



POLYARD PETROLEUM INTERNATIONAL GROUP LIMITED
百田石油國際集團有限公司

(Stock Code: 8011)



2015

Third Quarterly Report

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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.

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This report, for which the directors (the “Directors”) of Polyard Petroleum International 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 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:

- 1. the information contained in this report is accurate and complete in all material respects and not misleading;*
- 2. there are no other matters the omission of which would make any statement in this report misleading; and*
- 3. all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

THIRD QUARTERLY RESULTS

The board of Directors (the “Board”) of Polyard Petroleum International Group Limited (the “Company”) would like to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the nine months ended 30 September 2015, together with the comparative unaudited figures for the corresponding periods in 2014, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and nine months ended 30 September 2015

	Notes	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
		2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Turnover		–	–	–	–
Administrative and other operating expenses		(8,488)	(4,412)	(20,409)	(12,522)
Finance costs	3	(2,310)	(279)	(2,621)	(7,205)
Share of results of associates		(8)	(2)	(11)	(7)
Loss on disposal of a subsidiary	8	–	–	–	(963,735)
Loss on derecognition of a promissory note		–	–	(814)	–
Loss before tax	4	(10,806)	(4,693)	(23,855)	(983,469)
Income tax	5	55	–	55	1,064
LOSS FOR THE PERIOD		(10,751)	(4,693)	(23,800)	(982,405)

	Notes	Unaudited Three months ended 30 September 2015		Unaudited Nine months ended 30 September 2015	
		2015	2014	2015	2014
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Attributable to:					
Owners of the Company		(10,654)	(4,738)	(23,584)	(982,351)
Non-controlling interests		(97)	45	(216)	(54)
		(10,751)	(4,693)	(23,800)	(982,405)
Loss per share	6				
Basic (in HK cents)		(0.38)	(0.24)	(0.99)	(51.78)
Diluted (in HK cents)		N/A	N/A	N/A	N/A
Dividend	7	-	-	-	-

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2015

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the period	(10,751)	(4,693)	(23,800)	(982,405)
Other comprehensive income:				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	90	91	38	128
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	(10,661)	(4,602)	(23,762)	(982,277)
Attributable to:				
Owners of the Company	(10,559)	(4,665)	(23,534)	(982,239)
Non-controlling interests	(102)	63	(228)	(38)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	(10,661)	(4,602)	(23,762)	(982,277)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2015

	Unaudited									
	Attributable to owners of the Company									
	Share capital	Share premium	Special reserve	Exchange reserve	Capital reserve	Convertible bonds reserve	Retained profits/ (Accumulated losses)	Subtotal	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2014 (Audited)	73,320	779,742	985	(217)	49,319	13,013	201,696	1,117,858	126,200	1,244,058
Total comprehensive expense for the period	-	-	-	112	-	-	(982,351)	(982,239)	(38)	(982,277)
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	22,944	22,944	(31,208)	(8,264)
Cancellation of convertible bonds	-	-	-	-	-	(7,896)	-	(7,896)	-	(7,896)
Conversion of convertible bonds	4,000	16,993	-	-	-	(5,117)	-	15,876	-	15,876
Issue of employee shares	182	446	-	-	-	-	-	628	-	628
At 30 September 2014	77,502	797,181	985	(105)	49,319	-	(757,711)	167,171	94,954	262,125
At 1 January 2015 (Audited)	77,502	797,182	985	(141)	49,319	-	(851,435)	73,412	51,656	125,068
Total comprehensive expense for the period	-	-	-	50	-	-	(23,584)	(23,534)	(228)	(23,762)
Issue of convertible bonds	-	-	-	-	-	634	-	634	-	634
Issue of shares	34,000	144,756	-	-	-	-	-	178,756	-	178,756
At 30 September 2015	111,502	941,938	985	(91)	49,319	634	(875,019)	229,268	51,428	280,696

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

The Company was incorporated in the Cayman Islands on 6 March 2002 as an exempted company under the Companies Law of the Cayman Islands. The shares of the Company were listed on GEM on 12 July 2002.

The Group is principally engaged in the exploration, exploitation and production of oil, natural gas and coal, and trading of petroleum-related products.

2. Basis of preparation

The unaudited condensed consolidated results have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated results have been prepared under the historical cost convention, except for interests in associates and joint ventures and certain financial instruments which are measured at fair value.

