

# UNLIMITED CREATIVITY HOLDINGS LIMITED

## 無限創意控股有限公司

*(Continued in Bermuda with limited liability)*

(Stock Code : 8079)

### RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

#### 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 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 Unlimited Creativity Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (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 document misleading.*

**HIGHLIGHTS**

- Turnover for the six months ended 30 September 2012 was approximately HK\$24.9 million (2011: HK\$28.7 million) representing a decrease of approximately 13%, as compared with the corresponding period in 2011.
- Loss attributable to owners of the Company for the six months ended 30 September 2012 increased from HK\$20.7 million last year same period to approximately HK\$43.0 million.
- The board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30 September 2012.

## INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and six months ended 30 September 2012, together with the comparative figures for the corresponding period in 2011 as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|                                                                                                                                  | <i>Notes</i> | For the three months<br>ended 30 September |                                       | For the six months<br>ended 30 September |                                       |
|----------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------------------------|---------------------------------------|------------------------------------------|---------------------------------------|
|                                                                                                                                  |              | 2012<br><i>HK\$'000</i>                    | 2011<br>(Restated)<br><i>HK\$'000</i> | 2012<br><i>HK\$'000</i>                  | 2011<br>(Restated)<br><i>HK\$'000</i> |
| <b>Revenue</b>                                                                                                                   | 2            | <b>15,233</b>                              | 13,191                                | <b>24,890</b>                            | 28,727                                |
| Cost of sales                                                                                                                    |              | <u>(3,830)</u>                             | <u>(1,530)</u>                        | <u>(5,269)</u>                           | <u>(3,370)</u>                        |
| <b>Gross profit</b>                                                                                                              |              | <b>11,403</b>                              | 11,661                                | <b>19,621</b>                            | 25,357                                |
| Other revenue and other<br>(losses)/gains – net                                                                                  | 2            | <b>1,222</b>                               | (14,836)                              | <b>(56,441)</b>                          | (18,010)                              |
| Servicing, selling and<br>distribution costs                                                                                     |              | <b>(1,312)</b>                             | (2,613)                               | <b>(3,942)</b>                           | (5,727)                               |
| Administrative expenses                                                                                                          |              | <b>(4,924)</b>                             | (7,386)                               | <b>(11,395)</b>                          | (18,394)                              |
| Cumulative (losses)/gains<br>reclassified from equity to<br>profit or loss upon disposal<br>of available-for-sale<br>investments |              | <b>49</b>                                  | –                                     | <b>(104)</b>                             | 256                                   |
| Other operating income/<br>(expenses)                                                                                            |              | <u><b>4,586</b></u>                        | <u>(3,369)</u>                        | <u><b>3,039</b></u>                      | <u>(4,209)</u>                        |
| <b>Operating (loss)/profit</b>                                                                                                   |              | <b>11,024</b>                              | (16,543)                              | <b>(49,222)</b>                          | (20,727)                              |
| Finance costs                                                                                                                    |              | <b>(88)</b>                                | (89)                                  | <b>(196)</b>                             | (166)                                 |
| Share of results of associates                                                                                                   |              | <u>–</u>                                   | <u>11</u>                             | <u>–</u>                                 | <u>51</u>                             |
| <b>(Loss)/Profit before income tax</b>                                                                                           | 4            | <b>10,936</b>                              | (16,621)                              | <b>(49,418)</b>                          | (20,842)                              |
| Income tax credit/(expenses)                                                                                                     | 5            | <b>(494)</b>                               | –                                     | <b>6,115</b>                             | –                                     |
| <b>(Loss)/Profit for the period</b>                                                                                              |              | <u><b>10,442</b></u>                       | <u>(16,621)</u>                       | <u><b>(43,303)</b></u>                   | <u>(20,842)</u>                       |
| <b>Other comprehensive income:</b>                                                                                               |              |                                            |                                       |                                          |                                       |
| Changes in fair value of available-<br>for-sale investments                                                                      |              | <b>(6,101)</b>                             | (642)                                 | <b>(6,260)</b>                           | (402)                                 |
| Release of investment revaluation<br>reserve upon disposal of available-<br>for-sale investments                                 |              | <u><b>(49)</b></u>                         | <u>–</u>                              | <u><b>104</b></u>                        | <u>(256)</u>                          |
| <b>Other comprehensive loss<br/>for the period</b>                                                                               |              | <u><b>(6,150)</b></u>                      | <u>(642)</u>                          | <u><b>(6,156)</b></u>                    | <u>(658)</u>                          |
| <b>Total comprehensive (loss)/income<br/>for the period</b>                                                                      |              | <u><b>4,292</b></u>                        | <u>(17,263)</u>                       | <u><b>(49,459)</b></u>                   | <u>(21,500)</u>                       |

|                                                                        |              | For the three months<br>ended 30 September |                       | For the six months<br>ended 30 September |                       |
|------------------------------------------------------------------------|--------------|--------------------------------------------|-----------------------|------------------------------------------|-----------------------|
|                                                                        |              | 2012                                       | 2011<br>(Restated)    | 2012                                     | 2011<br>(Restated)    |
|                                                                        | <i>Notes</i> | <i>HK\$'000</i>                            | <i>HK\$'000</i>       | <i>HK\$'000</i>                          | <i>HK\$'000</i>       |
| <b>(Loss)/Profit attributable to:</b>                                  |              |                                            |                       |                                          |                       |
| Owners of the Company                                                  |              | <b>10,559</b>                              | (16,528)              | <b>(43,037)</b>                          | (20,686)              |
| Non-controlling interests                                              |              | <b>(117)</b>                               | (93)                  | <b>(266)</b>                             | (156)                 |
|                                                                        |              | <u>10,442</u>                              | <u>(16,621)</u>       | <u>(43,303)</u>                          | <u>(20,842)</u>       |
| <b>Total comprehensive (loss)/income attributable to:</b>              |              |                                            |                       |                                          |                       |
| Owners of the Company                                                  |              | <b>4,409</b>                               | (17,170)              | <b>(49,193)</b>                          | (21,344)              |
| Non-controlling interests                                              |              | <b>(117)</b>                               | (93)                  | <b>(266)</b>                             | (156)                 |
|                                                                        |              | <u>4,292</u>                               | <u>(17,263)</u>       | <u>(49,459)</u>                          | <u>(21,500)</u>       |
| <b>Earnings/(Loss) per share attributable to owners of the Company</b> |              |                                            |                       |                                          |                       |
| Basic (2011: restated)                                                 | 7            | <u><b>HK1.51 cents</b></u>                 | <u>HK(2.36) cents</u> | <u><b>HK(6.16) cents</b></u>             | <u>HK(2.96) cents</u> |
| Diluted                                                                | 7            | <u><b>HK1.51 cents</b></u>                 | <u>HK(2.34) cents</u> | <u><b>HK(6.14) cents</b></u>             | <u>HK(2.93) cents</u> |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|                                                          |        | As at<br>30 September<br>2012<br>(Unaudited)<br>HK\$'000 | As at<br>31 March<br>2012<br>(Audited)<br>HK\$'000 |
|----------------------------------------------------------|--------|----------------------------------------------------------|----------------------------------------------------|
|                                                          | Notes  |                                                          |                                                    |
| <b>ASSETS</b>                                            |        |                                                          |                                                    |
| <b>Non-current assets</b>                                |        |                                                          |                                                    |
| Property, plant and equipment                            | 8 & 19 | 4,471                                                    | 72,399                                             |
| Investment properties                                    |        | 14,200                                                   | 14,200                                             |
| Available-for-sale investments                           | 17     | 22,100                                                   | 6,024                                              |
| Prepayments, deposits and other receivables              |        | 213                                                      | 213                                                |
| Loans and advances                                       | 10     | 47,035                                                   | 32,997                                             |
|                                                          |        | <u>88,019</u>                                            | <u>125,833</u>                                     |
| <b>Current assets</b>                                    |        |                                                          |                                                    |
| Held-to-maturity investments                             |        | –                                                        | 778                                                |
| Available-for-sale investments                           | 17     | –                                                        | 5,395                                              |
| Trade receivables                                        | 9      | 1,401                                                    | 1,046                                              |
| Prepayments, deposits and other receivables              |        | 2,303                                                    | 6,100                                              |
| Loans and advances                                       | 10     | 39,661                                                   | 64,265                                             |
| Inventories                                              |        | 157                                                      | –                                                  |
| Financial assets at fair value through<br>profit or loss | 17     | 28,795                                                   | 66,132                                             |
| Amount due from related company                          | 18     | 262                                                      | 611                                                |
| Cash and cash equivalents                                |        | 27,787                                                   | 35,322                                             |
| Tax recoverable                                          |        | 85                                                       | 85                                                 |
|                                                          |        | <u>100,451</u>                                           | <u>179,734</u>                                     |
| Assets held for sale                                     | 19     | 66,894                                                   | –                                                  |
|                                                          |        | <u>167,345</u>                                           | <u>179,734</u>                                     |

