UNLIMITED CREATIVITY HOLDINGS LIMITED
無 限 創 意 控 股 有 限 公 司

(Continued in Bermuda with limited liability)
(Stock Code : 8079)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors of Unlimited Creativity Holdings Limited (the "Company") (the "Directors") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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 announcement misleading.

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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 2014 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2014

	Notes	**2014**	2013
		HK$'000	*HK$'000*
Continuing operations			
Revenue	4	**37,930**	23,028
Cost of sales		**(2,736)**	(1,005)
Gross profit		**35,194**	22,023
Investment and other income		**719**	815
Other gains and (losses), net		**2,917**	(48,887)
Servicing, selling and distribution costs		**(1,698)**	(2,459)
Administrative expenses		**(25,979)**	(26,434)
Gains on disposal of property, plant and equipment		**70**	7,000
Investment revaluation reserve reclassified from equity to profit or loss upon disposal of available-for-sale financial assets		**(12,954)**	46
(Impairment losses)/reversal of impairment losses on loans and advances to customers, net		**(9,659)**	976
Bad debts recovery/(bad debts written off)		**340**	(1,375)
Reversal of impairment loss on loan to an associate		**–**	1,000
Operating loss		**(11,050)**	(47,295)
Finance costs	7	**(1,100)**	(445)
Share of loss of an associate		**(285)**	–
Loss before taxation	6	**(12,435)**	(47,740)
Taxation	8	**90**	(308)
Loss for the year from continuing operations		**(12,345)**	(48,048)
Discontinued operations			
Profit for the year from discontinued operations	10	**–**	12,598
Loss for the year		**(12,345)**	(35,450)
Other comprehensive income/(loss):			
Items that have been reclassified or may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
– Change in fair value		**(8,826)**	(14,202)
– Reclassified to profit or loss upon disposal		**12,954**	(46)
Other comprehensive income/(loss) for the year, net of tax		**4,128**	(14,248)
Total comprehensive loss for the year		**(8,217)**	(49,698)

	Note	2014 HK$'000	2013 HK$'000
Loss for the year attributable to:			
Owners of the Company		**(12,259)**	(35,091)
Non-controlling interests		**(86)**	(359)
		(12,345)	(35,450)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(8,131)**	(49,339)
Non-controlling interests		**(86)**	(359)
		(8,217)	(49,698)
Loss per share	9		
From continuing and discontinued operations			
Basic and diluted		**HK$(0.07)**	HK$(0.33)
From continuing operations			
Basic and diluted		**HK$(0.07)**	HK$(0.45)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st March, 2014

	Notes	**2014** **HK$'000**	2013 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**3,951**	2,949
Investment properties		**21,800**	22,100
Interests in associates		**1,065**	–
Available-for-sale financial assets	11	**13,928**	24,006
Prepayments, deposits and other receivables		**–**	32
Loans and advances to customers	13	**66,264**	38,648
		107,008	87,735
Current assets			
Trade receivables	12	**107**	62
Prepayments, deposits and other receivables		**8,125**	8,883
Loans and advances to customers	13	**141,703**	72,176
Inventories		**258**	263
Financial assets at fair value through profit or loss		**20,357**	5,604
Amount due from a related company		**262**	262
Amounts due from associates		**500**	–
Tax recoverable		**–**	85
Cash and cash equivalents		**11,609**	54,980
		182,921	142,315
Assets classified as held for sale		**–**	4,100
		182,921	146,415
LIABILITIES			
Current liabilities			
Accruals, receipts in advance and other payables	15	**2,246**	2,574
Amounts due to non-controlling interests		**150**	150
Amounts due to related parties		**11,500**	–
Borrowings		**7,020**	6,395
Obligation under a finance lease		**199**	195
Provision for tax		**57**	112
		21,172	9,426
Net current assets		**161,749**	136,989
Total assets less current liabilities		**268,757**	224,724

	Note	**2014**	2013
		HK$'000	*HK$'000*
Non-current liabilities			
Deferred tax liabilities		**79**	199
Obligation under a finance lease		**515**	715
		594	914
Net assets		**268,163**	223,810
Equity			
Equity attributable to owners of the Company			
Share capital	14	**6,292**	20,975
Reserves		**262,147**	201,854
		268,439	222,829
Non-controlling interests		**(276)**	981
Total equity		**268,163**	223,810

