



Unlimited Creativity Holdings Limited

Continued in Bermuda with limited liability
Stock Code : 8079

2014/15
Interim Report

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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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 six months ended 30 September 2014 was approximately HK\$29 million (six months ended 30 September 2013: HK\$16 million) representing an increase of approximately 81.6%, as compared with the corresponding period in 2013.
- Profit attributable to owners of the Company for the six months ended 30 September 2014 was approximately HK\$16.4 million (six months ended 30 September 2013: loss of HK\$4.5 million).
- The Board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30 September 2014 (six months ended 30 September 2013: Nil).

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 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 30 September		For the six months ended 30 September	
		2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Revenue	2	15,921	9,449	29,141	16,044
Cost of sales		(1,140)	(955)	(1,495)	(1,298)
Gross profit		14,781	8,494	27,646	14,746
Investment and other income	2	657	244	941	395
Other gains-net	2	8,385	702	8,357	4,129
Servicing, selling and distribution costs		(999)	(1,217)	(1,681)	(2,339)
Administrative expenses		(10,859)	(5,325)	(17,133)	(10,354)
Cumulative losses reclassified from equity to profit or loss upon disposal of available-for-sale financial assets		-	(289)	-	(10,388)
Other operating expenses		-	(479)	-	(513)
Operating profit/(loss)		11,965	2,130	18,130	(4,324)
Finance costs		(504)	(197)	(852)	(300)
Share of results of associates	9	(482)	56	(912)	89
Profit/(loss) before income tax	4	10,979	1,989	16,366	(4,535)
Income tax	5	-	-	-	-
Profit/(loss) for the period		10,979	1,989	16,366	(4,535)
Other comprehensive income/(loss):					
Changes in fair value of available-for-sale financial assets		(8,642)	(9,479)	(4,395)	(2,802)
Release of investment revaluation reserve upon disposal of available-for-sale financial assets		-	289	-	10,388
Other comprehensive income/(loss) for the period		(8,642)	(9,190)	(4,395)	7,586
Total comprehensive income/(loss) for the period		2,337	(7,201)	11,971	3,051

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2014	2013	2014	2013
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) attributable to:-					
Owners of the Company		10,863	2,051	16,302	(4,440)
Non-controlling interests		116	(62)	64	(95)
		<u>10,979</u>	<u>1,989</u>	<u>16,366</u>	<u>(4,535)</u>
Total comprehensive income/(loss) attributable to:-					
Owners of the Company		2,221	(7,139)	11,907	3,146
Non-controlling interests		116	(62)	64	(95)
		<u>2,337</u>	<u>(7,201)</u>	<u>11,971</u>	<u>3,051</u>
Earnings/(loss) per share attributable to owners of the Company					
Basic and diluted	7	<u>HK1.73 cents</u>	<u>HK1.85 cents</u>	<u>HK2.59 cents</u>	<u>HK(3.99) cents</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

		As at 30 September 2014 (Unaudited) <i>Notes</i> HK\$'000	As at 31 March 2014 (Audited) <i>Notes</i> HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	3,589	3,951
Investment properties		–	21,800
Interests in associates	9	153	1,065
Available-for-sale investments	10	9,533	13,928
Loans and advances	11	65,851	66,264
		<hr/> 79,126 <hr/>	<hr/> 107,008 <hr/>
Current assets			
Trade receivables	12	62	107
Prepayments, deposits and other receivables		2,181	8,125
Loans and advances	11	173,966	141,703
Inventories		543	258
Financial assets at fair value through profit or loss		34,470	20,357
Amount due from a related party	13	–	262
Amounts due from associates	9	827	500
Pledged bank deposit		679	–
Cash and bank balances		21,907	11,609
		<hr/> 234,635 <hr/>	<hr/> 182,921 <hr/>
Assets classified as held for sale	14	5,800	–
		<hr/> 240,435 <hr/>	<hr/> 182,921 <hr/>

	As at 30 September 2014 (Unaudited) Notes <i>HK\$'000</i>	As at 31 March 2014 (Audited) <i>HK\$'000</i>
LIABILITIES		
Current liabilities		
Accruals, receipts in advance and other payables	2,798	2,246
Amounts due to non-controlling interests	150	150
Amounts due to related parties	12,200	11,500
Borrowings	23,527	7,020
Provision for tax	57	57
Obligations under finance leases	201	199
	38,933	21,172
Net current assets	201,502	161,749
Total assets less current liabilities	280,628	268,757
Non-current liabilities		
Deferred tax liabilities	79	79
Obligations under finance leases	415	515
	494	594
Net assets	280,134	268,163
EQUITY		
Equity attributable to owners of the Company		
Share capital	15 6,292	6,292
Reserves	274,054	262,147
	280,346	268,439
Non-controlling interests	(212)	(276)
Total equity	280,134	268,163

