




Gold Tat Group International Limited

Interim Report 2013



(formerly known as Mobile Telecom Network (Holdings) Limited)
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8266



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This report, for which the directors (the "Directors") of Gold Tat Group International Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

RESULTS

The board of Directors (the "Board") of Gold Tat Group International Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred as the "Group") for the three months and six months ended 30 September 2013, together with the unaudited comparative figures for the corresponding periods in 2012 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and six months ended 30 September 2013

	Note	Three months ended 30 September		Six months ended 30 September	
		2013	2012	2013	2012
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	2	224,010	54,947	533,870	65,213
Other income		1,400	1,284	2,535	1,423
Changes in inventories of finished goods		(203,361)	(43,513)	(489,408)	(43,513)
Telecom operators and content providers costs		(2,541)	(2,562)	(4,610)	(5,123)
Employment costs		(7,212)	(6,657)	(16,851)	(12,149)
Research and development expenses		(3,247)	(2,485)	(6,916)	(4,931)
Depreciation and amortisation		(421)	(270)	(807)	(476)
Transportation expenses		(1,045)	(170)	(2,701)	(170)
Other operating expenses		(7,469)	(4,314)	(16,986)	(14,253)
Profit/(loss) from operations		114	(3,740)	(1,874)	(13,979)
Finance costs	3	(3,031)	(628)	(5,463)	(1,294)
Impairment losses on investments in associates and amounts due from associates		–	(27,690)	–	(27,690)
Share of losses of associates		(205)	(202)	(431)	(1,055)
Loss before tax		(3,122)	(32,260)	(7,768)	(44,018)
Income tax expense	4	(352)	(43)	(773)	(43)
Loss for the period		(3,474)	(32,303)	(8,541)	(44,061)

	<i>Note</i>	Three months ended 30 September		Six months ended 30 September	
		2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Loss for the period attributable to:					
Owners of the Company		(3,950)	(32,396)	(9,793)	(44,088)
Non-controlling interests		476	93	1,252	27
		(3,474)	(32,303)	(8,541)	(44,061)
Loss per share (HK cents)	5				
– Basic		(0.240)	(2.626)	(0.633)	(3.631)
– Diluted		N/A	N/A	N/A	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2013

	Three months ended 30 September		Six months ended 30 September	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Loss for the period	(3,474)	(32,303)	(8,541)	(44,061)
Other comprehensive income, net of tax				
Exchange difference on translating foreign operations	(5)	117	–	103
Total comprehensive income for the period	(3,479)	(32,186)	(8,541)	(43,958)
Total comprehensive income for the period attributable to:				
Owners of the Company	(3,970)	(32,315)	(9,837)	(44,021)
Non-controlling interests	491	129	1,296	63
	(3,479)	(32,186)	(8,541)	(43,958)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	<i>Note</i>	Unaudited 30 September 2013 HK\$'000	Audited 31 March 2013 HK\$'000
Non-current assets			
Property, plant and equipment	7	8,128	7,833
Investment properties		41,000	41,000
Goodwill		24,911	24,911
Intangible assets		94	128
Investments in associates		20,088	20,519
Investment deposit		20,000	–
Prepayments for property, plant and equipment		6,435	3,941
		120,656	98,332
Current assets			
Inventories		56,212	63,518
Trade, bills and other receivables, deposits and prepayment	8	158,326	144,985
Properties under development		60,550	60,320
Derivative financial assets		13,350	13,350
Put Options of convertible bonds		3,235	3,235
Mandatory conversion options of convertible bonds		378	378
Pledged bank deposits		17,078	16,636
Bank and cash balances		22,644	15,821
		331,773	318,243
Current liabilities			
Trade and other payables and receipt in advance	9	99,586	128,154
Due to an associate		9,454	7,415
Call Option of convertible bonds		569	569
Bank and other loans	10	133,833	125,894
Promissory notes		–	5,200
Liability component of convertible bonds		31,547	30,493
Finance lease payables		618	756
Warrant		7,812	7,812
Current tax liabilities		2,044	1,380
		285,463	307,673
Net current assets		46,310	10,570
Total assets less current liabilities		166,966	108,902

		Unaudited 30 September 2013 HK\$'000	Audited 31 March 2013 HK\$'000
	<i>Note</i>		
Non-current liabilities			
Liability component of convertible bonds		19,194	18,294
Bonds		40,464	–
Deferred tax liabilities		180	182
		59,838	18,476
NET ASSETS			
		107,128	90,426
Capital and reserves			
Share capital	11	128,391	107,019
Reserves		(44,344)	(38,008)
Equity attributable to owners of the Company			
		84,047	69,011
Non-controlling interests		23,081	21,415
TOTAL EQUITY			
		107,128	90,426