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

	Attributable to equity shareholders of the Company											
	Share capital	Share premium*	Capital redemption reserve*	Accumulated losses*	Capital reserve*	Investment revaluation reserve*	Revaluation reserve*	Share option reserve*	Contributed surplus*	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1st April, 2012	6,991	212,968	278	(172,346)	28,280	(148)	14,040	732	181,291	272,086	1,304	273,390
Loss for the year	–	–	–	(35,091)	–	–	–	–	–	(35,091)	(359)	(35,450)
Other comprehensive (loss)/income												
Available-for-sale finance assets												
– Change in fair value	–	–	–	–	–	(14,202)	–	–	–	(14,202)	–	(14,202)
– Reclassified to profit or loss	–	–	–	–	–	(46)	–	–	–	(46)	–	(46)
Release of revaluation reserve upon disposal of land and buildings	–	–	–	14,040	–	–	(14,040)	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	(21,051)	–	(14,248)	(14,040)	–	–	(49,339)	(359)	(49,698)
Transactions with owners												
Issue of shares upon bonus issue	13,984	(13,984)	–	–	–	–	–	–	–	–	–	–
Transaction cost attributable to issue of shares upon bonus issue	–	(184)	–	–	–	–	–	–	–	(184)	–	(184)
Disposal of a subsidiary	–	–	–	–	–	–	–	–	–	–	(148)	(148)
Disposal of partial interest in a subsidiary	–	–	–	–	461	–	–	–	–	461	(11)	450
Acquisition of additional interests in subsidiaries	–	–	–	–	(195)	–	–	–	–	(195)	195	–
Total transactions with owners of the Company	13,984	(14,168)	–	–	266	–	–	–	–	82	36	118
Balance at 31st March, 2013	**20,975**	**198,800**	**278**	**(193,397)**	**28,546**	**(14,396)**	**–**	**732**	**181,291**	**222,829**	**981**	**223,810**

	Attributable to equity shareholders of the Company											
	Share capital	Share premium*	Capital redemption reserve*	Accumulated losses*	Capital reserve*	Investment revaluation reserve*	Revaluation reserve*	Share option reserve*	Contributed surplus*	Total	Non–controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1st April 2013	20,975	198,800	278	(193,397)	28,546	(14,396)	–	732	181,291	222,829	981	223,810
Loss for the year	–	–	–	(12,259)	–	–	–	–	–	(12,259)	(86)	(12,345)
Other comprehensive (loss)/income												
Available-for-sale financial assets												
– Change in fair value	–	–	–	–	–	(8,826)	–	–	–	(8,826)	–	(8,826)
– Reclassified to profit or loss upon disposal	–	–	–	–	–	12,954	–	–	–	12,954	–	12,954
Total comprehensive (loss)/income for the year	**–**	**–**	**–**	**(12,259)**	**–**	**4,128**	**–**	**–**	**–**	**(8,131)**	**(86)**	**(8,217)**
Transactions with owners												
Capital reduction	(19,927)	–	–	–	–	–	–	–	19,927	–	–	–
Issue of shares upon placing	210	4,506	–	–	–	–	–	–	–	4,716	–	4,716
Transaction costs attributable to issue of shares upon placing	–	(274)	–	–	–	–	–	–	–	(274)	–	(274)
Issue of shares upon open offer	5,034	45,302	–	–	–	–	–	–	–	50,336	–	50,336
Transaction costs attributable to issue of shares upon open offer	–	(2,208)	–	–	–	–	–	–	–	(2,208)	–	(2,208)
Release of share option reserve upon expiry of share options	–	–	–	732	–	–	–	(732)	–	–	–	–
Release upon disposal of subsidiaries	–	–	–	1,171	–	–	–	–	–	1,171	(1,171)	–
Total transactions with owners of the Company	**(14,683)**	**47,326**	**–**	**1,903**	**–**	**–**	**–**	**(732)**	**19,927**	**53,741**	**(1,171)**	**52,570**
Balance at 31st March, 2014	**6,292**	**246,126***	**278***	**(203,753)***	**28,546***	**(10,268)***	**–***	**–***	**201,218***	**268,439**	**(276)**	**268,163**