|                                                  |              | As at<br><b>30 September<br/>2012</b><br>(Unaudited)<br><i>HK\$'000</i> | As at<br>31 March<br>2012<br>(Audited)<br><i>HK\$'000</i> |
|--------------------------------------------------|--------------|-------------------------------------------------------------------------|-----------------------------------------------------------|
|                                                  | <i>Notes</i> |                                                                         |                                                           |
| <b>LIABILITIES</b>                               |              |                                                                         |                                                           |
| <b>Current liabilities</b>                       |              |                                                                         |                                                           |
| Accruals, receipts in advance and other payables |              | <b>14,107</b>                                                           | 7,622                                                     |
| Amounts due to non-controlling interests         |              | <b>672</b>                                                              | 447                                                       |
| Borrowings                                       |              | <b>20,913</b>                                                           | 21,699                                                    |
| Provision for tax                                |              | <b>1,964</b>                                                            | 2,024                                                     |
|                                                  |              | <b>37,656</b>                                                           | 31,792                                                    |
| <b>Net current assets</b>                        |              | <b>129,689</b>                                                          | 147,942                                                   |
| <b>Total assets less current liabilities</b>     |              | <b>217,708</b>                                                          | 273,775                                                   |
| <b>Non-current liabilities</b>                   |              |                                                                         |                                                           |
| Deferred tax liabilities                         |              | <b>1,905</b>                                                            | 8,513                                                     |
|                                                  |              | <b>1,905</b>                                                            | 8,513                                                     |
| <b>Net assets</b>                                |              | <b>215,803</b>                                                          | 265,262                                                   |
| <b>EQUITY</b>                                    |              |                                                                         |                                                           |
| Equity attributable to owners of the Company     |              |                                                                         |                                                           |
| Share capital                                    | 11           | <b>6,991</b>                                                            | 6,991                                                     |
| Reserves                                         |              | <b>208,272</b>                                                          | 256,967                                                   |
|                                                  |              | <b>215,263</b>                                                          | 263,958                                                   |
| Non-controlling interests                        |              | <b>540</b>                                                              | 1,304                                                     |
| <b>Total equity</b>                              |              | <b>215,803</b>                                                          | 265,262                                                   |

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2012

|                                                                            | Equity attributable to the owners of the Company |                |                            |                    |                  |                                |                     |                      |                     |                | Non-controlling interests | Total equity   |
|----------------------------------------------------------------------------|--------------------------------------------------|----------------|----------------------------|--------------------|------------------|--------------------------------|---------------------|----------------------|---------------------|----------------|---------------------------|----------------|
|                                                                            | Share capital                                    | Share premium  | Capital redemption reserve | Accumulated losses | Capital reserves | Investment revaluation reserve | Revaluation reserve | Share option reserve | Contributed surplus | Total          |                           |                |
|                                                                            | HK\$'000                                         | HK\$'000       | HK\$'000                   | HK\$'000           | HK\$'000         | HK\$'000                       | HK\$'000            | HK\$'000             | HK\$'000            | HK\$'000       | HK\$'000                  | HK\$'000       |
| Balance at 1 April 2011                                                    | 5,264                                            | 116,612        | 278                        | (169,534)          | 28,526           | (224)                          | 6,828               | 1,184                | 175,570             | 164,504        | 1,214                     | 165,718        |
| Comprehensive income                                                       |                                                  |                |                            |                    |                  |                                |                     |                      |                     |                |                           |                |
| Loss for the year                                                          | -                                                | -              | -                          | (20,686)           | -                | -                              | -                   | -                    | -                   | (20,686)       | (156)                     | (20,842)       |
| Other comprehensive income                                                 |                                                  |                |                            |                    |                  |                                |                     |                      |                     |                |                           |                |
| Changes in fair value of                                                   |                                                  |                |                            |                    |                  |                                |                     |                      |                     |                |                           |                |
| available-for-sale financial assets                                        | -                                                | -              | -                          | -                  | -                | (402)                          | -                   | -                    | -                   | (402)          | -                         | (402)          |
| Release of investment revaluation reserve upon disposal of                 |                                                  |                |                            |                    |                  |                                |                     |                      |                     |                |                           |                |
| available-for-sale financial assets                                        | -                                                | -              | -                          | -                  | -                | (256)                          | -                   | -                    | -                   | (256)          | -                         | (256)          |
| Total comprehensive loss                                                   | -                                                | -              | -                          | (20,686)           | -                | (658)                          | -                   | -                    | -                   | (21,344)       | (156)                     | (21,500)       |
| Shares issued on exercise of                                               |                                                  |                |                            |                    |                  |                                |                     |                      |                     |                |                           |                |
| share options                                                              | 42                                               | 1,016          | -                          | -                  | -                | -                              | -                   | (452)                | -                   | 606            | -                         | 606            |
| Allotment of shares                                                        | 1,050                                            | 9,696          | -                          | -                  | -                | -                              | -                   | -                    | -                   | 10,746         | -                         | 10,746         |
| Capital reduction                                                          | (5,721)                                          | -              | -                          | -                  | -                | -                              | -                   | -                    | 5,721               | -              | -                         | -              |
| Rights issue                                                               | 6,356                                            | 85,166         | -                          | -                  | -                | -                              | -                   | -                    | -                   | 91,522         | -                         | 91,522         |
| Balance at 30 September 2011                                               | <u>6,991</u>                                     | <u>212,490</u> | <u>278</u>                 | <u>(190,220)</u>   | <u>28,526</u>    | <u>(882)</u>                   | <u>6,828</u>        | <u>732</u>           | <u>181,291</u>      | <u>246,034</u> | <u>1,058</u>              | <u>247,092</u> |
| Balance at 1 April 2012                                                    | <u>6,991</u>                                     | <u>212,968</u> | <u>278</u>                 | <u>(180,474)</u>   | <u>28,280</u>    | <u>(148)</u>                   | <u>14,040</u>       | <u>732</u>           | <u>181,291</u>      | <u>263,958</u> | <u>1,304</u>              | <u>265,262</u> |
| Comprehensive income                                                       |                                                  |                |                            |                    |                  |                                |                     |                      |                     |                |                           |                |
| Loss for the year                                                          | -                                                | -              | -                          | (43,037)           | -                | -                              | -                   | -                    | -                   | (43,037)       | (266)                     | (43,303)       |
| Other comprehensive income                                                 |                                                  |                |                            |                    |                  |                                |                     |                      |                     |                |                           |                |
| Changes in fair value of                                                   |                                                  |                |                            |                    |                  |                                |                     |                      |                     |                |                           |                |
| available-for-sale financial assets                                        | -                                                | -              | -                          | -                  | -                | (6,260)                        | -                   | -                    | -                   | (6,260)        | -                         | (6,260)        |
| Release of investment revaluation reserve upon disposal of                 |                                                  |                |                            |                    |                  |                                |                     |                      |                     |                |                           |                |
| available-for-sale financial assets                                        | -                                                | -              | -                          | -                  | -                | 104                            | -                   | -                    | -                   | 104            | -                         | 104            |
| Total comprehensive loss                                                   | -                                                | -              | -                          | (43,037)           | -                | (6,156)                        | -                   | -                    | -                   | (49,193)       | (266)                     | (49,459)       |
| Acquisition/disposal of part of interest from/to non-controlling interests | -                                                | -              | -                          | 498                | -                | -                              | -                   | -                    | -                   | 498            | (498)                     | -              |
| Balance at 30 September 2012                                               | <u>6,991</u>                                     | <u>212,968</u> | <u>278</u>                 | <u>(223,013)</u>   | <u>28,280</u>    | <u>(6,304)</u>                 | <u>14,040</u>       | <u>732</u>           | <u>181,291</u>      | <u>215,263</u> | <u>540</u>                | <u>215,803</u> |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