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2014

	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	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	
Balance at 1 April 2013	20,975	198,800	278	(193,397)	28,546	(14,396)	732	181,291	222,829	981	223,810
Loss for the period	-	-	-	(4,440)	-	-	-	-	(4,440)	(95)	(4,535)
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 income	-	-	-	(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>732</u>	<u>181,291</u>	<u>230,151</u>	<u>886</u>	<u>231,037</u>
Balance at 1 April 2014	6,292	246,126	278	(203,753)	28,546	(10,268)	-	201,218	268,439	(276)	268,163
Profit for the period	-	-	-	16,302	-	-	-	-	16,302	64	16,366
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	(4,395)	-	-	(4,395)	-	(4,395)
Total comprehensive income	<u>6,292</u>	<u>246,126</u>	<u>278</u>	<u>(187,451)</u>	<u>28,546</u>	<u>(14,663)</u>	<u>-</u>	<u>201,218</u>	<u>280,346</u>	<u>(212)</u>	<u>280,134</u>
Balance at 30 September 2014	<u><u>6,292</u></u>	<u><u>246,126</u></u>	<u><u>278</u></u>	<u><u>(187,451)</u></u>	<u><u>28,546</u></u>	<u><u>(14,663)</u></u>	<u><u>-</u></u>	<u><u>201,218</u></u>	<u><u>280,346</u></u>	<u><u>(212)</u></u>	<u><u>280,134</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash used in operating activities	(22,188)	(25,595)
Net cash generated from/(used in) investing activities	<u>15,377</u>	<u>(22,970)</u>
Net cash used before financing activities	(6,811)	(48,565)
Net cash generated from financing activities	<u>17,109</u>	<u>4,508</u>
Net increase/(decrease) in cash and cash equivalents	10,298	(44,057)
Cash and cash equivalents at the beginning of period	<u>11,609</u>	<u>54,980</u>
Cash and cash equivalents at the end of period	<u><u>21,907</u></u>	<u><u>10,923</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

This unaudited condensed consolidated 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 2014. 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 interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretation (“new HKFRSs”) issued by the HKICPA, which are effective for the current accounting period of the Group. The amendments adopted by the Group in the consolidated financial statements are set out as below:

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
Amendments to HKAS 36	Recoverable Amount Disclosures
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC) 21	Levies

The adoption of the new HKFRSs had no material effect on the results and financial position for the current or prior accounting periods which have been prepared and presented. Accordingly, no period adjustment has been recognised.

2. Revenue, other revenue and other 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.

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

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

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

Revenue arising from the sale of properties held for resale is recognised 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 is recognised when services are rendered.

	For the three months ended 30 September		For the six months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Revenue				
Money lending	13,842	7,811	26,435	13,731
Rental income from investment properties	63	185	239	370
Retail services income	2,016	1,453	2,467	1,943
	<u>15,921</u>	<u>9,449</u>	<u>29,141</u>	<u>16,044</u>
Other revenue and other gains, plus unallocated income – net				
Dividend income from listed investments	429	9	647	59
Fair value gains on financial assets at fair value through profit or loss	3,046	702	2,859	4,129
Gain on disposal of financial assets at fair value through profit or loss	1,971	–	2,103	–
Gain on disposal of investment properties	3,350	–	3,350	–
Interest income from corporate coupon bonds	22	128	22	131
Bank interest income	10	17	17	18
Retailing service consignment income	–	6	–	16
Others	214	84	300	171
	<u>9,042</u>	<u>946</u>	<u>9,298</u>	<u>4,524</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 reportable operating segments results before income tax for the period is as follows:

For the six months ended 30 September 2014

(Unaudited)

	Property investment	Securities and bonds investment	Money lending	Retail services	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:					
Revenue from					
external customers	239	-	26,435	2,467	29,141
Other revenue and other gains – net	3,350	5,630	-	-	8,980
	<u>3,589</u>	<u>5,630</u>	<u>26,435</u>	<u>2,467</u>	<u>38,121</u>
Segment results	<u>2,974</u>	<u>1,782</u>	<u>18,919</u>	<u>199</u>	<u>23,874</u>
Unallocated income					62
Unallocated expenses					(5,806)
Operating profit					18,130
Finance costs					(852)
Share of results of associates					(912)
Profit before income tax					16,366
Income tax					-
Profit for the period					<u>16,366</u>

