UNLIMITED CREATIVITY HOLDINGS LIMITED
無限創意控股有限公司

(Continued into Bermuda with limited liability)

(Stock code: 8079)

FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2011

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 announcement, for which the directors (the "Directors") of Unlimited Creativity Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

The board of Directors (the "Board") of Unlimited Creativity Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2011 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

	Notes	**Year ended 31 March 2011** *HK$'000*	Period ended 31 March 2010 *HK$'000* (As restated)
Revenue	*3*	**69,917**	179,409
Cost of sales		**(13,231)**	(42,163)
Gross profit		**56,686**	137,246
Other revenue and other (losses)/gains-net	*3*	**(15,702)**	15,190
Servicing, selling and distribution costs		**(37,456)**	(125,920)
Administrative expenses		**(43,091)**	(53,754)
Net losses on disposals of subsidiaries		**(5,623)**	–
Other operating expenses		**(12,422)**	(27,522)
Operating loss		**(57,608)**	(54,760)
Finance costs	*6*	**(383)**	(919)
Share of losses of associates		**(3,854)**	(245)
Loss before income tax	*5*	**(61,845)**	(55,924)
Income tax expense	*7*	**(5,470)**	(2,736)
Loss for the year/period		**(67,315)**	(58,660)
Other comprehensive income:			
Available-for-sale financial assets		**1,206**	749
Change in fair value of land and buildings		**6,828**	–
Other comprehensive income for the year/ period, net of tax		**8,034**	749
Total comprehensive income for the year/period		**(59,281)**	(57,911)
Loss attributable to:			
Owners of the Company		**(68,299)**	(58,193)
Non-controlling interests		**984**	(467)
		(67,315)	(58,660)
Total comprehensive income attributable to:			
Owners of the Company		**(60,265)**	(57,444)
Non-controlling interests		**984**	(467)
		(59,281)	(57,911)
Loss per share			
Basic and diluted	*9*	**HK$ (0.18)**	HK$ (0.51)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2011

	Notes	At 31 March 2011 HK$'000	At 31 March 2010 HK$'000 (As restated)	At 1 November 2008 HK$'000 (As restated)
ASSETS				
Non-current assets				
Property, plant and equipment		**67,231**	21,830	33,158
Investment properties		**5,000**	16,390	11,820
Intangible assets		**–**	–	4,528
Interests in associates		**10,282**	15,336	5,994
Held-to-maturity investments		**817**	2,669	708
Loans and advances		**11,482**	1,224	497
Prepayments, deposits and other receivables		**2,841**	6,367	6,070
Restricted bank deposits		**–**	1,300	449
Deferred tax assets		**–**	–	1,704
		97,653	65,116	64,928
Current assets				
Intangible assets		**–**	–	1,500
Inventories		**–**	1,727	2,307
Loans and advances		**25,424**	11,389	13,378
Trade receivables	*10*	**787**	7,294	21,121
Prepayments, deposits and other receivables		**4,339**	8,544	17,532
Financial assets at fair value through profit or loss		**25,104**	30,903	13,397
Held-to-maturity investments		**1,855**	180	79
Available-for-sale financial assets		**6,240**	5,034	3,025
Derivative financial instruments		**–**	16	2,746
Amounts due from related companies		**1,606**	875	2,038
Restricted bank deposits		**–**	–	3,573
Cash and cash equivalents		**35,504**	30,626	46,177
Tax recoverable		**85**	85	6
		100,944	96,673	126,879
Assets held for sale		**6,215**	–	–
		107,159	96,673	126,879

	Notes	At 31 March 2011 HK$'000	At 31 March 2010 HK$'000 (As restated)	At 1 November 2008 HK$'000 (As restated)
LIABILITIES				
Current liabilities				
Trade payables	*11*	**–**	103	190
Accruals, receipts in advance and other payables		**5,949**	13,625	18,786
Amounts due to non-controlling interests		**297**	1,077	1,077
Derivative financial instruments		**–**	4	5,671
Borrowings		**24,363**	8,759	10,409
Provision for tax		**2,054**	3,396	3,570
		32,663	26,964	39,703
Net current assets		**74,496**	69,709	87,176
Total assets less current liabilities		**172,149**	134,825	152,104
Non-current liabilities				
Borrowings		**–**	–	1,995
Derivative financial instruments		**–**	–	1,230
Deposits		**–**	251	212
Deferred tax liabilities		**6,431**	1,140	109
		6,431	1,391	3,546
Net assets		**165,718**	133,434	148,558
EQUITY				
Equity attributable to owners of the parent				
Share capital	*12*	**5,264**	23,633	8,522
Reserves		**159,240**	109,801	139,569
		164,504	133,434	148,091
Non-controlling interests		**1,214**	–	467
Total equity		**165,718**	133,434	148,558