|                                                        | For the six months<br>ended 30 September |             |
|--------------------------------------------------------|------------------------------------------|-------------|
|                                                        | 2012                                     | 2011        |
|                                                        | (Unaudited)                              | (Unaudited) |
|                                                        | HK\$'000                                 | HK\$'000    |
| Net cash generated from/(used in) operating activities | 27,507                                   | (16,613)    |
| Net cash used in investing activities                  | (34,284)                                 | (25,689)    |
| Net cash used before financing activities              | (6,777)                                  | (42,302)    |
| Net cash generated from/(used in) financing activities | (758)                                    | 105,882     |
| Net increase/(decrease) in cash and cash equivalents   | (7,535)                                  | 63,580      |
| Cash and cash equivalents at beginning of period       | 35,322                                   | 35,504      |
| Cash and cash equivalents at the end of period         | 27,787                                   | 99,084      |



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM ACCOUNTS

### 1. BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the Group’s financial statements for the year ended 31 March 2012. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations).

The condensed financial statements have been prepared under historical cost convention.

This condensed financial statements have been prepared in accordance with the same accounting policies adopted in the Group’s financial statements for the year ended 31 March 2012, except for the adoption of the following amendments which become effective for accounting periods beginning on or after 1 April 2012:

|                     |                                                                          |
|---------------------|--------------------------------------------------------------------------|
| HKFRS 1 (Amendment) | Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters |
| HKFRS 7 (Amendment) | Disclosures – Transfer of Financial Assets                               |
| HKAS 12 (Amendment) | Deferred Tax: Recovery of Underlying Asset                               |

The adoption of the above amendments has had no material impact on the Group’s results of operations and financial position.

The Group has not adopted earlier or applied the following amendments, new and revised HKFRSs that have been issued but not yet effective, in this interim financial report.

|                                  |                                                                                  |
|----------------------------------|----------------------------------------------------------------------------------|
| HKAS 1 (Amendments)              | Presentation of Items of Other Comprehensive Income <sup>1</sup>                 |
| HKAS 19 (As revised in 2011)     | Employee Benefits <sup>2</sup>                                                   |
| HKAS 27 (As revised in 2011)     | Separate Financial Statements <sup>2</sup>                                       |
| HKAS 28 (As revised in 2011)     | Investments in Associates and Joint Ventures <sup>2</sup>                        |
| HKAS 32 (Amendments)             | Offsetting Financial Assets and Financial Liabilities <sup>3</sup>               |
| HKFRS 1 (Amendments)             | Government Loans <sup>2</sup>                                                    |
| HKFRS 7 (Amendments)             | Disclosures – Offsetting Financial Assets and Financial Liabilities <sup>2</sup> |
| HKFRS 9 and HKFRS 7 (Amendments) | Mandatory Effective Date of HKFRS 9 and Transition Disclosure <sup>4</sup>       |
| HKFRS 9                          | Financial Instruments <sup>4</sup>                                               |
| HKFRS 10                         | Consolidated Financial Statements <sup>2</sup>                                   |
| HKFRS 11                         | Joint Arrangements <sup>2</sup>                                                  |
| HKFRS 12                         | Disclosures of Interests in Other Entities <sup>2</sup>                          |
| HKFRS 13                         | Fair Value Measurement <sup>2</sup>                                              |
| HK(IFRIC) – Int 20               | Stripping Costs in the Production Phase of a Surface Mine <sup>2</sup>           |

## **1. BASIS OF PREPARATION (Continued)**

- <sup>1</sup> Effective for annual periods beginning on or after 1 July 2012.
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2013.
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2014.
- <sup>4</sup> Effective for annual periods beginning on or after 1 January 2015.

The Group is in the process of assessing the potential impact of these new HKFRSs but is not yet in position to determine whether these new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented.

## **2. REVENUE AND OTHER REVENUE AND OTHER GAINS/(LOSSES) – NET**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below:

Sales of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

Provision of beauty and clinical services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Revenue arising from money lending is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

Rental income is recognised on a straight-line basis over the term of the lease.

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend is recognised when the right to receive payment is established.

Change in fair value of financial assets at fair value through profit or loss is based on the current market price (mark-to-market).

