

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 2013

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 2013 was approximately HK\$16 million (2012: HK\$24.9 million) representing a decrease of approximately 35.5%, as compared with the corresponding period in 2012.
- Loss attributable to owners of the Company for the six months ended 30 September 2013 decreased from HK\$43.4 million last year same period to approximately HK\$4.4 million.
- The board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30 September 2013.

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 2013, together with the comparative figures for the corresponding period in 2012 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	For the three months ended 30 September		For the six months ended 30 September	
		2013 <i>HK\$'000</i>	2012 (Restated) <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2012 (Restated) <i>HK\$'000</i>
Revenue	2	9,449	15,233	16,044	24,890
Cost of sales		(955)	(3,830)	(1,298)	(5,269)
Gross profit		8,494	11,403	14,746	19,621
Investment and other income	2	244	169	395	357
Other gains and losses, net	2	702	1,053	4,129	(56,798)
Servicing, selling and distribution costs		(1,217)	(1,312)	(2,339)	(3,942)
Administrative expenses		(5,325)	(4,924)	(10,354)	(11,395)
Cumulative (losses)/gains reclassified from equity to profit or loss upon disposal of available-for -sale financial assets		(289)	49	(10,388)	(104)
Other operating expenses		(479)	5,586	(513)	3,039
Operating profit/(loss)		2,130	12,024	(4,324)	(49,222)
Finance costs		(197)	(88)	(300)	(196)
Share of results of associate	19	56	(1,000)	89	–
Profit/(Loss) before income tax	4	1,989	10,936	(4,535)	(49,418)
Income tax credit (expenses)	5	–	(494)	–	6,115
Profit/(Loss) for the period		1,989	10,442	(4,535)	(43,303)
Other comprehensive income/(loss):					
Changes in fair value of available- for-sale financial assets		(9,479)	(6,101)	(2,802)	(6,260)
Release of investment revaluation reserve upon disposal of available- for-sale financial assets		289	(49)	10,388	104
Other comprehensive income/(loss) for the period		(9,190)	(6,150)	7,586	(6,156)
Total comprehensive income/(loss) for the period		(7,201)	4,292	3,051	(49,459)

	<i>Notes</i>	For the three months ended 30 September		For the six months ended 30 September	
		2013	2012 (Restated)	2013	2012 (Restated)
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(Loss) attributable to:-					
Owners of the Company		2,051	10,559	(4,440)	(43,037)
Non-controlling interests		(62)	(117)	(95)	(266)
		<u>1,989</u>	<u>10,442</u>	<u>(4,535)</u>	<u>(43,303)</u>
Total comprehensive income/(loss) attributable to:-					
Owners of the Company		(7,139)	4,409	3,146	(49,193)
Non-controlling interests		(62)	(117)	(95)	(266)
		<u>(7,201)</u>	<u>4,292</u>	<u>3,051</u>	<u>(49,459)</u>
Earnings/(Loss) per share attributable to owners of the Company					
Basic and Diluted	7	<u>HK1.85 cents</u>	<u>HK10.07 cents</u>	<u>HK(3.99) cents</u>	<u>HK(41.03) cents</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	8	3,188	2,949
Investment properties		22,100	22,100
Interests in associates	19	83	–
Available-for-sale investments	16	19,955	24,006
Prepayments, deposits and other receivables		–	32
Loans and advances	10	66,954	38,648
		112,280	87,735
Current assets			
Available-for-sale investments	16	22,709	–
Trade receivables	9	129	62
Prepayments, deposits and other receivables		7,184	8,883
Loans and advances	10	86,537	72,176
Inventories		327	263
Financial assets at fair value through profit or loss		–	5,604
Amount due from a related company	17	262	262
Cash and bank balances		10,923	54,980
Tax recoverable		84	85
		128,155	142,315
Assets classified as held for sale	18	–	4,100
		128,155	146,415

