



# Gold Tat Group International Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8266

**FIRST QUARTERLY REPORT 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 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 Gold Tat Group International Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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.*

## RESULTS

The board of Directors (the "Board") of Gold Tat Group International Limited (the "Company") hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the three months ended 30 June 2014, together with the unaudited comparative figures for the corresponding periods in 2013 as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months ended 30 June 2014

	Note	Three months ended 30 June	
		2014 HK\$'000	2013 HK\$'000
<b>Turnover</b>		<b>332,581</b>	309,860
Cost of inventories sold		<b>(306,330)</b>	(286,047)
Other net income		<b>542</b>	1,135
Telecom operators and content providers costs		<b>(2,781)</b>	(2,069)
Employment costs		<b>(8,708)</b>	(9,639)
Research and development expenses		<b>(4,054)</b>	(3,669)
Depreciation and amortisation		<b>(573)</b>	(386)
Transportation expenses		<b>(1,291)</b>	(1,656)
Other operating expenses		<b>(9,426)</b>	(9,517)
<b>Loss from operations</b>		<b>(40)</b>	(1,988)
Finance costs	2	<b>(3,267)</b>	(2,432)
Share of losses of associates		<b>(828)</b>	(226)
<b>Loss before tax</b>		<b>(4,135)</b>	(4,646)
Income tax expense	3	<b>(753)</b>	(421)
<b>Loss for the period</b>		<b>(4,888)</b>	(5,067)

		Three months ended 30 June	
		2014	2013
	Note	HK\$'000	HK\$'000
<b>Attributable to:</b>			
Owners of the Company		(5,798)	(5,843)
Non-controlling interests		910	776
		<b>(4,888)</b>	(5,067)
<b>Loss per share (HK cents)</b>			
	4		
– Basic		(0.281)	(0.403)
– Diluted		N/A	N/A

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2014

	Three months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
<b>Loss for the period</b>	<b>(4,888)</b>	(5,067)
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange difference on translating foreign operations	<u>42</u>	<u>6</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>42</u>	<u>6</u>
<b>Total comprehensive income for the period</b>	<u><b>(4,846)</b></u>	<u>(5,061)</u>
<b>Attributable to:</b>		
Owners of the Company	<b>(5,757)</b>	(5,867)
Non-controlling interests	<u>911</u>	<u>806</u>
	<u><b>(4,846)</b></u>	<u>(5,061)</u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2014

## Attributable to owners of the Company

	Share capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000	Capital redemption reserve HK\$'000	Foreign currency translation reserve HK\$'000	Share-based payment reserve HK\$'000	Warrant reserve HK\$'000	Convertible bonds reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
<b>At 1 April 2013</b>	107,019	78,312	16,375	2,943	1,201	8,246	7,400	16,992	(169,477)	69,011	21,415	90,426
Total comprehensive income for the period	-	-	-	-	(24)	-	-	-	(5,843)	(5,867)	806	(5,061)
Shares issued upon placement	21,372	1,918	-	-	-	-	-	-	-	23,290	-	23,290
Transaction costs attributable to issue of new shares	-	(441)	-	-	-	-	-	-	-	(441)	-	(441)
Recognition of share-based payments	-	-	-	-	-	2,024	-	-	-	2,024	-	2,024
<b>At 30 June 2013</b>	128,391	79,789	16,375	2,943	1,177	10,270	7,400	16,992	(175,320)	88,017	22,221	110,238
<b>At 1 April 2014</b>	15,659	125,369	16,375	2,943	1,093	9,788	7,400	119,302	(184,045)	113,884	59,344	173,228
Total comprehensive income for the period	-	-	-	-	41	-	-	-	(5,798)	(5,757)	911	(4,846)
Shares issued upon conversion of convertible bonds	1,711	46,800	-	-	-	-	-	(26,607)	-	21,904	-	21,904
Shares issued upon exercise of share options	16	468	-	-	-	(184)	-	-	-	300	-	300
Lapse of warrants	-	-	-	-	-	-	(7,400)	-	7,400	-	-	-
<b>At 30 June 2014</b>	17,386	172,637	16,375	2,943	1,134	9,604	-	92,695	(182,443)	130,331	60,255	190,586

## NOTES:

### 1. Basis of preparation

The unaudited condensed consolidated financial statements for the three months ended 30 June 2014 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collectively term include all applicable individually HKFRS, Hong Kong Accounting Standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and the Hong Kong Company Ordinance.