**2. REVENUE AND OTHER REVENUE AND OTHER GAINS/(LOSSES) – NET (Continued)**

|                                                                                    | <b>For the three months<br/>ended 30 September</b> |                                     | <b>For the six months<br/>ended 30 September</b> |                                     |
|------------------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------|--------------------------------------------------|-------------------------------------|
|                                                                                    | <b>2012</b>                                        | <b>2011</b>                         | <b>2012</b>                                      | <b>2011</b>                         |
|                                                                                    | <b>(Unaudited)</b>                                 | <b>(Unaudited<br/>and restated)</b> | <b>(Unaudited)</b>                               | <b>(Unaudited<br/>and restated)</b> |
|                                                                                    | <b>HK\$'000</b>                                    | <b>HK\$'000</b>                     | <b>HK\$'000</b>                                  | <b>HK\$'000</b>                     |
| <b>Revenue</b>                                                                     |                                                    |                                     |                                                  |                                     |
| Beauty services and sale of beauty products                                        | <b>2,711</b>                                       | 2,876                               | <b>3,452</b>                                     | 6,722                               |
| Clinical services                                                                  | <b>6,650</b>                                       | 5,595                               | <b>9,981</b>                                     | 14,160                              |
| Money lending                                                                      | <b>5,300</b>                                       | 4,566                               | <b>10,760</b>                                    | 7,633                               |
| Rental income from investment properties                                           | <b>125</b>                                         | 154                                 | <b>250</b>                                       | 212                                 |
| Retails services income                                                            | <b>447</b>                                         | –                                   | <b>447</b>                                       | –                                   |
|                                                                                    | <b>15,233</b>                                      | 13,191                              | <b>24,890</b>                                    | 28,727                              |
| <b>Other revenue and other gains/(losses), plus unallocated income – net</b>       |                                                    |                                     |                                                  |                                     |
| Dividend income from listed investments                                            | <b>21</b>                                          | 69                                  | <b>61</b>                                        | 195                                 |
| Fair value gains/(losses) on financial assets at fair value through profit or loss | <b>1,053</b>                                       | (15,181)                            | <b>(56,798)</b>                                  | (18,497)                            |
| Fair value gains on investment properties                                          | –                                                  | 238                                 | –                                                | 238                                 |
| Corporate Bonds Coupon                                                             | <b>158</b>                                         | –                                   | <b>290</b>                                       | –                                   |
| Banks interest income                                                              | –                                                  | 31                                  | <b>1</b>                                         | 47                                  |
| Retails income                                                                     | <b>(15)</b>                                        | –                                   | –                                                | –                                   |
| Retailing service consignment income                                               | <b>2</b>                                           | –                                   | <b>2</b>                                         | –                                   |
| Others                                                                             | <b>3</b>                                           | 7                                   | <b>3</b>                                         | 7                                   |
|                                                                                    | <b>1,222</b>                                       | (14,836)                            | <b>(56,441)</b>                                  | (18,010)                            |

### 3. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief executive directors and the management staff that are used to make strategic decisions.

An analysis of the Group's reportable operating segments loss before income tax for the period is as follows:

#### For the six months ended 30 September 2012

(Unaudited)

|                                                                                                                            | Beauty<br>services and<br>sale of beauty<br>products<br>HK\$'000 | Clinical<br>services<br>HK\$'000 | Property<br>investment<br>HK\$'000 | Securities<br>and bonds<br>investment<br>HK\$'000 | Money<br>lending<br>HK\$'000 | Retail<br>services<br>HK\$'000 | Total<br>HK\$'000 |
|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------|------------------------------|--------------------------------|-------------------|
| <b>Segment revenue:</b>                                                                                                    |                                                                  |                                  |                                    |                                                   |                              |                                |                   |
| Revenue from external customers                                                                                            | 3,452                                                            | 9,981                            | 250                                | –                                                 | 10,760                       | 447                            | 24,890            |
| Other revenue and other<br>gains/(losses) – net                                                                            | –                                                                | –                                | –                                  | (56,447)                                          | 3                            | 2                              | (56,442)          |
|                                                                                                                            | <u>3,452</u>                                                     | <u>9,981</u>                     | <u>250</u>                         | <u>(56,447)</u>                                   | <u>10,763</u>                | <u>449</u>                     | <u>(31,552)</u>   |
| Segment results                                                                                                            | <u>3,272</u>                                                     | <u>(1,062)</u>                   | <u>55</u>                          | <u>(56,839)</u>                                   | <u>11,268</u>                | <u>(280)</u>                   | <u>(43,586)</u>   |
| Unallocated income                                                                                                         |                                                                  |                                  |                                    |                                                   |                              |                                | 1                 |
| Unallocated expenses                                                                                                       |                                                                  |                                  |                                    |                                                   |                              |                                | (5,533)           |
| Cumulative (loss) reclassified<br>from equity to profit or loss upon<br>disposal of available-for-sale<br>financial assets | –                                                                | –                                | –                                  | (104)                                             | –                            | –                              | (104)             |
| Operating loss                                                                                                             |                                                                  |                                  |                                    |                                                   |                              |                                | (49,222)          |
| Finance costs                                                                                                              |                                                                  |                                  |                                    |                                                   |                              |                                | (196)             |
| Share of results of associates                                                                                             |                                                                  |                                  |                                    |                                                   |                              |                                | –                 |
| Loss before income tax                                                                                                     |                                                                  |                                  |                                    |                                                   |                              |                                | (49,418)          |
| Income tax credit                                                                                                          |                                                                  |                                  |                                    |                                                   |                              |                                | 6,115             |
| Loss for the period                                                                                                        |                                                                  |                                  |                                    |                                                   |                              |                                | <u>(43,303)</u>   |

### 3. SEGMENT INFORMATION (Continued)

2011

(Unaudited and restated)

|                                                                                                                           | Beauty<br>services and<br>sale of beauty<br>products<br><i>HK\$'000</i> | Clinical<br>services<br><i>HK\$'000</i> | Property<br>investment<br><i>HK\$'000</i> | Securities<br>and bonds<br>investment<br><i>HK\$'000</i> | Money<br>lending<br><i>HK\$'000</i> | Retail<br>services<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------|----------------------------------------------------------|-------------------------------------|---------------------------------------|--------------------------|
| <b>Segment revenue:</b>                                                                                                   |                                                                         |                                         |                                           |                                                          |                                     |                                       |                          |
| Revenue from external customers                                                                                           | 6,722                                                                   | 14,160                                  | 212                                       | –                                                        | 7,633                               | –                                     | 28,727                   |
| Other revenue and other<br>gains/(losses) – net                                                                           | –                                                                       | –                                       | 238                                       | (18,301)                                                 | –                                   | –                                     | (18,063)                 |
|                                                                                                                           | <u>6,722</u>                                                            | <u>14,160</u>                           | <u>450</u>                                | <u>(18,301)</u>                                          | <u>7,633</u>                        | <u>–</u>                              | <u>10,664</u>            |
| Segment results                                                                                                           | <u>122</u>                                                              | <u>(1,347)</u>                          | <u>242</u>                                | <u>(18,628)</u>                                          | <u>(90)</u>                         | <u>–</u>                              | <u>(19,701)</u>          |
| Unallocated income                                                                                                        |                                                                         |                                         |                                           |                                                          |                                     |                                       | 53                       |
| Unallocated expenses                                                                                                      |                                                                         |                                         |                                           |                                                          |                                     |                                       | (1,335)                  |
| Cumulative gains reclassified<br>from equity to profit or loss upon<br>disposal of available-for-sale<br>financial assets | –                                                                       | –                                       | –                                         | 256                                                      | –                                   | –                                     | 256                      |
| Operating loss                                                                                                            |                                                                         |                                         |                                           |                                                          |                                     |                                       | (20,727)                 |
| Finance costs                                                                                                             |                                                                         |                                         |                                           |                                                          |                                     |                                       | (166)                    |
| Share of results of associates                                                                                            |                                                                         |                                         |                                           |                                                          |                                     |                                       | 51                       |
| Loss before income tax                                                                                                    |                                                                         |                                         |                                           |                                                          |                                     |                                       | (20,842)                 |
| Income tax expense                                                                                                        |                                                                         |                                         |                                           |                                                          |                                     |                                       | –                        |
| Loss for the period                                                                                                       |                                                                         |                                         |                                           |                                                          |                                     |                                       | <u>(20,842)</u>          |

