



Gold Tat Group International Limited

金達集團國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8266)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2015

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 announcement, 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 announcement 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 announcement misleading.

RESULTS

The board of Directors (the “Board”) of Gold Tat Group International Limited (the “Company”) hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 30 June 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 ended 30 June 2015

		Three months ended 30 June	
		2015	2014
	Note	HK\$'000	HK\$'000 (Restated)
Continuing operations			
Turnover		166,856	321,596
Cost of sales		<u>(161,663)</u>	<u>(306,330)</u>
Gross profit		5,193	15,266
Other net income		127	391
Employment costs		(5,140)	(4,552)
Research and development expenses		(390)	(1,529)
Depreciation		(557)	(373)
Transportation expenses		(458)	(1,291)
Other operating expenses		<u>(6,211)</u>	<u>(7,898)</u>
(Loss)/profit from operations		(7,436)	14
Finance costs	2	(2,495)	(3,267)
Share of profits/(losses) of associates		<u>384</u>	<u>(828)</u>
Loss before tax		(9,547)	(4,081)
Income tax expense	3	<u>(63)</u>	<u>(750)</u>
Loss for the period from continuing operations		(9,610)	(4,831)
Discontinued operations			
Loss for the period from discontinued operations	4	<u>—</u>	<u>(57)</u>
Loss for the period		<u>(9,610)</u>	<u>(4,888)</u>

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

For the three months ended 30 June 2015

	Three months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
		(Restated)
Loss for the period	<u>(9,610)</u>	<u>(4,888)</u>
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange difference on translating foreign operations	<u>13</u>	<u>42</u>
Other comprehensive income for the period, net of tax	<u>13</u>	<u>42</u>
Total comprehensive income for the period	<u><u>(9,597)</u></u>	<u><u>(4,846)</u></u>
Attributable to:		
Owners of the Company		
– Continuing operations	<u>(8,702)</u>	<u>(5,459)</u>
– Discontinued operations	<u>–</u>	<u>(298)</u>
	<u><u>(8,702)</u></u>	<u><u>(5,757)</u></u>
Non-controlling interests		
– Continuing operations	<u>(895)</u>	<u>668</u>
– Discontinued operations	<u>–</u>	<u>243</u>
	<u><u>(895)</u></u>	<u><u>911</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2015

	Attributable to owners of the Company											
	Share capital	Share premium account	Contributed surplus	Capital redemption reserve	Foreign currency translation reserve	Share-based payment reserve	Warrant reserve	Convertible bonds reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
At 1 April 2014	15,659	125,369	16,375	2,943	1,093	9,788	7,400	119,302	(184,045)	113,884	59,344	173,228
Total comprehensive income for the period	-	-	-	-	41	-	-	-	(5,798)	(5,757)	911	(4,846)
Shares issued upon conversion of convertible bonds	1,711	46,800	-	-	-	-	-	(26,607)	-	21,904	-	21,904
Shares issued upon exercise of share options	16	468	-	-	-	(184)	-	-	-	300	-	300
Lapse of warrants	-	-	-	-	-	-	(7,400)	-	7,400	-	-	-
At 30 June 2014	<u>17,386</u>	<u>172,637</u>	<u>16,375</u>	<u>2,943</u>	<u>1,134</u>	<u>9,604</u>	<u>-</u>	<u>92,695</u>	<u>(182,443)</u>	<u>130,331</u>	<u>60,255</u>	<u>190,586</u>
At 1 April 2015	20,847	270,001	16,375	2,943	569	5,220	-	59,161	(178,719)	196,397	62,861	259,258
Total comprehensive income for the period	-	-	-	-	12	-	-	-	(8,714)	(8,702)	(895)	(9,597)
Shares issued upon exercise of share options	31	937	-	-	-	(368)	-	-	-	600	-	600
Transaction costs attributable to issuance of new shares	-	(5)	-	-	-	-	-	-	-	(5)	-	(5)
At 30 June 2015	<u>20,878</u>	<u>270,933</u>	<u>16,375</u>	<u>2,943</u>	<u>581</u>	<u>4,852</u>	<u>-</u>	<u>59,161</u>	<u>(187,433)</u>	<u>188,290</u>	<u>61,966</u>	<u>250,256</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

The unaudited condensed consolidated results for the three months ended 30 June 2015 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collectively term include all applicable individually HKFRS, Hong Kong Accounting Standards and interpretation issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the GEM Listing Rules.

