



Unlimited Creativity Holdings Limited

Continued in Bermuda with limited liability
Stock Code : 8079

2014/15
Third Quarterly Report

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 report, 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 report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

HIGHLIGHTS

- Turnover for the nine months ended 31 December 2014 was approximately HK\$47.4 million (nine months ended 31 December 2013: HK\$26.7 million) representing an increase of approximately 77.4%, as compared with the corresponding period in 2013.
- Profit attributable to owners of the Company for the nine months ended 31 December 2014 was approximately HK\$23.9 million (nine months ended 31 December 2013: loss of HK\$2.6 million)
- The Board of Directors (the “Board”) does not recommend the payment of a dividend for the nine months ended 31 December 2014 (nine months ended 31 December 2013: Nil).

THIRD QUARTERLY RESULTS

The Board of Directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and nine months ended 31 December 2014, together with the comparative figures for the corresponding period in 2013 as follows:

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

	Notes	For the three months ended 31 December		For the nine months ended 31 December	
		2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Revenue	2	18,305	10,704	47,446	26,748
Cost of sales		(1,095)	(638)	(2,590)	(1,936)
Gross profit		17,210	10,066	44,856	24,812
Investment and other income	2	312	376	1,253	771
Other gain and losses, net	2	(1,295)	(1,901)	7,062	2,228
Servicing, selling and distribution costs		(1,660)	(471)	(3,341)	(2,810)
Administrative expenses		(6,078)	(6,190)	(23,211)	(16,544)
Cumulative losses reclassified from equity to profit or loss upon disposal of available-for-sale investments		-	-	-	(10,388)
Other operating income/(expenses)		-	242	-	(271)
Operating profit/(loss)		8,489	2,122	26,619	(2,202)
Finance costs		(576)	(265)	(1,428)	(565)
Share of results of associates		(249)	(18)	(1,161)	71
Profit/(loss) before income tax		7,664	1,839	24,030	(2,696)
Income tax	4	-	-	-	-
Profit/(loss) for the period		7,664	1,839	24,030	(2,696)
Other comprehensive income:					
Changes in fair value of available-for-sale investments		(4,112)	778	(8,507)	(2,024)
Release of investment revaluation reserve upon disposal of available-for-sale investments		-	-	-	10,388
Other comprehensive income/(loss) for the period		(4,112)	778	(8,507)	8,364
Total comprehensive income/(loss) for the period		3,552	2,617	15,523	5,668

	Notes	For the three months ended 31 December		For the nine months ended 31 December	
		2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Profit/(loss) attributable to:					
Owners of the Company		7,575	1,814	23,877	(2,626)
Non-controlling interests		89	25	153	(70)
		<u>7,664</u>	<u>1,839</u>	<u>24,030</u>	<u>(2,696)</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Company		3,463	2,592	15,370	5,738
Non-controlling interests		89	25	153	(70)
		<u>3,552</u>	<u>2,617</u>	<u>15,523</u>	<u>5,668</u>
Earnings/(loss) per share attributable to owners of the Company					
Basic and diluted	6	<u>HK1.19 cents</u>	<u>HK1.56 cents</u>	<u>HK3.76 cents</u>	<u>HK(2.26) cents</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

This unaudited quarterly financial statements have 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 Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The accounting policies adopted in preparing the unaudited consolidated financial statements for the nine months ended 31 December 2014 are consistent with those followed in the annual report of the Group for the year ended 31 March 2014, except in relation on the new and revised standards, amendments and interpretations that affect the Company and its subsidiaries and are adopted for the first time for the preparing of current period’s financial statements.

The third quarterly results have not been audited but have been reviewed by the Groups audit committee.

In the current period, the Group has also adopted the following new standards and amendments to standards issued by the HKICPA which are effective for the current accounting period of the Group. The adoption of these new standards and amendments to standards has no material impact on the Group’s results and financial position.

