

**2013/14**

*First Quarterly Report*



**Unlimited Creativity Holdings Limited**

Continued in Bermuda with limited liability  
Stock Code : 8079

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “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 report misleading.*

## **HIGHLIGHTS**

- Turnover of the Group for the three months ended 30 June 2013 amounted to approximately HK\$6.6 million, representing a decrease of approximately 31.7 per cent as compared with the same period last year as a result of disposal of beauty and clinical service in 2012.
- Loss attributable to owners of the Company for the three months ended 30 June 2013 amounted to approximately HK\$6.5 million (2012: HK\$53.7 million).
- The Board does not recommend the payment of a dividend for the three months ended 30 June 2013.

## FIRST QUARTERLY RESULTS

The board of directors (the “Board”) of Unlimited Creativity Holdings Limited (the “Company”) would like to report the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months ended 30 June 2013, together with the comparative figures for the corresponding period in 2012 as follows:

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

For the three months ended 30 June 2013

		Three months ended 30 June	
	Notes	2013 HK\$'000	2012 HK\$'000
<b>Revenue</b>	2	6,595	9,657
Cost of sales		<u>(343)</u>	<u>(1,439)</u>
<b>Gross profit</b>		6,252	8,218
Investment and other income	3	151	188
Other gains and losses, net		3,427	(57,851)
Servicing, selling and distribution costs		(1,122)	(2,630)
Administrative expenses		(5,029)	(6,471)
Cumulative (losses)/gains reclassified from equity to profit or loss upon disposal of available-for-sale financial assets		(10,099)	(153)
Other operating expenses		<u>(34)</u>	<u>(2,547)</u>
<b>Operating profit/(loss)</b>		(6,454)	(61,246)
Finance costs		(101)	(108)
Share of result of associates		31	1,000
<b>Profit/(loss) before income tax</b>		(6,524)	(60,354)
Income tax credit	4	-	6,609
<b>Profit/(loss) for the period</b>		<u>(6,524)</u>	<u>(53,745)</u>
<b>Other comprehensive income:</b>			
Change in fair value of available- for-sale financial assets		6,677	(159)
Release of investment revaluation reserve upon disposal of available- for-sale financial assets		10,099	153
<b>Other comprehensive profit/(loss) for the period, net of tax</b>		<u>16,776</u>	<u>(6)</u>
<b>Total comprehensive profit/(loss) for the period</b>		<u><u>10,252</u></u>	<u><u>(53,751)</u></u>

	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2013</b>	2012
<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Profit/(loss) attributable to:</b>		
Owners of the Company	<b>(6,491)</b>	(53,596)
Non-controlling interests	<b>(33)</b>	(149)
	<u><b>(6,524)</b></u>	<u>(53,745)</u>
<b>Total comprehensive profit/(loss) attributable to:</b>		
Owners of the Company	<b>10,285</b>	(53,602)
Non-controlling interests	<b>(33)</b>	(149)
	<u><b>10,252</b></u>	<u>(53,751)</u>
<b>Earnings/(loss) per share</b>		
Basic and Diluted	6 <u><b>HK(6.19) cents</b></u>	<u>HK(7.67) cents</u>

Notes:

## 1. Basis of preparation

The group's unaudited quarterly financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules. The amount included in the unaudited consolidated results are computed based on all Hong Kong Financial Reporting Standards("HKFRSs"), Hong Kong Accounting Standards and Interpretation issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The accounting policies adopted in preparing the unaudited consolidated financial statement for the three months ended 30 June 2013 are consistent with those followed in the annual report of the Company for the year ended 31 March 2013, 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 statement.

The condensed consolidated accounts have not been audited by Company's auditors but have been reviewed by the Company's audit committee.

