

Oriental Unicorn Agricultural Group Limited

東麟農業集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

First Quarterly Report *Stock Code: 8120*

2014



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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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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\$20,699,000 for the three months ended 31 March 2014 (the “period”), representing an increase of loss of approximately HK\$16,336,000 when compared to the same period of last year.
- The revenue of the Group was approximately HK\$976,000 for the period, representing a decrease of approximately HK\$6,145,000 when compared to the same period of last year.
- Gross loss for the period was approximately HK\$177,000.
- The board of Directors (the “Board”) does not recommend the payment of any interim dividend for the three months ended 31 March 2014.

FIRST 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 ended 31 March 2014 together with the comparative figures for the corresponding period in 2013. The first 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 ended 31 March 2014

	Note	For the three months ended 31 March	
		2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Turnover	3	976	7,121
Cost of sales		(1,153)	(8,625)
Gross loss		(177)	(1,504)
Other income	4	104	39
Selling and distribution costs		(68)	(204)
General and administrative expenses		(3,842)	(2,381)
Change in fair value of financial assets through profit or loss	5	(16,650)	–
Loss from operating activities		(20,633)	(4,050)
Finance costs	6	(66)	(313)
Loss before tax		(20,699)	(4,363)
Tax	7	–	–
Loss for the period		(20,699)	(4,363)
Other comprehensive (loss)/income for the period:			
– Exchange differences arising on translation of financial statements of overseas subsidiaries		(143)	411
Total comprehensive loss for the period		(20,842)	(3,952)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

For the three months ended 31 March 2014

	Note	For the three months ended 31 March	
		2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Loss for the period attributable to:			
– Equity shareholders of the Company		<u>(20,699)</u>	<u>(4,363)</u>
Total comprehensive loss for the period attributable to:			
– Equity shareholders of the Company		<u>(20,842)</u>	<u>(3,952)</u>
		<i>HK Cents</i> (Unaudited)	<i>HK Cents</i> (Unaudited) (Restated)
Loss per share			
Basic	7	<u>11.93</u>	<u>4.59</u>
Diluted		<u>N/A</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 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

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 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 quarterly financial statements should be read in conjunction with the financial statements of the Group for the year ended 31 December 2013. 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 year ended 31 December 2013.

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 January 2014, 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.

NOTES (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 31 March	
	2014 <i>HK\$'000</i> (Unaudited)	2013 <i>HK\$'000</i> (Unaudited)
Sales of feedstock products	–	6,767
Sales of animal husbandry products	976	354
	<u>976</u>	<u>7,121</u>

4. OTHER INCOME

	For the three months ended 31 March	
	2014 <i>HK\$'000</i> (Unaudited)	2013 <i>HK\$'000</i> (Unaudited)
Bank interest income	5	1
Sundry income	99	38
	<u>104</u>	<u>39</u>

5. CHANGE IN FAIR VALUE OF FINANCIAL ASSETS THROUGH PROFIT OR LOSS

Change in fair value of financial assets through profit or loss represents the change in fair value of the equity securities based on closing price in an active market.

NOTES (Cont'd)

6. FINANCE COSTS

	For the three months ended 31 March	
	2014 <i>HK\$'000</i> (Unaudited)	2013 <i>HK\$'000</i> (Unaudited)
Interest on bank loan wholly repayable within five years	66	82
Imputed interest on convertible notes	–	231
	<u>66</u>	<u>313</u>

7. TAX

No provisions for Hong Kong profits tax and PRC enterprise income tax have been made as the Group does not have any estimated assessable profits arising in Hong Kong and PRC for both periods.

The provision for PRC income tax is calculated for subsidiaries operating in the PRC at the prevailing rates of tax in accordance with the relevant income tax rules and regulations of the PRC for the period.

NOTES (Cont'd)

8. LOSS PER SHARE

Loss

	For the three months ended 31 March	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Loss for the period attributable to the equity holders of the Company for the purpose of basic loss per share	20,699	4,363

Number of shares

	For the three months ended 31 March		
	2014	2013 (Restated)	2013 (Previously stated)
Weighted average number of ordinary shares for the purpose of basic loss per share	173,452,500	95,103,624	380,807,778
	<i>HK Cents</i>	<i>HK Cents (Restated)</i>	<i>HK Cents (Previously stated)</i>
Loss per share			
Basic	11.93	4.59	1.15
Diluted	N/A	N/A	N/A

No diluted loss per share is presented for the three months ended 31 March 2014 and 2013 as there were no outstanding convertible notes as at 31 March 2014 and the conversion of the outstanding convertible notes as at 31 March 2013 has an anti-dilutive effect on the basic loss per share.