These unaudited condensed consolidated financial statements do not included all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2014.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2014.

### 2. Finance costs

	<b>Unaudited</b>	
	<b>Three months ended 30 June</b>	
	<b>2014</b>	2013
	<b>HK\$'000</b>	<b>HK\$'000</b>
Wholly repayable within five years		
– Effective interest expenses on liability component of convertible bonds	<b>1,733</b>	956
– Interest on bank loans	<b>832</b>	725
– Interest on other loans	<b>102</b>	495
– Finance leases charges	<b>3</b>	5
Not wholly repayable within five years		
– Interest on bank loans	<b>100</b>	108
– Interest on long term bonds	<b>497</b>	143
	<b>3,267</b>	2,432

### 3. Income tax expense

	Unaudited	
	Three months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the period	754	422
Deferred tax	(1)	(1)
Income tax expense	753	421

Hong Kong Profits Tax is provided at 16.5% (2013: 16.5%) based on the estimated assessable profits for the period.

### 4. Loss per share

#### (a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately HK\$5,798,000 (2013: approximately HK\$5,843,000) and the weighted average number of ordinary shares of 2,062,184,041 (2013: 1,449,674,087) in issue during the period.

#### (b) Diluted loss per share

As the exercise of the Group's outstanding convertible bonds, warrants and outstanding options for the three months ended 30 June 2014 and 30 June 2013 would be anti-dilutive, no diluted loss per share was presented for the three months ended 30 June 2014 and 30 June 2013.

### 5. Dividend

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2014 (2013: Nil).



# MANAGEMENT DISCUSSION AND ANALYSIS

## General

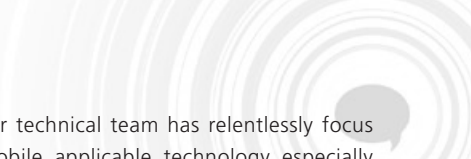
The Group had been participating in the following activities:

- Mobile Application Development and Information Technology Consultant Services;
- Trading of Electronic Hardware Components (Display and Touch Panel Modules) with Compatibility Solutions Advisory Services; and
- Real Estate Development and Investment

## Business Review

### ***Mobile application development and information technology consultant services***

One of the main areas of this business activity, Mobile Application Development, is a service to provide mobile solution services for clients. The Group continues to engage in more projects with various companies from different industries to reflect our capability and set up a new business operation in Taiwan market for business replication. The continuing development and upgrade of various popular mobile platform from developers and manufacturers further assist fuelling the industry growth with Apple iOS, Google Android and Microsoft Windows 8 leading the charge. Along with single platform mobile solution development, the company is also capable to provide solution for cross-platforms to increase clients and end users expectations as well as capturing the most of a single product. It is evident that the general trend of value adding with the convenience of mobility will be forevermore demanding. The Group has been well positioned to capture this advantage over the past financial year through vertically integrating the development process. This includes the provision of one stop service to integrate services such as marketing, promotional material, technological consultation and data collection (download counts/frequency). To reinforce the business, the Group has always maintained good relationships with the clients and some of the bigger names we have cooperated with are MTR, Shangri-La Hotel & Resorts, Standard Chartered Bank, etc.



In strengthening the business and competitive edge, our technical team has relentlessly focus on research and development in new software on mobile applicable technology especially on real time responses. This is particularly important in this industry to remain at the cutting edge of technology as well as expressing the Group's in-house capability. Furthermore, the capital investment from the Group displays the determination and focus in this field through its financial support. One of these evidences is the set up of games development, a highly lucrative yet ambitious segment, as an extension through the knowledge and confidence built through research and development. In time, the Group wishes to establish a well known brand name to the mass public market directly and leverage on the extensive knowledge and operations in other business areas to increase synergy and profitability. Along with the technical expertise of mobile application development, the Group will not be as it is without Information Technology Consultant Services. Its knowhow has been the foundation to our business using the old fashioned tailored solution for strategic planning. This arrangement has been contributing positively to the business in multiple ways that allows the consultation service arm to be independent as well as collaborative seamlessly with other business areas to bring out the maximum synergy.