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2011

	Equity attributable to owners of the parent												
	Share capital	Share premium*	Capital redemption reserve*	Exchange reserve*	Accumulated losses *	Capital reserves*	Investment revaluation reserves*	Revaluation reserves*	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$'000*	*HK$'000*	*HK$'000*
Balance at 1 November 2008	8,522	22,300	278	17	(47,721)	28,327	(2,179)	–	3,228	135,319	148,091	467	148,558
Comprehensive income													
Loss for the period	–	–	–	–	(58,193)	–	–	–	–	–	(58,193)	(467)	(58,660)
Other comprehensive income													
Available-for-sale financial assets	–	–	–	–	–	–	749	–	–	–	749	–	749
Total comprehensive income	–	–	–	–	(58,193)	–	749	–	–	–	(57,444)	(467)	(57,911)
Transactions with owners													
Equity-settled share option arrangement	–	–	–	–	–	–	–	–	1,415	–	1,415	–	1,415
Options forfeited	–	–	–	–	4,554	–	–	–	(4,554)	–	–	–	–
Bonus issue	18,963	(18,963)	–	–	–	–	–	–	–	–	–	–	–
Repurchase of shares	(71)	(1,204)	–	–	–	–	–	–	–	–	(1,275)	–	(1,275)
Allotment of shares	4,400	38,247	–	–	–	–	–	–	–	–	42,647	–	42,647
Capital reduction	(8,181)	–	–	–	–	–	–	–	–	8,181	–	–	–
Transactions with owners	15,111	18,080	–	–	4,554	–	–	–	(3,139)	8,181	42,787	–	42,787
Balance at 31 March 2010	23,633	40,380	278	17	(101,360)	28,327	(1,430)	–	89	143,500	133,434	–	133,434

	Equity attributable to owners of the parent												
	Share capital	Share premium*	Capital redemption reserve*	Exchange reserve*	Accumulated losses *	Capital reserves*	Investment revaluation reserves*	Revaluation reserves*	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$'000*	*HK$'000*	*HK$'000*
Balance at 1 April 2010	23,633	40,380	278	17	(101,360)	28,327	(1,430)	–	89	143,500	133,434	–	133,434
Comprehensive income													
Loss for the year	–	–	–	–	(68,299)	–	–	–	–	–	(68,299)	984	(67,315)
Other comprehensive income													
Available-for-sale financial assets	–	–	–	–	–	–	1,206	–	–	–	1,206	–	1,206
Change in fair value of land and buildings	–	–	–	–	–	–	–	6,828	–	–	6,828	–	6,828
Total comprehensive income	–	–	–	–	(68,299)	–	1,206	6,828	–	–	(60,265)	984	(59,281)
Transactions with owners													
Equity-settled share option arrangement	–	–	–	–	–	–	–	–	2,761	–	2,761	–	2,761
Shares issued on exercise of share option	141	3,452	–	–	–	–	–	–	(1,541)	–	2,052	–	2,052
Options expired	–	–	–	–	125	–	–	–	(125)	–	–	–	–
Allotment of shares	13,560	72,780	–	–	–	–	–	–	–	–	86,340	–	86,340
Capital reduction	(32,070)	–	–	–	–	–	–	–	–	32,070	–	–	–
Disposal of equity interest of non-controlling interests	–	–	–	–	–	199	–	–	–	–	199	(199)	–
Released upon disposals of subsidiaries	–	–	–	(17)	–	–	–	–	–	–	(17)	429	412
Transactions with owners	(18,369)	76,232	–	(17)	125	199	–	–	1,095	32,070	91,335	230	91,565
Balance at 31 March 2011	5,264	116,612	278	–	(169,534)	28,526	(224)	6,828	1,184	175,570	164,504	1,214	165,718

* These reserve accounts comprise the consolidated reserves of approximately HK$159,240,000 (for the period ended 31 March 2010: HK$109,801,000) in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

1. GENERAL INFORMATION

Unlimited Creativity Holdings Limited (formerly known as B.A.L. Holdings Limited) (the "Company") was an exempted company continued into Bermuda with limited liability. The address of its registered office is situated at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

The principal places of business of the Company and its subsidiaries (the "Group") are in Hong Kong, Macau and the Peoples' Republic of China (the "PRC"). The Company's shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activities of the Group include the provision of beauty services and clinical services, sales of beauty products, properties and securities investment, investment holding and money lending.

Pursuant to a special resolution passed by the Company's shareholders on 8 November 2010, the name of the Company has been changed from "B.A.L. Holdings Limited" to "Unlimited Creativity Holdings Limited" and has registered "無限創意控股有限公司" as its secondary name.

The Company announced on 16 October 2009 that the financial year end date of the Company was changed from 31 October to 31 March commencing from the financial year 2009. Accordingly, the financial statements for the current year cover the twelve-month period from 1 April 2010 to 31 March 2011. The corresponding amounts shown for the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes cover the seventeen-month period from 1 November 2008 to 31 March 2010 and therefore may not be comparable with the amounts shown for the current year.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK$'000), unless otherwise stated. These consolidated financial statements were approved and authorised for issue by the Board of Directors on 17 June 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

2.1.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2010.

HKFRS 1 (Amendment)	Additional exemption for first-time adopters
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (as revised in 2008)	Business Combinations
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Classification of Rights Issues
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRS (Amendments)	Improvements to HKFRS 2009
HKFRS (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRS 2008
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HK-Int 5	Presentation of financial statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of the above new or revised standards and amendments and interpretation to standards did not have significant effect on the consolidated financial statements or result in any significant changes in the Group's significant accounting policies except as described below:

Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ("HK-Int 5") clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ("repayment on demand clause") should be classified by the borrower as current liabilities. The Group has applied HK-Int 5 for the first time in the current year. HK-Int 5 requires retrospective application.