The weighted average number of ordinary shares for the period ended 31 March 2013 for the purpose of basic and diluted loss per share has been adjusted and restated respectively resulting mainly from the share consolidation completed on 14 January 2014.

NOTES (Cont'd)

9. RESERVES

	Attributable to equity shareholders of the Company							Total HK\$'000
	Share Capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Convertible notes equity reserve HK\$'000	PRC statutory reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated Loss HK\$'000	
At 1 January 2013 (Audited)	14,264	91,968	61,545	4,885	873	1,123	(127,760)	46,898
Conversion of convertible notes	2,368	9,472	-	(4,885)	-	-	-	6,955
Total comprehensive income for the period	-	-	-	-	-	411	(4,365)	(3,952)
At 31 March 2013 (Unaudited)	<u>16,632</u>	<u>101,440</u>	<u>61,545</u>	<u>-</u>	<u>873</u>	<u>1,534</u>	<u>(132,123)</u>	<u>49,901</u>
At 1 January 2014 (Audited)	27,752	161,862	61,545	-	873	2,892	(167,813)	87,111
Total comprehensive loss for the period	-	-	-	-	-	(143)	(20,699)	(20,842)
At 31 March 2014 (Unaudited)	<u>27,752</u>	<u>161,862</u>	<u>61,545</u>	<u>-</u>	<u>873</u>	<u>2,749</u>	<u>(188,512)</u>	<u>66,269</u>

10. INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the three months ended 31 March 2014 (31 March 2013: Nil).

11. SHARE CAPITAL

	Par value HK\$	Number of ordinary shares	Amount HK\$
Authorised:			
At 1 January 2013 and 31 March 2013	0.04	5,000,000,000	200,000,000
At 1 January 2014	0.04	5,000,000,000	200,000,000
Share consolidation of every four issued shares of HK\$0.04 each into one consolidated share of HK\$0.16 each		(3,750,000,000)	–
At 31 March 2014	0.16	1,250,000,000	200,000,000
Issued and fully paid:			
At 1 January 2013	0.04	356,610,000	14,264,400
Conversion Shares issued	0.04	59,200,000	2,368,000
At 31 March 2013	0.04	415,810,000	16,632,400
At 1 January 2014	0.04	693,810,000	27,752,400
Share consolidation of every four issued shares of HK\$0.04 each into one consolidated share of HK\$0.16 each		(520,357,500)	–
At 31 March 2014	0.16	173,452,500	27,752,400

Share consolidation

Pursuant to an extraordinary general meeting on 13 January 2014, every four ordinary shares of the Company of a nominal or par value of HK\$0.04 each in the issued and unissued share capital of the Company be consolidated into one consolidated share of a nominal or par value of HK\$0.16 such that the authorised share capital of the Company is HK\$200,000,000 divided into 1,250,000,000 ordinary shares of a par value of HK\$0.16 each, such consolidated shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the Article of Association of the Company. The share consolidation is in effect on 14 January 2014.

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 three months ended 31 March 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 31 March 2013, all the Convertible Notes had been converted into Conversion Shares.

There were no outstanding convertible notes as at 31 March 2014.

13. EVENTS AFTER THE REPORTING PERIOD

On 24 April 2014, the special and ordinary resolutions as set out in the notice of the Extraordinary General Meeting ("EGM") were duly passed by the Shareholders by way of poll. Following the passing of the relevant resolutions at the EGM, (i) the amendment to the Articles; (ii) the Increase in Authorised Capital; and (iii) the Cancellation of Share Premium Account took effect on the same day. For details, please refer to the Company's announcement dated 24 April 2014.