The accounting policies adopted for preparing the unaudited condensed consolidated results are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

3. Finance costs

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Imputed interest on convertible bonds	2,303	–	2,303	6,577
Imputed interest on promissory note	–	253	295	463
Bank interest	–	26	–	165
Finance lease interest	7	–	23	–
	2,310	279	2,621	7,205

4. Loss before tax

Loss before tax is arrived at after charging:

	Unaudited Three months ended 30 September 2015		Unaudited Nine months ended 30 September 2015	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Staff costs (including directors' remuneration)				
– Salaries and other benefits	3,950	3,016	11,956	6,844
– Retirement scheme defined contributions	109	70	263	202
Depreciation of property, plant and equipment	68	58	218	150

5. Income tax

	Unaudited Three months ended 30 September 2015		Unaudited Nine months ended 30 September 2015	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax				
– Hong Kong	–	–	–	–
– PRC enterprise income tax	–	–	–	–
– Other jurisdictions	–	–	–	–
Deferred tax	55	–	55	1,064
Income tax credit for the period	55	–	55	1,064

Hong Kong profits tax is calculated at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the period. PRC subsidiaries are subject to PRC enterprise income tax at the rate of 25% (2014: 25%). Taxes on profits assessable in other jurisdictions are calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Deferred tax for the period represented income tax recognised on reversal of temporary differences arising from convertible bonds.

No deferred tax has been recognised on loss for the period (2014: Nil) due to unpredictability of future taxable profits that will be available against which the tax losses can be utilised.

6. Loss per share

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

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the period attributable to owners of the Company	10,654	4,738	23,584	982,351
Loss for the period for calculation of basic loss per share	10,654	4,738	23,584	982,351
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue for the period	2,787,538	1,937,538	2,394,314	1,897,078

No diluted loss per share is presented as the conversion of the outstanding convertible bonds of the Company is anti-dilutive.

7. Dividend

The Board does not recommend the payment of a dividend for the period (2014: Nil).

8. Loss on disposal of a subsidiary

On 30 June 2014, the Group disposed of China Sino Oil Company Limited, a wholly-owned subsidiary, which owns 21% participating interest in the consortium for the Brunei Block M Oil and Gas Project.

	Unaudited Nine months ended 30 September 2014
	<i>HK\$'000</i>
Consideration received	
Cancellation of convertible bonds	113,760
Reversal of convertible bonds reserve	7,896
Reversal of deferred taxation upon cancellation of convertible bonds	1,030
Direct expenses	(995)
Total consideration received	121,691
Analysis of assets and liabilities over which control was lost	
<i>Current assets</i>	
Cash and bank balances	37
<i>Non-current assets</i>	
Interest in a joint venture	1,085,477
<i>Current liabilities</i>	
Other payables	(88)
Amount due to the Company	(95,943)
Net assets disposed of	989,483
Loss on disposal of a subsidiary	
Consideration received	121,691
Waiver of amount due from the subsidiary disposed of	(95,943)
Net assets disposed of	(989,483)
Loss on disposal	(963,735)

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Financial Review

The Group did not generate any turnover for the period ended 30 September 2015 (2014: Nil).

The Group recorded a net loss attributable to owners of the Company of approximately HK\$23,584,000 for the period as compared to a net loss attributable to owners of the Company of approximately HK\$982,351,000 for the corresponding period last year. Loss for the period last year included a loss on disposal of a subsidiary of approximately HK\$963,735,000.

Administrative and other operating expenses for the period amounted to approximately HK\$20,409,000 representing an increase of approximately HK\$7,887,000 or 63%, as compared with the corresponding period last year. The increase was mainly attributable to increase in business development activities and employee costs.

Finance costs for the period amounted to approximately HK\$2,621,000 (2014: approximately HK\$7,205,000). The decrease in interest costs was mainly resulted from the cancellation of the convertible bonds in the amount of HK\$120,000,000 and conversion of the convertible bonds in the amount of HK\$16,000,000 in the second quarter of 2014.

The Group engages in the business of exploration and exploitation of energy and resources. As most of the projects are still in the exploratory phase, the Group continues to incur capitalizable and operating expenses, and sustain losses.

Subscription of Convertible Bonds

On 10 July 2015, the Company as the issuer, Haitong International Securities Company Limited as the subscriber, and Mr. Lam Nam (controlling shareholder of the Company) as the guarantor, entered into a subscription agreement pursuant to which the Company agreed to issue and the subscriber agreed to subscribe for the convertible bonds in the principal amount of HK\$100,000,000 ("Convertible Bonds Subscription Agreement").

The convertible bonds accrue interest at the rate of 10% per annum, mature on the second anniversary of the issue date, and may be converted to an aggregate of 250,000,000 conversion shares at an initial conversion price of HK\$0.40 per conversion share during the conversion period.

On 21 July 2015, the conditions precedent set out in the Convertible Bonds Subscription Agreement had been fulfilled and completion took place. The convertible bonds in the principal amount of HK\$100,000,000 were issued to the subscriber on 21 July 2015. The net proceeds from the subscription after deducting the related expenses were approximately HK\$97,300,000.

Further details of the above are explained in the Company's announcements dated 10 July 2015 and 21 July 2015.

