date of publication and on the Company’s website at www.irasia.com/listcol/hk/orientalunicorn/index.htm.