On 8 May 2014 (Bermuda Time), the Company has been de-registered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda. The Change of Domicile became effective on that date. For details, please refer to the Company's announcement dated 9 May 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Review

The Group recorded loss attributable to the equity shareholders of the Company of HK\$20,699,000 for the three months ended 31 March 2014 (the “period”), representing an increase of loss of approximately HK\$16,336,000 as compared with the corresponding period in 2013, mainly due to the substantial loss on change in fair value of its listed securities investment of HK\$16,650,000 as at 31 March 2014.

The total revenue of the Group for the period was approximately HK\$976,000, representing a decrease of approximately HK\$6,145,000 as compared to the same period in the previous year; while gross loss approximately HK\$177,000. The reason was that the feed plant for production of feedstock products was suspended from operation since the end of last year to fine-tune the production line in order to improve the production process and quality of products. Also, since swine price remained at a low level, the sales of animal husbandry products were still weak.

General and administrative expenses for the period were approximately HK\$3,842,000, an increase of 61% or approximately HK\$1,461,000 as compared with the same period in the previous year. The increase was mainly due to the increase in legal and professional fees for corporate business.

Extension of investment period of an investment agreement

On 18 July 2013, Keen Profit Development Limited (“**New Investor**”), an indirect wholly-owned subsidiary of the Company, entered into a deed of novation (“**Novation Deed**”) with Successful Treasure Investments Limited (“**Investor**”) and ENRICH MARINE SDN. BHD. (“**EMSB**”). Pursuant to the Novation Deed, in consideration of the payment of HK\$16,740,000 paid by the New Investor to the Investor, the Investor shall be released and discharged from its liabilities and obligations under the Investment Agreement and the New Investor shall assume all liabilities and obligations of the Investor under the investment agreement dated 25 April 2012 (“**Investment Agreement**”) entered into between the Investor and EMSB in relation to the operation of a fish farm owned and operated by EMSB in Sabah, Malaysia and shall be entitled to all rights, title and interest under and pursuant to the Investment Agreement in lieu of the Investor.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Financial and Business Review (Cont'd)

Extension of investment period of an investment agreement (Cont'd)

On 3 January 2014, the New Investor and EMSB entered into an extension agreement (“**Extension Agreement**”) to the Investment Agreement on 3 January 2014 pursuant to which the parties have agreed to extend the investment period under the Investment Agreement to 26 calendar months from the date of the commencement of the investment under the Investment Agreement, and the original minimum guaranteed amount of HK\$1,550,000 under the Investment Agreement has been revised upward to HK\$2,015,000 to reflect the New Investor’s shared profit pursuant to the extension of the Investment Period. Save for the above changes to the Investment Agreement under the Extension Agreement, all other terms and conditions of the Investment Agreement remain the same.

Acquisition of a subsidiary

On 17 January 2014, Oasis Island Ventures Limited (“**Purchaser**”), an indirect wholly owned subsidiary of the Company, entered into a sale and purchase agreement with EPRO Systems (China) Limited (“**Vendor**”), pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the entire registered capital of 易寶電腦系統(北京)有限公司(in English, for identification purpose only, EPRO Computer Systems (Beijing) Company Limited) (“**Target**”), at the aggregate consideration of HK\$3,000,000. Upon completion of the Acquisition, the Target will become an indirect wholly-owned subsidiary of the Company. The acquisition is expected to be completed in the second quarter this year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Financial and Business Review (Cont'd)