In order to comply with the requirements set out in HK-Int 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK-Int 5, term loans with a repayment on demand clause are classified as current liabilities.

As a result, bank loans that contain a repayment on demand clause with non-current portion amounting to nil, HK$8,246,000 and HK$8,978,000 have been reclassified from non-current liabilities to current liabilities at 31 March 2011, 31 March 2010 and 1 November 2008 respectively. The application of HK-Int 5 has had no impact on the reported profit or loss for the current year and prior periods.

Effect of application of HK-Int 5 on the consolidated statement of financial position

	At 31 March 2011 *HK$'000*	At 31 March 2010 *HK$'000*	At 1 November 2008 *HK$'000*
Increase/(decrease) in			
Current liabilities			
Bank borrowings	–	8,246	8,978
Non-current liabilities			
Bank borrowings	–	(8,246)	(8,978)

(b) New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 April 2010 and have not been early adopted

HKFRS (Amendments)	Improvements to HKFRS 2010[1]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[2]
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[3]
HKFRS 7 (Amendment)	Disclosures-Transfers of Financial Assets[3]
HKFRS 9	Financial Instruments[4]
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets[6]
HKAS 24 (as revised in 2009)	Related Party Disclosures[5]
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[5]
HK(IFRIC)-INT 19	Extinguishing Financial Liabilities with Equity the Instruments[2]

1 Amendments that all effective for accounting periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate

2 Effective for accounting periods beginning on or after 1 July 2010

3 Effective for accounting periods beginning on or after 1 July 2011

4 Effective for accounting periods beginning on or after 1 January 2013

5 Effective for accounting periods beginning on or after 1 January 2011

6 Effective for the year ending 31 December 2012

The adoption of HKAS 12 (Amendment) where the Group is expected to derecognize the deferred tax liabilities arising from investment property measured at fair value and there will also be certain changes in presentation and disclosures in the consolidated financial statements.

HKFRS 9 "Financial instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9: Financial instruments" (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognized financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at either amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for accounting periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ending 31 March 2014 and that the application of this new standard may mainly affect the classification and measurement of the Group's available for sale investments but may not affect the classification and measurement of the Group's other financial assets and liabilities based on an analysis of its consolidated financial statements on 31 March 2011.

The directors of the Company anticipate that the application of the other new and revised standards, amendments and interpretations will have no material impact on the consolidated financial statements.

3. REVENUE, OTHER REVENUE AND OTHER (LOSSES)/GAINS-NET

Revenue, which is also the Group's turnover, represents total invoiced value of beauty products, net of discounts and sales returns, the appropriate proportion of contract revenue generated from the provision of beauty and clinical services, the appropriate proportion of rental income based on the terms of the lease of investment properties and time-proportionate interest income from rendering money lending services.

	Year ended 31 March 2011 *HK$'000*	Period ended 31 March 2010 *HK$'000* (As restated)
Revenue		
Beauty services and sale of beauty products	**23,161**	97,667
Clinical services	**39,207**	79,153
Rental income from investment properties	**601**	772
Money lending	**6,948**	1,817
	69,917	179,409
Other revenue and other (losses)/gains-net		
Dividend income from listed investments	**541**	948
Fair value (losses)/gains on financial assets at fair value through profit or loss	**(21,382)**	8,499
Fair value gains on investment properties	**2,544**	2,607
Franchise fee income	**256**	839
Interest income	**237**	504
Rental income from sublet of office premises	**994**	1,604
Others	**1,108**	189
	(15,702)	15,190

4. SEGMENT INFORMATION

The chief operating decision makers have been identified as the executive directors of the Company (the "Executive Directors"). The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management determined the operating segments based on these reports.

Management assesses the performance based on the nature of the Group's businesses which are principally located in Hong Kong, the PRC and Macau, and comprises (i) provision of beauty services and sale of beauty products; (ii) provision of clinical services; (iii) property investment; (iv) securities investment; and (v) money lending.

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 March 2011 is as follows:

	Beauty services and sale of beauty products *HK$'000*	Clinical services *HK$'000*	Property investment *HK$'000*	Securities investment *HK$'000*	Money lending *HK$'000*	Total *HK$'000*
Segment revenue:						
Revenue from external customers	**23,161**	**39,207**	**601**	**–**	**6,948**	**69,917**
Other revenue and other (losses)/gains-net	**–**	**–**	**2,544**	**(20,841)**	**–**	**(18,297)**
	23,161	**39,207**	**3,145**	**(20,841)**	**6,948**	**51,620**
Segment results	**(15,183)**	**1,055**	**9,326**	**(29,665)**	**1,773**	**(32,694)**
Unallocated income						**2,595**
Unallocated expenses						**(21,886)**
Net losses on disposals of subsidiaries						**(5,623)**
Operating loss						**(57,608)**
Finance costs						**(383)**
Share of losses of associates						**(3,854)**
Loss before income tax						**(61,845)**
Income tax expense						**(5,470)**
Loss for the year						**(67,315)**

