

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

THIRD QUARTERLY REPORT

2013

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 loss attributable to the equity shareholders of the Company of approximately HK\$15,718,000 for the nine months ended 30 September 2013 (the “period”).
- The revenue of the Group was approximately HK\$22,110,000 for the period, a decrease of HK\$63,361,000 when compared to the same period of last year.
- Gross loss for the period was approximately HK\$2,778,000 against a gross profit of HK\$12,178,000 when compared to the same period of last year.
- The board of Directors (the “Board”) does not recommend the payment of any interim dividend for the nine months ended 30 September 2013.

UNAUDITED NINE-MONTHS RESULTS

The Board of the Company presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and nine months ended 30 September 2013 together with the comparative unaudited figures for the corresponding periods in 2012. The nine-months 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 nine months ended 30 September 2013

	Note	For the three months ended 30 September		For the nine months ended 30 September	
		2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Turnover	3	5,922	19,741	22,110	85,471
Cost of sales		(6,329)	(19,521)	(24,888)	(73,293)
Gross (loss)/profit		(407)	220	(2,778)	12,178
Other revenue	4	49	98	101	994
Selling and distribution costs		(169)	(680)	(565)	(1,224)
General and administrative expenses		(6,725)	(3,050)	(11,897)	(9,694)
Restructuring costs		–	–	–	(1,779)
(Loss)/profit from operating activities		(7,252)	(3,412)	(15,139)	475
Finance costs	5	(69)	(443)	(471)	(1,664)
Loss before tax	6	(7,321)	(3,855)	(15,610)	(1,189)
Income tax	7	(55)	(192)	(108)	(1,874)
Loss for the period		(7,376)	(4,047)	(15,718)	(3,063)
Other comprehensive income/(loss) for the period:					
– Exchange differences arising on translation of financial statements of overseas subsidiaries		280	(217)	1,471	(90)
Total comprehensive loss for the period		(7,096)	(4,264)	(14,247)	(3,153)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

For the three months and nine months ended 30 September 2013

	Note	For the three months ended 30 September		For the nine months ended 30 September	
		2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Loss for the period attributable to:					
– Equity shareholders of the Company		(7,376)	(4,047)	(15,718)	(3,063)
Total comprehensive loss for the period attributable to:					
– Equity shareholders of the Company		(7,096)	(4,264)	(14,247)	(3,153)
		(Unaudited) HK Cents	(Unaudited) HK Cents	(Unaudited) HK Cents	(Unaudited) HK Cents
Loss per share	8				
Basic		(1.49)	(1.15)	(3.62)	(0.95)
Diluted		(1.49)	N/A	N/A	N/A

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

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 GEM of the Stock Exchange.

2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements for the nine months ended 30 September 2013 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 Listing Rules and the Hong Kong Companies Ordinance. These unaudited condensed consolidated results should be read in conjunction with the financial statements of the Group for the period ended 31 December 2012. 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 financial statements of the Group for the period ended 31 December 2012. The financial statements are unaudited but have been reviewed by Audit Committee.

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs"). For those which are effective for accounting periods beginning on 1 January 2013, 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. So far, the Group considers that the adoption of those HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS (CONT'D)

3. TURNOVER

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

	For the three months ended 30 September		For the nine months ended 30 September	
	2013 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Unaudited)	2013 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Unaudited)
Sales of feedstock products	5,500	11,645	21,115	54,065
Sales of animal husbandry products	422	8,096	995	31,406
	<u>5,922</u>	<u>19,741</u>	<u>22,110</u>	<u>85,471</u>

4. OTHER REVENUE

	For the three months ended 30 September		For the nine months ended 30 September	
	2013 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Unaudited)	2013 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Unaudited)
Interest income	45	3	47	5
Sundry income	4	95	54	989
	<u>49</u>	<u>98</u>	<u>101</u>	<u>994</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS (CONT'D)

5. FINANCE COSTS

	For the three months ended 30 September		For the nine months ended 30 September	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Interest on bank loan wholly repayable within five years	69	84	240	103
Imputed interest on convertible notes	–	359	231	1,561
	<u>69</u>	<u>443</u>	<u>471</u>	<u>1,664</u>

6. LOSS BEFORE TAXATION

The Group's loss before income tax is arrived at after charging:

	For the three months ended 30 September		For the nine months ended 30 September	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	454	331	1,172	971

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS (CONT'D)

7. INCOME TAX

	For the three months ended 30 September		For the nine months ended 30 September	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
PRC enterprise income tax Provision for the period	55	192	108	1,874

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.