Proposed investment in a joint venture

On 21 January 2014, the Company entered into a memorandum of understanding (“MOU”) with 安徽省甯國市吳家大院牧業有限公司 (in English, for identification only, Anhui Province Ningguo City Wu Jia Da Yuan Livestock Husbandry Company Limited) (“**Proposed JV Company**”), You Chunping (“**Ms. You**”) and Wu Mingliang (“**Mr. Wu**”, Ms. You and the Proposed JV Company, collectively as “**Proposed JV Parties**”) in relation to the restructuring and the transformation of the Proposed JV Company to a sino-foreign equity joint venture. The Proposed JV Company is a limited liability company incorporated in Ningguo City, Anhui Province, the PRC, which is currently engaged in the nurture and sale of organic Wannan Black Hair Pigs (“**Wannan Black Pigs**”). Pursuant to the MOU, Ms. You and Mr. Wu undertake that they shall carry out reorganisation in respect of the certain companies owned by the Ms. You and Mr. Wu and the Proposed JV Company to the effect that the Wannan Black Pigs business will be injected into the Proposed JV Company (“**Reorganisation**”). After completion of the Reorganisation, the Proposed JV Company shall be engaged in the organic nurture of the Wannan Black Pigs and the processing and sale of the Wannan Black Pigs and its related products, which forms a comprehensive business chain comprising breeding, meat processing, processing and sale of the Wannan Black Pigs and related food. Pursuant to the MOU, the Company intends to, subject to the due diligence and asset assessment results on the Proposed JV Company, completion of the Reorganisation and the entering of a formal agreement (“**Definitive Agreement**”) with the Proposed JV Parties, inject capital into the Proposed JV Company to transform the Proposed JV Company to a sino-foreign equity joint venture enterprise. Upon such capital injection, the Company shall hold 51% of the equity interests of the Proposed JV Company and Ms. You and Mr. Wu shall hold the remaining equity interests of the Proposed JV Company. The MOU shall be effective upon the date of signing by the Company and the Proposed JV Parties and shall be terminated upon the occurrence of the following circumstances: (1) the entering into of the Definitive Agreement; or (2) the Company and the Proposed JV Parties do not enter into the Definitive Agreement before 30 June 2014.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Financial and Business Review (Cont'd)

Proposed change of domicile

On 3 March 2014, the board of directors proposes to change the domicile of the Company from Cayman Islands to Bermuda by way of deregistration in the Cayman Islands and continuation as an exempted company under laws of Bermuda. The implementation of the change of domicile will not affect the continuity of the Company and the listing status.

Proposed rights issue, capital reorganisation and increase in authorised share capital

On 3 March 2014, the Company proposes to issue rights shares on the basis of thirteen rights shares for every two existing shares for raising a net proceeds of approximately HK\$172 million. The Company intends to use approximately HK\$100 million of the net proceeds from the rights issue for investment in agricultural and related business, approximately HK\$10 million for operating the subsidiary of EPRO Computer Systems (Beijing) Company Limited aforementioned above, approximately HK\$40 million for operating money lender business and approximately HK\$22 million as general working capital.

Besides, paid up capital of the Company will be cancelled to the extent of HK\$0.15 on each of the issued existing share that the nominal value of each issued existing share will be reduced from HK\$0.16 to HK\$0.01.

The authorised share capital of the Company will be increased from HK\$200,000,000 (divided into 1,250,000,000 existing shares) to HK\$1,000,000,000 (divided into 6,250,000,000 existing shares) by the creation of an additional 5,000,000,000 existing shares, which will rank pari passu with all existing shares.

Proposed cancellation of share premium account

On 3 March 2014 the Board proposes to cancel the entire amount standing to the credit of the share premium account of the Company and to transfer the credits arising from such cancellation to an existing account of the Company designated as the contributed surplus account of the Company before the change of domicile as aforementioned.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Financial and Business Review (Cont'd)

Memorandum of understanding in relation to the Intended Cooperation

On 27 March 2014, the Company and China Green (Holdings) Limited, a company whose shares are listed on the Stock Exchange, entered into a memorandum of understanding in relation to the intended cooperation (“**Intended Cooperation**”) to (i) enhance the existing business of China Green (Holdings) Limited in agricultural products cultivation and development; and (ii) expand the existing business of the Company into investment in the field of cultivation, processing and sales of grains in the PRC. Under the memorandum of understanding, the Company shall pay HK\$15,000,000 to China Green (Holdings) Limited as earnest money for the Intended Cooperation, which shall form part of the Company’s contribution to the Intended Cooperation, if it materialises.

Prospect

Looking forward, the Group will continue to strengthen the two major businesses, namely feed business and breeding business. The regulation and control effect of the program of cold pork storage launched by National Development and Reform Commission begins to show. The nationwide price of live pigs and pig-grain ratio continued to become stable. The Group holds a positive view on the future market conditions with a prudent attitude. The Group will continue to uplift our service standards to farmers and increase our competitiveness in the market through optimizing product qualities, strengthening business operation and improving marketing management. With the extension of investment period and the increase of the original minimum guarantee amount for the investment of fish farm in Malaysia, the Group is going to strengthen the development of the business with more resources.

