



Gold Tat Group International Limited

(Incorporated in the Cayman Islands with limited liability) Stock Code: 8266

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.

2

RESULTS

The board of Directors (the "Board") of the Company announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the three months and six months ended 30 September 2015, together with the unaudited comparative figures for the corresponding periods in 2014 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and six months ended 30 September 2015

		Three mon 30 Sep		Six months ended 30 September		
	Note	2015 HK\$'000	2014 HK\$'000 (Restated)	2015 HK\$'000	2014 HK\$'000 (Restated)	
Continuing operations						
Turnover Cost of sales	2	153,331 (147,513)	349,943 (335,682)	320,187 (309,176)	671,539 (642,012)	
Gross profit		5,818	14,261	11,011	29,527	
Other net income Employment costs Research and development		(141) (5,447)	160 (4,576)	(14) (10,587)	551 (9,128)	
expenses Depreciation Transportation expenses		(29) (552) (56)	(1,121) (556) (1,466)	(419) (1,109) (514)	(2,650) (929) (2,757)	
Other operating expenses		(8,629)	(8,050)	(14,840)	(15,948)	
Loss from operations		(9,036)	(1,348)	(16,472)	(1,334)	
Finance costs Share of profit of associates	3	(1,991) 3,837	(3,392) 1,944	(4,486) 4,221	(6,659) 1,116	
Loss before tax		(7,190)	(2,796)	(16,737)	(6,877)	
Income tax expense	4	(35)	(251)	(98)	(1,001)	
Loss for the period from continuing operations		(7,225)	(3,047)	(16,835)	(7,878)	
Discontinued operations						
Loss for the period from discontinued operations	5		(826)		(883)	
Loss for the period		(7,225)	(3,873)	(16,835)	(8,761)	

		Three months ended 30 September		Six months ended 30 September		
	Note	2015 HK\$'000	2014 HK\$'000 (Restated)	2015 HK\$'000	2014 HK\$'000 (Restated)	
Attributable to:						
Owners of the Company – Continuing operations – Discontinued operations		(8,438)	(4,107)	(17,152)	(9,607) (1,259)	
		(8,438)	(5,068)	(17,152)	(10,866)	
Non-controlling interests						
 Continuing operations Discontinued operations 		1,213	1,062 133	317	1,729 376	
		1,213	1,195	317	2,105	
Loss per share (HK cents)	6					
From continuing and discontinued operations						
Basic		(0.30)	(0.23)	(0.63)	(0.51)	
Diluted		N/A	N/A	N/A	N/A	
From continuing operations		(0.20)	(0.40)	(0.52)	(0.45)	
Basic		(0.30)	(0.18)	(0.63)	(0.45)	
Diluted		N/A	N/A	N/A	N/A	

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

For the three months and six months ended 30 September 2015

	Three months ended 30 September		Six mont 30 Sept	
	2015 HK\$'000	2014 HK\$'000 (Restated)	2015 HK\$'000	2014 HK\$'000 (Restated)
Loss for the period Other comprehensive income:	(7,225)	(3,873)	(16,835)	(8,761)
Items that may be reclassified to profit or loss: Exchange differences on translating				
foreign operations	(1,528)	10	(1,515)	52
Other comprehensive income for the period, net of tax	(1,528)	10	(1,515)	52
Total comprehensive income for the period	(8,753)	(3,863)	(18,350)	(8,709)
Attributable to: Owners of the Company	(0, 700)	(4.105)	(40 504)	(0.5.6.4)
 Continuing operations Discontinued operations 	(9,799) 	(4,105) (961)	(18,501) 	(9,564) (1,259)
Non-controlling interests	(9,799)	(5,066)	(18,501)	(10,823)
 Continuing operations Discontinued operations 	1,046	1,070 133	151 	1,738 376
	1,046	1,203	151	2,114

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	Note	Unaudited 30 September 2015 HK\$'000	Audited 31 March 2015 HK\$'000
Non-current assets Property, plant and equipment Investment properties Goodwill Available-for-sale financial assets	8	12,618 45,000 24,911 –	13,795 45,700 24,911 –
Investments in associates		165,920 248,449	<u> 161,699</u> 246,105
Current assets Inventories Trade, bills and other receivables,		10,941	32,162
deposits and prepayments Due from an associate Properties under development Put Option of convertible bonds Pledged bank deposits Tax refundable	9	133,701 - 60,839 2,115 27,127 189	128,298 48,028 61,014 4,690 26,227
Bank and cash balances		75,075	58,470 358,889
Current liabilities Trade and other payables and receipt in advance Due to a non-controlling shareholder Due to an associate Call Option of convertible bonds	10	77,491 150 21,058	102,589 372 21,497 1
Bank and other loans Liability components of convertible bonds Finance lease payables Current tax liabilities	11	- 89,253 46,431 512 267 235,162	134,077 45,922 727 377 305,562
Net current assets		74,825	53,327
Total assets less current liabilities		323,274	299,432

