

# 2016

## Third Quarterly Report



**POLYARD PETROLEUM INTERNATIONAL GROUP LIMITED**

**百田石油國際集團有限公司**

(Stock Code: 8011)

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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.

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

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*This report, for which the directors (the “Directors”) of 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 2016, together with the comparative unaudited figures for the corresponding periods in 2015, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months ended 30 September 2016

	Notes	Unaudited		Unaudited	
		Three months ended 30 September 2016	2015	Nine months ended 30 September 2016	2015
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover		—	—	—	—
Other revenue		13	—	26	—
Administrative and other operating expenses		(9,786)	(8,488)	(27,349)	(20,409)
Finance costs	3	(4,846)	(2,310)	(13,794)	(2,621)
Share of results of associates		(5)	(8)	(6)	(11)
Share of results of joint venture		(19)	—	(19)	—
Impairment loss on interests in joint ventures written back		—	—	62,914	—
Loss on derecognition of a promissory note		—	—	—	(814)
Profit/(Loss) before tax	4	(14,643)	(10,806)	21,772	(23,855)
Income tax	5	177	55	481	55
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>(14,466)</b>	<b>(10,751)</b>	<b>22,253</b>	<b>(23,800)</b>
<b>Attributable to:</b>					
Owners of the Company		(14,015)	(10,654)	665	(23,584)
Non-controlling interests		(451)	(97)	21,588	(216)
		<b>(14,466)</b>	<b>(10,751)</b>	<b>22,253</b>	<b>(23,800)</b>
<b>Earnings/(Loss) per share</b>	6				
Basic (in HK cents)		(0.48)	(0.38)	0.02	(0.99)
Diluted (in HK cents)		(0.48)	(0.38)	0.02	(0.99)
Dividend	7	—	—	—	—

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

For the nine months ended 30 September 2016

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit/(Loss) for the period	(14,466)	(10,751)	22,253	(23,800)
Other comprehensive income/(expense):				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(81)	90	173	38
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD</b>	<b>(14,547)</b>	<b>(10,661)</b>	<b>22,426</b>	<b>(23,762)</b>
<b>Attributable to:</b>				
Owners of the Company	(14,065)	(10,559)	835	(23,534)
Non-controlling interests	(482)	(102)	21,591	(228)
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD</b>	<b>(14,547)</b>	<b>(10,661)</b>	<b>22,426</b>	<b>(23,762)</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2016

	Unaudited										
	Attributable to owners of the Company									Non-controlling interests	Total
	Share capital	Share premium	Special reserve	Exchange reserve	Capital reserve	Convertible bonds reserve	Accumulated losses	Subtotal			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
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	
At 1 January 2016 (Audited)	111,502	941,937	985	(23)	49,319	634	(951,018)	153,336	13,285	166,621	
Total comprehensive income for the period	—	—	—	170	—	—	665	835	21,591	22,426	
Issue of shares	6,000	56,075	—	—	—	—	—	62,075	—	62,075	
Recognition of equity component of convertible bonds	—	—	—	—	—	3,488	—	3,488	—	3,488	
Deferred tax liability on recognition of equity component of convertible bonds	—	—	—	—	—	(837)	—	(837)	—	(837)	
At 30 September 2016	117,502	998,012	985	147	49,319	3,285	(950,353)	218,897	34,876	253,773	

## 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 principal activity of the Company is investment holding. The Group is principally engaged in the exploration, exploitation and production of oil, natural gas and coal, trading of petroleum-related products and provision of technical services.

### 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 on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 2015.

### 3. Finance costs

	Unaudited Three months ended 30 September 2016		Unaudited Nine months ended 30 September 2016	
	2015	2015	2015	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Imputed interest on convertible bonds	4,841	2,303	13,777	2,303
Imputed interest on promissory note	—	—	—	295
Finance lease interest	5	7	17	23
	4,846	2,310	13,794	2,621

#### 4. Loss before tax

Loss before tax is arrived at after charging:

	Unaudited Three months ended 30 September 2016		Unaudited Nine months ended 30 September 2016	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Staff costs (including directors' remuneration)				
— Salaries and other benefits	5,081	3,950	14,958	11,956
— Retirement scheme defined contributions	70	109	221	263
Depreciation of property, plant and equipment	59	68	181	218

#### 5. Income tax

	Unaudited Three months ended 30 September 2016		Unaudited Nine months ended 30 September 2016	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax				
— Hong Kong	—	—	—	—
— PRC enterprise income tax	—	—	—	—
— Other jurisdictions	—	—	—	—
Deferred tax	177	55	481	55
Income tax credit for the period	177	55	481	55

Hong Kong profits tax is calculated at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the period. PRC subsidiaries are subject to PRC enterprise income tax at the rate of 25% (2015: 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 the unused tax losses (2015: Nil) due to unpredictability of future taxable profits that will be available against which the tax losses can be utilised.