The Group will continue to expand the scope of our businesses and bring in new dynamics for the Group’s revenue growth. The first attempts of the Group will be in the business of financial areas. For more effective management of financial resources, we are actively considering various projects of higher returns, including the money lending business and the investments in securities of listed and non-listed companies. Meanwhile, the Group will continue to identify potential business and investment opportunities, and is actively considering the development of business in information technology, with a view to increase the sources of income and bring higher returns to the shareholders.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the three months ended 31 March 2014 (31 March 2013: nil).

SHARE OPTION SCHEMES

The Company's new share option scheme (the "2013 Share Option Scheme") was adopted pursuant to an ordinary resolution passed by the Company's shareholders at the extraordinary general meeting of the Company held on 30 September 2013. Under the 2013 Share Option Scheme, the Company may grant options to eligible persons, including Directors and directors of the subsidiaries of the Company, to subscribe for the shares.

The total number of shares which may be issued upon exercise of all options which may be granted under the 2013 Share Option Scheme and options which may be granted under any other share option schemes of the Company shall not exceed 10 % of the total number of shares in issue on 30 September 2013 unless the Company obtains a refresh approval from its shareholders. Option lapsed in accordance with the terms of the 2013 Share Option Scheme or any other share option schemes of the Company under which such options are granted, as the case may be, shall not be counted for the purpose of calculating whether the limit has been exceeded.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2013 Share Option Scheme and options which may be granted and yet to be exercised under any other share option schemes of the Company (or the subsidiary) shall not exceed 30% of the total number of shares in issue from time to time. No options may be granted under any share option schemes of the Company (or the Subsidiary) if this will result in the limit being exceeded.

The 2013 Share Option Scheme will remain in force for a period of ten years commencing from 30 September 2013.

The subscription price in respect of any particular option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant option but in any case the subscription price shall not be less than the higher of (i) the closing price of the shares as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a share.

SHARE OPTION SCHEMES (CONT'D)

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

As at 31 March 2014, no person had any interest in option under any share option scheme to subscribe for shares of the Company.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's by law or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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

During the period ended 31 March 2014, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities or the securities of the Company's subsidiaries.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the period ended 31 March 2014.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or its subsidiaries was a party and in which a Director had a material interest subsisted at the end of the period or at any time during the period.

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

As at 31 March 2014, none of the Directors and chief executive of the Company had any 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.

As at 31 March 2014, 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARE OR DEBENTURES

Save as disclosed under the section headed “Directors’ and Chief Executives’ Interests in Securities of the Company” above, at no time during the period was the Company or any of its holding companies or subsidiaries a party to any arrangements which enabled the Company’s Directors, their respective spouse or minor children to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 March 2014, so far as is known to the Directors, the following persons, other than a director or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of Shareholder	Nature of Interest	Number of Existing Shares and underlying Existing Shares	Approximate percentage of interest
Mr. Lin Cheuk Fung ("Mr. Lin")	Beneficial owner	260,178,750 (L) <i>(Note 2)</i>	20% <i>(Note 1)</i>
Astrum Capital Management Limited	Other	875,268,750 (L) 595,500,000 (S) <i>(Note 3)</i>	67.28% <i>(Note 1)</i>
Astrum China Direct Investments Limited	Interest in controlled corporation	875,268,750 (L) 595,500,000 (S) <i>(Note 3)</i>	67.28% <i>(Note 1)</i>
Pan Chik	Interest in controlled corporation	875,268,750 (L) 595,500,000 (S) <i>(Note 3)</i>	67.28% <i>(Note 1)</i>
Liu Ming Lai Lorna	Interest of spouse	875,268,750 (L) 595,500,000 (S) <i>(Note 3)</i>	67.28% <i>(Note 1)</i>

SUBSTANTIAL SHAREHOLDERS' INTERESTS (CONT'D)

Name of Shareholder	Nature of Interest	Number of Existing Shares and underlying Existing Shares	Approximate percentage of interest
Trinity Finance Investment Limited	Other	322,500,000 (L) (Note 4)	24.79% (Note 1)
Trinity Worldwide Capital Holding Limited	Interest in controlled corporation	322,500,000 (L) (Note 4)	24.79% (Note 1)
Ng Ting Kit	Interest in controlled corporation	322,500,000 (L) (Note 4)	24.79% (Note 1)
Fordjoy Securities and Futures Limited	Other	210,000,000 (L) (Note 5)	16.14% (Note 1)
Yuen Shu Ming	Interest in controlled corporation	210,000,000 (L) (Note 5)	16.14% (Note 1)