3. Segment information (Continued)

For the six months ended 30 September 2013
(Unaudited)

	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	370	-	13,731	1,943	16,044
Other revenue and other gains – net	-	4,115	-	16	4,131
	<u>370</u>	<u>4,115</u>	<u>13,731</u>	<u>1,959</u>	<u>20,175</u>
Segment results	<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					-
Loss for the period					<u>(4,535)</u>

Geographical information

Revenue from external customers by geographical markets:

	For the six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	<u>29,141</u>	<u>16,044</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	
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Auditors' remuneration	95	104	195	208
Cost of inventories recognised as expenses	1,140	955	1,495	1,297
Depreciation	318	199	630	398
Net exchange (gain)/loss	(18)	(34)	(45)	26
Minimum lease payments under operating lease	544	572	1,088	1,120
Provision for impairment on loans	2,800	284	2,800	284
Rental income net of outgoings in respect of investment properties	51	167	217	333
	<u>51</u>	<u>167</u>	<u>217</u>	<u>333</u>

5. 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 (six months ended 30 September 2013: Nil).

6. Interim dividend

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2014 (six months ended 30 September 2013: Nil).

7. Earnings/(loss) per share

The calculation of basic earnings per share for the three months ended 30 September 2014 is based on the profit attributable to shareholders of approximately HK\$10,863,000 (three months ended 30 September 2013: profit of approximately HK\$2,051,000) and the weighted average number of 629,198,155 ordinary shares in issue during the period (three months ended 30 September 2013: 111,051,187 shares).

The calculation of basic earnings per share for the six months ended 30 September 2014 is based on the profit attributable to shareholders of approximately HK\$16,302,000 (six months ended 30 September 2013: loss of approximately HK\$4,440,000) and the weighted average number of 629,198,155 ordinary shares in issue during the period (six months ended 30 September 2013: 111,051,187 shares).

The calculation of diluted earnings per share for the three months ended 30 September 2014 is based on the profit attributable to shareholders of approximately HK\$10,863,000 (three months ended 30 September 2013: profit of approximately HK\$2,051,000) and the weighted average number of 629,198,155 ordinary shares for the purpose of diluted earnings per share during the period (three months ended 30 September 2013: 111,051,187 shares).

The calculation of diluted earnings per share for the six months ended 30 September 2014 is based on the profit attributable to shareholders of approximately HK\$16,302,000 (six months ended 30 September 2013: loss of approximately HK\$4,440,000) and the weighted average number of 629,198,155 ordinary shares for the purpose of diluted earnings per share during the period (six months ended 30 September 2013: 111,051,187 shares).

8. Property, plant and equipment

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
At beginning of the period/year	3,951	2,949
Additions	268	1,935
Depreciation	(630)	(933)
	<u>3,589</u>	<u>3,951</u>

9. Interests in associates

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Cost of investment in associates		
– Unlisted	1,350	1,350
Share of post-acquisition profits and other comprehensive income, net of dividend received	(1,197)	(285)
	<u>153</u>	<u>1,065</u>

The amounts due from associates are unsecured, interest free and repayable on demand.

9. Interests in associates (Continued)

Particulars of the associates as at 30 September 2014 are as follows:

Name of associates	Particulars of issued and fully paid capital	Country of incorporation	Proportion of ownership interest		Principal activities
			Group's effective interest	Held by a subsidiary	
One Dollar Movies Productions Limited	10 ordinary shares of HK\$1 each	Hong Kong	40%	40%	Movies production
One Dollar Distribution Limited	10,000 ordinary shares of HK\$1 each	Hong Kong	40%	40%	Movies distribution
Perfect Talent Limited	1 ordinary share of HK\$1 each	Hong Kong	40%	40%	Movies production
Smart Investment Development Limited	10,000 ordinary shares of HK\$1 each	Hong Kong	45%	45%	Operation of a dispensary

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

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Loans to associates:		
Balance at the beginning of the period/year	13,100	12,600
Additions	1,327	500
	14,427	13,100

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

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Balance at the beginning of the period/year	12,600	12,600
Additions	1,000	-
	13,600	12,600