	Note	Unaudited 30 September 2015 HK\$'000	Audited 31 March 2015 HK\$'000
Non-current liabilities Long term bonds Deferred tax liabilities		40,000 172	40,000
		40,172	40,174
NET ASSETS		283,102	259,258
Capital and reserves			
Share capital Reserves	12	24,389 195,701	20,847 175,550
Equity attributable to owners of the Company		220,090	196,397
Non-controlling interests		63,012	62,861
TOTAL EQUITY		283,102	259,258

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the six months ended 30 September 2015

(18,350) (1,321) equity HK\$'000 (8,709) 31,670 300 5,040 201,502 259,258 283,102 Total 173,228 42,465 1,050 controlling interests 61,458 63,012 HK\$'000 59.344 2,114 Non-62,861 151 (18,501) (1,321) HK\$'000 (10,823) 300 5,040 (27) 140,044 42,465 220,090 Total 31,670 1,050 113,884 196,397 (187,511) (195,595) 184,045) (178,719) (17, 152) HK\$'000 (10,866) 7,400 Accumulated losses 276 bonds (39.556) reserve HK\$'000 59,161 Convertible 119.302 79,746 59,161 reserve (7,400) Warrant HK\$'000 7.400 Attributable to owners of the Company payment (276) reserve (644) Share-based HK\$'000 9,788 9,604 5,220 4,300 Foreign currency reserve HK\$'000 (780) ranslation 1.136 (1,349) 1,093 569 reserve Capital redemption HK\$'000 2,943 2,943 2.943 2,943 surplus Contributed HK\$'000 16,375 16,375 16,375 16,375 account HK\$'000 68.719 4.806 (27) (1,321) 309,297 Share oremium 125,369 38,978 1.639 468 199,335 270,001 HK\$'000 18,416 24,389 Share capital 15,659 2,507 16 234 20,847 3,487 5 Transaction costs attributable to issue of new shares Shares issued upon conversion of convertible bonds Shares issued upon exercise of share options Total comprehensive income for the period Shares issued upon exercise of share options Transaction costs attributable to issue of Total comprehensive income for the period Shares issued upon exercise of warrants Shares issued upon placement apse of share options At 30 September 2015 At 30 September 2014 Lapse of warrants At 1 April 2015 At 1 April 2014 new shares

7

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2015

	Six months ended 30 September	
	2015 HK\$'000	2014 HK\$'000
Net cash used in operating activities	(22,716)	(6,529)
Net cash generated from/(used in) investing activities	47,675	(3,058)
Net cash (used in)/generated from financing activities	(6,385)	14,713
Net increase in cash and cash equivalents	18,574	5,126
Effect of foreign exchange rate changes	(1,969)	65
Cash and cash equivalents at 1 April	58,470	33,373
Cash and cash equivalents at 30 September	75,075	38,564
Analysis of cash and cash equivalents:		
Bank and cash balances	75,075	38,564

9

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

These unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and with the applicable disclosure requirements of the GEM Listing Rules.

These unaudited condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 March 2015.

2. Segment information

The Group has three reportable segments as follows:

Trading of electronic parts and	-	trading of electronic parts and components and provision of
components		professional solution with engineering services
Property development	-	sale of developed properties
Property investment	/-/	rental income

Mobile data solution business segment was discontinued in December 2014. The segment information reported does not include any amounts for this discontinued operation.

Segment profit or loss do not include unallocated corporate results.

Information about reportable segment profit or loss from continuing operations:

			Six m	Unau onths ende	dited d 30 Septer	nber		
	Trading of electronic parts and components		nic parts Property Property			To	tal	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000 (Restated)
Revenue from external customers	317,001	667,494		_	3,186	4,045	320,187	671,539
Segment (loss)/profit	(3,723)	4,771	(1,062)	(1,160)	(533)	163	(5,318)	3,774

10

Reconciliations of reportable segment profit or loss from continuing operations:

	Unaudite Six months e 30 Septemb	nded
	2015 HK\$'000	2014 HK\$'000 (Restated)
Total (loss)/profit of reportable segments Unallocated corporate results	(5,318) (11,517)	3,774 (11,652)
Consolidated loss for the period	(16,835)	(7,878)

3. Finance costs

	Unaudited						
	Three mont 30 Septe		Six months ended 30 September				
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000			
Continuing operations							
Wholly repayable within five years – Effective interest expenses on liability component of							
convertible bonds	719	1,499	1,421	3,232			
- Interest on bank loans	463	1,028	1,310	1,860			
– Interest on other loan	207	235	544	337			
 Finance lease charges Not wholly repayable within five years based on repayment schedules 	7	30	16	33			
- Interest on bank loans	95	100	195	200			
- Interest on long term bonds	500	500	1,000	997			
	1,991	3,392	4,486	6,659			

4. Income tax expense

Income tax relating to continuing operations has been recognised in profit or loss as follows:

	Unaudited				
	Three mor	nths ended	Six mont	hs ended	
	30 Sep	tember	30 September		
	2015	2014	2015	2014	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		(Restated)		(Restated)	
Current tax – Hong Kong Profits Tax					
– Provision for the period	-	212	-	963	
– PRC Enterprise Income Tax	36	40	100	40	
	36	252	100	1,003	
Deferred tax	(1)	(1)	(2)	(2)	
Income tax expenses	35	251	98	1,001	

Hong Kong Profits Tax is provided at 16.5% (2014: 16.5%) based on the estimated assessable profits for the period.