* These reserve accounts comprise the consolidated reserves of approximately HK$262,147,000 (2013: HK$201,854,000) in the consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2014

1. GENERAL INFORMATION

Unlimited Creativity Holdings Limited (the "Company") was an exempted company continued into Bermuda with limited liability with effect from 30th April 2008. The address of its registered office is situated at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

The principal places of business of the Company and its subsidiaries (the " Group") are in Hong Kong. The Company's principal place of business in Hong Kong is 7/F., Zung Fu Industrial Building, 1067 King's Road, Hong Kong. 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 Group is principally engaged in the money lending business, groceries store business property investment and financial instruments and quoted shares investment in Hong Kong.

Pursuant to a special resolution passed by the Company's shareholders on 8th 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.

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 26th June 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant 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.

(a) Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which also includes Hong Kong Accounting Standards ("HKAS") and Interpretations ("Int") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the predecessor Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

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.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

The consolidated financial statements for the year ended 31st March 2014 comprise the Company and its subsidiaries (together the "Group") and the Group's interests in associates.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial instruments that are measured at fair value. The accounting policy on financial assets is summarised in note 2(h).

These consolidated financial statements are presented in Hong Kong dollars ("HKD" or "HK$") and all values are rounded to the nearest thousand except where otherwise indicated.

(b) Basis of consolidation

(i) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(j) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(h)) or when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses, unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale). The results of the subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(ii) *Business combinations*

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

– deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;

– liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based Payment' at the acquisition date; and

– assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain on a bargain purchase.

(iii) Associates

An associate is an entity in which the Group has significant influence but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale or included in a disposal group that is classified as held for sale. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated other comprehensive income.

When the Group's share of losses of an associate equals to or exceeds its interest in the associate, the Group discontinues recognising its share of further losses. The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(h)).

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

(c) Property, plant and equipment

Properties, plant and equipment are stated in the consolidated statement of financial position at cost, less accumulated depreciation and any accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost or valuation of items of property, plant and equipment, less their estimated residual values, if any, over their useful lives, using straight-line method, at the following rates per annum:

Land	Over period of the lease
Buildings	50 years
Leasehold improvements	20% or over the lease terms, if shorter
Equipment	20%
Furniture and fixtures	20%
Motor vehicles	20%
Equipment under finance leases	20%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in profit or loss.

(d) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rentals and/or for capital appreciation are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(e) Non-current assets held for sales

Non-current assets and disposal group are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (or disposal group) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal except for investment properties which are measured at fair value under HKAS 40 “Investment Property”.

(f) Leases

Leases are classified as finance leases whenever the lease transfer substantially all the risks and rewards incidental to ownership of the assets to the Company. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease rental. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

(i) Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

(ii) Operating leases payments are recognised as an expense on a straight-line basis over the lease term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

(g) Impairment of tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(h) Financial assets

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of financial assets on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets are classified into the following specified categories: held-to-maturity investments, financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 "Financial Instruments: Recognition and Measurement" permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Any dividend or interest earned on the financial asset is included in the "Investment and other income" line item.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intention and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Equity and debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss.

Gain or loss on fair value changes of available-for-sale financial assets are recognised in other comprehensive income and accumulated separately in equity under investment revaluation reserve, except for impairment losses and foreign exchange gains or losses resulting from changes in the amortised cost of debt securities which are recognised directly in profit or loss. When the available-for-sale financial assets are disposed of or are determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on finance assets below).

Dividends on available-for-sale equity investments are recognised in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on finance assets below).

(iv) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including loans and advances to customers, trade receivables, deposits and other receivables, amount due from a related company, amount due from an associate and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment. Loans and receivables are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

(i) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the equity investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of active market for that financial asset because of financial difficulties; or

- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

  (i) adverse changes in the payment status of borrowers in the portfolio;

  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated separately in equity under the investment revaluation reserve. In respect of available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the debt investments can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(j) Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(i) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(ii) Other financial liabilities

Other financial liabilities (including accruals and other payables, amounts due to related parties, amounts due to non-controlling interests and borrowings) are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liabilities for at least 12 months after the end of reporting period.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at fair value through profit or loss.