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2013

	Attributable to owners of the Company											
	Share capital	Share premium account	Contributed surplus	Capital redemption reserve	Foreign currency translation reserve	Shares-based payment reserve	Warrant reserve	Convertible bonds reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2012	91,946	58,499	16,375	2,943	1,131	1,213	7,400	17,056	(97,974)	98,589	18,306	116,895
Total comprehensive income for the period	-	-	-	-	67	-	-	-	(44,088)	(44,021)	63	(43,958)
Shares issued upon conversion of convertible bonds	5,379	10,570	-	-	-	-	-	(7,700)	-	8,249	-	8,249
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	1,822	1,822
At 30 September 2012	97,325	69,069	16,375	2,943	1,198	1,213	7,400	9,356	(142,062)	62,817	20,191	83,008
At 1 April 2013	107,019	78,312	16,375	2,943	1,201	8,246	7,400	16,992	(169,477)	69,011	21,415	90,426
Total comprehensive income for the period	-	-	-	-	(44)	-	-	-	(9,793)	(9,837)	1,296	(8,541)
Shares issued on placement	21,372	1,918	-	-	-	-	-	-	-	23,290	-	23,290
Transaction costs attributable to issue of new shares	-	(441)	-	-	-	-	-	-	-	(441)	-	(441)
Recognition of share option benefits at fair value	-	-	-	-	-	2,024	-	-	-	2,024	-	2,024
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	614	614
Deregistration of a subsidiary	-	-	-	-	-	-	-	-	-	-	(244)	(244)
At 30 September 2013	128,391	79,789	16,375	2,943	1,157	10,270	7,400	16,992	(179,270)	84,047	23,081	107,128

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2013

	Six months ended 30 September	
	2013 HK\$'000	2012 HK\$'000
Net cash used in operating activities	<u>(34,267)</u>	<u>(3,257)</u>
Net cash used in investing activities	<u>(21,904)</u>	<u>(761)</u>
Net cash generated from financing activities	<u>63,019</u>	<u>14,097</u>
Net increase in cash and cash equivalents	6,848	10,079
Effect of foreign exchange rates changes	(25)	(115)
Cash and cash equivalents at 1 April	<u>15,821</u>	<u>8,797</u>
Cash and cash equivalents at 30 September	<u>22,644</u>	<u>18,761</u>
Analysis of cash and cash equivalents:		
Bank and cash balances	<u>22,644</u>	<u>18,761</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

These unaudited condensed consolidated financial statements for the six months ended 30 September 2013 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and 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. Except for the adoption of new/revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to the operations of the Group and effective for accounting year beginning on 1 April 2013, 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 2013. The adoption of the new/revised HKFRSs does not have material impact on the amounts reported in these condensed consolidated financial statements and did not result in significant changes to the Group's accounting policies.

The Group has not early adopted the new HKFRSs that have been issued but are not yet effective.

2. Segment information

The Group has four reportable segments as follow:

Trading of electronic parts and components	–	trading of electronic parts and components and providing professional solution with engineering services
Mobile data solution business	–	provision of mobile data solution and related services
Property development	–	sale of developed properties
Property investment	–	rental income

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profit or loss does not include unallocated corporate results.

Information about reportable segment profit or loss:

	Unaudited									
	Trading of electronic parts and components		Mobile data solution business		Property development		Property investment		Total	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Revenue from external customers	512,230	43,605	21,520	19,949	–	1,597	120	62	533,870	65,213
Segment profit/(loss)	3,371	223	4,346	(5,395)	(2,467)	(2,586)	(134)	853	5,116	(6,905)

Reconciliations of reportable segment profit or loss:

	Unaudited Six months ended 30 September	
	2013 HK\$'000	2012 HK\$'000
Total profit/(loss) of reportable segments	5,116	(6,905)
Unallocated corporate results	(13,657)	(37,156)
Consolidated loss for the period	(8,541)	(44,061)

3. Finance costs

	Unaudited			
	Three months ended 30 September		Six months ended 30 September	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Effective interest expenses on liability component of convertible bonds	999	541	1,955	1,147
Interest on bank loans	1,212	80	2,045	134
Interest on other loans	495	–	990	–
Interest on bonds	321	–	464	–
Finance leases charges	4	7	9	13
	3,031	628	5,463	1,294

4. Income tax expense

	Unaudited			
	Three months ended 30 September		Six months ended 30 September	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Current tax – Hong Kong Profits Tax				
– Provision for the period	353	43	775	43
– Deferred tax	(1)	–	(2)	–
Income tax expense	352	43	773	43

Hong Kong Profits Tax is provided at 16.5% (2012: 16.5%) based on the estimated assessable profits for the period.

Tax charge on profits assessable elsewhere have been 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.

5. Loss per share

(a) Basic loss per share

The calculation of the basic loss per share is as follows:

	Unaudited			
	Three months ended 30 September		Six months ended 30 September	
	2013	2012	2013	2012
Loss for the period attributable to owners of the Company (HK\$'000)	(3,950)	(32,396)	(9,793)	(44,088)
Weighted average number of ordinary shares in issue during the period (in '000)	1,645,388	1,233,832	1,548,065	1,214,313
Basic loss per share (HK cents)	(0.240)	(2.626)	(0.633)	(3.631)

(b) Diluted loss per share

As the exercise of the Group's outstanding convertible bonds, warrants and outstanding options for the three months and six months ended 30 September 2013 and 2012 would be anti-dilutive, no diluted loss per share was presented for the three months and six months ended 30 September 2013 and 2012.

6. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2013 (2012: Nil).

7. Property, plant and equipment

During the six months ended 30 September 2013, the Group acquired assets with aggregate cost of approximately HK\$1,042,000 (2012: approximately HK\$7,342,000, which including assets acquired through a business combination of approximately HK\$6,191,000).

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

	Unaudited 30 September 2013 HK\$'000	Audited 31 March 2013 HK\$'000
Trade receivables	45,389	46,200
<i>Less: Allowance for impairment of bad and doubtful debts</i>	(45)	(1,180)
	45,344	45,020
Bills receivables	77,174	58,288
Other debtors, deposits and prepayments	35,808	41,677
	158,326	144,985

The credit terms granted by the Group to its customers are generally cash on delivery or with credit terms of up to 90 days. The ageing analysis of the trade receivables is as follows:

	Unaudited 30 September 2013 HK\$'000	Audited 31 March 2013 HK\$'000
0 to 30 days	32,297	36,127
31 to 60 days	8,455	6,835
61 to 90 days	3,414	2,058
Over 90 days	1,178	–
	45,344	45,020

9. Trade and other payables and receipt in advance

	Unaudited 30 September 2013 HK\$'000	Audited 31 March 2013 HK\$'000
Trade payables	30,807	36,401
Other payables	63,214	87,156
Receipt in advance	5,565	4,597
	99,586	128,154

The ageing analysis of trade payables is as follows:

	Unaudited 30 September 2013 HK\$'000	Audited 31 March 2013 HK\$'000
0 to 30 days	18,021	24,268
31 to 60 days	11,606	8,609
61 to 90 days	307	2,684
Over 90 days	873	840
	30,807	36,401

10. Bank and other loans

	Unaudited 30 September 2013 HK\$'000	Audited 31 March 2013 HK\$'000
Secured bank loans subject to a repayable on demand clause	18,040	18,654
Secured bank loans on demand or within one year	1,219	1,302
Other loan subject to repayable on demand clause	–	11,000
Bank invoice loans	114,574	94,938
	133,833	125,894

The bank and other loans are secured by the investment properties, leasehold properties, properties owned by directors and related persons of a subsidiary, bank deposits, personal guarantee with unlimited amount executed by directors and related persons of a subsidiary, personal guarantee given by one of the Directors for unlimited amount and guarantee executed by the Hong Kong Special Administrative Region Government in respect of Special Loan Guarantee Scheme.

Bank and other loan of approximately HK\$114,574,000 (31 March 2013: approximately HK\$94,938,000) denominated in US\$ and of approximately HK\$19,259,000 (31 March 2013: approximately HK\$30,956,000) denominated in Hong Kong dollars.

The effective annual interest rates on the Group's bank and other loans range from 2.25% to 5% per annum.

11. Share capital

	Number of shares		Nominal value	
	Unaudited 30 September 2013	Audited 31 March 2013	Unaudited 30 September 2013 HK\$'000	Audited 31 March 2013 HK\$'000
<i>Authorised:</i>				
At beginning of the period/year				
Ordinary shares of US\$0.01 each	4,000,000,000	2,000,000,000	312,000	156,000
Increase in shares	–	2,000,000,000	–	156,000
At end of the period/year				
Ordinary shares of US\$0.01 each	4,000,000,000	4,000,000,000	312,000	312,000
<i>Issued and fully paid:</i>				
At beginning of the period/year				
Ordinary shares of US\$0.01 each	1,371,388,373	1,178,134,856	107,019	91,946
Shares issued upon conversion of convertible bonds	–	68,965,517	–	5,379
Shares issued upon placement	274,000,000	124,288,000	21,372	9,694
At end of the period/year				
Ordinary shares of US\$0.01 each	1,645,388,373	1,371,388,373	128,391	107,019

12. Operating lease commitments

The Group as lessor

The Group leases its property under operating lease arrangements, with leases negotiated for a term of two years. The terms of the leases generally provide for periodic rent adjustments according to the then prevailing market conditions.

As at 30 September 2013, the total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	Unaudited 30 September 2013 HK\$'000	Audited 31 March 2013 HK\$'000
Within one year	240	990
In the second to fifth years, inclusive	40	160
	280	1,150

The Group as lessee

As at 30 September 2013, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	Unaudited 30 September 2013 HK\$'000	Audited 31 March 2013 HK\$'000
Within one year	3,721	3,167
In the second to fifth years, inclusive	4,210	4,187
	7,931	7,354

Operating lease payments represent rentals payable by the Group for certain of its offices. Leases are negotiated for an average term of one year to three years and rentals are fixed over the lease terms and do not include contingent rentals.

13. Transactions with related parties

The Group's key management compensation for the six months ended 30 September 2013 amounted to approximately HK\$4,614,000 (2012: HK\$4,465,000).