		As at 30 September 2013 (Unaudited) <i>HK\$'000</i>	As at 31 March 2013 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
LIABILITIES			
Current liabilities			
Accruals, receipts in advance and other payables		4,751	2,574
Loan from associates	19	175	–
Amounts due to non-controlling interests		150	150
Borrowings		3,209	6,395
Provision for tax		112	112
Obligations under finance leases		214	195
		8,611	9,426
Net current assets		119,544	136,989
Total assets less current liabilities		231,824	224,724
Non-current liabilities			
Deferred tax liabilities		188	199
Obligations under finance leases		599	715
		787	914
Net assets		231,037	223,810
EQUITY			
Equity attributable to owners of the Company			
Share capital	11	1,258	20,975
Reserves		228,893	201,854
		230,151	222,829
Non-controlling interests		886	981
		231,037	223,810
Total equity		231,037	223,810

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2013

	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 2012	6,991	212,968	278	(180,474)	28,280	(148)	14,040	732	181,291	263,958	1,304	265,262
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>
Balance at 1 April 2013	20,975	198,800	278	(193,397)	28,546	(14,396)	-	732	181,291	222,829	981	223,810
Comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	(4,440)	-	-	-	-	-	(4,440)	(95)	(4,535)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	(2,802)	-	-	-	(2,802)	-	(2,802)
Release of investment revaluation reserve upon disposal of available-for-sale financial assets	-	-	-	-	-	10,388	-	-	-	10,388	-	10,388
Total comprehensive loss	-	-	-	(4,440)	-	7,586	-	-	-	3,146	(95)	3,051
Share consolidation	(19,927)	19,927	-	-	-	-	-	-	-	-	-	-
Transaction cost for share consolidation	-	(249)	-	-	-	-	-	-	-	(249)	-	(249)
Issue of shares upon placing	210	4,215	-	-	-	-	-	-	-	4,425	-	4,425
Balance at 30 September 2013	<u>1,258</u>	<u>222,693</u>	<u>278</u>	<u>(197,837)</u>	<u>28,546</u>	<u>(6,810)</u>	<u>-</u>	<u>732</u>	<u>181,291</u>	<u>230,151</u>	<u>886</u>	<u>231,037</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	For the six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash generated from/(used in) operating activities	(25,595)	27,507
Net cash (used in) investing activities	(22,970)	(34,284)
Net cash used before financing activities	(48,565)	(6,777)
Net cash generated from/(used in) financing activities	4,508	(758)
Net increase/(decrease) in cash and cash equivalents	(44,057)	(7,535)
Cash and cash equivalents at beginning of period	54,980	35,322
Cash and cash equivalents at the end of period	<u>10,923</u>	<u>27,787</u>

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 2013. 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).

Application of new and revised HKFRSs

In the current year, the Group has applied, for the first time, the following amendments issued by the HKICPA, which are effective for the current accounting year of the Group. The amendments adopted by the Group in the consolidated financial statements are set out as below:

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.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009 – 2011 Cycle ²
HKFRS 1 (Amendments)	Government Loans ²
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities ²
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁴
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²

1. BASIS OF PREPARATION (Continued)

HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance ²
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities ³
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ¹
HKAS 19 (as revised in 2011)	Employee Benefits ²
HKAS 27 (as revised in 2011)	Separate Financial Statements ²
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ²
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities ³
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets ³
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ²
HK(IFRIC) – Int 21	Levies ³

¹ Effective for annual periods beginning on or after 1 July 2012.

² Effective for annual periods beginning on or after 1 January 2013.

³ Effective for annual periods beginning on or after 1 January 2014.

⁴ Effective for annual periods beginning on or after 1 January 2015.

The Group is 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, 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.

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.

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

Corporate bonds coupon is accrued on a time basis, by reference to the notional amount at the annual coupon rate.

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).