## 6. Earning/(Loss) per share

The calculations of the basic and diluted earnings/(loss) per share are based on the following data:

	Unaudited Three months ended 30 September 2016		Unaudited Nine months ended 30 September 2016	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit/(Loss) for the period attributable to owners of the Company	(14,015)	(10,654)	665	(23,584)
	'000	'000	'000	'000
Issued ordinary shares at beginning of period	2,897,538	2,787,538	2,787,538	1,937,538
Effect of ordinary shares issued	27,826	—	57,409	456,776
Weighted average number of ordinary shares in issue for the period	2,925,364	2,787,538	2,844,947	2,394,314

During the period ended 30 September 2016, effect of diluted potential ordinary shares on convertible bonds is considered to be nil as the average market price of ordinary shares is below the conversion price of the convertible bonds. The Company had no diluted potential ordinary shares for the period ended 30 September 2015.

## 7. Dividend

The Board does not recommend the payment of a dividend for the period (2015: Nil).



## MANAGEMENT DISCUSSION AND ANALYSIS

### Business and Financial Review

The Group did not generate any turnover for the period ended 30 September 2016 (2015: Nil).

The Group recorded a net profit attributable to owners of the Company of approximately HK\$665,000 for the period as compared to a net loss attributable to owners of the Company of approximately HK\$23,584,000 for the corresponding period last year. Profit for the period included a reversal of impairment loss on interest in a joint venture of approximately HK\$62,914,000 as a result of increased valuation due to the rise in oil prices and increase in the estimate of resources of the Philippines South Cebu oil and gas project.

Administrative and other operating expenses for the period amounted to approximately HK\$27,349,000 representing an increase of approximately HK\$6,940,000 or 34%, 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\$13,794,000 (2015: approximately HK\$2,621,000). The increase in interest costs was mainly resulted from the issuance of the convertible bonds in the amount of HK\$100,000,000 and HK\$50,000,000 in July 2015 and January 2016, respectively.

### Subscription of Convertible Bonds

On 21 December 2015, the Company as the issuer, and CCB International Overseas Limited as the subscriber, 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\$50,000,000 (“CCB 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 120,772,946 conversion shares at an initial conversion price of HK\$0.414 per conversion share during the conversion period.

On 28 January 2016, the conditions precedent set out in the CCB Convertible Bonds Subscription Agreement had been fulfilled and completion took place. The convertible bonds in the principal amount of HK\$50,000,000 were issued to the subscriber on 28 January 2016. The net proceeds from the subscription after deducting the related expenses were approximately HK\$49,300,000.

Further details of the above are explained in the Company's announcements dated 21 December 2015 and 28 January 2016, and the Company's circular dated 12 January 2016.

### **Subscription of New Shares**

On 9 May 2016, the Company entered into a subscription agreement with the subscriber, an independent third party and pursuant to which, the subscriber agreed to subscribe for and the Company agreed to allot and issue a total of 150,000,000 new shares at a subscription price of HK\$0.414 per new share. The net proceeds from the subscription after deducting the related expenses were approximately HK\$62,050,000. On 29 July 2016 the subscription was completed.

Further details of the above are explained in the Company's announcements dated 9 May 2016, 12 May 2016, and 29 July 2016.

## Formation of Joint Venture Company

On 27 May 2016, a joint venture agreement was entered into between Joyful View International Limited (“Joyful View”, a direct wholly-owned subsidiary of the Company) and 深圳金澳控股集團有限公司 (Kingao Holding Group Co. Ltd.) (“Kingao”), to form a joint venture company, namely Platinum Petroleum Chemical Industry Limited (“Platinum Petroleum Chemical”), with the intention to conduct import and export trading of crude oil and petroleum-related products. Pursuant to the joint venture agreement, Platinum Petroleum Chemical, with an issued share capital of HK\$10,000,000, is 50% each owned by Joyful View and Kingao.