***Trading of electronic hardware components (display and touch panel modules) with compatibility solutions advisory services***

An acquired business in 2012, ETC, is an experienced and reputed unit and continues to operate under the same management team. This business arm has maintained excellent agency service contracts of many years for the China market with two major renowned suppliers both listed on the Taiwan Stock Exchange, whilst the mechanised customers are amongst the largest names in China and Asia Pacific. The main business of this unit is the trading of hardware electronic parts specifically relating to display and/or touch panel modules. This business unit has remained competitive in a fierce market using its available finance budget. Interestingly, almost similar to the mobile business unit, here a reliance on the mobility market and technology usability dictates the growth of this industry segment. For the last year and foreseeable future years, these technologies are continuing to be in high demand with an increase in applications. In view of this the Group will continue supporting the business in terms of its trading capacity for a balanced growth.



## ***Real estate development and investment***

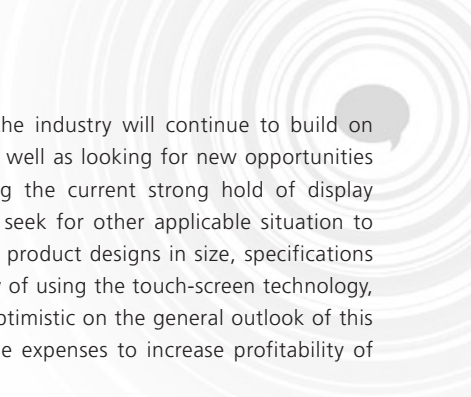
Late last year, the Group had successfully acquired another real estate development project in Yangjiang City, Guangdong Province called “Xiangjiang Peninsula”. This increased the Group real estate development portfolio to three and further displayed the concentration effort in the area of Yangjiang City. All current real estate development projects had been going well and made steady progress to complete either construction or sales as per management schedule. The most notable advancement of the projects was the Xiangjiang Peninsula, with stage two constructions underway and within schedule and the Group is looking forward to the completion of stage two. It was noted that despite a general slow down of the China economy, the local appetite and sentiment for the real estate had maintained to be medium-strong. This had given the Group initial conservative notion much relief and allowed continuation of the projects. It however highlighted a much more cautious investment evaluation was needed along with more preparations against adverse conditions.

Closer to home in Hong Kong, the Group has been enjoying the rental return from continued lease out of the properties.

## ***Prospects***

The mobile and IT industry has been the Group’s most original and on-going business area, it was during the financial year 2013/14 that the Group had changed name from Mobile Telecom Network (Holdings) Limited to its current trading name. The mobile and IT business however remains its commerce under the name of MTel Limited. This strategic move reflects the leading position of MTel Limited in its respective industry yet displaying the Group commencement in diversification for longer term.

The constant advance in technology will definitely benefit MTel Limited business direction and the Group will continue to provide maximum support. In the near term, entertainment, information and mobility will remain to be the largest trendsetter with a globalisation overview. This means increase in research and development to quickly build own products and platforms to reach all target audiences, is to be top agenda whilst keeping other existing business competence and relationship in application development and consultation services. It is believed the preparation now will become fruitful along with the technological improvement in new mass market products.



For hardware trading, ETC as a matured company in the industry will continue to build on the current relationship with suppliers and customers as well as looking for new opportunities to increase trading product varieties. Meanwhile, using the current strong hold of display and touch-screen panels trading, the business unit will seek for other applicable situation to increasing sales. It however must resume vigilant on the product designs in size, specifications and cost. With these in mind and the growing popularity of using the touch-screen technology, the Group is comfortable to maintain its exposure and optimistic on the general outlook of this industry segment. Internally, the Group will optimise the expenses to increase profitability of this unit.

The anonymous economical and political changes in the PRC real estate market means the Group will continue to monitor closely on the developing projects in Guangdong province. In the meantime, with a positive local sentiment and the steady tradition of the PRC government history, the Group stays positive on the projects progress. Nonetheless, a prudent push for earlier completion and minimising any expenses will benefit the Group as a whole.

Meanwhile, the Group will hold a neutral stance for any further investment opportunity in maintaining growth to maximise shareholders return of the shareholders.

## **Financial Review**

For the three months ended 30 June 2014, the Group recorded an unaudited turnover of approximately HK\$332,581,000 (2013: approximately HK\$309,860,000), representing an increase of 7.33% as compared to the corresponding period of last year. The increase in turnover was mainly attributable to the business of trading of electronic parts and components, which recorded a turnover of approximately HK\$320,600,000 (2013: approximately HK\$298,905,000).

The Group recorded a loss for the three months ended 30 June 2014 of approximately HK\$4,888,000 (2013: approximately HK\$5,067,000), representing a decrease of 3.53% as compared with the corresponding period of last year. The improvement in results was mainly attributable to the increase in profit generated from the business of trading of electronic parts and components.