	For the three months ended 30 September		For the six months ended 30 September	
	2013	2012	2013	2012
	(Unaudited)	(Unaudited and restated)	(Unaudited)	(Unaudited and restated)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue				
Beauty services and sale				
of beauty products	–	2,711	–	3,452
Clinical services	–	6,650	–	9,981
Money lending	7,811	5,300	13,731	10,760
Rental income from				
investment properties	185	125	370	250
Retails services income	1,453	447	1,943	447
	9,449	15,233	16,044	24,890
Other revenue and other gains/(losses), plus unallocated income – net				
Dividend income from				
listed investments	9	21	59	61
Fair value gains/(losses) on				
financial assets at fair				
value through profit or loss	702	1,053	4,129	(56,798)
Corporate Bonds Coupon	128	158	131	290
Banks interest income	17	–	18	1
Retails income	–	(15)	–	–
Retailing service consignment				
income	6	2	16	2
Others	84	3	171	3
	946	1,222	4,524	(56,441)

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 results before income tax for the period is as follows:

For the six months ended 30 September 2013

(Unaudited)

	Beauty services and sale of beauty products HK\$'000	Clinical services HK\$'000	Property investment HK\$'000	Securities and bonds investment HK\$'000	Money lending HK\$'000	Retail services HK\$'000	Total HK\$'000
Segment revenue:							
Revenue from							
external customers	-	-	370	-	13,731	1,943	16,044
Other revenue and							
other gains/(losses) – net	-	-	-	4,115	-	16	4,131
	<u>-</u>	<u>-</u>	<u>370</u>	<u>4,115</u>	<u>13,731</u>	<u>1,959</u>	<u>20,175</u>
Segment results	<u>-</u>	<u>-</u>	<u>333</u>	<u>968</u>	<u>9,620</u>	<u>398</u>	<u>11,319</u>
Unallocated income							380
Unallocated expenses							(5,635)
Cumulative (loss)							
reclassified from equity							
to profit or loss upon							
disposal of available-for-							
sale financial assets	-	-	-	(10,388)	-	-	(10,388)
Operating loss							(4,324)
Finance costs							(300)
Share of results of associates							89
Loss before income tax							(4,535)
Income tax credit							-
Loss for the period							<u>(4,535)</u>

3. SEGMENT INFORMATION (Continued)

2012

(Unaudited and restated)

	Beauty services and sale of beauty products <i>HK\$'000</i>	Clinical services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Securities and bonds investment <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Retail services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:							
Revenue from external customers	3,452	9,981	250	–	10,760	447	24,890
Other revenue and other 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 from equity to profit or loss upon disposal of available-for- sale 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)

Geographical information

Revenue from external customers by geographical markets:

	For the six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited and restated)
	HK\$'000	HK\$'000
Hong Kong	16,044	19,001
Macau	—	5,889
	<u>16,044</u>	<u>24,890</u>

4. PROFIT/(LOSS) BEFORE INCOME TAX

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

	For the three months ended 30 September		For the six months ended 30 September	
	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Auditors' remuneration	104	104	208	207
Cost of inventories recognized as expenses	955	321	1,297	321
Depreciation	199	500	398	1,064
Net exchange (gain)/loss	(34)	(3)	26	73
Minimum lease payments under operating lease	572	1,694	1,120	3,263
Provision/(Reversal of) for impairment on loans	284	(3,953)	284	(1,490)
Written back of impairment on Loan to associate	—	(1,000)	—	(1,000)
Rental income net of outgoings in respect of investment properties	167	(94)	333	(170)
Bad debts written off	—	1,362	—	1,369
	<u>—</u>	<u>1,362</u>	<u>—</u>	<u>1,369</u>

5. INCOME TAX (CREDIT)/EXPENSES

	For the three months ended 30 September		For the six months ended 30 September	
	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax				
Hong Kong				
– Charge for the period	–	–	–	–
– Under/(Over) provision in prior years	–	494	–	494
Deferred tax				
– Current period	–	–	–	–
– Under/(Over) provision in prior years	–	–	–	(6,609)
Income tax (credit)/expenses	–	494	–	(6,115)

6. INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2013 (2012: HK\$Nil).

7. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings per share for the three months ended 30 September 2013 is based on the profit attributable to shareholders of approximately HK\$2,051,000 (2012: approximately HK\$10,559,000) and the weighted average number of 111,051,187 ordinary shares in issue during the period (2012: 104,879,631 (restated)).