HKAS 32 (Amendment)	Presentation – offsetting financial assets and financial liabilities
HKAS 36 (Amendment)	Impairment of assets – recoverable amount disclosures
HKAS 39 (Amendment)	Recognition and measurement – novation of derivatives
HKFRS 10, 12 and HKAS 27 (Amendments)	Consolidation for investment entities
HK(IFRIC)-Int 21	Levies

The following new standards and amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 April 2014 and have not been early adopted:

HKAS 16 and HKAS 38 (Amendment)	Classification of acceptable methods of depreciation and amortisation
HKAS 16 and HKAS 41 (Amendment)	Bearer plants
HKAS 19 (Amendment)	Defined benefits plan
HKAS 27 (Amendment)	Equity method
HKFRS 9	Financial instruments
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture
HKFRS 11 (Amendment)	Accounting for acquisitions of interest in joint operations
HKFRS 14	Regulatory deferral accounts
HKFRS 15	Revenue from contracts with customers
Annual improvement project	Annual improvement 2010-2012 cycle
	Annual improvement 2011-2013 cycle
	Annual improvement 2012-2014 cycle

1. Basis of preparation (Continued)

The Group is in the process of making an assessment on the impact of these new standards and amendments to existing standards but does not anticipate that the adoption will result in any material impact on the Group's results of operations and financial position taken as a whole.

2. Revenue and other revenue and other (losses)/gains – 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.

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

Revenue arising from the sale of properties held for resale is recognized upon signing of sale and purchase agreement or the issue of an occupation permit by the relevant government authorities, whichever is the later.

Management fee income to recognised when services are rendered.

2. Revenue and other revenue and other (losses)/gains – net (Continued)

	For the three months ended 31 December		For the nine months ended 31 December	
	2014	2013	2014	2013
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Revenue				
Money lending	16,623	9,535	43,058	23,266
Rental income from investment properties	9	200	248	570
Retail service income	1,673	969	4,140	2,912
	<u>18,305</u>	<u>10,704</u>	<u>47,446</u>	<u>26,748</u>
Other revenue and other (losses)/gains, plus unallocated income – net				
Dividend income from listed investments	193	2	840	61
Fair value (losses)/gains on financial assets at fair value through profit or loss	(3,964)	(244)	(1,105)	3,885
Gain/(loss) on disposal of Financial assets through Profit or Loss	2,543	(1,657)	4,646	(1,657)
Gain on disposal of investment properties	-	-	3,350	-
Interest income from corporate coupon bonds	-	31	22	162
Bank interest income	1	1	18	19
Handling income from consignment sales	-	4	-	20
Others	244	338	544	509
	<u>(983)</u>	<u>(1,525)</u>	<u>8,315</u>	<u>2,999</u>

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 revenue from external customers by geographical segments for the period is as follows:

Revenue from external customers by geographical markets:

	For the three months ended 31 December		For the nine months ended 31 December	
	2014	2013	2014	2013
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Hong Kong	<u>18,305</u>	<u>10,704</u>	<u>47,446</u>	<u>26,748</u>

4. Income tax

No provision for Hong Kong Profits Tax has been made for the companies in the Group as they either have no assessable profits or have available tax losses brought forward from prior years to offset against current period's estimated assessable profits (nine months ended 31 December 2013: Nil).

5. Dividend

The directors do not recommend the payment of a dividend for the nine months ended 31 December 2014 (nine months ended 31 December 2013: Nil).

6. Earnings/(loss) per share

The calculation of basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

	Nine months ended 31 December	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Earnings/(loss) for the period attributable to owners of the Company	<u>23,877</u>	<u>(2,626)</u>
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	<u>634,798</u>	<u>116,084</u>

Both the weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings/(loss) per share for the period ended 31 December 2014 and 2013 have been adjusted.

Diluted earnings/(loss) per share for the period ended 31 December 2014 and 2013 were the same as the basic earnings/(loss) per share. The Company's outstanding share options were not included in the calculation of diluted earnings/(loss) per share because the effects of the exercise of the Company's outstanding share options were anti-dilutive.