The Group has not early adopted the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle <sup>1</sup>
HKFRS 1 (Amendments)	Government Loans <sup>1</sup>
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities <sup>1</sup>
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures <sup>3</sup>
HKFRS 9	Financial Instruments <sup>3</sup>
HKFRS 10	Consolidated Financial Statements <sup>1</sup>
HKFRS 11	Joint Arrangements <sup>1</sup>
HKFRS 12	Disclosure of Interests in Other Entities <sup>1</sup>
HKFRS 13	Fair Value Measurement <sup>1</sup>
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance <sup>1</sup>
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities <sup>2</sup>
HKAS 19 (as revised in 2011)	Employee Benefits <sup>1</sup>
HKAS 27 (as revised in 2011)	Separate Financial Statements <sup>1</sup>
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures <sup>1</sup>
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities <sup>2</sup>
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets <sup>2</sup>
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine <sup>1</sup>
HK(IFRIC) – Int 21	Levies <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2013.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2014.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2015.

## **1. Basis of preparation (Continued)**

### *HKAS 1 (Amendments) "Presentation of Items of Other Comprehensive Income"*

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments have been applied retrospectively and have the presentation of items of other comprehensive income has been modified to reflect the changes.

The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its result of operations and financial position.

## **2. Revenue**

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.

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

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

## 2. Revenue (Continued)

### (a) Turnover by reportable segment

	<b>(Unaudited)</b>	
	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2013</b>	<b>2012</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>		
Beauty services and sale of beauty products	-	741
Clinical services	-	3,331
Money lending	5,920	5,460
Rental income from investment properties	185	125
Sales Of grocery products	490	-
	<u>6,595</u>	<u>9,657</u>

### (b) Turnover by geographical segment

	<b>(Unaudited)</b>	
	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2013</b>	<b>2012</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong	6,595	8,381
Macau	-	1,276
	<u>6,595</u>	<u>9,657</u>

## 3. Investment and other income

	<b>(Unaudited)</b>	
	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2013</b>	<b>2012</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Dividend income from financial assets at fair value through profit or loss	50	40
Income from available-for-sale financial assets	3	132
Interest income from banks	1	1
Consignment income	9	15
Other	88	-
	<u>151</u>	<u>188</u>



#### 4. Income tax credit

	(Unaudited)	
	Three months ended	
	30 June	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax		
Hong Kong		
– Charge for the year	–	–
– Under provision in prior year	–	–
	<u>–</u>	<u>–</u>
Deferred tax:		
– Current year	–	6,609
– Under provision in prior year	–	–
	<u>–</u>	<u>6,609</u>
Income tax credit	<u>–</u>	<u>6,609</u>

#### 5. Dividend

The Board does not recommend payment of a dividend for the three months ended 30 June 2013 (2012: 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:

	Three months ended	
	30 June	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings/(loss) for the period attributable to owners of the Company	<u>(6,491)</u>	<u>(53,596)</u>
<b>Number of ordinary shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>104,880</u>	<u>699,197</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 30 June 2013 and 2012 have been adjusted.

Diluted earnings/(loss) per share for the period ended 30 June 2013 and 2012 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. Comparative figures

Certain comparative figures have been re-classified to conform with the presentation of current period.