PRC Enterprise Income Tax has been provided at a rate of 25% (2014: 25%).

5. Discontinued operations

On 17 November 2014, the Company entered into a sale and purchase agreement with a director of Mobile Telecom (BVI) Limited ("Mobile Telecom") to dispose of the Company's entire equity interest in Mobile Telecom. Mobile Telecom and its subsidiaries (collectively referred to as "Mobile Telecom Group") were principally engaged in the provision of mobile data solution and related services. The disposal was completed on 19 December 2014. The presentation of comparative information in respect of the three months and six months ended 30 September 2014 has been reclassified to conform to the current period's presentation.

(a) Analysis of the results of discontinued operations is as follows:

	Unaudited				
	Three mor	nths ended	Six month	s ended	
	30 Sep	tember	30 Septe	ember	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	
Loss for the period from discontinued operations		11			
Revenue	_	9,743		20,728	
Other net income	-	164	1	315	
Telecom operators and content					
providers costs	-	(1,934)		(4,715)	
Employment costs	-	(4,976)		(9,132)	
Research and development costs	-	(1,933)		(4,458)	
Depreciation and amortisation	-	(210)		(410)	
Other operating expenses	-	(1,683)		(3,211)	
		1///		×	
Loss from operations	_	(829)		(883)	
Finance costs					
Loss before tax	_	(829)	_	(883)	
Income tax expense	_	3		(000)	
income tax expense					
Loss for the period from discontinued operations (attributable to owners of					
the Company)		(826)		(883)	

(b) Analysis of the expenses of discontinued operations is as follows:

		udited		
	Three months ended 30 September		Six months ended 30 September	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Research and development expenses				
Staff costs	<u> </u>	1,933		4,458

	Unaudited Six months ended 30 September		
	2015 24 HK\$'000 HK\$'		
Net cash flow from operating activities Net cash flow from investing activities		(735) (406)	
Net cash flow from discontinued operations		(1,141)	

6. Loss per share

(a) Basic loss per share

The calculation of basic loss per share is as follows:

	Unaudited			
	Three months ended		Six mont	hs ended
	30 Sept	ember	30 Sep	tember
	2015	2014	2015	2014
VA RUII		(Restated)		(Restated)
Loss for the period attributable				
to owners of the Company (HK\$'000)				
- Continuing operations	(8,438)	(4,107)	(17,152)	(9,607)
- Discontinued operations		(961)		(1,259)
	(8,438)	(5,068)	(17,152)	(10,866)
Weighted average number of ordinary shares in issue				
during the period (in '000)	2,804,115	2,242,147	2,735,831	2,152,657
Basic loss per share (HK cents)				
- Continuing operations	(0.30)	(0.18)	(0.63)	(0.45)
- Discontinued operations		(0.05)		(0.06)
	(0.30)	(0.23)	(0.63)	(0.51)

(b) Diluted loss per share

As the exercise of the Group's outstanding convertible bonds and outstanding share options for the three months ended and six months ended 30 September 2015 and 2014 would be anti-dilutive, no diluted loss per share was presented for the three months and six months ended 30 September 2015 and 2014.

7. Dividend

The Directors have not declared nor proposed any dividends in respect of the six months ended 30 September 2015 (2014: Nil).

8. Property, plant and equipment

During the six months ended 30 September 2015, the Group acquired assets with aggregate cost of approximately HK\$5,000 (2014: approximately HK\$3,010,000).

9. Trade, bills and other receivables, deposits and prepayments

	Unaudited 30 September	Audited 31 March	
	2015	2015	
	HK\$'000	HK\$'000	
Trade receivables	36,567	37,921	
Bills receivables	18,510	62,995	
Other receivables, deposits and prepayments	78,624	27,382	
	133,701	128,298	

The ageing analysis of trade receivables is as follows:

	Unaudited	Audited
	30 September	31 March
	2015	2015
	HK\$'000	HK\$'000
0 to 30 days	24,605	22,053
31 to 60 days	6,682	6,680
61 to 90 days	3,949	8,005
Over 90 days	1,331	1,183
	36,567	37,921

The credit terms granted by the Group to its customers are generally cash on delivery to 90 days.