8. LOSS PER SHARE

Loss

	For the three months ended 30 September		For the nine months ended 30 September	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Loss for the period attributable to the equity holders of the Company for the purpose of basic loss per share	(7,376)	(4,047)	(15,718)	(3,063)
Effect of dilutive potential ordinary shares: Imputed interest on convertible notes	–	359	231	1,561
Loss for the period attributable to the equity holders of the Company for the purpose of diluted earnings per share	(7,376)	(3,688)	(15,487)	(1,502)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS (CONT'D)

8. LOSS PER SHARE (CONT'D)

Number of shares

	For the three months ended 30 September		For the nine months ended 30 September	
	2013 '000	2012 '000	2013 '000	2012 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	493,810	351,477	434,557	321,144
Effect of dilutive potential ordinary shares: Convertible notes not yet converted	–	59,200	–	59,200
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>493,810</u>	<u>410,677</u>	<u>434,557</u>	<u>380,344</u>

No diluted loss per share is presented for the three and nine months ended 30 September 2012 and the nine months ended 30 September 2013 as the conversion of outstanding convertible notes during the periods had an anti-dilutive effect on the basic loss per share.

9. INTERIM DIVIDEND

The directors do not recommend the payment of any interim dividend for the nine months ended 30 September 2013 (30 September 2012: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS (CONT'D)

10. MOVEMENT OF EQUITY (UNAUDITED)

For the nine months ended 30 September 2013

	Attributable to equity shareholders of the Company							Non-controlling interests	Total	
	Share capital	Share premium	Capital reserve	Convertible notes equity reserve	PRC statutory reserve	Exchange fluctuation reserve	Accumulated loss			Total
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
For the nine months ended										
30 September 2012										
At 1 January 2012	12,232	83,840	61,545	8,647	873	1,028	(123,642)	44,523	7,400	51,923
Conversion of convertible notes	2,032	8,128	-	(2,335)	-	-	-	7,825	-	7,825
Total comprehensive loss for the period	-	-	-	-	-	(90)	(3,063)	(3,153)	904	(2,249)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(8,304)	(8,304)
At 30 September 2012	14,264	91,968	61,545	6,312	873	938	(126,705)	49,195	-	49,195
For the nine months ended										
30 September 2013										
At 1 January 2013 (Audited)	14,264	91,968	61,545	4,885	873	1,123	(127,760)	46,898	-	46,898
Conversion of convertible notes	2,568	11,501	-	(4,885)	-	-	-	8,984	-	8,984
Issuance of placing shares	3,120	34,220	-	-	-	-	-	37,340	-	37,340
Total comprehensive income/(loss) for the period	-	-	-	-	-	1,471	(15,718)	(14,247)	-	(14,247)
At 30 September 2013	19,752	137,689	61,545	-	873	2,594	(143,478)	78,975	-	78,975

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS (CONT'D)

11. SHARE CAPITAL

	Par value <i>HK\$</i>	(Audited) 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		<u>(1,647,600,000)</u>	<u>(148,647,600)</u>
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	<u>(1,318,590,000)</u>	<u>–</u>
After consolidation of shares	0.040	33,810,000	1,352,400
Increase in shares	0.040	<u>4,966,190,000</u>	<u>198,647,600</u>
At 31 December 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)	<u>–</u>	<u>(66,267,600)</u>
After reduction of par value	0.001	1,352,400,000	1,352,400
Consolidation of 40 shares into 1 share	0.001	<u>(1,318,590,000)</u>	<u>–</u>
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	<u>50,800,000</u>	<u>2,032,000</u>
At 31 December 2012	0.040	<u>356,610,000</u>	<u>14,264,400</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS (CONT'D)

11. SHARE CAPITAL (CONT'D)

	Par value <i>HK\$</i>	(Unaudited) Number of ordinary shares	Amount <i>HK\$</i>
Authorised:			
At 1 January 2013 and 30 September 2013	0.040	5,000,000,000	200,000,000
Issued and fully paid:			
At 1 January 2013	0.040	356,610,000	14,264,400
Conversion shares issued	0.040	59,200,000	2,368,000
Placing shares issued	0.040	78,000,000	3,120,000
At 30 September 2013		493,810,000	19,752,400

12. 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.