14. Events after the reporting period

- (a) On 30 August 2013, the Company entered into a conditional placing agreement with a placing agent for placing of up to 164,528,000 new shares of US\$0.01 each in the capital of the Company to not less than six placees at a price of HK\$0.179 per placing share on a best effort basis. Completion of the placing took place on 18 October 2013 and an aggregate of 164,524,000 shares have been placed to not less than six placees. Details of the transaction are set out in the Company's announcement dated 30 August 2013 and 18 October 2013.
- (b) On 22 October 2013, a wholly-owned subsidiary of the Company acquired 70% of the issued shares in Best Worldwide Corporation Limited ("Best Worldwide"), for a consideration of HK\$109,375,000.

The financial effects of the above transaction have not been brought to account at 30 September 2013. The operating results and assets and liabilities of Best Worldwide Group will be brought to account from 22 October 2013. Based on the management accounts of the Group as at 22 October 2013 and the completion accounts of Best Worldwide Group, the consolidated statement of financial position of the Group as enlarged by Best Worldwide Group as at 22 October 2013 is as follows:

	HK\$'000
Non-current assets	
Property, plant and equipment	8,144
Investment properties	41,000
Goodwill	24,911
Intangible assets	89
Investments in associates	310,524
Prepayments for property, plant and equipment	6,438
	<u>391,106</u>
Current assets	
Inventories	41,971
Trade, bills and other receivables, deposits and prepayment	194,664
Due from associates	13,865
Properties under development	60,565
Derivative financial assets	13,350
Put Options of convertible bonds	4,271
Mandatory conversion options of convertible bonds	378
Pledged bank deposits	17,078
Bank and cash balances	61,453
	<u>407,595</u>

	HK\$'000
Current liabilities	
Trade and other payables and receipt in advance	130,763
Due to an associate	11,029
Call Option of convertible bonds	1,061
Bank and other loans	148,170
Liability component of convertible bonds	31,547
Finance lease payables	596
Warrant	7,812
Current tax liabilities	2,067
	<u>333,045</u>
Net current assets	<u>74,550</u>
Total assets less current liabilities	<u>465,656</u>
Non-current liabilities	
Liability component of convertible bonds	95,382
Bonds	40,464
Deferred tax liabilities	180
	<u>136,026</u>
NET ASSETS	<u>329,630</u>
Capital and reserves	
Share capital	141,224
Reserves	121,761
	<u>262,985</u>
Equity attributable to owners of the Company	<u>262,985</u>
Non-controlling interests	66,645
	<u>329,630</u>
TOTAL EQUITY	<u>329,630</u>



MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Mobile application and data solution

Mobile application and data solution continued to develop and its revenue reaching approximately HK\$21,520,000 for the period ended 30 September 2013, an increase of 7.9% as comparing with the same period in last year. The growth was mainly attributable to the followings:

In **Mobile Application Development**, the Group continued to provide solution services for clients by developing and upgrading in all the popular mobile platforms, such as iOS, Android, Window 8 and Blackberry, including cross-platforms. The continuous value added by way of implementation of technological services in particular for our mass public focused clients had become a norm in the sector. To capture the potential revenue in full, our attention had turned to transform into the one-stop service after proving capable in additional integration services such as marketing related activities including technology consultation, download counts/frequency and Apps-launching related promotion campaigns with other business arms. Building on stable relations with major clients such as the Hong Kong Jockey Club and the Hong Kong Airport Authority in the public sector, major retail banks and international brokerage houses either headquartered or with regional head offices in Hong Kong and Macau, reputable fashion and entertainment magazines like Elle and Marie Claire, and numerous hotel brands, utility services and public transport providers in Hong Kong. The portfolio continued to be stronger over the last 6 month. This also showed that the business continued to be the fundamental core for the company as it planned to further develop and expand into more areas of business.

After the success of the award winning and local favorite app, Movie Express (電影速遞) which included multiple communication platform, Augmented Reality (AR) technology and online-payment involvement, all accomplished in real-time. This evidenced that complex cooperation venture project undertaken by in-house development could excel and that the company financial stability were capable to sustain such capital investments. The confidence built here would be taken to the next level, developing and investing into more ambitious self-branded products particularly in mobile gaming and provision of information platforms deliverable to the market.

As one of the original businesses, **IT Outsourcing and Consultation Services**, traditionally a tailored solution strategic group would continued to be a core service. In working with main servicing industries in banking and finance, insurance and telecommunications, and had been constantly expanding our range to other industries. It would now be the time to exponentially increase exposure and involvement of this group in other business area like application development to provide feedback that would enhance the market touch to benefit both self-branded products and customers, creating maximum synergy. To keep ahead in knowledge as well as applicable technology, investment into training had been a focal point lately and would yield high development and growth business return.