9. Interests in associates (Continued)

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

	For the six months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Total revenue	<u>8,348</u>	<u>486</u>
Total (loss)/profit for the period	<u>(1,947)</u>	<u>276</u>
The Group's share of (loss)/profit of associates	<u>(912)</u>	<u>89</u>

10. Available-for-sale investments

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Listed shares, at fair value (Note a)	8,396	12,773
Real Estate funds, at fair value (Note b)	<u>1,137</u>	<u>1,155</u>
	<u>9,533</u>	<u>13,928</u>

Note a: The amount represents 3.38% 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 funds represent the Group's investment in China Real Estate Development II Fund, which invested 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 net asset values at the end of the reporting period.

11. Loans and advances

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Loans and advances to customers		
Term loans	254,273	219,623
Less: impairment allowances	<u>(14,456)</u>	<u>(11,656)</u>
Loans and advances to customers – net	<u>239,817</u>	<u>207,967</u>

Ageing analysis of loans and advances to customers:

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Within one year	173,966	141,703
Over one year but within five years	28,023	31,167
Over five years	<u>37,828</u>	<u>35,097</u>
	<u>239,817</u>	<u>207,967</u>

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

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Balance at the beginning of the period/year	11,656	4,687
Provision for impairment on loans	2,800	10,233
Reversal of impairment recognised in prior year	-	(574)
Amount written off during the period/year	<u>-</u>	<u>(2,690)</u>
Balance at the end of the period/year	<u>14,456</u>	<u>11,656</u>
Recovery of loan and advances to customers directly written off in previous years	<u>-</u>	<u>(340)</u>

12. Trade receivables

The aging analysis of trade receivables is as follows:

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Neither past due nor impaired	<u>62</u>	<u>107</u>
	<u>62</u>	<u>107</u>

13. Amount due from a related party

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

Name	Highest balance outstanding during the period	As at 30 September 2014 (Unaudited)	As at 31 March 2014 (Audited)
	HK\$'000	HK\$'000	HK\$'000
One Dollar Productions Limited	-	-	262
	<u>-</u>	<u>-</u>	<u>262</u>

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

14. Assets classified as held for sale

	As at 30 September 2014 (Unaudited)	As at 31 March 2014 (Audited)
	HK\$'000	HK\$'000
Balance at the beginning of the period/year	-	-
Transfer from investment properties	<u>5,800</u>	<u>-</u>
Balance at the end of the period/year	<u>5,800</u>	<u>-</u>

On 4 September 2014, the Group entered a provisional agreement with an independent third party regarding the disposal of an investment property at a consideration of HK\$6,000,000. The disposal will be completed on or before 17 November 2014.

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 30 September 2014.

15. Share capital

	As at 30 September 2014 (Unaudited)		As at 31 March 2014 (Audited)	
	No. of shares	HK\$'000	No. of shares	HK\$'000
Authorized:				
Ordinary shares of HK\$0.01 each	<u>30,000,000,000</u>	<u>300,000</u>	<u>30,000,000,000</u>	<u>300,000</u>
Issued and fully paid:				
Ordinary shares of HK\$0.01 each	<u>629,198,155</u>	<u>6,292</u>	<u>629,198,155</u>	<u>6,292</u>

16. 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 six months ended 30 September 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 six months ended 30 September 2014, no employee compensation expense has been include in the consolidated statement of comprehensive income (six months ended 30 September 2013: Nil).

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

17. Commitments

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

As at 30 September 2014, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Within one year	5,562	5,164
In the second to fifth years, inclusive	1,290	3,598
	6,852	8,762

17. Commitments (Continued)

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

As at 30 September 2014, the Group's total future minimum lease receipts under non-cancellable operating leases are receivable as follows:

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Within one year	–	691
In the second to fifth years, inclusive	–	88
	<u>–</u>	<u>779</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 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Within one year	<u>3</u>	<u>3</u>

18. Related party 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	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Rental income	<u>9</u>	<u>9</u>	<u>18</u>	<u>18</u>

For the six months ended 30 September 2014, 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.

19. Contingent liabilities

As at 30 September 2014, the Company did not provide any corporate guarantees to third parties. 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.

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.

20. Events after the reporting period

On 10 October 2014, the Company announced to raise approximately HK\$125.80 million, before expenses, by issuing 1,572,995,385 rights shares to the qualifying shareholders by way of Rights Issue at the subscription price of HK\$0.08 per rights share on the basis of five (5) rights shares for every two (2) existing shares held on the record date. Details of the Rights Issue were set out in the Company's announcement dated 10 October 2014.