Loss attributable to owners of the Company for the three months ended 30 June 2014 was approximately HK\$5,798,000, representing a decrease of 0.77% as compared with approximately HK\$5,843,000 for the corresponding period in 2013.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2014, the interests and short positions of each director 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 (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV 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 relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange, were as follows:

### Aggregate long positions in the shares and underlying shares of the Company

Name of Director/ chief executive	Capacity	Nature of interest	Number of shares held	Number of shares issuable under share options granted (Note 1)	Derivatives (number of underlying shares)	Total	Approximate percentage of issued share capital
<b>Directors:</b>							
Mr. Chan Wai Kwong, Peter	Beneficial owner	Personal interest	216,072	6,000,000	–	6,216,072	0.28%
Mr. Choi Ho Yan	Beneficial owner	Personal interest	–	6,000,000	–	6,000,000	0.27%
Mr. So Haw, Herman	Beneficial owner	Personal interest	–	4,000,000	–	4,000,000	0.18%
Mr. Chiu Wai Piu	Beneficial owner	Personal interest	–	1,650,000	–	1,650,000	0.07%
Mr. Cheung Kwan Hung, Anthony	Beneficial owner	Personal interest	–	1,650,000	–	1,650,000	0.07%
Mr. Heung Chee Hang, Eric	Beneficial owner	Personal interest	–	1,650,000	–	1,650,000	0.07%
<b>Chief executive:</b>							
Mr. Wong Chun Wai	Beneficial owner	Personal interest	–	3,000,000	18,720,000 (Note 2)	21,720,000	0.98%

*Notes:*

1. Details are set out in the Share Options section below. All of the share options to Directors are physically settled equity derivatives.
2. All interests in underlying shares are interests in convertible bonds of the Company which may be converted into 9,360,000 shares at a conversion price of HK\$0.25 per conversion share during the period from 10 April 2013 to 9 October 2015 and interests in convertible bonds of the Company which may be converted into 9,360,000 shares at a conversion price of HK\$0.25 per conversion share during the period from 10 October 2013 to 9 October 2015.
3. As at 30 June 2014, the Company had a total of 2,222,447,991 shares in issue.

Save as disclosed above, as at 30 June 2014, none of the Directors and chief executive of the Company has or was deemed to have any interests or short positions in any shares, debentures or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have 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 relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, DEBENTURES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 30 June 2014, the Company had been notified of the following substantial shareholders' interest and short positions, being 5% or more of the issued share capital of the Company.

### Aggregate long positions in the shares and underlying shares of the Company

Name of substantial shareholders	Capacity	Nature of interest	Number of shares held	Number of underlying shares held under equity derivatives	Approximate percentage of the issued share capital	
					Total	
Mr. Poon Sum	Founder of a discretionary	Other interest (Note 1, 2 & 3)	227,281,632	670,280,612	897,562,244	40.39%
BNP Paribas Jersey Trust Corporation Limited ("BNP Paribas Jersey")	Trustee	Other interest (Note 1, 2 & 3)	227,281,632	670,280,612	897,562,244	40.39%
Red Tiles Limited ("Red Tiles")	Interest in controlled corporation	Corporate interest (Note 1, 2 & 3)	227,281,632	670,280,612	897,562,244	40.39%
Time Concord Limited ("Time Concord")	Beneficial owner	Corporate interest (Note 3)	51,020,408	153,061,224	897,562,244	40.39%
	Interest in controlled corporation	Corporate interest (Note 1, 2 & 3)	176,261,224	517,219,388		
Gold Horn Investments Limited ("Gold Horn")	Beneficial owner	Corporate interest (Note 3)	153,061,224	517,219,388	670,280,612	30.16%
China Oil Resources Group Limited ("China Oil")	Beneficial owner	Corporate interest (Note 4)	355,571,722	–	355,571,722	16.00%
PetroAsian Energy Holdings Limited ("PetroAsian Energy")	Interest in controlled corporation	Corporate interest (Note 4)	355,571,722	–	355,571,722	16.00%

*Notes:*

1. Gold Horn is a direct and wholly owned subsidiary of Time Concord which is a direct and wholly owned subsidiary of Red Tiles, a direct and wholly owned subsidiary of BNP Paribas Jersey. Mr. Poon Sum is a founder of the discretionary trust where BNP Paribas Jersey is the trustee.
2. Out of 227,281,632 shares held, 23,200,000 shares are held by Ever Source Enterprises Limited. The issued share capital of Ever Source Enterprises Limited is beneficially owned as to 50% by Time Concord.
3. All underlying shares represent the new ordinary shares to be issued upon conversion of convertible bonds with principal amount of HK\$65,687,500 at an initial conversion price of HK\$0.098 per conversion share.
4. China Oil is wholly and beneficially owned by PetroAsian Energy. PetroAsian Energy is a company incorporated in the Cayman Islands whose shares are listed on the Main Board (Stock Code: 850).
5. As at 30 June 2014, the Company had a total of 2,222,447,991 shares in issue.