10. Trade and other payables and receipt in advance

	Unaudited	Audited
	30 September	31 March
	2015	2015
	HK\$'000	HK\$'000
Trade payables	38,667	48,590
Other payables	32,910	48,258
Receipt in advance	4,953	4,280
Bond interest payables	961	1,461
	77,491	102,589

The ageing analysis of trade payables is as follows:

	Unaudited	Audited
	30 September	31 March
	2015	2015
	НК\$'000	HK\$'000
0 to 30 days	35,585	33,074
31 to 60 days	1,651	11,728
61 to 90 days	1,420	3,243
Over 90 days	11	545
	38,667	48,590

11. Bank and other loans

	Unaudited	Audited
	30 September	31 March
	2015	2015
	HK\$'000	HK\$'000
Secured bank loans subject to repayable		
on demand clause	16,695	16,984
Secured bank loans on demand or within one year	650	652
Jnsecured other loan subject to repayable		
on demand clause	3,864	7,457
Bank invoice loans	68,044	108,984
	89,253	134,077

The bank and other loans are secured by the investment properties, leasehold properties, properties owned by directors and related persons of a subsidiary, pledged bank deposits, personal guarantee with unlimited amount executed by directors and related persons of a subsidiary, corporate guarantees provided by the Company and a subsidiary of the Company, personal guarantee given by one of the Directors for unlimited amount.

Bank and other loan of approximately HK\$68,044,000 (31 March 2015: approximately HK\$109,759,000) denominated in US\$ and of approximately HK\$21,209,000 (31 March 2015: approximately HK\$24,318,000) denominated in HK\$.

The effective annual interest rates on the bank and other loans range from 2.25% to 12% per annum.

12. Share capital

	Number of shares	Amount HK\$'000
Ordinary shares of US\$0.001 each		
Authorised:		
At 1 April 2014, 31 March 2015 and		
30 September 2015	40,000,000,000	312,000
Issued and fully paid:		
At 1 April 2014	2,001,028,936	15,659
Shares issued upon conversion of		
convertible bonds	517,100,685	4,034
Shares issued upon exercise of share options	27,963,346	218
Shares issued upon exercise of warrants	120,000,000	936
At 31 March 2015	2,666,092,967	20,847
Shares issued upon placement	447,000,000	3,487
Shares issued upon exercise of share options	7,000,000	55
At 30 September 2015	3,120,092,967	24,389

13. Operating lease commitments

The Group as lessor

The Group leases its properties under operating lease arrangements, with leases negotiated for an average term of one to five years. The terms of the leases generally provide for periodic rent adjustments according to the then prevailing market conditions.

As at 30 September 2015, the Group had total future minimum lease receivables under noncancellable operating leases with its tenants falling due as follows:

	Unaudited	Audited
	30 September	31 March
	2015	2015
	НК\$'000	HK\$'000
Within one year	1,230	2,283
In the second to fifth years inclusive	141	181
	1,371	2,464

As at 30 September 2015, included above is the total future minimum sublease receivables expected to be received under non-cancellable subleases amounted to HK\$996,000 (31 March 2015: HK\$1,714,000).

The Group as lessee

As at 30 September 2015, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	Unaudited	Audited
	30 September	31 March
	2015	2015
	HK\$'000	HK\$'000
Within one year	3,129	4,221
In the second to fifth years inclusive	3,630	4,729
	6,759	8,950

Operating lease payments represent rentals payable by the Group for certain of its offices. Leases are negotiated for an average term of one to five years (31 March 2015: one to five years) and rentals are fixed over the lease terms and do not include contingent rentals.

14. Transactions with related parties

The Group's key management personnel compensation for the six months ended 30 September 2015 amounted to approximately HK\$1,930,000 (2014: approximately HK\$4,604,000).

15. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categories into three levels the inputs to valuation techniques used to measure fair value:

- Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) The financial assets and liabilities measured at fair value as at 30 September 2015 are grouped into the fair value hierarchy as follows:

	Fair value measurements using:			
				30 September
Description	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	2015 HK\$'000
Recurring fair value measurements				
Assets				
Financial assets at fair value through profit or loss				
Put Options of convertible bonds		2,115		2,115
Liabilities				
Financial liabilities at fair value through profit or loss				
Call Option of convertible bonds		_	_	

The financial assets and liabilities measured at fair value as at 31 March 2015 are grouped into the fair value hierarchy as follows:

	Fair value measurements using:							
				31 March				
Description	Level 1	Level 2	Level 3	2015				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000				
Recurring fair value								
measurements								
Assets								
Financial assets at fair value								
through profit or loss								
Put Options of convertible bonds	-	4,690	-	4,690				
Liabilities								
Financial liabilities at fair value								
through profit or loss								
Call Option of convertible bonds	-	1	-	1				

(b) Disclosures of valuation process of financial instruments used by the Group and valuation techniques and inputs used in fair value measurements at 30 September 2015:

Description	Valuation technique	Inputs
Put Options of Binomial option convertible bonds pricing model		Share price, exercise price, risk-free rate, excepted volatility, life of the convertible bonds, expected dividend yield and effective interest rate or risky rate
Call Options of convertible bonds	Binomial option pricing model	Share price, exercise price, risk-free rate, excepted volatility, life of the convertible bonds, expected dividend yield and effective interest rate or risky rate

16. Event after the reporting period

On 23 October 2015, Gold Continental Investments Limited ("Gold Continental"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the "Agreement") pursuant to which Gold Continental has agreed to sell and the purchaser has agreed to purchase the entire issued share capital ("Sale Share") of Star Global Industries Limited ("Target Company") and all obligations, liabilities and debts ("Sale Loan") owing or incurred by the Target Company to Gold Continental on or at any time prior to the date of completion of the sale and purchase of the Sale Share and the Sale Loan (the "Completion"), for a total consideration of HK\$22,400,000. The Target Company is principally engaged in investment holding and the principal asset of the Target Company is the property located at Flat A, 52/F, Tower 2, Manhattan Hill, No.1 Po Lun Street, Kowloon.