### 3. SEGMENT INFORMATION (Continued)

#### Geographical information

Revenue from external customers by geographical markets:

|           | For the six months<br>ended 30 September |                             |
|-----------|------------------------------------------|-----------------------------|
|           | 2012                                     | 2011                        |
|           | (Unaudited)                              | (Unaudited<br>and restated) |
|           | HK\$'000                                 | HK\$'000                    |
| Hong Kong | 19,001                                   | 18,459                      |
| Macau     | 5,889                                    | 10,268                      |
|           | <u>24,890</u>                            | <u>28,727</u>               |

### 4. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/Profit before income tax is stated after charging/(crediting) the following:

|                                                                                     | For the three months<br>ended 30 September |             | For the six months<br>ended 30 September |             |
|-------------------------------------------------------------------------------------|--------------------------------------------|-------------|------------------------------------------|-------------|
|                                                                                     | 2012                                       | 2011        | 2012                                     | 2011        |
|                                                                                     | (Unaudited)                                | (Unaudited) | (Unaudited)                              | (Unaudited) |
|                                                                                     | HK\$'000                                   | HK\$'000    | HK\$'000                                 | HK\$'000    |
| Auditors' remuneration                                                              | 104                                        | 115         | 207                                      | 230         |
| Cost of inventories recognized<br>as expenses                                       | 321                                        | 220         | 321                                      | 369         |
| Depreciation                                                                        | 500                                        | 681         | 1,064                                    | 1,631       |
| Net exchange (gain)/loss                                                            | (3)                                        | 28          | 73                                       | (30)        |
| Minimum lease payments under<br>operating lease in respect of<br>land and buildings | 1,694                                      | 1,495       | 3,263                                    | 3,163       |
| (Reversal of)/Provision for impairment<br>on loans                                  | (3,953)                                    | 3,341       | (1,490)                                  | 4,239       |
| Written back of impairment on Loan<br>to associate                                  | (1,000)                                    | –           | (1,000)                                  | –           |
| Rental income net of outgoings in<br>respect of investment properties               | (94)                                       | (124)       | (170)                                    | (174)       |
| Bad debts written off                                                               | 1,362                                      | –           | 1,369                                    | –           |
|                                                                                     | <u>1,362</u>                               | <u>–</u>    | <u>1,369</u>                             | <u>–</u>    |

## 5. INCOME TAX (CREDIT)/EXPENSES

|                                            | For the three months<br>ended 30 September |             | For the six months<br>ended 30 September |             |
|--------------------------------------------|--------------------------------------------|-------------|------------------------------------------|-------------|
|                                            | 2012                                       | 2011        | 2012                                     | 2011        |
|                                            | (Unaudited)                                | (Unaudited) | (Unaudited)                              | (Unaudited) |
|                                            | HK\$'000                                   | HK\$'000    | HK\$'000                                 | HK\$'000    |
| Current tax                                |                                            |             |                                          |             |
| Hong Kong                                  |                                            |             |                                          |             |
| – Charge for the period                    | –                                          | –           | –                                        | –           |
| – Under/(Over) provision<br>in prior years | 494                                        | –           | 494                                      | –           |
| Deferred tax                               |                                            |             |                                          |             |
| – Current period                           | –                                          | –           | –                                        | –           |
| – Under/(Over) provision<br>in prior years | –                                          | –           | (6,609)                                  | –           |
| Income tax (credit)/expenses               | <u>494</u>                                 | <u>–</u>    | <u>(6,115)</u>                           | <u>–</u>    |

## 6. INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2012 (2011: HK\$ Nil).

## 7. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings per share for the three months ended 30 September 2012 is based on the profit attributable to shareholders of approximately HK\$10,559,000 (2011: loss of approximately HK\$16,528,000) and the weighted average number of 699,197,543 ordinary shares in issue during the period (2011: 699,197,543 (restated) shares in issue).

The calculation of basic loss per share for the six months ended 30 September 2012 is based on the loss attributable to shareholders of approximately HK\$43,037,000 (2011: approximately HK\$20,686,000) and the weighted average number of 699,197,543 ordinary shares in issue during the period (2011: 699,197,543 (restated) shares in issue).

The calculation of diluted earnings per share for the three months ended 30 September 2012 is based on the profit attributable to shareholders of approximately HK\$10,559,000 (2011: loss of approximately HK\$16,528,000) and the weighted average number of 700,873,257 ordinary shares for the purpose of diluted earnings per share during the period (2011: 704,906,472 (restated) shares).

The calculation of diluted loss per share for the six months ended 30 September 2012 is based on the loss attributable to shareholders of approximately HK\$43,037,000 (2011: approximately HK\$20,686,000) and the weighted average number of 700,873,257 ordinary shares for the purpose of diluted loss per share during the period (2011: 704,906,472 (restated) shares).

## 8. PROPERTY, PLANT AND EQUIPMENT

|                                              | As at<br>30 September<br>2012<br>(Unaudited)<br>HK\$'000 | As at<br>31 March<br>2012<br>(Audited)<br>HK\$'000 |
|----------------------------------------------|----------------------------------------------------------|----------------------------------------------------|
| At beginning of the period                   | 72,399                                                   | 67,231                                             |
| Additions                                    | 30                                                       | 1,037                                              |
| Changes in fair value of land and building   | –                                                        | 7,212                                              |
| Disposals                                    | –                                                        | (90)                                               |
| Transfer to held for sale ( <i>Note 19</i> ) | (66,894)                                                 | –                                                  |
| Depreciation                                 | (1,064)                                                  | (2,991)                                            |
|                                              | <u>4,471</u>                                             | <u>72,399</u>                                      |

## 9. TRADE RECEIVABLES

The aging analysis of trade receivables is as follows:

|                               | At<br>30 September<br>2012<br>(Unaudited)<br>HK\$'000 | At<br>31 March<br>2012<br>(Audited)<br>HK\$'000 |
|-------------------------------|-------------------------------------------------------|-------------------------------------------------|
| Neither past due nor impaired | <u>1,401</u>                                          | <u>1,046</u>                                    |
|                               | <u>1,401</u>                                          | <u>1,046</u>                                    |

## 10. LOANS AND ADVANCES

|                                       | At<br>30 September<br>2012<br>(Unaudited)<br>HK\$'000 | At<br>31 March<br>2012<br>(Audited)<br>HK\$'000 |
|---------------------------------------|-------------------------------------------------------|-------------------------------------------------|
| Loans and advances to customers       |                                                       |                                                 |
| Term loans                            | 95,560                                                | 108,611                                         |
| Less: impairment allowances           | (8,864)                                               | (11,349)                                        |
|                                       | <u>86,696</u>                                         | <u>97,262</u>                                   |
| Loans and advances to customers – net | <u>86,696</u>                                         | <u>97,262</u>                                   |



# 10. LOANS AND ADVANCES (Continued)

Ageing analysis of loans and advances to customers:

|                                     | At<br>30 September<br>2012<br>(Unaudited)<br>HK\$'000 | At<br>31 March<br>2012<br>(Audited)<br>HK\$'000 |
|-------------------------------------|-------------------------------------------------------|-------------------------------------------------|
| Within one year                     | 39,661                                                | 64,265                                          |
| Over one year but within five years | 20,074                                                | 22,642                                          |
| Over five years                     | 26,961                                                | 10,355                                          |
|                                     | <u>86,696</u>                                         | <u>97,262</u>                                   |