Save as disclosed above, the Directors and the chief executive of the Company were not aware of any person (other than the Directors or chief executive of the Company the interests of which were disclosed above) who has an interest or short position in the securities of the Company that were required to be entered in the register of the Company pursuant to section 336 of the SFO as at 30 June 2014.



## SHARE OPTIONS

### Pre-IPO Share Option Scheme

The Company adopted the Pre-IPO Share Option Scheme on 27 March 2003, pursuant to which certain Directors and participants have been granted options to subscribe for shares.

The Pre-IPO Share Option Scheme has expired on 27 March 2013. The unexercised options under the Pre-IPO Share Option Scheme will continue to be valid and exercisable subject to the provisions of the scheme until the end of the exercise periods.

Movements in the outstanding share options granted under the Pre-IPO Share Option Scheme during the three months ended 30 June 2014 are set out below.

Name	Date of grant	Number of Share Options				Approximate percentage of the issued share capital	Option period	Consideration for the grant of the option HK\$	Exercise price per share HK\$
		Outstanding as at 1 April 2014	Granted during the period	Exercised during the period	Lapsed during the period				
Other Participants									
Employees in aggregate (Note)	9 February 2007	12,565	–	–	–	12,565	0.001%	9 February 2007 – 8 February 2017	1.00 0.078 (Adjusted)
	12 February 2008	25,130	–	–	–	25,130	0.001%	12 February 2008 – 11 February 2018	1.00 0.152 (Adjusted)
		37,695	–	–	–	37,695	0.002%		

*Note:* Employees working under employment contracts that were regarded as “continuous contracts” for the purpose of the Employment Ordinance (Chapter 57 of the laws of Hong Kong).

Save as disclosed above, no options pursuant to the Pre-IPO Share Option Scheme have been granted, exercised and cancelled during the period under review.

### Share Option Scheme

#### (i) 2003 Share Option Scheme

The 2003 Share Option Scheme has terminated on 25 March 2013. The unexercised options under the 2003 Share Option Scheme will continue to be valid and exercisable subject to the provisions of the scheme until the end of the exercise periods.

Movements in the outstanding share options granted under the 2003 Share Option Scheme during the three months ended 30 June 2014 are set out below.

Name	Date of grant	Number of Share Options				Outstanding as at 30 June 2014	Approximate percentage of the issued share capital	Option period	Consideration for the grant of the option HK\$	Exercise price per share HK\$
		Outstanding as at 1 April 2014	Granted during the period	Exercised during the period	Lapsed during the period					
Executive Directors										
Mr. Chan Wai Kwong, Peter	29 June 2011	3,000,000	-	-	-	3,000,000	0.135%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. Choi Ho Yan	29 June 2011	3,000,000	-	-	-	3,000,000	0.135%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. So Haw, Herman	29 June 2011	1,000,000	-	-	-	1,000,000	0.045%	29 June 2011 – 28 June 2021	1.00	0.140
Independent Non-executive Directors										
Mr. Chiu Wai Piu	29 June 2011	500,000	-	-	-	500,000	0.022%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. Cheung Kwan Hung, Anthony	29 June 2011	500,000	-	-	-	500,000	0.022%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. Heung Chee Hang, Eric	29 June 2011	500,000	-	-	-	500,000	0.022%	29 June 2011 – 28 June 2021	1.00	0.140
Other Participants										
Employees in aggregate (Note)	17 February 2010	314,126	-	-	-	314,126	0.014%	17 February 2010 – 16 February 2020	1.00	0.107 (Adjusted)
	29 June 2011	4,000,000	-	-	-	4,000,000	0.180%	29 June 2011 – 28 June 2021	1.00	0.140
		12,814,126	-	-	-	12,814,126	0.575%			

*Note:* Employees working under employment contracts that were regarded as “continuous contracts” for the purpose of the Employment Ordinance (Chapter 57 of the laws of Hong Kong).