Gold Continental has received HK\$1,120,000 from the purchaser in cash as the deposit and part payment of the Consideration on the date of the Agreement and the balance of HK\$21,280,000 shall be payable by the purchaser to Gold Continental in cash at the Completion.

As at the date of this interim report, the transaction has not been completed. Further details of the transaction are set out in the Company's announcement dated 23 October 2015.

20

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

The Group had been participating in the following activities:

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

BUSINESS REVIEW

Continuing Operation

Trading of Electronic Hardware Components (Display and Touch Panel Modules) with Compatibility Solutions Advisory Services

Since the start of 2015, trading of electronic hardware components has started to enter into a very difficult period, which was mainly caused by the overcapacity of suppliers and saturation of certain electronic devices on the market. This, thus, caused the selling prices of such components coming down sharply and rapidly, noticeably in the months of April to June; and even fell below the manufacturers' costs of productions. Inadvertently, such manufacturers were forced to make production adjustments accordingly so that the price decline started to become more stable in the month of August. Based on the current market situation, supply of electronic hardware components, especially display units, has started to become tense. However, this was not due to the increase in the demand on the market, but mainly on the prices being fallen sharply in the previous months caused by a reduction of supplies by numerous manufacturers.

Given the volatility of the prices in the electronic hardware components, the management team of ETC Technology Limited ("ETC") had been monitoring the overall changes in the relevant markets and together comes with the unfavourable market conditions, more attention and resources were diverted in the trading of our IC Drivers section, whereas no such volatility of the prices were experienced and, most importantly, to minimise the impact that would have caused us were we to have kept our trading of display units in the old pace. Moreover, such move would enable to minimise ETC's exposure and reliance on such fierce and volatile market of the display units and to strengthen our position in the IC Drivers.

Management of ETC expects that, in the next six months, revenue from the trading of the display units will increase. This was mainly attributable to that the price decline was too deep and too rapid, and now that the prices have become relatively stable plus the noticeable increase in customers' willingness to place orders. Nonetheless, with the advances in technology, thin-film display units have started to become commercialised in recent months. Whereas almost all manufacturers of display units are still adjusting and upgrading their production scope and productions, and with other new manufacturers entering into the market, competitions will surely be fierce. The management of ETC will continue to closely monitor the changes in such market, notwithstanding the changes and enhancement of our electronic hardware components being traded; so that a better product-mix, better margins and a more stable selling prices for trading of our products can be achieved.

Real Estate Development and Investment

The Group has a real estate development portfolio of three and displayed the concentration effort in the area of Yangjiang City. The most notable project is Xiangjiang Peninsula, with stage two constructions underway and near its completion phase whereas the Group had also already begun the pre-sale of stage two. However, the progress of the pre-sale of stage two was slow and fell behind the management's expectation. In regard of this, the Group will keep a close eye on the progress of pre-sales activities of Xiangjiang Peninsula and whether if any extra promotional and/or marketing activities were needed.

It was noted that despite a general downturn of the Chinese economy, the local appetite and sentiment for the real estate had maintained because of the general public's housing needs; however the sentiment remained conservative. The Group will continue with its cautious investment evaluation approach and along with more preparations aiming against possible adverse conditions.

Discontinuing Operations

Mobile data solution business

The Group discontinued its mobile application development and information technology consultant services business by entering into a sale and purchase agreement to dispose to a director of certain subsidiaries of the Company for a consideration of HK\$8,560,000. The disposal was completed on 19 December 2014.

Prospects

Chinese real estate market in the past year is entering a period of adjustment, the growth rate of real estate investment decreased significantly. However, with a steady, positive and healthy development goal as enchanted and being implemented by the Central Government, long-term mechanism is being established to improve and enhance the state of the real estate market in China. Coupled with the control and reform policies such as the withdrawal of restricted measures imposed on loan to end users and purchase of properties, lowering of the Require Rate of Reserves and interest rates, the real estate market in first half of 2015 and especially in the third quarter of 2015 has noticeably picked up. The transaction volume also increased moderately. With the next stage of reforms for the Chinese economy, a prudent monetary policy and proactive fiscal policy are to be expected so as to stimulate the real estate adjustment and make it be more market-oriented, and thus conducive to the medium and long term development and enhancement of the real estate market in China. The Group will continue to closely monitor the development of our projects in the Guangdong Province, and will actively review our development strategies so to capture new market opportunities.