Reconciliation of provision for impairment on loans and advances to customers:

|                                                 | At<br>30 September<br>2012<br>(Unaudited)<br>HK\$'000 | At<br>31 March<br>2012<br>(Audited)<br>HK\$'000 |
|-------------------------------------------------|-------------------------------------------------------|-------------------------------------------------|
| Balance at the beginning of the period          | 11,349                                                | 2,134                                           |
| (Reversal of)/Provision for impairment on loans | (1,490)                                               | 13,881                                          |
| Amount written off during the year              | (995)                                                 | (4,666)                                         |
|                                                 | <u>8,864</u>                                          | <u>11,349</u>                                   |

# 11. ISSUED CAPITAL

|                                  | At 30 September 2012<br>(Unaudited) |                | At 31 March 2012<br>(Audited) |                |
|----------------------------------|-------------------------------------|----------------|-------------------------------|----------------|
|                                  | No. of<br>shares                    | HK\$'000       | No. of<br>shares              | HK\$'000       |
| Authorized:                      |                                     |                |                               |                |
| Ordinary shares of HK\$0.01 each | <u>30,000,000,000</u>               | <u>300,000</u> | <u>30,000,000,000</u>         | <u>300,000</u> |
| Issued and fully paid:           |                                     |                |                               |                |
| Ordinary shares of HK\$0.01 each | <u>699,197,543</u>                  | <u>6,991</u>   | <u>699,197,543</u>            | <u>6,991</u>   |

## 12. SHARE OPTION SCHEMES

On 24 September 2001, the shareholders of the Company approved a share option scheme (the “Scheme”) under which its board of directors may, at its discretion, offer full-time or part time employees and executive, non-executive and independent non-executive directors of the Company and/or any of its subsidiaries, options to subscribe for shares in the Company. The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 30% of the issued share capital of the Company. The subscription price will be determined by the Company’s board of directors and will be the highest of (i) the nominal value of the shares, (ii) the quoted closing price of the Company’s shares on the date of offer of the options, and (iii) the average of the quoted closing prices of the Company’s shares on the five trading days immediately preceding the date of offer of the options.

On 4 January 2011, the shareholders of the Company approved to terminate the Scheme and adopted a new share option scheme (“the New Scheme”) under which its Board of Directors may, at its discretion, offer full-time or part time employees and executive, non-executive and independent non-executive directors of the Company and/or any of its subsidiaries, suppliers, customers, advisors or consultants options to subscribe for shares of the Company. The maximum number of shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option scheme adopted by the Group shall not exceed 30 per cent. of the share capital of the Company in issue from time to time. The subscription price will be determined by the Company’s Board of Directors and will be the highest of (i) the nominal value of the shares, (ii) the quoted closing price of the Company’s shares on the date of offer of the options, and (iii) the average of the quoted closing prices of the Company’s shares on the five trading days immediately preceding the date of offer of the options.

The New Scheme is valid for ten years from the date of adoption.

All share-based employee compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options.

Share options and respective exercise prices are as follows for the reporting period presented:

| Type of grantee | At<br>1 April<br>2012 | Exercised          | Adjustments<br>for share<br>consolidation | Adjustments<br>for rights<br>issue | At<br>30 September<br>2012 | Date of grant | Exercise<br>period of the<br>share options | Exercise<br>price<br>per share<br>HK\$ |
|-----------------|-----------------------|--------------------|-------------------------------------------|------------------------------------|----------------------------|---------------|--------------------------------------------|----------------------------------------|
| Eligible person |                       |                    |                                           |                                    |                            |               |                                            |                                        |
| – In aggregate  | 2,700,000             | (1,300,000)        | (1,260,000) *                             | 200,000*                           | 340,000                    | 15-Feb-11     | 15/2/2011 –<br>14/2/2014                   | 0.6349*                                |
| Employees       |                       |                    |                                           |                                    |                            |               |                                            |                                        |
| – In aggregate  | 8,400,000             | (2,900,000)        | (4,950,000) *                             | 785,714*                           | 1,335,714                  | 23-Feb-11     | 23/2/2011 –<br>22/2/2014                   | 0.5748*                                |
|                 | <u>11,100,000</u>     | <u>(4,200,000)</u> | <u>(6,210,000)</u>                        | <u>985,714</u>                     | <u>1,675,714</u>           |               |                                            |                                        |

\* These reflect the adjusted exercise prices and number of share options which have been granted and are outstanding after the completion of share consolidation and rights issue in August 2011 and September 2011 respectively.

## 12. SHARE OPTION SCHEMES (Continued)

During the Six-month Period, no option was exercised and up to the reporting date, the number of unexercised share options are 1,675,714.

The fair values of options granted were determined using the Black-Scholes valuation model.

For the period ended 30 September 2012, no employee compensation expense has been include in the consolidated statement of comprehensive income (31 March 2012: Nil).

No liabilities were recognized due to share-based payment transactions.

## 13. COMMITMENTS

### (i) Operating lease commitments – where the Group as lessee

As at 30 September 2012, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

|                                        | As at<br>30 September<br>2012<br>(Unaudited)<br>HK\$'000 | As at<br>31 March<br>2012<br>(Audited)<br>HK\$'000 |
|----------------------------------------|----------------------------------------------------------|----------------------------------------------------|
| Within one year                        | 4,862                                                    | 6,427                                              |
| In the second to fifth years inclusive | 350                                                      | 2,024                                              |
|                                        | <u>5,212</u>                                             | <u>8,451</u>                                       |

### (ii) Operating lease commitments – where the Group as lessor

As at 30 September 2012, the Group's total future minimum lease receipts under non-cancellable operating leases are receivable as follows:

|                                        | As at<br>30 September<br>2012<br>(Unaudited)<br>HK\$'000 | As at<br>31 March<br>2012<br>(Audited)<br>HK\$'000 |
|----------------------------------------|----------------------------------------------------------|----------------------------------------------------|
| Within one year                        | 374                                                      | 500                                                |
| In the second to fifth year, inclusive | 40                                                       | 163                                                |
|                                        | <u>414</u>                                               | <u>663</u>                                         |

#### 14. RELATED PARTIES TRANSACTIONS

##### (i) Key management compensation

|                          | For the three months<br>ended 30 September |              | For the six months<br>ended 30 September |              |
|--------------------------|--------------------------------------------|--------------|------------------------------------------|--------------|
|                          | 2012                                       | 2011         | 2012                                     | 2011         |
|                          | (Unaudited)                                | (Unaudited)  | (Unaudited)                              | (Unaudited)  |
|                          | HK\$'000                                   | HK\$'000     | HK\$'000                                 | HK\$'000     |
| Employee benefits        | 2,357                                      | 2,212        | 4,062                                    | 5,310        |
| Other long term benefits | 19                                         | 12           | 28                                       | 24           |
|                          | <u>2,376</u>                               | <u>2,224</u> | <u>4,090</u>                             | <u>5,334</u> |

- (ii) As at 30 September 2012, Cash and bank balances of approximately HK\$2,000 (as at 31 March 2012: HK\$51,000) which are held by certain directors of the subsidiaries on trust for the Group, are included in “Cash and cash equivalents” in the consolidated statement of financial position.

#### 15. COMPARATIVE FIGURES

Certain comparative figures have been re-stated to conform with the current period presentation to align with the financial statements presentation of the Group.