Game Development had recently been the main concentration of the Group. Previous provision of services in the capacity of digital creative consultancy specifically in relation to game/interactive application products on mobile, web, and social networking platforms had offered much insight and foundation building. With extensive knowledge and maturing ability in digital advertising, viral marketing and social game/community operations plus the synergy created through other areas of the mobile application and data solution. The company had done sufficient preparation and ready for major invest in this field for rapid growth. Market analysis led ideas and projects had already been underway in various stages in preparation for development.

Trading of electronic parts and components in relation to display modules and touch panel modules, and provision of professional solution with engineering services

Under the brand name “ETC”, this unit had accumulated over 10 years of experience and built extensive and excellent agency service contracts with two of the most renowned suppliers listed on the Taiwan Stock Exchange in electronic parts and components relating to display modules and touch panel modules. Since last year, ETC continued to top expectations with revenue reaching approximately HK\$512,230,000 this for the period ended 30 September 2013, an increase of 1,075% as comparing with the same period in last year. The growth in this segment had to thank the continuous development of tablets and other touchscreen technology being pushed to populate the market. To maximize the group’s market share and revenue, increase investments are in plans to raise the tradable capacity of ETC.

To date, ETC had maintained good relationships with its customers, including some reputable brands and sizeable merchandisers such as ZTE, Tian Ma, Lenovo, Huawei, Konka, LG and Haier, etc.



Property development and property investment

After the successful acquisition of the real estate development project “Peninsula Villa, Yangjiang” in October meant the Group would be participating in 3 separate property development projects in the PRC. The first stage of this project had already been completed and sales had begun to reflect the needs of the locals.

One of the other two property development projects held had been in active sales by the respective partners on the few remaining residential and commercial units. The other project meanwhile had been slowly in developments meanwhile observing local market conditions.

In Hong Kong, the Group continued to hold and lease out 2 residential properties and enjoying the stable asset foundation and return.

FINANCIAL REVIEW

Revenue and Results

For the six months ended 30 September 2013, the Group recorded a turnover of approximately HK\$533,870,000 (2012: approximately HK\$65,213,000), representing an increase of 718.7% or approximately HK\$468,657,000 compared with the corresponding period in 2012. The increase was mainly attributable to the inclusion of the trading of electronic parts and components business of approximately HK\$512,230,000 for the six months ended 30 September 2013 (2012: only approximately HK\$43,605,000 as the trading business was acquired in mid-September 2012). The revenue from mobile data solution business rose slightly from approximately HK\$19,949,000 in 2012 to approximately HK\$21,520,000 in 2013.

Loss attributable to owners of the Company decreased significantly by 77.8% or approximately HK\$34,295,000 for the six months ended 30 September 2013. The improvement was mainly attributable to (i) the inclusion of approximately HK\$3,371,000 profit generated from the trading business during the six months of 2013 (2012: only approximately HK\$223,000 as the trading business was acquired in mid-September 2012), (ii) the profit contribution of approximately HK\$4,346,000 of mobile data solution business which recorded a loss of approximately HK\$5,395,000 for the corresponding period in 2012, and (iii) no impairment loss in respect of investments in associates and amounts due from associates was provided by the Group during the six months of 2013, the Group recognised such impairment loss of approximately HK\$27,690,000 during the six months of 2012.

Liquidity and Financial Resources

The Group financed its operations with the revenue generated from its operations, the net proceeds from share placement and bond placement, and banking facilities provided by its bankers in Hong Kong.

The Group had total outstanding borrowings of approximately HK\$226,225,000 as at 30 September 2013 (31 March 2013: approximately HK\$176,006,000). 73.6% (31 March 2013: 89.6%) of the borrowings are considered as current liabilities and repayable on demand or within one year, the remaining are repayable in two to seven years. HK and US dollar denominated borrowings accounted for 49.35% (31 March 2013: 46.1%) and 50.65% (31 March 2013: 53.9%) of the total borrowings respectively. 59.2% (31 March 2013: 65.3%) of borrowings are floating rate bank loans, nil (31 March 2013: 6.3%) of borrowings are fixed rate other loans, 22.7% (31 March 2013: 28.0%) of borrowings are non-interest bearing convertible bonds which were used to fund part of the consideration for the acquisition of the subsidiaries and associates, 17.9% of borrowings are fixed rate bonds issued with an annual interest rate of 5% that mature in 2020 (31 March 2013: Nil) and the remaining 0.2% (31 March 2013: 0.4%) are finance lease obligation at fixed interest rate.

At 30 September 2013, the Group had cash reserves (comprising cash on hand and bank balances) of approximately HK\$22,644,000 (31 March 2013: approximately HK\$15,821,000). Most of the cash reserves were placed with major banks in Hong Kong and the PRC. 93.4% (31 March 2013: 75.5%) of the cash reserves were denominated in HKD or USD.

The gearing ratio as at 30 September 2013 was 211.2% (31 March 2013: 194.6%). The gearing ratio was derived by dividing the total borrowings including the bank and other loans, convertible bonds, bonds and finance lease payables of approximately HK\$226,225,000 (31 March 2013: approximately HK\$176,006,000) by the amount of shareholders' equity of approximately HK\$107,128,000 (31 March 2013: approximately HK\$90,426,000). The liquidity ratio of the Group, represented by a ratio between current assets over current liabilities, was 116.2% (31 March 2013: 103.4%).