Moving forward, the Group will continue to explore new investment opportunities, with a view to enhance the profitability of the Group as well the return and growth of the shareholders.

FINANCIAL REVIEW

Revenue and Results

For the six months ended 30 September 2015, the Group recorded an unaudited turnover of approximately HK\$320,187,000 (2014: approximately HK\$671,539,000 (restated)), representing a decrease of 52.3% as compared to the corresponding period of last year. The revenue was mainly contributed by the trading of electronic parts and components business.

The Group recorded a loss for the six months ended 30 September 2015 of approximately HK\$16,835,000 (2014: approximately HK\$8,761,000), representing an increase of 92.2% as compared with the corresponding period of last year.

The decrease in unaudited turnover and increase in unaudited net loss for the six months ended 30 September 2015 as compared with that for the corresponding period in 2014 was mainly due to the decrease in both the Group's trading volume and selling prices of electronic parts and components in relation to display modules and touch panel modules in the six months ended 30 September 2015 as compared to the corresponding period in 2014. The decrease in trading volume and selling prices was mainly attributable to a downturn in mobile phones and tablet market which in turn resulted in decrease in demand for LCD panels; and manufacturers' continuously price-cutting competition. Loss attributable to owners of the Company for the six months ended 30 September 2015 was approximately HK\$17,152,000, representing an increase of 57.9% as compared with approximately HK\$10,866,000 for the corresponding period in 2014.

Liquidity, Financial Resources and Gearing

The Group financed its operations with the revenue generated from its operations and banking facilities provided by its bankers in Hong Kong. The Group had total outstanding borrowings of approximately HK\$176,196,000 as at 30 September 2015 (31 March 2015: approximately HK\$220,727,000).

77.3% (31 March 2015: 81.9%) of the borrowings are considered as current liabilities and repayable within one year and 22.7% (31 March 2015: 18.1%) are repayable after five years. HK and US dollar denominated borrowings accounted for 61.4% (31 March 2015: 50.3%) and 38.6% (31 March 2015: 49.7%) of the total borrowings respectively.

48.5% (31 March 2015: 57.4%) of borrowings are interest bearing bank loans on floating rate terms, the effective annual interest rates range from 2.25% to 2.50%, 22.7% (31 March 2015: 18.1%) are seven-year 5% coupon straight bonds due 2020; 26.3% (31 March 2015: 20.8%) are 4% convertible bonds due 2015; 2.2% (31 March 2015: 3.4%) of borrowings are interest bearing other loans on fixed rate terms and the remaining 0.3% (31 March 2015: 0.3%) are interest bearing finance lease obligations at fixed interest rates.

At 30 September 2015, the Group had cash reserves of approximately HK\$75,075,000 (31 March 2015: approximately HK\$58,470,000). Most of the cash reserves were placed with major banks in Hong Kong and the PRC. 96.5% (31 March 2015: 93.7%) of the Group's cash and cash equivalents (comprising cash on hand and bank balances) were denominated in HK dollar or US dollar, whereas 3.5% (31 March 2015: 6.2%) were denominated in Renminbi.

The gearing ratio as at 30 September 2015 was 62.2% (31 March 2015: 85.1%). The gearing ratio was derived by dividing the total borrowings including the bank and other loans, bonds, convertible bonds and finance lease payables of approximately HK\$176,196,000 (31 March 2015: approximately HK\$220,727,000) by the amount of shareholders' equity of approximately HK\$283,102,000 (31 March 2015: approximately HK\$259,258,000). The liquidity ratio of the Group, represented by a ratio between current assets over current liabilities, was 131.8% (31 March 2015: 117.5%).

The management of the Company will continue to make good efforts to improve the liquidity condition. Measures will include but not limited to tightening of costs control, expansion of current businesses, the securing of additional loan facilities and/or raising funds from the capital market.

Foreign Exchange Exposure

The income and expenditure of the Group are mainly denominated in HK dollar, US dollar and Renminbi, the impact of foreign exchange exposure to the Group is considered minimal in this respect and no hedging or other arrangements to reduce the currency risk has been implemented.

Share Capital

During the six months ended 30 September 2015, a total of 7,000,000 new shares were issued and allotted upon exercise of share options granted by the Company.

Pursuant to the placing agreement dated 20 August 2015, 447,000,000 ordinary shares of the Company were issued and allotted on 4 September 2015 at a price of HK\$0.095 per share. Details of the transaction are set out in the Company's announcement dated 20 August 2015 and 4 September 2015.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Capital Assets

There were no significant investments held, nor were there any material acquisitions and disposals of subsidiaries during the period under review. There was no plan authorised by the Board for any material investments or additions of capital assets at the date of this interim report.