#### 16. EVENT AFTER THE REPORTING PERIOD

##### Provision for Financial Assistance

On 9 October 2012, a Tenancy Agreement was jointly entered into between Wit Way, as landlord and Top Euro Limited, an indirect wholly-owned subsidiary of the Company and Mark Glory International Enterprise Limited, an indirect wholly-owned subsidiary of China 3D Digital Entertainment Limited, both as tenants, in relation to the lease of the Premises. The duration of the Tenancy Agreement is for three years commencing from 1 November 2012 to 31 October 2015 with a monthly rental of HK\$220,000 inclusive of management charges and government rent (equivalent to HK\$2,640,000 per annum), but exclusive of government rates and all other outgoings. The rent, government rates and all outgoings of the Premises shall be paid by the Tenants in equal shares.

If either party fails to fulfill their leasing obligations under the agreement, the other party will obligate to pay the other's party outstanding Contingent Rental Liability amounting to HK\$1,320,000 per annum. The taking up of the Contingent Rental Liability constitutes a provision of financial assistance under the GEM Listing Rules.

## 17. AVAILABLE-FOR-SALE INVESTMENTS

|                                                    | As at<br>30 September<br>2012<br>(Unaudited)<br>HK\$'000 | As at<br>31 March<br>2012<br>(Audited)<br>HK\$'000 |
|----------------------------------------------------|----------------------------------------------------------|----------------------------------------------------|
| Listed shares, at fair value ( <i>Note a</i> )     | 13,664                                                   | –                                                  |
| Real Estate funds, at fair value ( <i>Note b</i> ) | 1,303                                                    | 5,395                                              |
| Corporate bonds, at fair value ( <i>Note c</i> )   | 7,133                                                    | 6,024                                              |
|                                                    | <u>22,100</u>                                            | <u>11,419</u>                                      |
| Analysed for reporting purposes as:                |                                                          |                                                    |
| – Current assets                                   | –                                                        | 5,395                                              |
| – Non-current assets                               | 22,100                                                   | 6,024                                              |
|                                                    | <u>22,100</u>                                            | <u>11,419</u>                                      |

*Note a:* On 1 July 2012, the Group reclassified equity securities amount to HK\$20,042,000 from financial assets at fair value through profit or loss to available-for-sale financial assets. The amount represents 16.44% equity interests in the issued ordinary shares of China 3D Digital Entertainment Limited (“China 3D”). The principal activities of China 3D and its subsidiaries are engaged in the entertainment business, with a focus in television programme and film production, distribution, distribution licensing, cinema operation and management in both Hong Kong and the PRC, artists management, money lending activities and acquisition of corporate bonds, preference shares as well as investment in securities.

911,013,840 shares refer to the aggregate of (a) 273,278,640 shares held by Unlimited Creativity Holdings Limited and (b) 637,735,200 shares held by Be Cool Limited, an indirect wholly-owned subsidiary of Unlimited Creativity Holdings Limited.

*Note b:* At the end of the reporting period, the fair value of the Real Estate closed-ended funds are referenced to the market prices available on the relevant industry group.

*Note c:* The Group’s corporate bonds comprised of (i) callable corporate bonds with maturity date on or before 2017 carried at the coupon rate ranging from 7% to 10% per annum and (ii) perpetual callable corporate bonds with no maturity date carried at the coupon rate ranging from 7% to 10% per annum. All of the callable corporate bonds were denominated in USD.

All of the callable corporate bonds are traded over-the-counter with maturity dates over one year and were classified as non-current assets accordingly. At the end of the reporting period, the fair values for all of the callable corporate bonds were referenced to the quoted market bid prices available on the relevant industry group.

**18. AMOUNT DUE FROM A RELATED COMPANY**

Particulars of the amount due from a related company is as follows:

| <b>Name</b>                    | <b>Highest<br/>balance<br/>outstanding<br/>during<br/>the Period<br/>HK\$'000</b> | <b>30 September<br/>2012<br/>HK\$'000</b> | <b>31 March<br/>2012<br/>HK\$'000</b> |
|--------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------|
| One Dollar Productions Limited | 611                                                                               | 262                                       | 611                                   |
|                                | <u>611</u>                                                                        | <u>262</u>                                | <u>611</u>                            |

Amount due from a related company is unsecured, interest free and repayable on demand. This related company is beneficially owned and controlled by certain family members of Mr. Shiu Yeuk Yuen, the Executive Director.

**19. ASSETS HELD FOR SALE**

|                                                               | <b>At<br/>30 September<br/>2012<br/>(Unaudited)<br/>HK\$'000</b> | <b>At<br/>31 March<br/>2012<br/>(Audited)<br/>HK\$'000</b> |
|---------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------|
| Balance at the beginning of the year                          | –                                                                | 6,215                                                      |
| Transfer from property, plant and equipment ( <i>Note 8</i> ) | <b>66,894</b>                                                    | –                                                          |
| Disposals                                                     | –                                                                | (6,215)                                                    |
| Balance at the end of the period                              | <b><u>66,894</u></b>                                             | <b><u>–</u></b>                                            |

On 25 May 2012, Top Euro Limited entered into a Provisional Sale & Purchase Agreement to dispose the property with aggregate fair value of approximately HK\$66,894,000 at cash considerations of HK\$74,000,000.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business Review**

Turnover for the six months ended 30 September 2012 (“Six Month Period”) was approximately HK\$24.9 million, representing a decrease of approximately 13% when compared with the same period last year. Loss attributable to owners of the Company for the Six Month Period was approximately HK\$43.0 million whilst for the same period last year, the loss attributable to owners of the Company was approximately HK\$20.7 million.

### **Beauty Services and Sale of Beauty Products**

The competition within the beauty industry is keen and it is our business strategy to relocate our resources to other profitable segment. As a result, the turnover from this segment during the Six-month Period was approximately HK\$3.5 million, representing a decrease of approximately 49% when compared with the same period in last year.

### **Clinical Services**

Similar to beauty services, a decrease in turnover was also resulted in this business segment. Turnover from this segment during the Six-month Period was approximately HK\$10.0 million, representing a decrease of approximately 29.5% when compared with the same period in last year.

### **Property Investment**

The rental income generated from industrial properties acquired last financial year continued providing steady income to the Group. The turnover of this business segment for the Six-month Period was approximately HK\$250,000, being 17.9% increase from last year.

### **Securities and bonds Investment**

With the unpredictable economic situation, heightening concerns of sovereign debt crisis spread across Europe and concerns of a hard landing in economy of the People’s Republic of China, the stock market was in a downward trend for the Six-month Period under view. The result of this business segment was also negatively affected. For the Six-month Period, an amount of approximately HK\$56.8 million has recorded as fair value losses on financial assets at fair value through profit or loss. Whereas an amount of HK\$43.9 million resulted in the change in market price in China 3D Digital Entertainment Limited (“China 3D”). Up to the reporting date, 911,013,840 ordinary shares have been held by the company, being 16.44% interest in China 3D.

### **Money Lending**

After actively participating in money lending business for more than two years, a solid client base has been built. During the Six-month Period, turnover for this segment was approximately HK\$10.8 million, 41% more than the turnover same period in last year. A satisfactory profit was also brought from this segment.

## **Retails Services**

We have been developing our retails services business since June 2012. Turnover for this segment for the period under review was approximately HK\$447,000. We will continue to monitor the operation and develop new market in order to increase the turnover and market share.

## **Outlook**

As money lending business was proved to bring to the Group satisfactory turnover and profit, the Group will continue actively develop this business.