Notes:

1. The percentage shareholding in the Company is calculated by reference to the number of Existing Shares in issue immediately following the completion of the Rights Issue (assuming no Existing Shares (other than the Rights Shares) are allotted and issued on or before the Record Date), that is, 1,300,893,750.
2. These shares comprise the (i) 8,006,250 Existing Shares directly held by Mr. Lin; (ii) 52,040,625 Committed Shares; and (iii) 200,131,875 Underwritten Shares to be underwritten by Mr. Lin under the Underwriting Agreement.
3. Based on the notices of disclosure of interests of Astrum Capital Management Limited, Astrum China Direct Investments Limited, Pan Chik and Liu Ming Lai, Lorna filed with the Stock Exchange dated 5 March 2014, these interests are held by Astrum Capital Management Limited which is owned as to 85% by Astrum China Direct Investments Limited. Astrum China Direct Investments Limited is wholly-owned by Mr. Pan Chik. Liu Ming Lai, Lorna is the spouse of Pan Chik.

SUBSTANTIAL SHAREHOLDERS' INTERESTS (CONT'D)

Notes: (Cont'd)

4. Based on the notices of disclosure of interests of Trinity Finance Investment Limited, Trinity Worldwide Capital Holding Limited and Ng Ting Kit filed with the Stock Exchange dated 5 March 2014, these interests are held by Trinity Finance Investment Limited, which is wholly-owned by Trinity Worldwide Capital Holding Limited, which in turn is wholly-owned by Ng Ting Kit.
5. Based on the notices of disclosure of interests of Fordjoy Securities and Futures Limited and Yuen Shu Ming filed with the Stock Exchange dated 5 March 2014, these interests are held by Fordjoy Securities and Futures Limited, which is owned as to 76% by Yuen Shu Ming.
6. The letter (L) above denotes long position and the letter (S) above denotes short position.

Save as disclosed above, as at 31 March 2014, so far as is known to the Directors, there was no other person who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or, had a direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

DIRECTORS' INTERESTS IN A 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.

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 March 2014.

CORPORATE GOVERNANCE CODE

During the period ended 31 March 2014, the Company has adopted and complied with the code provision (the “Code Provision”) as set out in the “Corporate Governance Code” contained in Appendix 15 (the “Code”) of the GEM Listing Rules except for Code Provision A.2.1 in respect of the role separation of chairman and chief executive officer.

The deviation from the Code Provisions will be explained below. The Company aims to comply with all the Code Provision and will review and update the current practices of the corporate governance regularly in order to achieve the aims.

The Code Provisions A.2.1 requires the position of the chairman and the chief executive officer be held separately by two individuals to ensure their independence, separate accountability and responsibilities. The chairman of the Company is responsible for the overall leadership of the Company and for strategies and planning of the Group. The chief executive officer is responsible for the day-to-day management of the Group’s business and operations.

Mr. Zhou Jing assumes the role of both the chairman of the Board and the chief executive officer of the Company. The Board believes that vesting both the roles of chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions.

AUDIT COMMITTEE

The audit committee of the Company consists of three independent non-executive Directors, namely, Mr. Siu Kam Chau, Mr. Lee Kin Fai and Ms. Cheng Lo Yee 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 first quarterly results for the three months ended 31 March 2014.

On behalf of the Board
Oriental Unicorn Agricultural Group Limited
Zhou Jing
Chairman and Chief Executive Officer

Hong Kong, 9 May 2014

As at the date of this report, the Board comprises two executive Directors, namely, Mr. Zhou Jing and Mr. Lam Chun Kei; one non-executive Director, namely Mr. Lin Chuen Chow Andy; and three independent non-executive Directors, namely Mr. Siu Kam Chau, Mr. Lee Kin Fai and Ms. Cheng Lo Yee.

This report will appear on the GEM website (www.hkgem.com) for at least seven days after the date of publication and on the website of the Company at www.irasia.com/listco/hk/orientalunicorn/index.htm.