Charges on the Group's Assets

As at 30 September 2015, the Group pledged the following assets to secure the loans and bank loan facilities of the Group:

- the investment properties with fair value of HK\$45,000,000 (31 March 2015: HK\$45,700,000);
- the leasehold properties with carrying amount of approximately HK\$4,662,000 (31 March 2015: approximately HK\$4,716,000);
- (iii) bank deposits of approximately HK\$27,127,000 (31 March 2015: approximately HK\$26,227,000).

And, two leased motor vehicles with carrying amounts of approximately HK\$576,000 (31 March 2015: approximately HK\$818,000) was charged to secure the Group's finance lease payables.

Contingent Liabilities

As at 30 September 2015, a subsidiary entered into a guarantee agreement with a bank providing a guarantee with respect to a mortgage loan granted by the bank to a related party of the subsidiary's director since 2011, of which approximately HK\$2,230,000 (31 March 2015: approximately HK\$2,309,000) have been outstanding as at 30 September 2015. Under the guarantee agreement, the subsidiary would be liable to pay the bank should the bank be unable to recover the repayment of the loans in full from the related party. The fair value of the guarantee at the date of inception was not material and was not recognised in the consolidated financial statements as the Directors considered that it was not probable that the repayment of the loan would be default.

Except for the above, the Group did not have any significant contingent liabilities as at 30 September 2015 (31 March 2015: Nil).

Employee Information

As at 30 September 2015, the Group had an aggregate of 49 (31 March 2015: 50) employees of which 21 (31 March 2015: 28) were based in Hong Kong while the rest were located in the PRC. The Group's employees are remunerated in accordance with their work performance, experience and prevailing industry practices. Total staff costs, including Directors' emoluments, amounted to approximately HK\$10,587,000 for the six months ended 30 September 2015 (six months ended 30 September 2014: approximately HK\$9,128,000 (restated)). Share options and bonuses are also available to the Group's employees at the discretion of the Directors and depending upon the financial performance of the Group.

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 September 2015, 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	Capacity	Nature of interest	Number of shares issuable under share options granted	Approximate percentage of issued share capital (Note 1)
Director:				
Mr. Chiu Wai Piu	Beneficial owner	Personal interest	1,650,000	0.05%

Note:

1. Details are set out in the Share Options section below. All of the share options to the Director are physically settled equity derivatives.

Save as disclosed above, as at 30 September 2015, 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 September 2015, 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	Total	Approximate percentage of the issued share capital
Mr. Fang Gang	Beneficial owner	Personal interest	433,808,000	-	900,006,979	28.85%
	Interest in controlled corporation	Corporate interest (Note 1 & 2)	-	466,198,979		
Fuze Investments Limited	Beneficial owner	Corporate interest (Note 1 & 2)	-	466,198,979	466,198,979	14.94%
China Oil Resources Group Limited ("China Oil")	Beneficial owner	Corporate interest (Note 3)	355,571,722	-	355,571,722	11.40%
PetroAsian Energy Holdings Limited ("PetroAsian Energy")	Interest in controlled corporation	Corporate interest (Note 3)	355,571,722	-	355,571,722	11.40%

Notes:

- 1. Fuze Investments Limited, a company incorporated in the British Virgin Islands with limited liability, is an investment holding company which is direct and wholly owned by Mr. Fang Gang.
- All underlying shares represent the new ordinary shares to be issued upon conversion of convertible bonds with principal amount of HK\$45,487,500 at an initial conversion price of HK\$0.098 per conversion share.
- 3. 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).

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 September 2015.

28

SHARE OPTIONS

(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 six months ended 30 September 2015 are set out below.

			Number of Share Options								
Name	Date of grant	Outstanding as at 1 April 2015	Transferred from/(to) other category during the period <i>(Note 1)</i>	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2015	Approximate percentage of the issued share capital	for th	Consideration for the grant of the option HKS	Exercise price per share HK\$
Executive Directors Mr. Choi Ho Yan	29 June 2011	3,000,000	(3,000,000)		<u> </u>	~?	1.	//.	29 June 2011 –	1.00	0.140
									28 June 2021		
Mr. So Haw, Herman <i>(Note 2)</i>	29 June 2011	1,000,000	7 ·	/-	12		1,000,000	0.03%	29 June 2011 – 28 June 2021	1.00	0.140
Independent Non-executive											
Directors Mr. Chiu Wai Piu	29 June 2011	500,000).	1.		500,000	0.02%	29 June 2011 – 28 June 2021	1.00	0.140
Other Participants Employees in aggregate (Note 3)	29 June 2011	7,000,000	3,000,000			×.	10,000,000	0.32%	29 June 2011 –	1.00	0.140
								_	28 June 2021		
		11,500,000	-	-	-	1.	11,500,000	0.37%			

Notes:

- 1. Mr. Choi Ho Yan resigned as an executive Director with effect from 1 September 2015 and was engaged as an advisor of the Company with effect from 1 September 2015.
- Mr. So Haw, Herman resigned as an executive Director with effect from 1 September 2015. According to the 2003 Share Option Scheme, he may exercise the share options within the period of one month following the date of his resignation. The relevant share options have been lapsed on 1 October 2015.
- 3. 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).