For the year ended 31 March 2011

	Beauty services and sale of beauty products *HK$'000*	Clinical services *HK$'000*	Property investment *HK$'000*	Securities investment *HK$'000*	Money lending *HK$'000*	Total *HK$'000*
Segment assets	**1,256**	**5,275**	**71,280**	**18,051**	**36,906**	**132,768**
Associates						**10,282**
Unallocated assets						**61,762**
Total assets						**204,812**
Segment liabilities	**1,377**	**1,359**	**25,101**	**210**	**743**	**28,790**
Unallocated liabilities						**10,304**
Total liabilities						**39,094**
Capital expenditure	**1,171**	**255**	**53,260**	**–**	**–**	**54,686**
Unallocated portion						**3,435**
Total capital expenditure						**58,121**
Depreciation and amortization	**2,895**	**2,310**	**–**	**–**	**–**	**5,205**
Unallocated portion						**764**
Total depreciation and amortization						**5,969**
Other non-cash expenses other than depreciation and amortization	**4,277**	**–**	**–**	**–**	**2,134**	**6,411**
Unallocated portion						**4,436**
Total other non-cash expenses other than depreciation and amortization						**10,847**

The segment information for the period ended 31 March 2010 is as follows:

	Beauty services and sale of beauty products *HK$'000*	Clinical services *HK$'000*	Property investment *HK$'000*	Securities investment *HK$'000*	Money lending *HK$'000* (As restated)	Total *HK$'000* (As restated)
Segment revenue:						
Revenue from external customers	97,667	79,153	772	–	1,817	179,409
Other revenue and other (losses)/gains-net	–	–	2,607	9,457	–	12,064
	97,667	79,153	3,379	9,457	1,817	191,473
Segment results	(38,408)	6,390	2,297	8,660	(131)	(21,192)
Unallocated income						3,126
Unallocated expenses						(36,694)
Operating loss						(54,760)
Finance costs						(919)
Share of losses of associates						(245)
Loss before income tax						(55,924)
Income tax expense						(2,736)
Loss for the period						(58,660)

For the period ended 31 March 2010

	Beauty services and sale of beauty products *HK$'000*	Clinical services *HK$'000*	Property investment *HK$'000*	Securities investment *HK$'000*	Money lending *HK$'000* (As restated)	Total *HK$'000* (As restated)
Segment assets	23,377	14,439	16,402	38,803	12,613	105,634
Associates						15,336
Unallocated assets						40,819
Total assets						161,789
Segment liabilities	6,881	4,548	135	4	25	11,593
Unallocated liabilities						16,762
Total assets						28,355
Capital expenditure	4,205	622	1,963	–	–	6,790
Unallocated portion						530
Total capital expenditure						7,320
Depreciation and amortization	9,867	6,738	–	–	–	16,605
Unallocated portion						615
Total depreciation and amortization						17,220
Impairment of goodwill	4,528	–	–	–	–	4,528
Other non-cash expenses other than depreciation and amortization	9,062	2,110	–	3,079	–	14,251
Unallocated portion						12,319
Total other non-cash expenses other than depreciation and amortization						26,570

During the period ended 31 March 2010, money lending did not qualify as a reportable operating segment. However, with the business development and expansion during the year ended 31 March 2011, money lending qualifies as a reportable operating segment and, therefore, the comparatives are consistent in this regard.

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the year ended 31 March 2011 (for the period ended 31 March 2010: nil).

The accounting policies of the reporting segments are the same as the Group's accounting policies. Segment loss represents the loss generated by each segment without allocation of central administration costs, share-based payments and income tax. This is the measure reported to the Executive Directors for the purposes of resources allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets other than unallocated corporate assets are allocated to reportable segments. Goodwill is allocated to reportable segments; and

- all liabilities other than unallocated corporate liabilities and current tax liabilities are allocated to reportable segments.

Geographical information

The Group's operations are located in three main geographical areas. The following table provides an analysis of the Group's revenue by geographical market based on the geographical location of customers, irrespective of the origin of the goods and services.

Revenue from external customers by geographical markets:

	Year ended 31 March 2011	Period ended 31 March 2010
	HK$'000	*HK$'000*
Hong Kong	**47,797**	132,322
Macau	**15,968**	21,286
PRC	**6,152**	25,801
	69,917	179,409

The Group's information about its segment assets and capital expenditures by geographical locations are detailed below:

	At 31 March 2011		At 31 March 2010	
	Segment assets	**Capital expenditures**	Segment assets	Capital expenditures
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Hong Kong	**202,806**	**57,001**	142,089	5,850
Macau	**2,006**	**248**	6,440	336
PRC	**–**	**872**	13,260	1,134
	204,812	**58,121**	161,789	7,320

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	Year ended 31 March 2011	Period ended 31 March 2010
	HK$'000	*HK$'000*
Auditors' remuneration	**415**	460
Amortization of intangible assets	**–**	1,500
Cost of inventories recognized as expense	**653**	5,600
Depreciation	**5,969**	15,720
Net exchange losses	**159**	120
Fair value losses on derivative financial instruments	**–**	797
Net losses on disposals of subsidiaries	**5,623**	–
Losses on disposals of property, plant and equipment	**4,269**	844
Minimum lease payments under operating leases in respect of land and buildings	**9,109**	23,021
Impairment of goodwill	**–**	4,528
Provision for impairment of other receivables	**–**	10,205
Provision for impairment of amount due from a related company	**–**	699
Provision for impairment of trade receivables	**1,842**	10,328
Provision for impairment of loans and advances	**2,134**	–
Provision for impairment of amounts due from associates	**4,000**	–
Reversal of impairment of amount due from a related company	**(699)**	–
Rental income net of outgoings in respect of investment properties	**(104)**	(351)
Employee benefit expense (including directors' remuneration)		
Basic salaries and allowances	**36,708**	72,387
Equity-settled share option expense	**2,761**	1,415
Equity-settled transactions with cash alternative	**–**	2,820
Retirement benefit scheme contributions	**812**	2,646
Total employee benefit expense	**40,281**	79,268