(k) Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted-average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks, other financial institutions and securities brokers, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(o) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of the tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group or the Company has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group or the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either;

  - the same taxable entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(p) Retirement benefit costs and short term employee benefit

(i) Retirement benefits costs

Retirement benefits to employees are provided through a defined contribution plan.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(ii) Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

(iii) Share-based employee compensation

All share-based payment arrangements granted after 7th November 2002 and had not vested on 1st November 2005 are recognised in the consolidated financial statements. The Group operates equity-settled share-based compensation plans for remuneration of its employees.

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

(q) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and

- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Revenue recognition

Revenue is measured at 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, 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.

(i) 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;

(ii) Revenue arising from money lending is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable;

(iii) Rental income is recognised on a straight-line basis over the term of the lease;

(iv) Interest income is recognised on a time-proportion basis using the effective interest method;

(v) Dividend income is recognised when the shareholder's right to receive payment is established prior to the end of reporting period;

(vi) Revenue arising from the sales of properties held for resale is recognised upon signing of the sale and purchase agreement or the issue of an occupation permit by the relevant government authorities, whichever is the later. Deposits received on properties sold prior to the date of revenue recognition are included in the statement of financial position under deposits received; and

(vii) Management fee income is recognised when services are rendered.

(s) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). The consolidated financial statements are presented in Hong Kong dollars (HK$), which is the Company's functional and the Group's presentation currency.

(ii) Transactions and balances

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

(t) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating recourses to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of the products and services, the nature of the production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(u) Discontinued operations

A discontinued operation is a component of the group's business, the operations and cash flows of which can be clearly distinguished from the rest of the group and which represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal. It also occurs when the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of consolidated statement of comprehensive income, which comprises (i) the post-tax profit or loss for the discontinued operation; and (ii) the post-tax gain or loss recognised on the measurement to fair value less costs of disposal, or on the disposal, of the assets or disposal group constituting the discontinued operation.

(v) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or a joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued certain new and revised HKFRSs and amendments to HKFRSs that are first effective for current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

Amendments to HKAS 1	Amendments to HKAS 1 Presentation of financial statements – Presentation of items of other comprehensive income
Amendments to HKFRS 7	Amendments to HKFRS 7 financial instruments: Disclosures – offsetting financial assets and financial liabilities
Amendments to HKFRS 10, 11 and 12	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (2011)	Employee benefits
HKAS 27 (2011)	Separate financial statements
HKAS 28 (2011)	Investments in associates and joint ventures
Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 Cycle

The principal effects of adopting these new and revised HKFRSs are summarised as follows:

Amendments to HKAS 1, Presentation of financial statements – Presentation of items of other comprehensive income

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of comprehensive income in these financial statements has been modified accordingly. In addition, the Group has still chosen to use the existing title of "consolidated statement of comprehensive income" instead of using the new title of "consolidated statement of profit or loss and other comprehensive income" as introduced by the amendments in these consolidated financial statements.

Amendments to HKFRS 7

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32, Financial instruments: Presentation and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The adoption of the amendments does not have an impact on these consolidated financial statements because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosure of HKFRS 7 during the years presented.

HKFRS 10 Consolidated financial statements

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and HK(SIC) – Int 12 "Consolidation – Special Purpose Entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determine whether it has control over an investee. The adoption does not change any of the control conclusion reached by the Group in respect of its involvement with other entities as at 1st April 2013.

HKFRS 12, Disclosure of interests in other entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards.

HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in notes 18 and 46. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

Annual Improvements to HKFRSs 2009-2011 Cycle

This cycle of annual improvements contains amendments to five standards with consequential amendments to other standards and interpretations. Among them, HKAS 1 has been amended to clarify that an opening statement of financial position is required only when a retrospective application of an accounting policy, a retrospective restatement or a reclassification has a material effect on the information presented in the opening statement of financial position. The amendments also remove the requirement to present related notes to the opening statement of financial position when such statement is presented.

The adoption of other new and revised HKFRSs, and amendments to HKFRSs in the current year has no material impact on the Group's financial performance and position for the current year and prior years and/or on the disclosures set out in these consolidated financial statements.

The Company has not early applied any new standard, amendment or interpretation that has been issued but is not yet effective for the current accounting period.