The calculation of basic loss per share for the six months ended 30 September 2013 is based on the loss attributable to shareholders of approximately HK\$4,440,000 (2012: approximately HK\$43,037,000) and the weighted average number of 111,051,187 ordinary shares in issue during the period (2012: 104,879,631 (restated) shares in issue).

The calculation of diluted earnings per share for the three months ended 30 September 2013 is based on the profit attributable to shareholders of approximately HK\$2,051,000 (2012: approximately HK\$10,559,000) and the weighted average number of 111,051,187 ordinary shares for the purpose of diluted earnings per share during the period (2012: 104,879,631 (restated)).

The calculation of diluted loss per share for the six months ended 30 September 2013 is based on the loss attributable to shareholders of approximately HK\$4,440,000 (2012: approximately HK\$43,037,000) and the weighted average number of 111,051,187 ordinary shares for the purpose of diluted loss per share during the period (2012: 104,879,631 (restated) shares).

8. PROPERTY, PLANT AND EQUIPMENT

	As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
At beginning of the period	2,949	88,517
Additions	637	2,944
Changes in fair value of land and building	–	–
Disposals	–	(87,448)
Depreciation	(398)	(1,064)
	<u>3,188</u>	<u>2,949</u>

9. TRADE RECEIVABLES

The aging analysis of trade receivables is as follows:

	At 30 September 2013 (Unaudited) HK\$'000	At 31 March 2013 (Audited) HK\$'000
Neither past due nor impaired	129	62
	<u>129</u>	<u>62</u>

10. LOANS AND ADVANCES

	At 30 September 2013 (Unaudited) HK\$'000	At 31 March 2013 (Audited) HK\$'000
Loans and advances to customers		
Term loans	158,462	115,511
Less: impairment allowances	(4,971)	(4,687)
Loans and advances to customers – net	<u>153,491</u>	<u>110,824</u>

10. LOANS AND ADVANCES (Continued)

Ageing analysis of loans and advances to customers:

	At 30 September 2013 (Unaudited) HK\$'000	At 31 March 2013 (Audited) HK\$'000
Within one year	86,537	72,176
Over one year but within five years	47,772	20,903
Over five years	19,182	17,745
	<u>153,491</u>	<u>110,824</u>

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

	At 30 September 2013 (Unaudited) HK\$'000	At 31 March 2013 (Audited) HK\$'000
Balance at the beginning of the period	4,687	11,349
Provision for impairment on loans	284	791
Reversal of impairment recognised in prior year	–	(1,767)
Amount written off during the year	–	(5,686)
	<u>4,971</u>	<u>4,687</u>

11. ISSUED CAPITAL

	At 30 September 2013 (Unaudited) <i>No. of shares</i>	At 30 September 2013 (Unaudited) HK\$'000	At 31 March 2013 (Audited) <i>No. of shares</i>	At 31 March 2013 (Audited) 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>125,839,631</u>	<u>1,258</u>	<u>2,097,592,629</u>	<u>20,975</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.

12. SHARE OPTION SCHEMES (Continued)

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

Type of grantee	At 1 April 2013	Exercised	Adjustments for share consolidation	Adjustments for rights issue	At 30 September 2013	Date of grant	Exercise period of the share options	Exercise price per share* HK\$
Eligible person								
- In aggregate	1,020,000	-	(969,000)	-	51,000	15 Feb 2011	15/2/2011 – 14/2/2014	4.232
Employees								
- In aggregate	4,007,142	-	(3,806,785)	-	200,357	23 Feb 2011	23/2/2011 – 22/2/2014	3.832
	<u>5,027,142</u>	<u>-</u>	<u>(4,775,785)</u>	<u>-</u>	<u>251,357</u>			

* These reflect the adjusted exercise prices and number of share options which have been granted and are outstanding after the completion of the share consolidation of every twenty existing share into one consolidated share on 17 June, 2013.