6. FINANCE COSTS

	Year ended 31 March 2011 *HK$'000*	Period ended 31 March 2010 *HK$'000*
Interest expense on:		
– bank borrowings not wholly repayable within five years	**178**	318
– bank overdrafts	**–**	5
– other loans wholly repayable within five years	**205**	539
– finance lease liabilities	**–**	57
	383	919

7. INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at the rate of 16.5% (for the period ended 31 March 2010: 16.5%) on the estimated assessable profit for the year/period. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group incurred a tax loss for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year/period at the rates of taxation prevailing in the countries in which the Group operates.

	Year ended 31 March 2011 *HK$'000*	Period ended 31 March 2010 *HK$'000*
Current tax:		
– Current tax on profits for the year/period	**–**	–
– Adjustments in respect of prior years	**–**	1
Total current tax	**–**	1
Deferred tax:		
– Current year/period	**5,470**	1,031
– Underprovision in respect of prior year/period	**–**	1,704
Total deferred tax	**5,470**	2,735
Income tax expense	**5,470**	2,736

The tax charge for the year/period can be reconciled to loss before tax per the consolidated statement of comprehensive income as follows:

	Year ended 31 March 2011 *HK$'000*	Period ended 31 March 2010 *HK$'000*
Loss before tax	**(61,845)**	(55,924)
Tax on loss before income tax, calculated at the rates applicable to loss in the tax jurisdiction concerned *(Note)*	**(11,939)**	(10,048)
Tax effect of non-taxable revenue	**(518)**	(690)
Tax effect of non-deductible expenses	**1,020**	2,184
Tax effect of previously unrecognized tax losses	**–**	(127)
Tax effect of unused tax loss not recognized	**11,437**	8,483
Tax effect of unrecognized deferred tax items	**5,470**	1,229
Underprovision of deferred tax in prior years	**–**	1,704
Underprovision of current tax in prior years	**–**	1
Tax charge	**5,470**	2,736

Note: The applicable tax rates for the PRC, Macau and Hong Kong are 25%, 12% and 16.5% (for the period ended 31 March 2010: 25%, 12% and 16.5%) respectively.

8. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss attributable to owners of the Company is dealt with in the financial statements of the Company to the extent of approximately HK$72,324,000 (for the period ended 31 March 2010: HK$44,821,000).

9. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the Company of approximately HK$68,299,000 (for the period ended 31 March 2010: HK$58,193,000) and on the weighted average number of 386,112,760 (for the period ended 31 March 2010 (restated): 114,389,556) ordinary shares in issue during the year/period.

The computation of diluted loss per share did not assume the exercise of the Company's potential ordinary shares granted under the Company's share option scheme since their exercise would have an anti-dilutive effect.

Both the weighted average number of ordinary shares adopted in the calculation of the basic and diluted loss per share for the year ended 31 March 2011 and for the period ended 31 March 2010 have been adjusted to reflect the impact of the share consolidation affected during the year.

10. TRADE RECEIVABLES

	At 31 March 2011	At 31 March 2010	At 1 November 2008
	HK$'000	*HK$'000*	*HK$'000*
Trade receivables	**787**	10,058	34,514
Less: Provision for impairment of trade receivables	**–**	(2,764)	(13,393)
Trade receivables – net	**787**	7,294	21,121

Included in trade receivables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	At 31 March 2011	At 31 March 2010	At 1 November 2008
Renminbi ("RMB")	**–**	RMB1,481,000	RMB2,539,000
Macao Pataca ("MOP")	**MOP616,000**	MOP1,405,000	MOP2,088,000

The Group maintains credit terms of one month, one to three months and one to three months at 31 March 2011, 31 March 2010 and 1 November 2008, respectively. At the end of the reporting period, the aging analysis of the trade receivables based on the invoice dates is as follows:

	At 31 March 2011	At 31 March 2010	At 1 November 2008
	HK$'000	*HK$'000*	*HK$'000*
Within three months	**787**	4,925	14,831
Over three months but within six months	**–**	2,369	4,348
Over six months and within one year	**–**	–	1,942
Over one year	**–**	2,764	13,393
	787	10,058	34,514

The movements in the provision for impairment of trade receivables are as follows:

	At 31 March 2011	At 31 March 2010	At 1 November 2008
	HK$'000	*HK$'000*	*HK$'000*
Balance at beginning of year/period	**2,764**	13,393	798
Provision for impairment recognized during the year/period	**1,842**	10,328	12,595
Receivables written off during the year/period	**(4,606)**	(20,957)	–
Balance at end of year/period	**–**	2,764	13,393

At each of the reporting period, the Group reviews trade receivables for evidence of impairment on both an individual and collective basis. The Group has determined trade receivables of nil, HK$2,764,000, and HK$13,393,000 as individually impaired at 31 March 2011, 31 March 2010 and 1 November 2008 respectively. Based on this assessment, provision for impairment loss of approximately HK$1,842,000, HK$10,328,000, HK$12,595,000 at 31 March 2011, 31 March 2010 and 1 November 2008, respectively, has been recognized. The impaired trade receivables are due from customers experiencing financial difficulties that were in default or delinquency of payments.

The Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables whether determined on an individual or collective basis.

The aging analysis of the Group's trade receivables that were past due at the end of the reporting period but not impaired, based on due date is as follows:

	At 31 March 2011	At 31 March 2010	At 1 November 2008
	HK$'000	*HK$'000*	*HK$'000*
Neither past due nor impaired	**787**	2,625	9,282
Within three months past due	**–**	2,675	5,549
Over three months but within six months past due	**–**	1,994	4,348
Over six months but within one year past due	**–**	–	1,942
	787	7,294	21,121

Trade receivables that were past due but not impaired related to a large number of diversified customers. Based on past credit history, management believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

11. TRADE PAYABLES

The Group was granted by its suppliers credit periods ranging from one to three months. At the end of the reporting period, the aging analysis of the trade payables based on the invoice dates is as follows:

	At 31 March 2011	At 31 March 2010	At 1 November 2008
	HK$'000	*HK$'000*	*HK$'000*
Within three months	**–**	103	190

The carrying amounts of the Group's trade payables are denominated in Hong Kong dollars. Trade payables are non-interest-bearing.

12. SHARE CAPITAL

	Number of shares	*HK$'000*
Authorised:		
Ordinary shares of HK$0.05 each		
At 1 November 2008	6,000,000,000	300,000
Ordinary shares of HK$0.01 each		
Share subdivision	24,000,000,000	–
At 31 March 2010	30,000,000,000	300,000
Ordinary shares of HK$0.1 each		
Share consolidation	(27,000,000,000)	–
Ordinary shares of HK$0.01 each		
Capital reduction	–	(270,000)
Ordinary shares of HK$0.01 each		
Capital increase	27,000,000,000	270,000
At 31 March 2011	**30,000,000,000**	**300,000**
Issued and fully paid:		
Ordinary shares of HK$0.05 each		
At 1 November 2008	170,441,281	8,522
Share option exercised	19	–
Share consolidation	(136,353,040)	–
Capital reduction	–	(8,181)
Ordinary shares of HK$0.01 each		
Allotment of shares	440,000,000	4,400
Bonus issue	1,896,353,040	18,963
Repurchase of shares	(7,100,000)	(71)
At 31 March 2010	2,363,341,300	23,633
Ordinary shares of HK$0.01 each		
Share consolidation	**(3,207,007,170)**	**–**
Ordinary shares of HK$0.1 each		
Capital reduction	**–**	**(32,070)**
Ordinary shares of HK$0.01 each		
Share options exercised	**14,100,000**	**141**
Allotment of shares	**1,356,000,000**	**13,560**
At 31 March 2011	**526,434,130**	**5,264**

13. DIVIDEND

The Board does not recommend the payment of a final dividend for the year (for the period ended 31 March 2011: nil).

14. COMPARATIVE FIGURES

For comparative purposes, certain comparative figures have also been reclassified to conform with current period presentation to align with the financial statements presentation of the group.

15. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in these consolidated financial statements, subsequent to after reporting date, the Group had the following material events:

(a) The board of directors of China 3D Digital Entertainment Limited ("China 3D"), announced on 1 February 2011 that China 3D proposed to raise not less than HK$114.0 million and not more than HK$132.5 million, before expenses, by way of a rights issue of not less than 7,601,608,210 China 3D rights shares and not more than 8,828,194,312 China 3D right shares at the subscription price of HK$0.015 per China 3D rights share on the basis of seven China 3D rights shares for every China 3D share held on the record date payable in full upon application ("China 3D Right Issue").

Under the China 3D Rights Issue, the Group is entitled to accept for an aggregate of 754,012,000 China 3D rights shares under its own entitlement. Furthermore, during the acceptance period of the China 3D Rights Issue, the Group has made additional purchases of nil-paid China 3D rights shares in the market. On 13 April 2011, the Company, itself and through its subsidiary, are interested in 215,320,000 nil-paid China 3D rights shares, which entitled the Group to subscribe for 215,320,000 China 3D rights shares. On this basis, the total consideration to be paid by the Group for a total of 969,332,000 China 3D rights shares which the Group is to take up amounts to HK$14,539,980.

On 13 May 2011, 105,000,000 ordinary shares of HK$0.01 each was issued at an issue price of HK$0.105 each for a total cash consideration HK$11,025,000 through a share placing.

(b) On 13 April 2011, an indirect wholly-owned subsidiary of the Company, (as purchaser) entered into an acquisition agreement with an independent third party (as vendor) regarding the acquisition of a property in Hong Kong at a cash consideration of HK$10,564,000. The completion of acquisition will take place on or before 15 July 2011.