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.

Capital Structure

During the six months ended 30 September 2013, a total of 274,000,000 ordinary shares of the Company were allotted and issued as a result of the placement.

Save for the above, there was no change in the capital structure of the Group during the period under review.

Material Acquisitions and Disposals

There were no any material acquisitions and disposals of subsidiaries during the period under review.

Charges on Group's Assets

As at 30 September 2013, the Group pledged the following assets to secure the Group's bank borrowings:

- (i) the investment properties with fair value of HK\$41,000,000 (31 March 2013: HK\$41,000,000);
- (ii) the leasehold property with carrying amount of approximately HK\$4,881,000 (31 March 2013: approximately HK\$4,936,000);
- (iii) bank deposits of approximately HK\$17,078,000 (31 March 2013: approximately HK\$16,636,000); and
- (iv) bills receivables of approximately HK\$77,174,000 (31 March 2013: approximately HK\$58,288,000).

And, a leased motor vehicle with carrying amount of approximately HK\$670,000 (31 March 2013: approximately HK\$825,000) was charged to secure the Group's finance lease payable.

Contingent Liabilities

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 HK\$2,708,000 have been outstanding as at 30 September 2013. 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. As at 30 September 2013, no provision for the subsidiary's obligation under the guarantee agreement has been made as the Directors considered that it was not probable that the repayment of the loan would be in default.

The fair value of the guarantee at date of inception is not material and is not recognised in the financial statements.

Save as aforesaid, there were no other material contingent liabilities.

Capital Commitments

The Group's capital commitments in respect of the purchase of property, plant and equipment as at 30 September are approximately HK\$274,000 (31 March 2013: approximately HK\$822,000). Save as aforesaid, there were no other significant capital commitments.

Significant Investments, and Future Plans for Material Investments or Capital Assets

There were no any significant investments held during the period under review. Apart from those disclosed in this report, there was no plan authorised by the Board for any material investments or other additions of capital assets at the date of this report.

Employee Information

As at 30 September 2013, the Group had an aggregate of 134 employees of which 93 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\$21,494,000 for the six months ended 30 September 2013 (six months ended 30 September 2012: HK\$17,080,000). 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

As at 30 September 2013, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange, were as follows:

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

Name of Director/ chief executive	Capacity	Nature of interest	Number of shares held	Number of shares issuable under share options granted <i>(Note 1)</i>	Derivatives (number of underlying shares)	Total	Approximate percentage of issued share capital
Directors:							
Mr. Chan Wai Kwong, Peter	Beneficial owner	Personal interest	216,072	6,000,000	–	6,216,072	0.38%
Mr. Choi Ho Yan	Beneficial owner	Personal interest	–	6,000,000	–	6,000,000	0.36%
Mr. So Haw, Herman	Beneficial owner	Personal interest	–	4,000,000	–	4,000,000	0.24%
Mr. Chiu Wai Piu	Beneficial owner	Personal interest	–	1,650,000	–	1,650,000	0.10%
Mr. Cheung Kwan Hung, Anthony	Beneficial owner	Personal interest	–	1,650,000	–	1,650,000	0.10%
Mr. Heung Chee Hang, Eric	Beneficial owner	Personal interest	–	1,650,000	–	1,650,000	0.10%
Chief executive:							
Mr. Wong Chun Wai	Beneficial owner	Personal interest	–	3,000,000	18,720,000 <i>(Note 2)</i>	21,720,000	1.32%

Notes:

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

Save as disclosed above, as at 30 September 2013, 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, UNDERLYING SHARES AND DEBENTURES 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 2013, the Company had been notified of the following substantial shareholders' interest and short positions, being 5% or more of the issued share capital of the Company.

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

Name of substantial shareholders	Capacity	Nature of interest	Number of shares held	Number of underlying shares held under equity derivatives		Approximate percentage of issued share capital
					Total	
China Oil Resources Group Limited	Beneficial owner	Corporate interest	355,571,722	-	355,571,722	21.61%
PetroAsian Energy Holdings Limited	Interest in controlled corporation (Note 1)	Corporate interest	355,571,722	-	355,571,722	21.61%
Vodatel Information Limited	Beneficial owner	Corporate interest	115,419,392	-	115,419,392	7.01%
Vodatel Networks Holdings Limited	Interest in controlled corporation (Note 2)	Corporate interest	115,419,392	-	115,419,392	7.01%
Mr. Poon Sum	Beneficial owner	Personal interest	-	175,226,994 (Note 3)	175,226,994	10.65%
Mr. Poon Sau Tin	Beneficial owner	Personal interest	-	175,226,993 (Note 3)	175,226,993	10.65%

Notes:

1. PetroAsian Energy Holdings Limited ("PetroAsian Energy") is deemed, by virtue of the SFO, to be interested in the 355,571,722 shares held by China Oil Resources Group Limited as China Oil Resources Group Limited is a direct wholly-owned subsidiary of PetroAsian Energy. PetroAsian Energy is a company incorporated in the Cayman Islands whose shares are listed on the Main Board (Stock code: 850). Those persons or corporations who are entitled to exercise or control the exercise of one-third or more of the voting power in general meetings of PetroAsian Energy or in accordance with whose directions or instructions PetroAsian Energy or its directors are accustomed to act or who are otherwise taken to be interested in any shares in which PetroAsian Energy is interested under the SFO will be deemed to be interested in the 355,571,722 shares which PetroAsian is deemed to be interested in. The names and particulars of the shareholdings of such persons or corporations (if any) in PetroAsian Energy can be found in the information published by PetroAsian Energy from time to time and from the website of the Stock Exchange at www.hkex.com.hk. According to the latest annual report of PetroAsian Energy, as at 31 March 2013, no person was interested or deemed to be interested in more than one-third of the then issued share capital of PetroAsian Energy.
2. Vodatel Networks Holdings Limited ("Vodatel") is deemed, by virtue of the SFO, to be interested in the 115,419,392 shares held by Vodatel Information Limited as Vodatel Information Limited is a direct and wholly owned subsidiary of VDT Mobile Holdings Limited which is a direct and wholly owned subsidiary of Vodatel Holdings Limited, a direct and wholly owned subsidiary of Vodatel. Vodatel is a company incorporated in Bermuda whose shares are listed on GEM (Stock code: 8033). Those persons or corporations who are entitled to exercise or control the exercise of one-third or more of the voting power in general meetings of Vodatel or in accordance with whose directions or instructions Vodatel or its directors are accustomed to act or who are otherwise taken to be interested in any shares in which Vodatel is interested under the SFO will be deemed to be interested in the 115,419,392 shares which Vodatel is deemed to be interested in. The names and particulars of the shareholdings of such persons or corporations (if any) in Vodatel can be found in the information published by Vodatel from time to time and from the GEM website at www.hkgem.com. According to the latest quarterly report of Vodatel, as at 30 September 2013, Mr. Jose Manuel dos Santos, Miss Lei Hon Kin, Eve Resources Limited, Ocean Hope Holdings Limited and HSBC International Trustee Limited were interested or deemed to be interested in more than one-third of the then issued share capital of Vodatel.
3. These underlying shares represent the new ordinary shares to be issued upon the conversion of convertible bonds by Mr. Poon Sum and Mr. Poon Sau Tin with aggregate principal amount of HK\$33,000,000 at adjusted conversion price of HK\$0.163 per conversion share and the exercise of warrants by Mr. Poon Sum and Mr. Poon Sau Tin with aggregate amount of HK\$22,200,000 at adjusted exercise price of HK\$0.150 per share.

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 2013.

SHARE OPTIONS

Pre-IPO Share Option Scheme

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

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

Movements in the outstanding share options granted under the Pre-IPO Share Option Scheme during the six months ended 30 September 2013 are set out below.

Name	Date of grant	Number of Share Options				Outstanding as at 30 September 2013	Approximate percentage of issued share capital	Option period	Consideration for the grant of the option HK\$	Exercise price per share HK\$
		Outstanding as at 1 April 2013	Granted during the period	Exercised during the period	Lapsed during the period					
Other Participants										
Employees in aggregate (Note)	9 February 2007	12,565	-	-	-	12,565	0.0008%	9 February 2007 – 8 February 2017	1.00	0.078 (Adjusted)
	12 February 2008	25,130	-	-	-	25,130	0.0015%	12 February 2008 – 11 February 2018	1.00	0.152 (Adjusted)
Business Consultant										
Young Antony, Michael	27 March 2003	376,952	-	-	(376,952)	-	-	9 May 2003 – 8 May 2013	1.00	0.091 (Adjusted)
		<u>414,647</u>	<u>-</u>	<u>-</u>	<u>(376,952)</u>	<u>37,695</u>	<u>0.0023%</u>			

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

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

Share Option Scheme

(i) 2003 Share Option Scheme

The 2003 Share Option Scheme has terminated on 25 March 2013. The unexercised options under the 2003 Share Option Scheme remain 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 2013 are set out below.