(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 six months ended 30 September 2015 are set out below.

		Number of Share Options									
Name	Date of grant	Outstanding as at 1 April 2015	Transferred from/(to) other category during the period (Note 1)	Granted during the period	Exercised during the period (Note 2)	Lapsed during the period	Outstanding as at 30 September 2015	Approximate percentage of the issued share capital	Consideration for the grant Option period of the option HKS	Exercise price per share HK\$	
Executive Directors											
Mr. Choi Ho Yan	28 March 2013	3,000,000	(3,000,000)	-	-	-	-	-	28 March 2013 – 27 March 2023	1.00	0.150
Mr. So Haw, Herman <i>(Note 3)</i>	28 March 2013	3,000,000		-	-	(3,000,000)	-	-	28 March 2013 – 27 March 2023	1.00	0.150
Independent Non-executive Directors											
Mr. Chiu Wai Piu	28 March 2013	1,150,000		1	-	-	1,150,000	0.04%	28 March 2013 – 27 March 2023	1.00	0.150
Chief Executive											
Mr. Wong Chun Wai	28 March 2013	3,000,000	(3,000,000)	-	1	-	-	-	28 March 2013 – 27 March 2023	1.00	0.150
Other Participants Employees in aggregate (Note 4)	28 March 2013	37,500,000	6,000,000	-	(6,000,000)		37,500,000	1.20%	28 March 2013 –	1.00	0.150
									27 March 2023		
Other eligible participants	28 March 2013	1,000,000	<u></u>	2-	(1,000,000)	1	-	-	28 March 2013 – 27 March 2023	1.00	0.150
		48,650,000	1./-	2	(7,000,000)	(3,000,000)	38,650,000	1.24%			

Notes:

- Mr. Choi Ho Yan resigned as an executive Director with effect from 1 September 2015 and was engaged as an advisor of the Company with effect from 1 September 2015. Mr. Wong Chun Wai resigned as the chief executive officer of the Company with effect from 3 April 2015 but remained as the director of a subsidiary of the Company.
- The weighted average closing price of the shares immediately before the date on which the options were exercised was HK\$0.148.
- Mr. So Haw, Herman resigned as an executive Director with effect from 1 September 2015. The relevant share options have been lapsed on 1 September 2015.
- 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).

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 six months ended 30 September 2015.

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 six months ended 30 September 2015, 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, with the exceptions of code provisions A.2.1 and E.1.2.

Under the code provision A.2.1, the role of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The chairman is responsible for management of the Board and strategic planning of the Group, ensures that the Board works effectively and discharges its responsibilities, encourages all Directors to make a full and active contribution to the Board's affairs and taking the lead to ensure that the Board acts in the best interests of the Group. Mr. So Loi Fat held the offices of chairman of the Board since January 2014.

The role of chief executive is responsible to undertake the day-to-day management of the Group's business. Following the resignation from the post of chief executive officer of the Company of Mr. Wong Chun Wai on 3 April 2015 due to his personal intention to spend more time with his family, the role of chief executive officer has been left vacant. The Board has been in the process of identifying a suitable candidate to fill the role of chief executive officer.

Under the code provision E.1.2, the chairman of the Board should attend the annual general meeting of the Company. Mr. So Loi Fat, the chairman of the Board did not attend the annual general meeting of the Company held on 28 August 2015 ("AGM") due to his other prior business engagement. Four (out of five) executive Directors and the chairman and all the members of each of the audit, remuneration and nomination committees of the Board attended the AGM. The Company considers that their presence is sufficient for addressing the queries from, and maintaining effective communication with, the shareholders attending the AGM.

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 of the Company. The Company has made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the six months ended 30 September 2015.

The Company's code of conduct also applies to all employees who are likely to be in the possession of inside information of the Company. No incident of non-compliance of the Company's code of conduct by the employees was noted by the Company.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rules 17.50A(1) and 17.50A(3) of the GEM Listing Rules, the changes in Directors' information are set out as follows:

Mr. Chiu Wai Piu, the non-executive Director, has been appointed as an independent non-executive director of Addchance Holdings Limited (stock code: 3344) with effect from 1 September 2015.

Other than those disclosed above, there is no information in respect of the Directors required to be disclosed pursuant to 17.50A(1) and 17.50A(3) of the GEM Listing Rules.

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. Tam Yiu Cheung (as chairman), Mr. Chiu Wai Piu and Mr. Tam Kin Yip.

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 six months ended 30 September 2015 and has provided advice and comments thereon.

By Order of the Board Gold Tat Group International Limited So Loi Fat Chairman

Hong Kong, 12 November 2015

As at the date of this report, the Board comprises three executive Directors, namely, Mr. So Loi Fat (Chairman), Mr. Su Minzhi and Mr. Wong Shiu Wah, Williamson; and three independent non-executive Directors, namely, Mr. Chiu Wai Piu, Mr. Tam Yiu Cheung and Mr. Tam Kin Yip.