(c) On 3 May 2011, the Company announced that an aggregate of 105,000,000 shares of HK$0.105 each in the capital of the Company were placed to not less than six placees, at the placing price of HK$0.105 per placing share, upon completion of the placing agreement dated 13 May 2011 entered into between the Company and Kingston Securities Limited as the placing agent. The net proceeds from the aforesaid placing amounted to approximately HK$11,030,000. The net proceeds would be used as to approximately HK$10,750,000 from the placing for (i) repayment of mortgage loan of the Group, (ii) general working capital of the Group and (iii) possible investment in the future when opportunities arise.

(d) On 16 June 2011, Yvonne Credit Service Company Limited, an indirect wholly-owned subsidiary of the Company (the "Lender") entered into the loan agreements with Mr. Sze Chun Pong, Forever East Limited, Century International Investment Holdings Limited and Billion Success Capital Investment Limited (collectively referred to as the "Borrowers"), pursuant to which the Lender agreed to grant to the Borrowers the loan facilities amounted to HK$10,000,000 (the "Loan Facilities"). The amount of the Loan Facilities has been drawn down by the Borrowers upon signing of the loan agreements.

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review

Due to the disposal of some of our subsidiaries engaging in the provision of beauty services and clinical services in Hong Kong and PRC in October 2010, turnover of the Group for the year ended 31 March 2011 was decreased to approximately HK$69.9 million. Loss attributable to owners of the Company for the year was approximately HK$68.3 million.

Beauty Services and Sale of Beauty Products Operations

The Group's turnover in relation to the operation of beauty services and sale of beauty products for the year under review was approximately HK$23.2 million.

The competition of beauty services in Hong Kong is keen with thin profit margin. It's our strategy to streamline the operation in Hong Kong and focus on the beauty services in Macau and other business segments which generate more income to the Group.

Clinical Services

The disposal of our subsidiaries during the year also has negative impact on the turnover in the segment of clinical services. The turnover from this segment decreased to HK$39.2 million.

Similar to beauty services, those loss making centres have been disposed and only profitable centres providing clinical services would be kept.

Property Investment

Benefit from the upward trends of property market in Hong Kong, an increase in fair value of properties held was recorded. In addition to the fair value increase, the rental income also benefited from the booming property market and recorded a turnover of HK$0.6 million.

Securities Investment

For the year under review, the stock market was fluctuated. In particular, China 3D has announced a rights issue to raise not less than HK$114.0 million on the basis of seven Rights Shares for every one share held on 29 March 2011. This led to a substantial decrease in market price of China 3D as at 31 March 2011. As a result, loss of $29.7 million was resulted in this segment.

Money Lending

The revenue generated from this business segment increased materially to HK$6.9 million and result of this segment was HK$1.8 million. It reflects the success of developing this business and the Group will continue to put more resource into this segment to make it one of major segment of the Group.

Outlook

As those subsidiaries operating loss making beauty and clinical centers have been sold and resources have been put into businesses such as money lending business which can bring us profit, we are confident that the operating result of our Group will gradually improve.

Since the increase in price in residential properties was much higher than the rental income associated with those properties in Hong Kong, it lowered the overall rate of return in holding residential properties. As a result, the rate of return of industrial properties would be comparatively attractive.

As such, it's the Group's strategy to restructure its property portfolio to increase industrial properties and reduce residential properties. To align with this strategy, in April and May 2011, the Group acquired two industrial properties in Hong Kong Island.

Liquidity and financial resources

The Group generally financed its operations with internally generated cash flows. As at 31 March 2011, the Group had cash and cash equivalents of approximately HK$35.5 million (2010: HK$30.6 million).

As at 31 March 2011 the Group had bank borrowing of HK$24.4 million which was using to finance the purchase of the property located at 1/F., and 2/F., Morrison Plaza, No. 9 Morrison Hill Road, the headquarter of the Group.

Because of the existence of the bank borrowing, as at 31 March 2011, the Group's gearing ratio, expressed as a percentage of total borrowings, (Comprising amounts due to minority shareholders, and borrowings) over total assets, increased to approximately 12% (2010: 6%).

Charges on Group Asset

At 31 March 2011, the Group's land and building with carrying amount of approximately HK$60,000,000 (31 March 2010: Nil) were pledged to a bank to secure the bank borrowing granted to the Group.

Treasury Policies

Cash and bank deposits of the Group are mainly in HK dollars ("HK$") or Renminbi ("RMB").

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 31 March 2011, the Group had 62 (2010: 293) full-time employees. The total of employee remuneration, including that of the Directors, for the year ended 31 March 2011 amounted to approximately HK$40.3 million (2010: HK$79.3 million). The Group remunerates its employees based on their performance, experience and the prevailing commercial practice.

Capital Structure

By a special resolution dated 8 September 2010, the capital reorganization involving, inter alia, the consolidation of share capital, the reduction of share capital and the increase of share capital, was approved.

During the year under review, adjusted shares of 168,000,000 and 14,100,000 of HK$0.01 each have been issued and allotted upon placing and exercise of share options granted by the Company respectively.

As at 31 March 2011, there are shares of 526,434,130 of HK$0.01 each have been issued.

Significant Acquisitions and Disposals

On 24 April 2010, an indirect wholly-owned subsidiary of the Company, entered into an acquisition agreement with a third party to acquire a property located in Hong Kong at a total cash consideration of HK$51,000,000. The acquisition was completed on 29 October 2010.