Name	Date of grant	Number of Share Options				Outstanding as at 30 September 2013	Approximate percentage of issued share capital	Option period	Consideration for the grant of the option HK\$	Exercise price per share HK\$
		Outstanding as at 1 April 2013	Granted during the period	Exercised during the period	Lapsed during the period					
Executive Directors										
Dr. Chan Chung (deceased) (Note 1)	29 June 2011	3,000,000	-	-	-	3,000,000	0.182%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. Chan Wai Kwong, Peter	29 June 2011	3,000,000	-	-	-	3,000,000	0.182%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. Siu King Nin, Peter	29 June 2011	3,000,000	-	-	-	3,000,000	0.182%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. Choi Ho Yan	29 June 2011	3,000,000	-	-	-	3,000,000	0.182%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. So Haw, Herman	29 June 2011	1,000,000	-	-	-	1,000,000	0.061%	29 June 2011 – 28 June 2021	1.00	0.140
Independent Non-executive Directors										
Mr. Chiu Wai Piu	29 June 2011	500,000	-	-	-	500,000	0.030%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. Cheung Kwan Hung, Anthony	29 June 2011	500,000	-	-	-	500,000	0.030%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. Heung Chee Hang, Eric	29 June 2011	500,000	-	-	-	500,000	0.030%	29 June 2011 – 28 June 2021	1.00	0.140
Other Participants										
Employees in aggregate (Note 2)	17 February 2010	314,126	-	-	-	314,126	0.019%	17 February 2010 – 16 February 2020	1.00	0.107 (Adjusted)
	29 June 2011	4,000,000	-	-	-	4,000,000	0.243%	29 June 2011 – 28 June 2021	1.00	0.140
		<u>18,814,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,814,126</u>	<u>1.141%</u>			

Notes:

1. According to the 2003 Share Option Scheme and following the demise of Dr. Chan Chung on 20 December 2012, the title to the relevant share options of the late Dr. Chan Chung would pass to his personal representative who is entitled to exercise the same during a period of 12 months following 20 December 2012.
2. 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 2013 are set out below.

Name	Date of grant	Number of Share Options				Outstanding as at 30 September 2013	Approximate percentage of issued share capital	Option period	Consideration for the grant of the option HK\$	Exercise price per share HK\$
		Outstanding as at 1 April 2013	Granted during the period	Exercised during the period	Lapsed during the period					
Executive Directors										
Mr. Chan Wai Kwong, Peter	28 March 2013	3,000,000	-	-	-	3,000,000	0.182%	28 March 2013 – 27 March 2023	1.00	0.150
Mr. Siu King Nin, Peter	28 March 2013	3,000,000	-	-	-	3,000,000	0.182%	28 March 2013 – 27 March 2023	1.00	0.150
Mr. Choi Ho Yan	28 March 2013	3,000,000	-	-	-	3,000,000	0.182%	28 March 2013 – 27 March 2023	1.00	0.150
Mr. So Haw, Herman	28 March 2013	3,000,000	-	-	-	3,000,000	0.182%	28 March 2013 – 27 March 2023	1.00	0.150
Independent Non-executive Directors										
Mr. Chiu Wai Piu	28 March 2013	1,150,000	-	-	-	1,150,000	0.070%	28 March 2013 – 27 March 2023	1.00	0.150
Mr. Cheung Kwan Hung, Anthony	28 March 2013	1,150,000	-	-	-	1,150,000	0.070%	28 March 2013 – 27 March 2023	1.00	0.150
Mr. Heung Chee Hang, Eric	28 March 2013	1,150,000	-	-	-	1,150,000	0.070%	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	0.182%	28 March 2013 – 27 March 2023	1.00	0.150
Other Participants										
Employees in aggregate (Note 1)	28 March 2013	45,000,000	-	-	-	45,000,000	2.735%	28 March 2013 – 27 March 2023	1.00	0.150
Other eligible participants	28 March 2013	35,000,000	-	-	-	35,000,000	2.127%	28 March 2013 – 27 March 2023	1.00	0.150
		98,450,000	-	-	-	98,450,000	5.982%			

Notes:

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

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

CHANGE OF COMPANY NAME

In view of benefiting the Company’s future business development, the Board considered that a change of company name would more accurately reflect the principal activities of the Group and provide the Company with a fresh corporate image and identity. Therefore, pursuant to a special resolution passed by the shareholders at the extraordinary general meeting held on 12 August 2013, the Company had changed its name from “Mobile Telecom Network (Holdings) Limited” to “Gold Tat Group International Limited 金達集團國際有限公司” with effect from 13 August 2013.

In connection with the change of company name, the logo of the Company has been changed accordingly. The stock short names for trading in the shares of the Company on the Stock Exchange has been changed from “M TEL” to “GOLD TAT GP” in English and from “流動電訊” to “金達集團國際” in Chinese, with effect from 21 October 2013. The stock code of the Company remains unchanged as “8266”.

The website of the Company has been changed from “www.mtelnet.com” to “www.goldtatgroup.com”, with effect from 21 October 2013.

Details are set out in the announcement of the Company dated 11 October 2013.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 September 2013.



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

Throughout the six months ended 30 September 2013, the Company 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.

Under the code provision A.2.1, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The Company does not at present have a chairman of the Board. The Company will continue to review the effectiveness of the Group's corporate governance structure and consider the appointment of a chairman of the Board if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in the GEM Listing Rules 5.48 to 5.67 as the code of conduct regarding Directors' securities transactions and all Directors have complied with the required standard of dealings set out therein.

AUDIT COMMITTEE

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

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

The audit committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2013 and has provided advice and comments thereon.

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

Hong Kong, 13 November 2013

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