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the Company. There have been no significant changes to the accounting policies applied in these financial statements for the periods presented as a result of these developments.

These unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2015.

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

2. Finance costs

	Unaudited	
	Three months ended 30 June	
	2015	2014
	HK\$’000	HK\$’000
		(Restated)
Continuing operations		
Wholly repayable within five years		
– Effective interest expenses on liability component of convertible bonds	702	1,733
– Interest on bank loans	847	832
– Interest on other loans	337	102
– Finance leases charges	9	3
Not wholly repayable within five years		
– Interest on bank loans	100	100
– Interest on long term bonds	500	497
	<u>2,495</u>	<u>3,267</u>

3. Income tax expense

	Unaudited	
	Three months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
		(Restated)
Current tax – Hong Kong Profits Tax		
– Provision for the period	<u>–</u>	<u>751</u>
	<u>–</u>	<u>751</u>
Current tax –Enterprise Income Tax in the People’s Republic of China (the “PRC”)		
– Provision for the period	<u>64</u>	<u>–</u>
	<u>64</u>	<u>–</u>
Deferred tax		
Hong Kong Profits Tax	<u>(1)</u>	<u>(1)</u>
Income tax expense	<u><u>63</u></u>	<u><u>750</u></u>

No Hong Kong Profits Tax has been provided as the Group has no estimated assessable profits for the three months ended 30 June 2015. Hong Kong Profits Tax had been provided at 16.5% based on the estimated assessable profits for the three months ended 30 June 2014.

Enterprise Income Tax in the PRC has been provided for the three months ended 30 June 2015 at a rate of 25% (2014: Nil).

4. 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 ended 30 June 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 months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Loss for the period from discontinued operations		
Revenue	–	10,985
Other net income	–	151
Telecom operators and content providers costs	–	(2,781)
Employment costs	–	(4,156)
Research and development costs	–	(2,525)
Depreciation and amortisation	–	(200)
Other operating expenses	–	(1,528)
	<hr/>	<hr/>
Loss from operations	–	(54)
Finance costs	–	–
	<hr/>	<hr/>
Loss before tax	–	(54)
Income tax expense	–	(3)
	<hr/>	<hr/>
Loss for the period from discontinued operations (attributable to owners of the Company)	<hr/> –	<hr/> (57)

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

	Unaudited	
	Three months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Research and development expenses		
Staff costs	–	4,156
	<hr/> –	<hr/> 4,156

(c) Analysis of the cash flows of discontinued operations is as follows:

	Unaudited	
	Three months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Net cash inflow from operating activities	–	1,569
Net cash outflow from investing activities	–	(145)
	<hr/>	<hr/>
Net cash inflow from discontinued operations	<hr/> –	<hr/> 1,424

5. Loss per share

(a) *Basic loss per share*

(i) **From continuing and discontinued operation**

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately HK\$8,714,000 (2014: approximately HK\$5,798,000) and the weighted average number of ordinary shares of 2,666,796,264 (2014: 2,062,184,041) in issue during the period.

(ii) **From continuing operations**

The calculation of basis loss per share from continuing operations is based on the loss for the period from continuing operations attributable to owners of the Company of approximately HK\$8,714,000 (2014: approximately HK\$5,500,000) and the denominator used is the same as that detailed above.

(iii) **From discontinued operations**

Basic loss per share from the discontinued operations for the three months ended 30 June 2014 was 0.014 HK cent per share. The calculation of basic loss per share from discontinued operations is based on the loss for the period from discontinued operations attributable to owners of the Company of approximately HK\$298,000 for the three months ended 30 June 2014, and the denominator used is the same as that detailed above.

No basic loss per share from discontinued operations for the three months ended 30 June 2015.

(b) *Diluted loss per share*

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

6. Dividend

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2015 (2014: Nil).