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

For the period ended 30 September 2013, no employee compensation expense has been include in the consolidated statement of comprehensive income (31 March 2013: 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 2013, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
Within one year	5,847	2,383
In the second to fifth years inclusive	5,211	2,412
	<u>11,058</u>	<u>4,795</u>

13. COMMITMENTS (Continued)

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

As at 30 September 2013, the Group's total future minimum lease receipts under non-cancellable operating leases are receivable as follows:

	As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
Within one year	706	267
In the second to fifth year, inclusive	425	165
	<u>1,131</u>	<u>432</u>

(iii) Operating lease commitments – where the Group is the sub-lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
Within one year	<u>3</u>	<u>3</u>

14. RELATED PARTIES TRANSACTIONS

During the financial period under review, the Group had transactions with related parties as follows:

	For the three months ended 30 September		For the six months ended 30 September	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Rental income	<u>9</u>	<u>–</u>	<u>18</u>	<u>–</u>

For the financial period ended 30 September 2013, rental income of approximately HK\$18,000 was received from the Company controlled by the family member of Mr. Leung Ge On, Andy, an Executive Director.

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. AVAILABLE-FOR-SALE INVESTMENTS

	As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
Listed shares, at fair value (<i>Note a</i>)	41,401	11,309
Real Estate funds, at fair value (<i>Note b</i>)	1,263	1,274
Corporate bonds, at fair value (<i>Note c</i>)	–	11,423
	<u>42,664</u>	<u>24,006</u>
Analysed for reporting purposes as:		
– Current assets	22,709	–
– Non-current assets	19,955	24,006
	<u>42,664</u>	<u>24,006</u>

Note a: The amount represents 13.93% 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.

Note b: The unlisted investment fund represent the Group’s investment in China Real Estate Development II Fund, which invest in private equity real estate development projects in the People’s Republic of China through CAPITALAND China Development Fund II Limited, managed by CAPITALAND China Development Fund Management PTE Ltd. The fair value of the investment is determined by reference to the fund net asset values at the end of the reporting period.

16. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

Note c: For the year ended 31 March 2013, the debt securities listed outside Hong Kong and denominated in the United States dollar (“USD”) comprised of bonds (i) amounted to approximately HK\$3,508,000 carrying at fixed rates ranging from 6.625% to 10.25% per annum with maturity date ranging from September 2015 to April 2017; (ii) amounted to approximately HK\$3,097,000 carrying at fixed rate from 7.875% to 10.125% with perpetual maturity date; and (iii) amounted to approximately 1,623,000 bond initially carrying at fixed interest rates at 7.25% per annum till May 2016 and later carrying at floating interest rate per annum with maturity date in November 2099.

The debt securities listed outside Hong Kong and denominated in Renminbi (“RMB”) comprised of bonds amounted to approximately HK\$3,195,000 carrying at fixed rates ranging from 5.875% to 7.625% per annum with maturity date ranging from January 2015 to March 2016.

As such, they were classified as non-current assets. The Group is entitled to the interest income from the above debt securities semi-annually.

For the year ended 31 March 2012, the debt securities comprised of (i) amounted to approximately HK\$4,496,000 bonds carrying at fixed interest rates ranging from 7.625% to 9.5% per annum with maturity date ranging from January 2015 to April 2017 and (ii) amounted to approximately HK\$1,528,000 bond initially carrying at fixed interest rates at 7.25% per annum till May 2016 and later carrying at floating interest rate per annum with maturity date in November 2099.

17. AMOUNT DUE FROM A RELATED COMPANY

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

	Highest balance outstanding during the Period HK\$'000	30 September 2013 HK\$'000	31 March 2013 HK\$'000
Name			
One Dollar Productions Limited	262	262	262
	<u>262</u>	<u>262</u>	<u>262</u>

Amount due from a related company is unsecured, interest free and repayable on demand.

18. ASSETS HELD FOR SALE

	At 30 September 2013 (Unaudited) HK\$'000	At 31 March 2013 (Audited) HK\$'000
Balance at the beginning of the year	4,100	–
Transfer from investment properties (<i>Note 8</i>)	–	4,100
Disposals	(4,100)	–
Balance at the end of the period	–	4,100

On 4 February 2013, Top Euro Limited, a wholly-owned subsidiary of the Company, entered into a preliminary sale and purchase agreement with an independent third party in relation to the disposal of an investment property at a consideration of HK\$4,100,000.