Formation and Disposal of a Joint Venture Company

On 15 July 2015, a joint venture agreement was entered into between Sparkling Gold Company Limited ("Sparkling Gold", a direct wholly-owned subsidiary of the Company) and Well Logging Energy Technology (Xi'An) Co. Ltd. ("WLET"), to form a joint venture company, namely East Asia Oil Services Company Limited ("East Asia"), with the intention to provide oil field and other related services. Pursuant to the joint venture agreement, East Asia, with a proposed issued share capital of HK\$40,000,000, will be 51% and 49% owned by Sparkling Gold and WLET, respectively.

Also on 15 July 2015, East Asia and WLET entered into a sale and purchase agreement, pursuant to which East Asia agreed to buy, and WLET agreed to sell certain rig, well logging equipment and other materials and equipment, at a consideration of HK\$48,000,000, which will be payable by East Asia to WLET in three installments over the two years from the date of the sale and purchase agreement.

Further details of the above are explained in the Company's announcement dated 15 July 2015.

On 2 September 2015, the Company entered into a sale and purchase agreement to dispose of Sparkling Gold for HK\$1 to an independent third party (the "Disposal"). The Disposal resulted in a loss of approximately HK\$7,000, which has been included in administrative and other operating expenses for the period.

Prospects

Philippines Central Luzon Gas Project

The project's original 2012 work program was for re-entry work at the Victoria-3 well and drilling a new well. However, the re-entry activity and the drilling a new well were delayed due to rig availability. In 2012, project management gave up the re-entry work and, instead, conducted a further support study for a new drilling plan. The support study, and new well design had continued into 2013. As a result of the above-described delay, applications for extensions of the current exploration subphase to 28 February 2016 have been granted by the Department of Energy, on condition that one exploration well will be drilled by end of this sub-phase. It is intended that the rig currently sourced for the Cebu project will be mobilized to Central Luzon to drill the well.

On 2 September 2015, Polyard Petroleum International Company Limited ("PPIC"), an indirect wholly-owned subsidiary of the Company which owns 89% participating interests of the project, along with two other project owners owning the remaining 11% participating interests (together "Vendors"), entered into a sale and purchase agreement with an independent third party ("Purchaser"), pursuant to which the Vendors conditionally agreed to sell and the Purchaser agreed to purchase the entire participating interests of the Vendors, and the corresponding Vendors' rights, interests, privileges, duties and obligations pursuant thereto, at an aggregate consideration of US\$4,995,000, among which the consideration payable to PPIC was US\$4,500,000 (the "Disposal").

Completion of the Disposal would take place upon receiving total consideration in two installments on or before 30 September 2015. As at the date of this report, the Purchaser has not fulfilled its duties as set out under the sale and purchase agreement. An extension has been granted by the Vendors to the Purchaser to fulfill the payment terms.

Further details of the above are explained in the Company's announcement dated 2 September 2015.

Philippines San Miguel Coal Mine Project

The project has progressed into the development phase. Construction of the phase-2 road, which will extend the vehicle-assessable road into the initial mining area, began in the second quarter 2011 but was suspended pending receipt of clearance from governmental agencies overseeing environmental protection. Construction can only be resumed upon the grant of tree cutting permit. A moratorium on the work commitments for the project has been granted by the Department of Energy to 31 December 2015.

Philippines South Cebu Oil and Gas Project

The project ("SC49") is situated at the southern part of Cebu, central Philippines. Oil and gas had been discovered in previous drillings. China International Mining Petroleum Company Limited ("CIMP") acquired 80% participating interests of SC49 and became the operator of SC49 in July 2009. The Group indirectly acquired 51% of CIMP's issued capital in October 2012, and an additional 12% in April 2014, bringing the effective interest in the project to 50.4% after the latest acquisition.

CIMP signed a two-well drilling service agreement with a contractor in March 2014 for SC49 and spudded its first appraisal well, Polyard-2 ("P2"), on 22 October, 2014. After 47 days of operations, drilling was completed at 1,252 meters. After drilling was completed, P2 well underwent wireline logging activities and completed oil testing operations on 2 February 2015. After carrying out different tests, it has proven that the block has tested gas with daily production capacity of over 80,000 cubic meters. The Group's team now is conducting preparation work to turn the well into a production well. Pursuant to an addendum to the drilling service agreement signed between the parties on 11 September 2015, it was mutually agreed that the drilling and relevant work in respect of the second exploration well were terminated.

On 11 September 2015, CIMP signed a new turnkey drilling service agreement with a main contractor. Pursuant to the agreement, integrated well drilling services are to be provided by the contractor to CIMP for four wells (namely, Polyard-1 (“P1”; appraisal well), Polyard 2-1 and 2-2 (“P2-1” and “P2-2”; production wells), and Polyard-3 (“P3”; appraisal well)).