4. REVENUE

Revenue, which is also the Group's turnover, comprised of (i) rental income based on the terms of the lease of investment properties, (ii) interest income from rendering money lending services and (iii) invoiced sales value of grocery products to customers.

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Rental income from investment properties	**705**	549
Money lending services	**33,277**	21,153
Sales of grocery products	**3,948**	1,326
	37,930	23,028

5. 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, and comprises (i) money lending; (ii) property investment; (iii) securities investment; and (iv) retail business.

For the year end 31st March 2013, the Group discontinued reportable and operating segments regarding the provision of clinical services and provision of beauty services and sale of beauty products. Detail of the discontinued operations were set out in note 10.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

(I) (i) Consolidated Statement of Comprehensive Income

For the year ended 31st March 2014

	Money lending HK$'000	Property investment HK$'000	Securities investment HK$'000	Retail business HK$'000	Total HK$'000
Segment revenue					
Revenue from external customers	33,277	705	–	3,948	37,930
Investment and other income	191	–	241	13	445
Other gains and (losses), net	2	(300)	3,185	–	2,887
	33,470	405	3,426	3,961	41,262
Segment results	25,063	(793)	3,275	(246)	27,299
Unallocated income					303
Unallocated expenses					(16,449)
Gain on disposal of property, plant and equipment					70
Investment revaluation reserve reclassified from equity to profit or loss upon disposal of available-for-sale financial assets	–	–	(12,954)	–	(12,954)
Impairment losses on loans and advances to customers, net	(9,659)	–	–	–	(9,659)
Bad debts recovery	340	–	–	–	340
Operating loss					(11,050)
Finance costs	(1,012)	(71)	(17)	–	(1,100)
Share of loss of an associate	–	–	–	(285)	(285)
Loss before taxation					(12,435)
Taxation					90
Loss for the year from continuing operations					(12,345)

(I) (ii) Consolidated Statement of Financial Position

At 31st March 2014

	Money lending *HK$'000*	Property investment *HK$'000*	Securities investment *HK$'000*	Retail business *HK$'000*	Total *HK$'000*
Segment assets	**211,616**	**23,277**	**48,385**	**2,300**	**285,578**
Unallocated assets					**4,351**
Total assets					**289,929**
Segment liabilities	**15,877**	**3,314**	**725**	**67**	**19,983**
Unallocated liabilities					**1,783**
Total liabilities					**21,766**
Other segment information					
Capital expenditure	**–**	**48**	**–**	**38**	**86**
Unallocated portion					**1,849**
Total capital expenditure					**1,935**

(I) (iii) **For the year ended 31st March 2014**

	Money lending *HK$'000*	Property investment *HK$'000*	Securities investment *HK$'000*	Retail business *HK$'000*	Total *HK$'000*
Interest income	–	–	180	–	180
Unallocated portion					–
Total interest income					180
Depreciation and amortisation	14	307	–	11	332
Unallocated portion					601
Total depreciation and amortisation					933
Other non-cash items other than those disclosed in I(i) and above					
Fair value gain on early conversion of convertible bonds, classified as financial assets at fair value through profit or loss – held for trading	–	–	3,476	–	3,476
Fair value losses on financial assets at fair value through profit or loss	–	–	(868)	–	(868)
Fair value losses on investment properties	–	(300)	–	–	(300)
Investment in associate:					
Additions to non-current assets	–	–	–	1,350	1,350

(II) (i) Consolidated Statement of Comprehensive Income

For the year ended 31st March 2013

	Money lending *HK$'000*	Property investment *HK$'000*	Securities investment *HK$'000*	Retail business *HK$'000*	Total *HK$'000*
Segment revenue					
Revenue from external customers	21,153	549	–	1,326	23,028
Investment and other income	133	1	673	–	807
Other gains and (losses), net	–	7,273	(56,396)	–	(49,123)
	21,286	7,823	(55,723)	1,326	(25,288)
Segment results	11,976	3,735	(55,993)	(536)	(40,818)
Unallocated income					8
Unallocated expenses					(13,132)
Gains on disposal of property, plant and equipment	–	7,000	–	–	7,000
Investment revaluation reserve reclassified from equity to profit or loss upon disposal of available-for-sale financial assets	–	–	46	–	46
Reversal of impairment losses on loans and advances to customers, net	976	–	–	–	976
Bad debts written off	(1,375)	–	–	–	(1,375)
Operating loss					(47,295)
Finance costs	(118)	(280)	(47)	–	(445)
Loss before taxation					(47,740)
Taxation					(308)
Loss for the year from continuing operations					(48,048)