Further details of the above are explained in the Company’s announcement dated 27 May 2016.

## 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, application for consolidation of the work programs under exploration Sub-phases 1 and 2 has been granted by the Department of Energy to extend the expiry to 28 February 2017, on condition that (i) two exploration wells will be drilled or (ii) one exploration well will be drilled and 200 line-kilometer of 2D seismic data will be acquired, processed and interpreted by end of the new Sub-phase.

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 (the “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 was to take place upon receiving total consideration in two installments on or before 30 September 2015. After numerous extensions, the Purchaser did not perform its duties as set out under the Agreement. On 31 August 2016, PPIC terminated the Agreement in accordance with the provisions set out thereunder, and is seeking legal advices and considering taking further action if necessary. The Board considers that termination of the Agreement will not have any material adverse impact on the financial and operational positions of the Company.

### **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 2017.

### **Philippines South Cebu Oil and Gas Project**

The project (“SC49”) is situated at the southern part of Cebu, central Philippines. 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.

Building on the discovery in the A6 and A8 Fault Blocks, CIMP has been acquiring and installing production facilities, including civil construction in preparation for the production of Polyard-1. During the period, the operator had been dedicating to complete the construction of the well site of the third appraisal well, Polyard-3, and actively procuring the required materials and equipment for the preparation of the drilling of Polyard-3 and the subsequent production wells.

On 7 May 2016, Polyard-3 was successfully spudded. On 9 July 2016, Polyard-3 completed the fourth section drilling, reaching the final depth at 2,118 meters. There are positive oil and gas shows, with discoveries of multiple oil and gas layers. According to the results of on-site wireline logging interpretation, a total of 29 hydrocarbon-bearing intervals were discovered in the third section, totaling 83.6 meters in thickness, including 5.2 meters of oil zone, 18.7 meters of gas zone, and 26.4 meters of gas-bearing zone. Oil testing operation completed on 25 August 2016 which indicated that the main target intervals attain steady oil production of 235.3 barrels per day and gas production of 9,022 cubic meters per day. Polyard-3 has turned into a production well.

On 23 September 2016, the fourth appraisal well, Polyard-6 successfully spudded in. The drilling of Polyard-6 was completed on 14 October 2016 at the total depth of 1,420 meters. Polyard-6 mainly appraised the Miocene Maingit Sandstone reservoir in the Alegria Anticline, pre-exploring the Upper Miocene Maingit Limestone reservoir for acquiring key hydrocarbon reservoir parameters which will provide a reliable basis for future oil and gas production and development. The wireline logging was completed on 16 October 2016. According to the results of on-site wireline logging interpretation, multiple gas zones were discovered with a net thickness of 31.2 meters. Cementing will be carried out next and well testing will be conducted on the targeting gas zones. Upon completion of all the appraisal works, it will be converted into a production well.

During the period, the Group had organized the well log details related to Polyard-1 and Polyard-2 oil and gas discoveries, which were provided to a competent person for the purposes of re-evaluating resources of the project. Based on the newly acquired data, the competent person determined an upward adjustment on the estimate of Project's resources. An impairment analysis with the assistance of an independent valuer was undertaken subsequently, which has resulted in a reversal of impairment loss of approximately HK\$62.9 million in respect of the Project.

On 3 April 2016, CIMP entered into a sale and purchase agreement with an independent third party namely Tom's Power Petroleum Distributor Inc. ("TPPDI", a company incorporated under the laws of the Philippines specializing in fuels and lubricants distribution) for the sale and purchase of crude oil in the Philippines (the "Agreement"). The Agreement shall last for one year unless extended by mutual consent.

## **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 2016, 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 2016, 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
	(Note 1)		
Silver Star Enterprises Holdings Inc.	1,894,255,931 (L) (Note 2)	Beneficial owner	64.48%
Lam Nam	1,894,255,931 (L) (Note 2) 43,520,000	Interest of a controlled corporation Beneficial owner	64.48% 1.48%
Haitong International Securities Company Limited	250,000,000 (L) (Note 3)	Beneficial owner	8.51%
Shu Xin	152,580,000	Beneficial owner	5.19%

### 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 2016, 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 2016.



## **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 the Company's financial controls, risk management and internal control systems. 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, 7 November 2016

*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