On 31 August 2010, a direct wholly-owned subsidiary of the Company, entered into an agreement to dispose 100% of some of its subsidiaries which are principally operating the Group's beauty salon business in Hong Kong, Shenzhen, PRC and Guangzhou, PRC at consideration of HK$4,380,000. The disposal was completed on 29 October 2010.

On 8 October 2010, a direct wholly-owned subsidiary of the Company, entered into an agreement to dispose 100% interest of a wholly-owned subsidiary, together with the shareholder's loan, at aggregate consideration of approximately HK$12,560,000. The disposal was completed on 8 October 2010.

Contingent Liabilities

As at 31 March 2011, the Group had no material contingent liabilities (2010: Nil).

As at 31 March 2011, the Company has executed corporate guarantees to third parties with respect to general banking facilities granted to a subsidiary of the Company of approximately HK$25,000,000.

As at 31 March 2010, the Company has executed corporate guarantees to third parties with respect to operating leases of approximately HK$2,300,000, advertising contracts of certain subsidiaries of approximately HK$500,000 and general banking facilities granted to certain subsidiaries of the Company of approximately HK$8,759,000.

Share Option Scheme

On 24 September 2001, the shareholders of the Company approved a share option scheme ("the Existing 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 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 Existing 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.

Events after Reporting Period

On 28 February 2011, an indirect wholly-owned subsidiary of the Company, entered into a Disposal Agreement with independent third parties to the Company regarding the disposal of a property in Hong Kong at a cash consideration of HK$4,080,000. The disposal was completed on 28 April 2011.

On 13 April 2011, an indirect wholly-owned subsidiary of the Company, (as purchaser) entered into an Acquisition Agreement with an Independent Third Party (as vendor) regarding the acquisition of a property in Hong Kong at a cash consideration of HK$10,564,000. The completion of acquisition will take place on or before 15 July 2011.

The board of directors of China 3D, announced on 1 February 2011 that China 3D proposed to raise not less than HK$114.0 million and not more than HK$132.5 million, before expenses, by way of a rights issue of not less than 7,601,608,210 China 3D Rights Shares and not more than 8,828,194,312 China 3D Right Shares at the subscription price of HK$0.015 per China 3D Rights Share on the basis of seven China 3D Rights Shares for every China 3D Share held on the Record Date payable in full upon application.

Under the China 3D Rights Issue, the Group is entitled to accept for an aggregate of 754,012,000 China 3D Rights Shares under its own entitlement. Furthermore, during the acceptance period of the China 3D Rights Issue, the Group has made additional purchases of nil-paid China 3D Rights Shares in the market. On 13 April 2011, the Company, itself and through its subsidiary, are interested in 215,320,000 nil-paid China 3D Rights Shares, which entitled the Group to subscribe for 215,320,000 China 3D Rights Shares. On this basis, the total consideration to be paid by the Group for a total of 969,332,000 China 3D Rights Shares which the Group is to take up amounts to HK$14,539,980.

On 13 May 2011, 105,000,000 ordinary shares of HK$0.01 each was issued at an issue price of HK$0.105 each for a total cash consideration HK$11,025,000 through a share placing.

On 16 June 2011, the Lender entered into the Loan Agreements with the Borrowers, pursuant to which the Lender agreed to grant to each of the Borrowers the respective Loan Facilities. The amount of the Loan Facilities has been drawn down by the Borrowers upon signing of the Loan Agreements.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions ("Code Provisions") set out in Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) ("GEM Listing Rules") that are considered to be relevant to the Company and has complied with the Code Provisions save as disclosed below.

a) Mr. Shiu Yeuk Yuen currently holds the offices of Chairman and Chief Executive Officer of the Company. The Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company. The Board also believes that the current structure provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

b) None of the independent non-executive directors is appointed for a specific term but pursuant to the Company's Bye-Laws, all directors of the Company are subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years. Further, pursuant to the Company's Bye-Laws, any new director appointed to fill a casual vacancy is subject to re-election by shareholders at the first general meeting after his/her appointment. The Company in practice will observe Code Provision A.4.2 and will ensure that any new director appointed to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after his/her appointment.

AUDIT COMMITTEE

The Company has formed 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 Mr. Hung Anckes Yau Keung, and Mr. Siu Yim Kwan, Sidney and Mr. Tsui Pui Hung Walter. Mr. Hung Anckes Yau Keung is also the chairman of the audit committee. The primary duties of the Committee are to review the Company's annual report and accounts, half-yearly report and quarterly 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 Committee has reviewed the draft of this report and has provided advice and comments thereon.

During the year ended 31 March 2011, the audit committee has reviewed the Company's half-year report and quarterly reports and has provided advice and comments thereon to the Board. The audit committee has met four times during the period for reviewing the Company's financial reports and monitoring the Company's internal control procedures.

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

During the period ended 31 March 2011, 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 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 31 March 2011.

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

Hong Kong, 17 June, 2011

As at the date of this announcement, the Board comprises Mr. Shiu Yeuk Yuen and Mr. Leung Ge On Andy as executive Directors; Mr. Hung Anckes Yau Keung, Dr. Siu Yim Kwan, Sidney and Mr. Tsui Pui Hung, Walter as independent non-executive Directors.

This announcement will remain on the "Latest Company Announcements" page of the website of the GEM at www.hkgem.com for at least 7 days from the date of its posting and on the Company's website at www.ulcreativity.com.