(II) (ii) Consolidated Statement of financial position

At 31st March 2013

	Money lending *HK$'000*	Property investment *HK$'000*	Securities investment *HK$'000*	Retail business *HK$'000*	Total *HK$'000*
Segment assets	124,246	24,735	30,625	946	180,552
Unallocated assets					49,498
Assets classified as held for sale					4,100
Total assets					234,150
Segment liabilities	3,402	3,993	40	132	7,567
Unallocated liabilities					2,773
Total liabilities					10,340
Other segment information					
Capital expenditure	–	1,501	–	28	1,529
Unallocated portion					1,415
Total capital expenditure					2,944

(II) (iii) For the year ended 31st March 2013

	Money lending *HK$'000*	Property investment *HK$'000*	Securities investment *HK$'000*	Retail business *HK$'000*	Total *HK$'000*
Interest income	–	1	611	–	612
Unallocated portion					1
Total interest income					613
Depreciation and amortisation	14	74	–	5	93
Unallocation portion					1,004
Total depreciation and amortisation					1,097
Other non-cash items other than those disclosed in (II)(i) and above					
Fair value gains on investment properties	–	7,515	–	–	7,515
Fair value losses on financial assets at fair value through profit or loss	–	–	(56,081)	–	(56,081)
Loss on property, plant and equipment written off	–	242	–	–	242

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the year ended 31st March 2014 (2013: nil).

Segment results represent the (loss)/profit generated by each segment without allocation of central administration costs, share-based payments, share of losses of associates, investment revaluation reserve reclassified from equity to profit or loss upon disposal of available-for-sale financial assets, finance costs, gains on disposal of property, plant and equipment, impairment losses/reversal of impairment losses on loans and advances to customers – net, bad debts recovery/bad debts written off and taxation. 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 and asset held for sale are allocated to reportable segments; and
- All liabilities other than unallocated corporate liabilities, provision for tax and deferred tax liabilities are allocated to reportable segments.

Information about major customers

No single customers contributed 10% or more to the Group's revenue for the years ended 31st March 2014 and 2013.

Geographical information

The Group's operations are located in one main geographical area. 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.

(i) Revenue from external customers by geographical market:

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Hong Kong	**37,930**	23,028

(ii) Majority of the segment assets and non-current assets (excluding financial instruments) of the Group is located in Hong Kong.

6. LOSS BEFORE TAXATION

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

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Auditors' remuneration	**400**	380
Cost of inventories recognised as expenses	**2,736**	1,005
Loss on property, plant and equipment written off	**–**	2,910
Operating leases payments in respect of land and buildings	**1,957**	1,437
Rental income net of outgoings in respect of investment properties	**(692)**	(449)
Employee benefit expense (including directors' remuneration)		
– Basic salaries, allowances and other benefits in kind	**13,662**	11,597
– Retirement benefit scheme contributions	**395**	314
Total employee benefit expenses	**14,057**	11,911
Depreciation of property, plant and equipment		
– Owned assets	**739**	1,000
– Held under finance lease	**194**	97
	933	1,097

7. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Interest expenses on:		
Bank borrowing not wholly repayable within five years	**71**	280
Other loans wholly repayable within five years	**1,012**	118
Bank overdrafts	**1**	38
	1,084	436
Finance charge on obligation under a finance lease	**16**	9
	1,100	445

8. TAXATION

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 year's estimated assessable profits (2013: Nil).

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Current tax:		
Hong Kong		
– Charge for the year	**–**	–
– Under-provision in prior years	**30**	494
	30	494
Deferred tax:		
– Credit for the year	**(10)**	(186)
– Over-provision in prior years	**(110)**	–
	(120)	(186)
Taxation (credit)/charge	**(90)**	308

Included in other comprehensive income, no income tax expense was in relation to each component of other comprehensive income for the years ended 31st March 2014 and 2013.