## (ii) 2013 Share Option Scheme

The Company adopted the 2013 Share Option Scheme on 25 March 2013, pursuant to which certain Directors and participants have been granted options to subscribe for shares.

Movements in the outstanding share options granted under the 2013 Share Option Scheme during the three months ended 30 June 2014 are set out below.

		Number of Share Options				Outstanding as at 30 June 2014	Approximate percentage of the issued share capital	Option period	Consideration for the grant of the option HK\$	Exercise price per share HK\$
Name	Date of grant	Outstanding as at 1 April 2014	Granted during the period	Exercised during the period	Lapsed during the period					
<b>Executive Directors</b>										
Mr. Chan Wai Kwong, Peter	28 March 2013	3,000,000	–	–	–	3,000,000	0.135%	28 March 2013 – 27 March 2023	1.00	0.150
Mr. Choi Ho Yan	28 March 2013	3,000,000	–	–	–	3,000,000	0.135%	28 March 2013 – 27 March 2023	1.00	0.150
Mr. So Haw, Herman	28 March 2013	3,000,000	–	–	–	3,000,000	0.135%	28 March 2013 – 27 March 2023	1.00	0.150
<b>Independent Non-executive Directors</b>										
Mr. Chiu Wai Piu	28 March 2013	1,150,000	–	–	–	1,150,000	0.052%	28 March 2013 – 27 March 2023	1.00	0.150
Mr. Cheung Kwan Hung Anthony	28 March 2013	1,150,000	–	–	–	1,150,000	0.052%	28 March 2013 – 27 March 2023	1.00	0.150
Mr. Heung Chee Hang, Eric	28 March 2013	1,150,000	–	–	–	1,150,000	0.052%	28 March 2013 – 27 March 2023	1.00	0.150
<b>Chief Executive</b>										
Mr. Wong Chun Wai	28 March 2013	3,000,000	–	–	–	3,000,000	0.135%	28 March 2013 – 27 March 2023	1.00	0.150
<b>Other Participants</b>										
Employees in aggregate (Note 1)	28 March 2013	47,000,000	–	(2,000,000) (Note 2)	–	45,000,000	2.025%	28 March 2013 – 27 March 2023	1.00	0.150
Other eligible participants	28 March 2013	35,000,000	–	–	–	35,000,000	1.575%	28 March 2013 – 27 March 2023	1.00	0.150
		97,450,000	–	(2,000,000)	–	95,450,000	4.296%			

### Notes:

1. Employees working under employment contracts that are regarded as “continuous contracts” for the purpose of the Employment Ordinance (Chapter 57 of the laws of Hong Kong).
2. Exercise date was 7 May 2014. At the date before the options were exercised, the market value per share was HK\$0.215.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the securities of the Company during the three months ended 30 June 2014.

## **DIRECTORS' INTEREST IN COMPETING BUSINESS**

During the period under review, none of the Directors or the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which competed with or might compete with the business of the Group.

## **CORPORATE GOVERNANCE PRACTICES**

During the three months ended 30 June 2014, the Company has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions. The Company had made specific enquiry of all Directors and the Company was not aware of any non-compliance with the code of conduct and required standard of dealings throughout the three months ended 30 June 2014.

## **AUDIT COMMITTEE**

The Company has an audit committee which was established with written terms of reference in compliance with the GEM Listing Rules. The audit committee has three members comprising all independent non-executive Directors namely Mr. Chiu Wai Piu, Mr. Cheung Kwan Hung, Anthony and Mr. Heung Chee Hang, Eric.

The audit committee is mainly responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing and monitoring the external auditors' independence; reviewing the quarterly reports, interim report, annual report and accounts of the Group; and overseeing the Company's financial reporting system and internal control procedures.

The audit committee has reviewed the unaudited results for the three months ended 30 June 2014 and has provided advice and comments thereon.

By order of the Board  
**Gold Tat Group International Limited**  
**Choi Ho Yan**  
*Executive Director*

Hong Kong, 13 August 2014

*As at the date of this report, the Board comprises four executive Directors, namely, Mr. So Loi Fat (Chairman), Mr. Chan Wai Kwong, Peter, Mr. Choi Ho Yan and Mr. So Haw, Herman; and three independent non-executive Directors, namely, Mr. Chiu Wai Piu, Mr. Cheung Kwan Hung, Anthony and Mr. Heung Chee Hang, Eric.*