Based on the geological design, P1 well explores mainly for oil zones. P1 well successfully spudded in on 14 September 2015 and reached 855 meters on 3 October 2015. Well logging was conducted on 4 October and cementing was completed on 6 October 2015. Contractor has shipped oil testing equipment to well site for oil testing operation which has begun in late October 2015.

Well logging results indicate that multiple oil and gas intervals were discovered in P1 well. According to interpretation of the wireline logging results of 4 October 2015, a total of six oil and gas intervals were discovered, totaling 22 meters of thickness, including 11.4 meters of oil zone, 9.2 meters of gas zone and 1.4 meters of oil and gas zone. Key parameters of hydrocarbon reservoir obtained provided a foundation for further evaluation on mapping future engineering, geological and development plan. The discovery in P1 well is expected to speed up the progress for SC49 to enter the oil and gas production and development.

An extension of the current exploration sub-phase to 1 March 2016 has been granted by Department of Energy to allow CIMP to complete all pre-development activities necessary for evaluating the petroleum resource and initiating transition of the project to development/commercial production stage.

On 3 June 2015, the Department of Environment and Natural Resources of the Philippines granted the Environmental Compliance Certificate (the “ECC”) for the SC49 oil and gas project. After obtaining the ECC, CIMP has made the application for the production permit to the Department of Energy of the Philippines. Project production is expected to begin subsequent to the successful application of the production permit.

On 19 March 2015, the Group signed a memorandum of agreement (and subsequently three extensions) with a leading petroleum distributor, Unioil Petroleum Philippines, Inc. to jointly develop and explore a potential strategic alliance for the sale of natural gas in the Philippines. Pending the issuance of a production license by the Department of Energy, the parties will proceed to negotiate a formal sales agreement.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 September 2015, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("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 to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by Directors.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND/OR UNDERLYING SHARES OF THE COMPANY

As at 30 September 2015, the interests and short positions of persons, other than Directors or chief executive of the Company, in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or substantial shareholders as recorded in the register of substantial shareholders required to be kept by the Company under Section 336 of the SFO were as follows:

Name of person	Number of shares held	Capacity	Approximate percentage of interest
	<i>(Note 1)</i>		
Silver Star Enterprises Holdings Inc. <i>(Note 2)</i>	1,894,255,931 (L)	Beneficial owner	67.95%
Lam Nam	1,894,255,931 (L)	Interest of a controlled corporation	67.95%
	<i>(Note 2)</i>		
	11,900,000	Beneficial owner	0.43%
Haitong International Securities Company Limited	250,000,000 (L)	Beneficial owner	8.97%
	<i>(Note 3)</i>		

Notes:

- The letter "L" denotes long positions in shares or underlying shares.
- The entire issued share capital of Silver Star Enterprises Holdings Inc. is beneficially owned by Mr. Lam Nam. Mr. Lam Nam is deemed to be interested in 1,894,255,931 shares held by Silver Star Enterprises Holdings Inc.
- These shares may be allotted and issued upon exercise of the conversion rights attaching to the convertible bonds issued by the Company.

Save as disclosed above, as at 30 September 2015, the Directors were not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the period were rights to acquire benefits by means of acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors, their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouses or children under 18 years of age to acquire such rights in the Company or any other body corporate.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company was not aware of any non-compliance with the code of conduct and the required standard of dealings regarding securities transactions throughout the period ended 30 September 2015.

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 Company's listed securities during the period.

PRE-EMPTIVE RIGHTS

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

COMPETING INTERESTS

During the period, none of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had an interest in a business which competes or may compete with the business of the Group.

CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the period, the Company has complied with the requirements of the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee include reviewing the Company's annual report, half-year report and quarterly financial reports and providing advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the Company's financial reporting process and internal control procedures. It is also responsible for making recommendations to the Board on the appointment, re-appointment and removal of external auditor, approving the remuneration and terms of engagement of the external auditor, reviewing and monitoring the external auditor's independence and objectivity, and meeting the external auditors at least twice a year regarding the review of the financial reports and accounts.

The Audit Committee comprises the three independent non-executive Directors, namely Mr. Pai Hsi-Ping, Ms. Xie Qun and Mr. Kwan King Chi George. Mr. Kwan King Chi George is the Chairman of the Audit Committee.

The unaudited condensed consolidated financial statements of the Group for the period have been reviewed by the Audit Committee, which is of the opinion that such unaudited condensed consolidated financial statements complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

For and on behalf of the Board

Kuai Wei
Chairman

Hong Kong, 9 November 2015

At the date of this report, the board of Directors of the Company comprises:

Executive Directors

Mr. Kuai Wei
Mr. Lai Chun Liang
Mr. Lin Zhang

Independent Non-Executive Directors

Mr. Pai Hsi-Ping
Ms. Xie Qun
Mr. Kwan King Chi George