Continuing operations

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

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Loss before taxation	**(12,435)**	(47,740)
Tax on loss before taxation, calculated at the domestic income tax rate of 16.5% (2013: 16.5%)	**(2,051)**	(7,877)
Tax effect of non-taxable revenue	**(80)**	(3,477)
Tax effect of non-deductible expenses	**799**	2,973
Tax effect of unused tax loss not recognised	**3,869**	8,403
Tax effect of utilisation of tax losses previously not recognised	**(3,416)**	(147)
Tax effect of temporary differences not recognised	**822**	125
Tax effect of unrecognised deferred tax items	**–**	(186)
Tax effect of share of loss of an associate	**47**	–
(Over)/under-provision of current and deferred tax in prior years	**(80)**	494
Taxation (credit)/charge	**(90)**	308

9. LOSS PER SHARE

From continuing and discontinued operations

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

	2014	2013
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(12,259)**	(35,091)

	2014	2013
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**179,168,000**	104,880,000

The weighted average number of shares for the purposes of calculating basis and diluted loss per share for both years has been adjusted to reflect (i) the share consolidation occurred during the year which was adjusted in last reporting period, and (ii) issue of shares upon the open offer and placing occurred during the year. Details of issue of shares and share consolidation are set out in note 14 to the consolidated financial statements.

Diluted earnings per share for the years ended 31st March 2014 and 2013 were the same as the basic loss per share. The Company's outstanding share options as at 31st March 2013 were not included in the calculation of diluted loss per share because the effects of the exercise of the Company's outstanding share options were anti-dilutive. The Company's outstanding share options have expired during the year.

From continuing operations

The calculation of basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

	2014	2013
	HK$'000	*HK$'000*
Attributable to owners of the Company:		
Loss for the year from continuing operations	**(12,259)**	(47,762)

The denominators used are the same as those detailed above for both basic and diluted loss per share from continuing and discontinued operations.

From discontinued operations

Basic and diluted earnings per share for discontinued operations is HK$NIL per share (2013: HK$0.12 per share), based on the profit for the year from discontinued operations attributable to owners of the Company of approximately HK$NIL (2013: HK$12,671,000) and the denominators as detailed above for both basic and diluted loss per share.

10. DISCONTINUED OPERATIONS

During the year ended 31 March 2013, the Group disposed of its entire interest in (i) Be A Lady (Macau) Limited and Be A Lady (Site 1) Medical Limited (collectively referred to as the "Be A Lady Group") and (ii) The Specialists Limited ("The Specialists"). Following the disposal of the Be A Lady Group and The Specialists, the Group ceased its business in clinical services and provision of beauty services and sale of beauty products and accordingly they were presented as discontinued operations. The consolidated statement of comprehensive income and the consolidated statement of cash flows of the discontinued operations were set out below.

	2014	2013
	HK$'000	*HK$'000*
Revenue	–	18,637
Cost of sales	–	(7,876)
Gross profit	–	10,761
Investment and other income	–	1,847
Other gains and losses, net	–	(802)
Servicing, selling and distribution costs	–	(6,820)
Administrative expenses	–	(1,860)
Profit before income tax	–	3,126
Income tax expenses	–	–
	–	3,126
Gain on disposal of operations	–	9,472
Profit for the year from discontinued operations	–	12,598
Profit for the year from discontinued operations attributable to:		
Owners of the Company	–	12,671
Non-controlling interests	–	(73)
	–	12,598

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

	2014	2013
	HK$'000	*HK$'000*
Auditor's remuneration	–	–
Depreciation	–	631
Net exchange losses	–	45
Written off of property, plant and equipment	–	756
Management fee (income)/expense	–	(1,847)
Minimum lease payments under operating leases in respect of land and buildings	–	4,393
Employee benefit expenses (including directors' remuneration)		
Basic salaries and allowances	–	1,433
Retirement benefit scheme contributions	–	37
Total employee benefit expenses	–	1,470

The consolidated cash flows from discontinued operations are set out as below:

	2014	2013
	HK$'000	*HK$'000*
Net cash (used in)/generated from operating activities	–	(102)
Net cash used in investing activities	–	(136)
Net cash (outflow)/inflow	–	(238)

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Listed equity securities:				
– listed in Hong Kong *(notes (i) and (iv))*	**12,773**	11,309	**12,773**	4,199
Listed debt securities:				
– listed outside Hong Kong *(notes (i) and (iii))*	**–**	11,423	**–**	–
Investment funds				
– unlisted *(note (ii))*	**1,155**	1,274	**–**	–
Total	**13,928**	24,006	**12,773**	4,199

Notes:

(i) The fair values of listed equity securities and listed debt securities are determined based on the quoted market bid prices available on the relevant stock exchanges and the industry group.