7. Unaudited condensed consolidated statement of changes in equity
For the nine months ended 31 December 2014

	Attributable to the owners of the Company										
	Share capital	Share premium	Capital redemption reserve	Accumulated losses	Capital reserves	Investment revaluation reserve	Share option reserve	Contributed surplus	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
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 year	-	-	-	(2,626)	-	-	-	-	(2,626)	(70)	(2,696)
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	(2,024)	-	-	(2,024)	-	(2,024)
Release of investment revaluation reserve upon disposal of available-for-sale financial assets	-	-	-	-	-	10,388	-	-	10,388	-	10,388
Total comprehensive income	-	-	-	(2,626)	-	8,364	-	-	5,738	(70)	5,668
Share consolidation	(19,927)	19,927	-	-	-	-	-	-	-	-	-
Transaction cost of share consolidation	-	(249)	-	-	-	-	-	-	(249)	-	(249)
Issue of shares	210	4,215	-	-	-	-	-	-	4,425	-	4,425
Balance at 31 December 2013	<u>1,258</u>	<u>222,693</u>	<u>278</u>	<u>(196,023)</u>	<u>28,546</u>	<u>(6,032)</u>	<u>732</u>	<u>181,291</u>	<u>232,743</u>	<u>911</u>	<u>233,654</u>
Balance at 1 April 2014	6,292	246,126	278	(203,753)	28,546	(10,268)	-	201,218	268,439	(276)	268,163
Comprehensive income											
Profit for the year	-	-	-	23,877	-	-	-	-	23,877	153	24,030
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	(8,507)	-	-	(8,507)	-	(8,507)
Total comprehensive income	6,292	246,126	278	(179,876)	28,546	(18,775)	-	201,218	283,809	(123)	283,686
Balance at 31 December 2014	<u>6,292</u>	<u>246,126</u>	<u>278</u>	<u>(179,876)</u>	<u>28,546</u>	<u>(18,775)</u>	<u>-</u>	<u>201,218</u>	<u>283,809</u>	<u>(123)</u>	<u>283,686</u>

8. 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.

For the nine months ended 31 December 2014, no option was granted under the New Scheme.

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

For the period ended 31 December 2014, no employee compensation expense has been included in the consolidated statement of comprehensive income (2013: Nil).

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

9. Contingent liabilities

As at 31 December 2014, the Company did not provide any corporate guarantee to third parties.

On 9 October 2012, a tenancy agreement was jointly entered 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.

10. Events after the reporting period

Results of the Rights Issue on the basis of Five Rights Shares for Every Two Existing Shares Held

The Board announced that all of the conditions set out in the Underwriting Agreement had been fulfilled and the Underwriting Agreement and the Rights Issue became unconditional on 6 January 2015.

Details of the Rights Issue are set out in the circular dated 10 November 2014 and the results of the Rights Issue is set out in the announcement dated 7 January 2015.

The share certificates for the Rights Shares in respect of the valid acceptance of the Rights Shares had been despatched to those relevant Shareholders on 8 January 2015.

Dealings in the Rights Shares were commenced on the Stock Exchange on 9 January 2015.

Proceeding a Currency Swap with a bank

The Board announced that the Group would proceed a Currency Swap with Standard Chartered Bank on 2 February 2015.

The procedure of the transaction is as follows:

- (1) to loan CNY12,500,000 from Standard Chartered Bank;
- (2) to sell CNY12,500,000 and buy USD1,990,445.86 at exchange rate 6.280. To place USD1,990,445.86 as fixed deposit for 89 days from 4 February 2015 to 4 May 2015 at annual interest rate 0.7631%;
- (3) to sell USD1,994,200.94 at exchange rate 6.338 and buy CNY12,639,245.56 under swap contract upon maturity on 4 May 2015;
- (4) to offset or roll-over of the loan will be determined by the Company at the maturity on 4 May 2015.

10. Events after the reporting period (Continued)

Proposed Capital Reorganization

The Board proposed to implement the Capital Reorganisation which involves, the Share Consolidation, the Capital Reduction and the Capital Increase. Details of the Capital Reorganisation are set out in the announcement dated 4 February 2015.

Proposed Change of Company Name

The Board proposed for the Shareholder's approval that subject to the approval of the Registrar of Companies in Bermuda being obtained, the English name of the Company be changed from "Unlimited Creativity Holdings Limited" to "Easy Repay Finance & Investment Limited" and the secondary name of the Company from "無限創意控股有限公司" to "易還財務投資有限公司".

11. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review

Turnover for the nine months ended 31 December 2014 was approximately HK\$47.4 million, representing an increase of approximately 77.4% when compared with the same period last year. Profit attributable to owners of the Company for the nine months ended 31 December 2014 was approximately HK\$23.9 million and the corresponding period in 2013 was loss of HK\$2.6 million.