During the nine months ended 30 September 2013, a principal sum of HK\$11,840,000 of the convertible notes issued by the Company was converted into 59,200,000 shares of the Company. As at 30 September 2013, all the convertible notes had been converted into conversion shares.

13. MATERIAL RELATED PARTY TRANSACTIONS

The directors are not aware of any material related party transactions during the nine months ended 30 September 2012 and 30 September 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group recorded a loss attributable to the shareholders of the Company of approximately HK\$15,718,000 for the nine months ended 30 September 2013 (the “period”), representing a difference of approximately HK\$12,655,000 as compared with the loss of approximately HK\$3,063,000 in the corresponding period in the previous year, which was mainly due to the decrease in turnover of the Group for the period as compared with that for the corresponding period in the previous year.

The total revenue of the Group for the period was approximately HK\$22,110,000, representing a decrease of 74.1% or approximately HK\$63,361,000 as compared to the previous year; while gross loss was approximately HK\$2,778,000 against a gross profit of approximately HK\$12,178,000 for the same period of previous year. The reason was that the swine price remained at its low level for the period, which led to the significantly decline in breeding area operated by farmers around the plants and farmers recorded losses with tight liquidity, posing great challenges to the operation of feed plants, thus reflected by decreases in both sales volume and sales prices and led to operation loss.

Selling and distribution costs for the period were approximately HK\$565,000, a decrease of 53.8% or approximately HK\$659,000 as compared to the same period in the previous year. The decrease was in line with the drop in revenue in the period. General and administrative expenses for the period were approximately HK\$11,897,000, representing an increase of 22.7% or approximately HK\$2,203,000 as compared with that for the corresponding period in the previous year. The increase was mainly due to the provision for doubtful debts of approximately HK\$3,698,000 made by the Group after assessing the collectibility of trade receivables of the Group.

To further expand the sources of income and respond to the focus by the government towards livestock and poultry industry as demonstrated in “the 12th Five-Year Plan”, the Group actively enhanced the expansion of feed business and breeding business. For the breeding business, as announced on 18 July 2013, the Group had invested HK\$16,740,000 in a fish farm in Sabah, Malaysia with an area of approximately 1 million square feet, in which it is specialized in *Epinephelus lanceolatus* and *Epinephelus polyphkadion* breeding.

For the feed business, as announced on 28 August 2013, the Group had entered into a feed provision memorandum of understanding with Bangkok Ranch Group, a duck meat producer in Thailand, to act as the non-exclusive duck feed product supplier of Bangkok Ranch Group and provide respective consultancy services. Bangkok Ranch Group shall purchase at least an aggregate equivalent amount of HK\$30 million of the duck feed products from the Group per annum, and it is expected that it will be able to further expand the sources of income of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

PROSPECT

Looking forward into the future, the swine breeding operation and sales industry is still under tremendous pressure. However, with the national swine price and swine grain ratio beginning to stabilize after the National Development and Reform Commission had initiated the works on frozen pork purchase and storage and the impact of budget control measures had gradually emerged, the Group holds a positive but conservative attitude towards the future market environment. Under the current market condition, besides enhancing the expansion of diversified businesses, the management will also continue to optimize its product quality, strengthen its business operation and reinforce its marketing management to enhance the service standard of farmers and market competitiveness and at the same time fully prepare well for industry recovery.

Furthermore, the Group has all along been pursuing various business development opportunities to increase its sources of income. After in-depth researches, for feed provision, the Group had decided to focus on considering and finalizing the collaboration with Bangkok Ranch Group, a duck meat producer in Thailand.