On 4 September 2014, the Group entered a provisional agreement with an independent third party regarding the disposal of an investment property at a consideration of HK\$6,000,000. The disposal will be completed on or before 17 November 2014.

21. 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 six months ended 30 September 2014 was approximately HK\$29 million, representing an increase of approximately 81.6% when compared with the same period in last year. Profit attributable to owners of the Company for the six months ended 30 September 2014 was approximately HK\$16.4 million and the corresponding period in 2013 was loss of HK\$4.5 million.

Property Investment

The rental income was generated from the properties of the Group. The turnover of this business segment for the six months ended 30 September 2014 was approximately HK\$0.24 million and the corresponding period in 2013 was HK\$0.37 million.

Disposal of a residential property

On 4 September 2014, an indirect wholly-owned subsidiary of the Company, entered a provisional sale and purchase agreement with an independent third party regarding the disposal of the property in Hong Kong at a cash consideration of HK\$6 million. The transaction will be completed on or before 17 November 2014.

Securities and bonds Investment

As at 30 September 2014, an amount of approximately HK\$2.1 million has been recorded as gain on disposal of financial assets at fair value through profit or loss.

Up to 30 September 2014, the strategic holding of 171,339,861 ordinary shares were owned by the Company, being 3.38% interests in China 3D.

Money Lending

After actively participating in money lending business for more than three years, a solid client base has been built. For the six months ended 30 September 2014, turnover for this segment under review was approximately HK\$26.4 million, representing 92.5% increased when compared with the corresponding period in 2013. A satisfactory profit was also brought from this segment. By the end of September and October 2014, the Group had built up a lending portfolio of HK\$240 million and HK\$254 million respectively 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 six months ended 30 September 2014 under review was approximately HK\$2.5 million, being 27% increased from 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 was proved to bring to the Group satisfactory turnover and profit, the Group will continue to actively develop this business. If it continues to grow steadily, the Group may pay a 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.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally financed its operations with internally generated cash flows. As at 30 September 2014, the Group had cash and cash equivalents of approximately HK\$21.9 million (31 March 2014: HK\$11.6 million).

As at 30 September 2014, the Group had borrowings of HK\$23.5 million (31 March 2014: HK\$7 million) which were used to finance the money lending business, marketable securities and bonds investment.

As at 30 September 2014, the Group's gearing ratio, expressed as a percentage of total borrowings, (comprising amounts due to related parties, borrowings and obligation under a finance lease) less cash and cash equivalents then divided by total equity, increased to approximately 5.2% (31 March 2014: 2.8%).

CHARGES ON GROUP'S ASSET

As at 30 September 2014, a fixed deposit of HK\$678,600 had been pledged to a bank as a security for a banking guarantee issued for a 3-year tenancy agreement jointly entered between Wit Way Enterprise Limited, as the 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, both as tenants, in relation to lease of an office premises at 7/F., Zung Fu Industrial Building, 1067 King's Road, Quarry Bay, Hong Kong.

TREASURY POLICIES

Cash and bank deposits of the Group are mainly in HK dollars (“HK\$”), Renminbi (“RMB”) and US dollar (“USD”).

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 2014, the Group had around 50 (30 September 2013: 60) 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 2014 (six months ended 30 September 2013: 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 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 30 September 2014
Mr. Shiu Yeuk Yuen (note 1)	10,136,200	16 (note 2)	218,634,125 (note 3)	228,770,341	36.36%
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 30 September 2014, the Directors were not aware of any other person who had an interests or short position in the shares or underlying shares or debentures of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

Name	No. of Shares	Approximate percentage to the issued share capital of the Company as at 30 September 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 directly wholly-owned subsidiary of China 3D Digital Entertainment Limited.

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

For the six months ended 30 September 2014, 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 18 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 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 Dr. Siu Yim Kwan, Sidney, Mr. Kam Tik Lun and Mr. Lau Gar Hung, Christopher.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the period of the six months ended 30 September 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.

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 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, 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, Dr. 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 six months ended 30 September 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 the Company and Mark Glory, an indirect wholly-owned subsidiary of China 3D, both as tenants, in relation to the lease of a premises. The terms 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 20.07(1) and 20.24 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 20.74(2) 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 20.54 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 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 30 September 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, 14 November 2014