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 Operations

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

This business segment is suffering an increasing impact from saturation of certain electronic mobile devices, especially in the small-sized smart phone and tablet, in the PRC market. Notwithstanding the slowdown of China's economy, certain branded mobile devices were still experiencing growth in sales; however, for most of other branded mobile devices, sales were declining rapidly and thus, manufacturers were constantly engaging in continuous price-cutting competition. Inevitably, these manufacturers are all adjusting and revising their respective production ranges and outputs.

According to figures published by the Ministry of Industry and Information Technology of the PRC, the production volume of mobile phones in the telecommunication equipment industry during January to June 2015 recorded a 4.5% decrease as compared to the same period in 2014. Let alone the drop in production volume for mobile phones, during the three months ended 30 June 2015, prices for tablet have dropped by around 3-5% from the start of the quarter whereas prices for display and touch panel modules have also been dropping constantly.

The main business of this unit is the trading of hardware electronic parts specifically relating to display and/or touch panel modules. Whereas the business unit has been striving in a fierce market despite its available finance budget for the past few years, and together with our hugely experienced management team, changes and possible changes in focus are already undergoing. In view of these adverse market conditions and challenging industrial competitions, our experienced management team has been and will be closely monitoring any potential changes in the consumer markets and/or other related technological advancements so as to prep for any changes needed in lieu of such developments.

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 has, in general, gradually 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

For the three months ended 30 June 2015, the Group recorded an unaudited turnover of approximately HK\$166,856,000 (2014: approximately HK\$321,596,000 (restated)), representing a decrease of 48.12% as compared to the corresponding period of last year.

The Group recorded a loss for the three months ended 30 June 2015 of approximately HK\$9,610,000 (2014: approximately HK\$4,888,000), representing an increase of 96.60% as compared with the corresponding period of last year.

The decrease in unaudited turnover and increase in unaudited net loss for the three months ended 30 June 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 three months ended 30 June 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 three months ended 30 June 2015 was approximately HK\$8,714,000, representing an increase of 50.29% as compared with approximately HK\$5,798,000 for the corresponding period in 2014.

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

As at 30 June 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 (Note 1)	Total	Approximate percentage of the issued share capital
Directors:					
Mr. Choi Ho Yan	Beneficial owner	Personal interest	6,000,000	6,000,000	0.22%
Mr. So Haw, Herman	Beneficial owner	Personal interest	4,000,000	4,000,000	0.15%
Mr. Chiu Wai Piu	Beneficial owner	Personal interest	1,650,000	1,650,000	0.06%

Notes:

1. Details are set out in the Share Options section below. All of the share options are physically settled equity derivatives.
2. As at 30 June 2015, the Company had a total of 2,670,092,967 shares in issue.

Save as disclosed above, as at 30 June 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 June 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	Interest in controlled corporation	Corporate interest (Note 1, 2)	433,808,000	466,198,979	900,006,979	33.71%
Fuze Investments Limited	Beneficial owner	Corporate interest (Note 1, 2)	433,808,000	466,198,979	900,006,979	33.71%
Mr. Tang Hon Kwong	Security interest in shares	Personal interest (Note 1,2)	433,808,000	466,198,979	900,006,979	33.71%
China Oil Resources Group Limited ("China Oil")	Beneficial owner	Corporate interest (Note 3)	355,571,722	–	355,571,722	13.32%
PetroAsian Energy Holdings Limited ("PetroAsian Energy")	Interest in controlled corporation	Corporate interest (Note 3)	355,571,722	–	355,571,722	13.32%

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. Fuze Investments Limited pledged the 433,808,000 shares and convertible bonds with principal amount of HK\$45,687,500 held by it to Mr. Tang Hon Kwong.
2. All underlying shares represent the new ordinary shares to be issued upon conversion of convertible bonds with principal amount of HK\$45,687,500 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).
4. As at 30 June 2015, the Company had a total of 2,670,092,967 shares in issue.

Save as disclosed above, the Directors and chief executive of the Company were not aware of any person (other than the Directors and chief executive of the Company the interests of which were disclosed above) who has an interest or short position in the securities of the Company that were required to be entered in the register of the Company pursuant to section 336 of the SFO as at 30 June 2015.