Moreover, the Group anticipates the expansion into new businesses with the financial aspects heading its way to get more involved in various financial project services. The management is exploring actively different projects to increase its return, including development of money lending service, investment in securities of listed and non-listed companies, to strive to manage its financial resources in a more effective basis. At the same time, the Group will continue to identify business opportunities or business investments with huge potentials, aiming to bring more income and higher returns for the Group.

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the nine months ended 30 September 2013 (for the nine months ended 30 September 2012: 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 nine months ended 30 September 2013.

AUDIT COMMITTEE

The audit committee of the Company consists of three independent non-executive Directors, namely, Ms. Liao Aimin, Mr. Siu Kam Chau and Mr. Lee Kin Fai 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 third quarterly results for the nine months ended 30 September 2013.

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

As at 30 September 2013, the interests or short positions of the directors and chief executives 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	44.42%	(1)

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 the Company.

Save as disclosed herein, as at 30 September 2013, 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 SCHEME

On 30 September 2013, by an ordinary resolution passed at the extraordinary general meeting, the Company adopted a new share option scheme (the “Scheme”). The purpose of the Scheme is to encourage the participants to perform their best in achieving the goals of the Group and at the same time allow the participants to enjoy the results of the Company attained through their efforts and contributions and to provide the participants with incentives and help the Company in retaining its existing employees and recruiting additional employees. The Scheme shall be valid and effective for a period of 10 years to 29 September 2023. The principal terms of the Scheme were set out in the appendix I to the circular of the Company dated 11 September 2013. No share option was granted, exercised, cancelled or lapsed under the Scheme during the nine months ended 30 September 2013.

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

As at 30 September 2013, 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	219,356,000 shares	44.42%	(1)
Mr. Li Wing Chiu	Through controlled corporation	Ordinary shares	219,356,000 shares	44.42%	(1)

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 the Company.

Save as disclosed above, as at 30 September 2013, 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 5.46 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 5.46 to 5.67 of the GEM Listing Rules during the period ended 30 September 2013.

CORPORATE GOVERNANCE CODE

During the period ended 30 September 2013, the Company complied with the principles of good governance (the “Principles”) and code provisions on Corporate Governance Code (the “Code”) as set out in the Appendix 15 of the GEM Listing Rules, except for the deviation from the code provision A.4.1 of the Code.

Code provision A.4.1 of the Code provides that non-executive directors should be appointed for specific term, subject to re-election.

Although an independent non-executive director of the Company is not appointed for specific term, they are subject to retirement by rotation at least once every three years at the annual general meeting and offer themselves for re-election in accordance with the Company’s Articles of Association. This means that the term of appointment of the directors, including non-executive directors, cannot exceed three years. As such, the Company considers that sufficient measure have been taken to ensure that the Company’s corporate governance are no less exacting than those in the Code.

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.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of reporting period, the Group has the following events after the reporting period:

On 30 August 2013, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent agreed to place, on a best effort basis, up to 200,000,000 placing shares to not fewer than six places who are independent third parties at the placing price of HK\$0.165 per placing share. The placing shares were to be allotted and issued under a specific mandate which was granted pursuant to an ordinary resolution of the shareholders passed at an extraordinary general meeting of the Company held on 8 October 2013.

The placing was completed on 28 October 2013 where 200,000,000 placing shares were allotted and issued at the placing price of HK\$0.165 per placing share. The net proceeds from the placing received by the Company was approximately HK\$31.9 million. The Company intends to apply such net proceeds towards the investment and development of the new duck feed business as disclosed in the announcement of the Company dated 28 August 2013 and general working capital of the Group. Details of this transaction are disclosed in the announcements of the Company dated 30 August 2013, 28 October 2013 and the circular of the Company dated 19 September 2013.

On behalf of the Board
Li Wing Chiu
Chairman

Hong Kong, 11 November 2013

As at the date of this report, the Board comprises four executive Directors, namely, Mr. Li Wing Chiu, Mr. Zhou Jing, Mr. Zhang Xiaobin and Ms. Tam Wai Chi and three independent non-executive Directors, namely Ms. Liao Aimin, Mr. Siu Kam Chau and Mr. Lee Kin Fai.

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/listco/hk/orientalunicorn/index.htm.