Up to 31 March 2013, the disposal of the investment property has not been completed. The disposal of the investment property is expected to be completed within the next 12 months. In accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, the investment property has been presented as assets classified as held for sale in the consolidated statement of financial position as at 31 March 2013.

19. INTERESTS IN ASSOCIATES

	As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
Cost of investment in associates		
– Unlisted	38	–
Share of post-acquisition profits and other comprehensive income, net of dividend received	45	–
	83	–
Loans from associates	(175)	–

The amounts due from/(to) associate are unsecured, interest free and recoverable/repayable on demand.

19. INTERESTS IN ASSOCIATES (Continued)

Particulars of the associates at 30 September 2013 are as follows:

Name of associates	Particulars of issued and fully paid capital	Country of incorporation	Proportion of voting power held		Principal activities
			Directly	Indirectly	
One Dollar Movies Productions Limited	10 ordinary shares of HK\$1 each	Hong Kong	40%	–	Movies production
One Dollar Distribution Limited	10,000 ordinary shares of HK\$1 each	Hong Kong	40%	–	Movies distribution
Perfect Talent Limited	1 ordinary share of HK\$1 each	Hong Kong	–	40%	Movies production
中山市偉常企業諮詢有限公司	30 ordinary shares of HK\$1 each	the PRC	–	30%	Consultancy service on finance assistance

The movement in loans to associates during the year is as follows:

	As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
Loans to associates:		
Balance at the beginning of the year	12,600	13,600
Additions	–	–
Repayment of a loan	–	(1,000)
Balance at the end of the period/year	12,600	12,600

The movement in the provision for impairment of loans to associates is as follows:

	2013 HK\$'000	2012 HK\$'000
Balance at the beginning of the year	12,600	13,600
Reversal of provision for impairment of a loan to an associate	–	(1,000)
Provision for impairment of a loan to an associate	–	–
Balance at the end of the period/year	12,600	12,600

19. INTERESTS IN ASSOCIATES (Continued)

The summarised financial information of the Group's associates extracted from their management account is as follows:

	2013 HK\$'000	2012 HK\$'000
Total revenue	<u>486</u>	<u>260</u>
Total profit/(loss) for the year	276	(273)
The Group's share of profit of associate	<u>89</u>	<u>—</u>
The Group's share of other comprehensive income	<u>—</u>	<u>—</u>

20. CONTINGENT LIABILITIES

As at 30 September 2013, the Company has executed corporate guarantees to third parties with respect to general banking facilities granted to the subsidiaries of the Company of approximately HK\$4,679,000 (2012: \$39,000,000).

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 (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.

21. EVENTS AFTER THE REPORTING PERIOD

On 23 October 2013, the Group has exercised the conversion rights attached to a short term investment of Crosby Capital Limited's convertible bonds due 2015 in an aggregate principal amount of HK\$19 million, which was acquired on 5 April 2013. After such conversion, 24,358,974 ordinary shares of Crosby Capital Limited (representing approximately 8% of the entire issued share capital of Crosby Capital Limited) were held by the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review

Turnover for the six months year ended 30 September 2013 was approximately HK\$16 million, representing a decrease of approximately 35.5% when compared with the same period last year. Loss attributable to owners of the Company for the six months ended 30 September 2013 and the corresponding period in 2012 was approximately HK\$4.4 million and HK\$43 million respectively.

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 financial year was approximately HK\$0.4 million, being 48% increase from 2012.

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 financial year ended. The result of this business segment was also negatively affected. In the financial period under review, an amount of approximately HK\$10.3 million has recorded as loss from equity to profit or loss upon disposal of available for sale financial assets. Up to 4 November 2013, the strategic holding of 778,817,592 ordinary shares have been owned by the company, being 13.93% 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. In the financial year, turnover for this segment under review was approximately HK\$13.7 million, representing 27.6% increased when compared with the corresponding period in 2012. A satisfactory profit was also brought from this segment.