Property Investment

The rental income was generated from the properties of the Group. The turnover of this business segment for the nine months ended 31 December 2014 was approximately HK\$0.25 million and the corresponding period in 2013 was HK\$0.6 million.

Securities and bonds Investment

As at 31 December 2014, an amount of approximately HK\$4.6 million has been recorded as gain on disposal of financial assets at fair value through profit or loss and the corresponding period in 2013 was loss of HK\$1.7 million.

Up to 31 December 2014, the strategic holding of 171,339,861 ordinary shares were owned by the Company, being 2.68% interests in China 3D Digital Entertainment Limited.

Money Lending Business

After actively participating in money lending business for more than three years, a solid client base has been built. For the nine months ended 31 December 2014, turnover for this segment under review was approximately HK\$43.1 million, representing 85.1% increase when compared with the corresponding period in 2013. A satisfactory profit was also brought from this segment. By the end of December 2014, the Group had built up a lending portfolio of HK\$280 million and it would continue to grow steadily and generate sustainable income in the coming future.

Retail Business

We have been developing our retail services business since June 2012. Turnover for this segment for the nine months ended 31 December 2014 under review was approximately HK\$4.1 million, being 42.2% increase when compared with the corresponding period in 2013. 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 has been bringing satisfactory turnover and profit to the Group, the Group will continue to actively develop this business. If it continues to grow steadily, the Group will consider paying dividend in the near future.

In 2013, one of the Company's subsidiaries became a TransUnion member, who enables 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 virtue 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 securities in the volatile stock market.

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 31 December 2014, 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 31 December 2014
Mr. Shiu Yeuk Yuen (note 1)	10,136,200	16 (note 2)	223,174,125 (note 3)	233,310,341	37.08%
Mr. Leung Ge On, Andy (note 1)	63,000	-	-	63,000	0.01%

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. Able Rich Consultants Limited is wholly-owned by Rich Treasure Group Limited of which Mr. Shiu is the sole director and shareholder holding it on trust for certain family members.

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 31 December 2014, 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.

Name	No. of Shares	Approximate percentage to the issued share capital of the Company as at 31 December 2014
China 3D Digital Entertainment Limited (<i>note</i>)	86,010,000	13.67%

Note: 86,010,000 Shares refer to the aggregate of (a) 80,854,500 Shares held by China 3D Digital Entertainment Limited and (b) 5,155,500 Shares held by New Smart International Creation Limited, a direct wholly-owned subsidiary of China 3D Digital Entertainment Limited.

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

For the nine months ended 31 December 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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 period ended 31 December 2014.

As of the date of this report, 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. Lau Gar Hung, Christopher and Mr. Kam Tik Lun.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the period of the nine months ended 31 December 2014, 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 and E.1.3.

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 compliance adviser agreement entered between the Company and Fortune Financial Capital Limited was ended on 31 August 2014.

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 QUARTER RESULTS

The unaudited consolidated results of the Group for the nine months ended 31 December 2014 have not been audited nor reviewed by the Company's auditor, Ting Ho Kwan & Chan CPA Limited, 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. Lau Gar Hung, Christopher.

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 nine months ended 31 December 2014.

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 (“Date of Agreement”), 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.

The Company is a substantial shareholder of China 3D as at the Date of Agreement. Accordingly, The Company 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 the Company 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 the Company 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 ended 31 March 2014 (“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) nothing has come to our attention that causes us to believe that the disclosed continuing connected transactions have not been approved by the Company’s board of directors.
- (2) for transactions involving the provision of goods or services by the Group, nothing has come to our attention that causes us to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company.
- (3) nothing has come to our attention that causes us to believe that the transactions were not entered in all material respects, in accordance with the relevant agreements governing such transactions.

- (4) with respect to the aggregate amount of the continuing connected transactions, nothing has come to our attention that causes us to believe that the disclosed continuing connected transactions have exceeded the maximum aggregate annual value for the year ended 31st March 2014 as disclosed in the previous announcement dated 9th October 2012 made by the Company in respect of the disclosed continuing connected transactions.

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 period ended 31 December 2014 or at any time during the period.

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. Lau Gar Hung, Christopher	-	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, 12 February 2015