SHARE OPTIONS

Share Option Scheme

(i) 2003 Share Option Scheme

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

Movements in the outstanding share options granted under the 2003 Share Option Scheme during the three months ended 30 June 2015 are set out below.

Name	Date of grant	Number of Share Options				Outstanding as at 30 June 2015	Approximate percentage of the issued share capital	Option period	Consideration for the grant of the option HK\$	Exercise price per share HK\$
		Outstanding as at 1 April 2015	Granted during the period	Exercised during the period	Lapsed during the period					
Executive Directors										
Mr. Choi Ho Yan	29 June 2011	3,000,000	–	–	–	3,000,000	0.112%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. So Haw, Herman	29 June 2011	1,000,000	–	–	–	1,000,000	0.038%	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	0.019%	29 June 2011 – 28 June 2021	1.00	0.140
Other Participants										
Employees in Aggregate (Note)	29 June 2011	7,000,000	–	–	–	7,000,000	0.262%	29 June 2011 – 28 June 2021	1.00	0.140
		<u>11,500,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>11,500,000</u>	<u>0.431%</u>			

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

(ii) 2013 Share Option Scheme

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

Movements in the outstanding share options granted under the 2013 Share Option Scheme during the three months ended 30 June 2015 are set out below.

Name	Date of grant	Number of Share Options					Outstanding as at 30 June 2015	Approximate percentage of the issued share capital	Option period	Consideration for the grant of the option HK\$	Exercise price per share HK\$
		Outstanding as at 1 April 2015	Transferred from/(to) other category during the period (Note 3)	Granted during the period	Exercised during the period (Note 2)	Lapsed during the period					
Executive Directors											
Mr. Choi Ho Yan	28 March 2013	3,000,000	-	-	-	-	3,000,000	0.112%	28 March 2013 – 27 March 2023	1.00	0.150
Mr. So Haw, Herman	28 March 2013	3,000,000	-	-	-	-	3,000,000	0.112%	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	0.043%	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)	-	-	-	-	-	28 March 2013 – 27 March 2023	1.00	0.150
Other Participants											
Employees in aggregate (Note 1)	28 March 2013	37,500,000	3,000,000	-	(4,000,000)	-	36,500,000	1.367%	28 March 2013 – 27 March 2023	1.00	0.150
Other eligible participants	28 March 2013	1,000,000	-	-	-	-	1,000,000	0.038%	28 March 2013 – 27 March 2023	1.00	0.150
		<u>48,650,000</u>	<u>-</u>	<u>-</u>	<u>(4,000,000)</u>	<u>-</u>	<u>44,650,000</u>	<u>1.672%</u>			

Note:

1. Employees working under employment contracts that are regarded as “continuous contracts” for the purpose of the Employment Ordinance (Chapter 57 of the laws of Hong Kong).
2. The closing price of the shares immediately before the date on which the options were exercised was HK\$0.169.
3. Mr. Wong Chun Wai resigned as the Company’s chief executive officer with effect from 3 April 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 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 three months ended 30 June 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 except for the deviations from code provision A.2.1.

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 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 has been left vacant. The Board has been in the process of identifying a suitable candidate to fill the role of chief executive.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions of the Company. The Company has made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the period ended 30 June 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.

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, Mr. Tam Kin Yip and Mr. Chiu Wai Piu.

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 auditor's independence; reviewing the quarterly reports, interim report, annual report and accounts of the Group; and overseeing the Company's financial reporting system and internal control procedures.

The audit committee has reviewed the unaudited results for the three months ended 30 June 2015 and has provided advice and comments thereon.

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

Hong Kong, 13 August 2015

As at the date of this announcement, the Board comprises five executive directors, namely, Mr. So Loi Fat (Chairman), Mr. Su Minzhi, Mr. Wong Shiu Wah, Williamson, Mr. Choi Ho Yan and Mr. So Haw, Herman; and three independent non-executive directors, namely, Mr. Chiu Wai Piu, Mr. Tam Kin Yip and Mr. Tam Yiu Cheung.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its publication and on the Company's website at www.goldtatgroup.com.