Retail Business

We have been developing our retail services business since June 2012. Turnover for this segment in the financial period under review was approximately HK\$1.9 million, being 334% increased from 2012. 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.

In March 2013, one of the group's subsidiaries became a TransUnion member, who enables the company to obtain credit report in accordance with the Code of Practice on Consumer Credit Data issued by the Office of the Privacy Commissioner for Personal Data, Hong Kong. By virtues of such services, it enables us to make informed, reliable and objective decisions so as to approve loans efficiently, staying informed about our clients' credit status as well as alerting signs of potential fraud.

In view of the volatility of the global economic environment, driven by the European sovereign debt crises and the economic downturn in the United States continues in the financial year, the Group will take more conservative step to invest in securities and bonds investment. Focus will be placed on corporate bonds with good credit rating instead of listed in the volatile stock market.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally financed its operations with internally generated cash flows. As at 30 September 2013, the Group had cash and cash equivalents of approximately HK\$10.9 million (2012: HK\$54.9 million).

As at 30 September 2013 the Group had bank borrowing of HK\$3.2 million (2012: HK\$6.4 million) which was using to finance the investment property.

Because of the gradually repayment of the bank borrowing, as at 30 September 2013, the Group's gearing ratio, expressed as a percentage of total borrowings, (comprising amounts due to non-controlling interests, and borrowings) over total assets, decreased to approximately 1.7% (2012: 3.1%).

CHARGES ON GROUP'S ASSET

At 30 September 2013, the Group's investment property with carrying amount of approximately HK\$16.5 million (2012: HK\$16.5 million) 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 HK 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 arrangements to reduce the currency risk have been implemented.

EMPLOYEES

As at 30 September 2013, the Group had around 60 (2012: 51) full-time employees. The Group remunerates its employees based on their performance, experience and the prevailing commercial practice.

INTERIM DIVIDEND

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

Name	Personal Interests	Family Interests	Other Interests	Total	Approximate percentage to the issued share capital of the Company as at 30 September 2013
Mr. Shiu Yeuk Yuen (note 1)	7,796,200	16 (note 2)	127,140 (note 3)	7,923,356	6.3%
Mr. Leung Ge On, Andy (note 1)	63,000	–	–	63,000	0.05%

Notes:

1. Mr. Shiu Yeuk Yuen and Mr. Leung Ge On, Andy are the Executive Directors of the Company.
2. 16 shares are held by Ms. Hau Lai Mei, the spouse of Mr. Shiu Yeuk Yuen.
3. 127,140 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 Able Rich Consultants Limited.

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 2013, the Directors were not aware of any other person (other than the Directors and chief executive of the Company as disclosed above) 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.

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

For the six months ended 30 September 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

RELATED PARTY TRANSACTIONS

Details of the related party transactions for the period are set out in note 14 to the consolidated financial statements.

Save as disclosed therein, there were no other transactions to be disclosed as related party transactions in accordance with the requirements of the GEM Listing Rules.

COMPETING INTEREST

None of the Directors or the management 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 period ended 30 September 2013.

As of the date of this announcement, the Board of Directors of the Company comprises Executive Directors who are Mr. Shiu Yeuk Yuen and Mr. Leung Ge On, Andy; and Independent Non-executive Directors who are Mr. Siu Yim Kwan, Sidney, Mr. Tsui Pui Hung and Mr. Kam Tik Lun.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the period of the six months ended 30 September 2013, 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 GEM 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 Proton Capital Limited to be its Compliance adviser (“Compliance Adviser”) for a term from 3 September 2013 to 31 August 2014 (both days inclusive).

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 2013 pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company established an Audit Committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company's annual report and financial statements, half-yearly report and quarterly reports and to provide advice and comment thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group.