## 8. Condensed consolidated statement of changes in equity (unaudited)

For the three months ended 30 June 2013

	Equity attributable to owners of the parent											
	Capital				Investment			Share		Total	Non-controlling interests	Total equity
	Share capital	Share premium	redemption reserve	Accumulated losses	Capital reserve	revaluation reserve	Revaluation reserve	option reserve	Contributed surplus			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Balance at 1 April 2012</b>	6,991	212,968	278	(180,474)	28,280	(148)	14,040	732	181,291	265,958	1,304	265,262
<b>Comprehensive income</b>												
Loss for the period	-	-	-	(53,596)	-	-	-	-	-	(53,596)	(149)	(53,745)
<b>Other comprehensive income</b>												
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	(159)	-	-	-	(159)	-	(159)
Release of investment revaluation reserve upon disposal of available-for-sale financial assets	-	-	-	-	-	153	-	-	-	153	-	153
<b>Total comprehensive loss</b>	-	-	-	(53,596)	-	(6)	-	-	-	(53,602)	(149)	(53,751)
<b>Transactions with owners</b>												
Acquisition/disposal of part of interest from/to non-controlling interests	-	-	-	498	-	-	-	-	-	498	(498)	-
<b>Transactions with owners</b>	-	-	-	498	-	-	-	-	-	498	(498)	-
<b>Balance at 30 June 2012</b>	<u>6,991</u>	<u>212,968</u>	<u>278</u>	<u>(233,572)</u>	<u>28,280</u>	<u>(154)</u>	<u>14,040</u>	<u>732</u>	<u>181,291</u>	<u>210,854</u>	<u>657</u>	<u>211,511</u>
<b>Balance at 1 April 2013</b>	20,975	198,800	278	(193,397)	28,546	(14,396)	-	732	181,291	222,829	981	223,810
<b>Comprehensive income</b>												
Loss for the period	-	-	-	(6,491)	-	-	-	-	-	(6,491)	(33)	(6,524)
<b>Other comprehensive income</b>												
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	6,677	-	-	-	6,677	-	6,677
Release of investment revaluation reserve upon disposal of available-for-sale financial assets	-	-	-	-	-	10,099	-	-	-	10,099	-	10,099
<b>Total comprehensive loss</b>	-	-	-	(6,491)	-	16,776	-	-	-	10,285	(33)	10,252
<b>Share consolidation</b>	(19,927)	19,927	-	-	-	-	-	-	-	-	-	-
<b>Transaction cost for share consolidation</b>	-	(250)	-	-	-	-	-	-	-	(250)	-	(250)
<b>Balance at 30 June 2013</b>	<u>1,048</u>	<u>218,477</u>	<u>278</u>	<u>(199,888)</u>	<u>28,546</u>	<u>2,380</u>	<u>-</u>	<u>732</u>	<u>181,291</u>	<u>232,864</u>	<u>948</u>	<u>233,812</u>

## **EVENT AFTER THE REPORTING PERIOD – PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 7 August 2013, 20,960,000 new Shares were issued to not less than six independent Placees at the price of HK\$0.225 per Placing Share in accordance with the terms of the Placing Agreement under General Mandate. The net proceeds from the Placing amounting to approximately HK\$4.49 million.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business Review**

Turnover for the three months ended 30 June 2013 (“three Month Period”) was approximately HK\$6.6 million, representing a decrease of approximately 32% when compared with the same period last year as a result of disposal of beauty and clinical service in 2012. Loss attributable to owners of the Company for the Three Month Period was approximately HK\$6.5 million whilst for the same period last year, the loss attributable to owners of the Company was approximately HK\$53.7 million.

### **Property Investment**

The rental income generated from investment properties acquired in previous years continued providing steady income to the Group. The turnover of this business segment for the Three-month Period was approximately HK\$185,000, being 48% increase from 2012.

### **Securities and bonds Investment**

For the Three-month Period, an amount of approximately HK\$3.4 million has recorded as fair value gain on financial assets at fair value through profit or loss. Up to 30 July 2013, the strategic holding of 138,967,932 ordinary shares have been owned by the company, being 14.9% interest in China 3D Digital Entertainment Limited.

### **Money Lending**

After actively participating in money lending business for more than two years, a solid client base has been built. During the Three-month Period, turnover for this segment was approximately HK\$5.92 million, representing 8.4% increased when compared with the corresponding period in 2012. A satisfactory profit was also brought from this segment.

### **Retails Services**

We have been developing our retails services business since June 2012. Turnover for this segment for the period under review was approximately HK\$490,000. We will continue to monitor the operation and develop new market in order to increase the turnover and the relevant market share in the industry.

## **Outlook**

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

At the same time, the Group has also been seeking new investment opportunities to broaden the business scope of the Group in order to maximize the return to Shareholders. As mentioned in the annual report of the Company for the year ended 31 March 2013, the Group was forming retail stores in Kwai Chung and Taikoo as well as on-line shopping services in Hong Kong by selling daily necessities to the public. The retail stores were opened in June 2012 and January 2013 respectively.

## **Disposals of an industrial property**

On 4 February 2013, an indirect wholly-owned subsidiary of the Company, entered into a provisional sale & purchase agreement with an independent third party to the Company regarding the disposal of the property in Hong Kong at a cash consideration of HK\$4.1 million. The assignment had been completed on 10 June 2013.