At the same time, the Group has also been seeking new investment opportunities to broaden the business scope of the Group in order to maximize the return to Shareholders. As mentioned in the annual report of the Company for the year ended 31 March 2012, the Group was forming a retail store in Kwai Chung selling daily necessities to the public. The retail store was opened in June 2012.

## **Liquidity and Financial Resources**

The Group generally financed its operations with internally generated cash flows. As at 30 September 2012, the Group had cash and cash equivalents of approximately HK\$27.8 million (31 March 2012: 35.3 million).

As at 30 September 2012 the Group had bank borrowing of HK\$20.9 million (31 March 2012: HK\$21.7 million) which was using to finance the purchase of the property and the investment property.

Because of the gradually repayment of the bank borrowing, as at 30 September 2012, the Group's gearing ratio, expressed as a percentage of total borrowings (comprising amounts due to non-controlling interests, and borrowings) over total assets, increased to approximately 8% (31 March 2012: 7%).

## **Charges on Group Asset**

As at 30 September 2012, the Group's building, and investment properties with carrying amount of approximately HK\$81,000,000 (31 March 2012: HK\$78,700,000) were pledged to a bank to secure the bank borrowing granted to the Group.

## **Treasury Policies**

Cash and bank deposits of the Group are mainly in Hong Kong dollars ("HK\$"), Renminbi ("RMB") and Macao Pataca ("MOP").

Since most of the transactions of the Group are denominated in Hong Kong dollars, no hedging or other arrangement to reduce the currency risk have been implemented.



## Employees

As at 30 September 2012, the Group employed 51 (31 March 2012: 51) full-time employees. The Group remunerates its employees based on their performance, experience and the prevailing commercial practice.

## Significant Acquisitions and Disposals

On 25 May 2012, an indirect wholly-owned subsidiary of the Company, entered into a provisional agreement with an independent third party to the Company regarding the disposal of a property in Hong Kong at a cash consideration of HK\$74 million. The resolution to dispose the property was duly passed by the shareholders of the Company in the special general meeting held on 23 July 2012. The property will be assigned on 31 January 2013.

## Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2012 (2011: Nil).

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

As at 30 September 2012, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures 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 or 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 the Directors to be notified to the Company and the Stock Exchange were as follows:

### Interests in Shares

#### *Long positions*

| Name                                     | Personal Interests | Family Interests                | Other Interests              | Total      | Approximate percentage to the issued share capital of the Company as at 30 September 2012 |
|------------------------------------------|--------------------|---------------------------------|------------------------------|------------|-------------------------------------------------------------------------------------------|
| Mr. Shiu Yeuk Yuen ( <i>note 1</i> )     | 77,962,000         | 13,684,117<br>( <i>note 2</i> ) | 847,605<br>( <i>note 3</i> ) | 92,493,722 | 13.23%                                                                                    |
| Mr Leung Ge On Andy<br>( <i>note 1</i> ) | 420,000            | –                               | –                            | 420,000    | 0.06%                                                                                     |

*Notes:*

1. Mr. Shiu Yeuk Yuen and Mr. Leung Ge On, Andy are the executive Directors of the Company.
2. 13,684,117 shares are held by Ms. Hau Lai Mei, the spouse of Mr. Shiu Yeuk Yuen.
3. 847,605 shares are held by Heavenly Blaze Limited. Heavenly Blaze Limited is beneficially owned as to (i) 46% by Mr. Shiu Stephen Junior, son of Mr. Shiu Yeuk Yuen (being the executive Director); (ii) 34% by Mr. Shiu Yeuk Yuen and Ms. Siu York Chee (sister of Mr. Shiu Yeuk Yuen) together hold on behalf of Ms. Shiu Yo Yo and Ms. Shiu Sound Sound, daughters of Mr. Shiu Yeuk Yuen; (iii) 16% by Ms. Shiu Ting Yan, Denise, daughter of Mr. Shiu Yeuk Yuen; (iv) 1% by Mr. Cheng Jut Si; and (v) 3% by One Dollar Productions Limited which is beneficially owned as to 25% by Mr. Shiu Stephen Junior; and 75% by Ms. Hau Lai Mei.

### **INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS**

So far as known to the Directors, as at 30 September 2012, the Directors were not aware of any other person who had an interests or short position in the Shares or underlying Shares or debentures of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

### **COMPETING INTEREST**

None of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company has an interest in a business, which competes or may compete with the business of the Group.

### **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 (the “Required Standard of Dealings”) of the GEM Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the six months ended 30 September 2012.

### **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

Throughout the period of the six months ended 30 September 2012, the Company has complied with the code provisions (“Code Provisions”) set out in the Code on Corporate Governance Practices contained in Appendix 15 to the Listing Rules, except for the following deviation of Code Provision A.2.1

Code Provision A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The positions of Chairman of the Board and Chief Executive Officer (“CEO”) of the Company are both currently carried on by the same person. The Board considers that this structure does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and there is a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). Given the composition of the Board, the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group.

### **COMPLIANCE ADVISER**

The Board appointed Guangdong Securities Limited to be its compliance adviser (the “Compliance Adviser”) for a term from 12 July 2012 to 31 July 2014.

As updated and notified by the Compliance Adviser, none of the Compliance Adviser, or its directors, employees or associates (as defined under the GEM Listing Rules) had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 30 September 2012 pursuant to Rule 6A.32 of the GEM Listing Rules.

Pursuant to an agreement dated 12 July 2012 entered into between the Company and the Compliance Adviser, the Compliance Adviser will receive a fee for acting as the Company’s Compliance Adviser for the period from 12 July 2012 to 31 July 2014 or until the agreement is terminated in accordance with the terms and conditions set out therein.

### **AUDIT COMMITTEE**

The Company has established an audit committee with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants.

The audit committee (the “Committee”) comprises three independent non-executive Directors, namely Dr. Siu Yim Kwan, Sidney, Mr. Tsui Pui Hung and Mr. Kam Tik Lun. Mr. Kam Tik Lun is the chairman of the Committee. The primary duties of the Committee are to review the Company’s annual report and accounts, half-year report, quarterly reports and monthly reports and to provide advice and comments thereon to the board of Directors. The Committee is also responsible for reviewing and monitoring the Company’s internal control procedures. The Group’s unaudited results for the six months ended 30 September 2012 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results has complied with applicable accounting standards and requirements and that adequate disclosures have been made.

## **PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

None of the members of the Group purchased, sold or redeemed any of the Group's listed securities during the period from 1 April 2012 to 30 September 2012.

## **LIST OF DIRECTORS**

|                          |   |                                    |
|--------------------------|---|------------------------------------|
| Mr. Shiu Yeuk Yuen       | – | Executive Director                 |
| Mr. Leung Ge On Andy     | – | Executive Director                 |
| Dr. Siu Yim Kwan, Sidney | – | Independent Non-executive Director |
| Mr. Tsui Pui Hung        | – | Independent Non-executive Director |
| Mr. Kam Tik Lun          | – | Independent Non-executive Director |

By order of the Board  
**Unlimited Creativity Holdings Limited**  
**Shiu Yeuk Yuen**  
*Chairman*

Hong Kong, 12 November 2012

*This announcement will remain on the Company's website at [www.ulcreativity.com](http://www.ulcreativity.com) and at the "Latest Company Announcements" page of the GEM website for at least 7 days from the date of its posting.*