REVIEW OF INTERIM RESULTS

The unaudited consolidated results of the Group for the Six-month Period have not been audited nor reviewed by the Company's auditor, HLB Hodgson Impey Cheng, but have been reviewed by the Audit Committee of the Company, who is of the opinion that the preparation of such results has complied with the applicable accounting standards and requirements and that adequate disclosures have been made. As at the date hereof, the Audit Committee comprises the three Independent Non-executive Directors of the Company, namely Mr. Kam Tik Lun, chairman of the Audit Committee, Mr. Siu Yim Kwan, Sidney and Mr. Tsui Pui Hung.

REMUNERATION COMMITTEE

A remuneration committee (the "Remuneration Committee"), consisting of three Independent Non-executive Directors and two Executive Directors, was set up by the Company in accordance with the Code. The Remuneration Committee is responsible for reviewing and developing the remuneration policies of the Directors and senior management, having regard to the Group's operating results, individual performance and comparable market practices.

NOMINATION COMMITTEE

A nomination committee (the "Nomination Committee") consisting of three Independent Non-executive Directors and two Executive Directors was set up by the Company in accordance with the Code. The Nomination Committee is responsible for reviewing and making recommendations to the Board regarding any proposed changes, selection of directorships.

MODEL CODE FOR SECURITIES TRANSACTIONS

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 2013.

The Company also has established written guidelines on no less exacting terms than the Required Standard of Dealings (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of any unpublished inside information of the Company.

CONTINUING CONNECTED TRANSACTIONS

ON 9 October 2012, a Tenancy Agreement was jointly entered into between Wit Way, as landlord and Top Euro, an indirect wholly-owned subsidiary of Unlimited Creativity and Mark Glory, an indirect wholly-owned subsidiary of China 3D, both as tenants, in relation to the lease of the Premises. The term of the Tenancy Agreement is for three years commencing from 1 November 2012 to 31 October 2015, both days inclusive, with a monthly rental of HK\$220,000 inclusive of management charges (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.

Unlimited Creativity is a substantial shareholder of China 3D and interested in approximately 13.93% of the issued share capital of China 3D up to 30 September 2013. Accordingly, Unlimited Creativity and China 3D are regarded as connected person of each other under the GEM Listing Rules. Therefore, the Tenancy Agreement (including the Contingent Rental Liability, being a provision of financial assistance) constitutes continuing connected transactions for each of Unlimited Creativity and China 3D under Rule 20.11(1) and 20.13(2) of the GEM Listing Rules.

The applicable percentage ratio (as defined in the GEM Listing Rules) on an annual basis for the Tenancy Agreement (including the Contingent Rental Liability, being a provision of financial assistance) for each of Unlimited Creativity and China 3D exceed 5% but are less than 25% and the annual caps under the Tenancy Agreement are less than HK\$10,000,000. Accordingly, pursuant to Rule 20.34 of the GEM Listing Rules, the Tenancy Agreement (including the Contingent Rental Liability, being a provision of financial assistance) is subject to reporting and announcement requirements but exempted from independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Auditor's letter on continuing connected transactions

Pursuant to Rule 20.38 of the GEM Listing Rules, the Board has engaged the auditor of the Company to report the disclosed continuing connected transactions of the Group for the Year ("Disclosed CCTs") in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's letter on continuing connected transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants and the auditor has reported to the Directors and concluded that the Disclosed CCTs:

- (1) have received the approval of the Board of the Company;
- (2) are entered into, in all material respects, in accordance with the pricing policies of the Company if the transactions involve provision of goods or services by the Group;

- (3) have been entered into, in all material respects, in accordance with the terms of the relevant agreements governing such transactions; and
- (4) have not exceeded the maximum aggregate annual value for the Year disclosed in previous announcements made by the Company in respect of each of the Disclosed CCTs.

Confirmation of Independent Non-executive Directors

The Independent Non-executive Directors have reviewed the continuing connected transactions and the report of the auditor and have confirmed that the transactions have been entered into by the Group in the ordinary and usual course of its business, on normal commercial terms, and in accordance with the terms of the agreements governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

There being no contracts of significance to which the Company, or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

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

On behalf of the Board
Unlimited Creativity Holdings Limited
Shiu Yeuk Yuen
Chairman

Hong Kong, 13 November 2013

This announcement will remain on the Company's website at 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.