## **Capital reorganization**

By a special resolution dated 17 June 2013, the Company implemented the capital reorganization which involved the share consolidation, capital reduction and capital increase. The share consolidation involved the consolidation of every twenty (20) existing shares of HK\$0.01 each in the issued and unissued share capital of the Company into one (1) consolidated share of HK\$0.20 ("Consolidated Share") in the issued and unissued share capital of the Company. The capital reduction involved the reduction of the issued share capital through a cancellation of the paid-up capital of the Company to the extent of HK\$0.19 on each of the issued Consolidated Shares so that the nominal value of each issued Consolidated Share is reduced from HK\$0.20 to HK\$0.01 and round down of the total number of Consolidated Shares in the issued share capital of the Company to a whole number. Moreover, the authorised share capital of the Company had been increased from HK\$15,000,000 divided into 1,500,000,000 Adjusted Shares to HK\$300,000,000 divided into 30,000,000,000 Adjusted Shares.

## **Dividend**

The Board does not recommend the payment of a dividend for the three months ended 30 June 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 June 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:

**Interests in Shares**

*Long positions*

Name	Personal Interests	Family Interests	Other Interests	Total	Approximate percentage to the issued share capital of the Company as at 30 June 2013
Mr. Shiu Yeuk Yuen (note 1)	7,796,200	16 (note 2)	127,140 (note 3)	7,923,356	7.55%
Mr Leung Ge On Andy (note 1)	63,000	-	-	63,000	0.06%

*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 One Dollar Productions Limited which is beneficially owned as to 25% by Mr. Shiu Stephen Junior; and 75% by Ms. Hau Lai Mei.

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

So far as known to the Directors, as at 30 June 2013 save as below, 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.

<b>Name</b>	<b>No. of Shares</b>	<b>Approximate percentage to the issued share capital of the Company as at 30 June 2013</b>
China 3D Digital Entertainment Limited (note)	11,202,000	10.68%

Note: 11,202,000 Shares refer to the aggregate of (a) 10,170,900 Shares held by China 3D Digital Entertainment Limited and (b) 1,031,100 Shares held by New Smart International Creation Limited, a directly wholly-owned subsidiary of China 3D Digital Entertainment Limited.

### **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 three months ended 30 June 2013.

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

Throughout the period of the three months ended 30 June 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 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**

Guangdong Securities Limited (“**Guangdong Securities**”), the existing compliance adviser of the Company, has informed the Company that it shall terminate the compliance adviser’s agreement dated 12 July 2012 with effect from 13 August 2013 due to the recent changes in its personnel. The Board and Guangdong Securities confirmed that, as at the date of this announcement, there are no other matters relating to the change of compliance adviser that need to be drawn to the attention of the shareholders of the Company. The Company will appoint a replacement to fill the vacancy as soon as possible within three months from 13 August 2013 pursuant to Rule 6A.27 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

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

### **AUDIT COMMITTEE**

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

The audit committee (the “Committee”) comprises three independent non-executive Directors, namely Dr. Siu Yim Kwan, Sidney, Mr. Tsui Pui Hung and Mr. Kam Tik Lun. Mr. Kam Tik Lun is the chairman of the Committee. The primary duties of the Committee are to review the Company’s annual report and accounts, half-year report, quarterly reports and monthly reports and to provide advice and comments thereon to the board of Directors. The Committee is also responsible for reviewing and monitoring the Company’s internal control procedures. The Group’s unaudited results for the three months ended 30 June 2013 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results has complied with applicable accounting standards and requirements and that adequate disclosures have been made.

## **REMUNERATION AND 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. The Remuneration Committee is responsible for reviewing and developing the remuneration policies of the directors & senior management.

### **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 quarterly ended 30 June 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.

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

None of the members of the Group purchased, sold or redeemed any of the Group’s listed securities during the period from 1 April 2013 to 30 June 2013.

## **LIST OF DIRECTORS**

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

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

Hong Kong, 14 August 2013