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

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

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

The Group was entitled to interest income from the above debt securities semi-annually.

(iv) During the year ended 31st March 2013, due to a reformation of the Group's strategic investment planning, certain equity securities previously recognised in financial assets at fair value through profit or loss were no longer held for the purpose of selling in the near term and therefore transferred and recognised as available-for-sale financial assets category accordingly.

As at 31st March 2013, the fair value of equity securities transferred during the reporting period was approximately HK$11,309,000.

If the Group had not transferred the equity securities during the reporting period, fair value loss recognised for the year in the consolidated statement of comprehensive income would increase by approximately HK$14,456,000.

12. TRADE RECEIVABLES

The Group

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**107**	62

The Group maintains credit terms of cash on delivery for both years 2014 and 2013. At the end of the reporting period, the ageing analysis of the trade receivables based on the invoice dates is as follows:

	2014	2013
	HK$'000	*HK$'000*
Within three months	**101**	60
Over three months	**6**	2
	107	62

At the end of each reporting period, the Group reviews trade receivables for evidence of impairment on both an individual and collective basis. Based on these assessments, no impairment loss has been recognised for both years.

The Group did not hold any collateral as security or other credit enhancements over the trade receivables.

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

	2014	2013
	HK$'000	*HK$'000*
Within three months past due	**101**	60
Over three months but within six months past due	**6**	2
	107	62

Trade receivables disclosed above include amounts which are past due at the end of the reporting period for which the Group has not recognised allowance for impairment of doubtful debts because in the opinion of the directors, the amounts are still considered recoverable.

13. LOANS AND ADVANCES TO CUSTOMERS

The Group

	2014	2013
	HK$'000	*HK$'000*
Loans and advances to customers	**219,623**	115,511
Allowance for impairment	**(11,656)**	(4,687)
	207,967	110,824
Analysed for reporting purpose as:		
Current portion	**141,703**	72,176
Non-current portion	**66,264**	38,648
	207,967	110,824

At 31st March 2014, certain loans and advances to customers of approximately HK$83,274,000 (2013: HK$86,766,000) are secured by the customers' pledged properties. As at 31st March 2014, total value of the customers' pledged properties as collaterals for these loans and advances to customers was approximately HK$365,150,000 (2013: HK$371,450,000) based on the market value of the customers' pledged properties as at the end of the reporting period.

All loans and advances to customers are denominated in HK dollars. The loans and advances to customers carry fixed effective interest ranging from 5% to 42% (2013: 5% to 48%) per annum with credit terms mutually agreed with the customers. The Group's loans and advances to customers related to a large number of diversified customers and there is no significant concentration of credit risk. An ageing analysis of loans and advances to customers net of allowance for impairment loss at the end of reporting period, based on the repayment terms is as follows:

(a) Ageing analysis of loans and advances to customers:

	2014	2013
	HK$'000	*HK$'000*
Within one year	**141,703**	72,176
Over one year but within five years	**31,167**	20,903
Over five years	**35,097**	17,745
	207,967	110,824

(b) The movements in allowance for impairment of loans and advances to customers:

	2014	2013
	HK$'000	*HK$'000*
Balance at the beginning for the year	**4,687**	11,349
Impairment losses charged to profit or loss	**10,233**	791
Impairment losses reversed to profit or loss	**(574)**	(1,767)
Uncollectible amounts written off	**(2,690)**	(5,686)
Balance at the end of the year	**11,656**	4,687
Recovery of loans and advances to customers directly written off in previous years	**(340)**	–
Loans and advances to customers directly written off in current year	**–**	1,375

At 31st March 2014, loans and advances to customers of approximately HK$12,256,000 (2013: HK$4,694,000) were impaired. The amount of allowance for impairment was HK$11,656,000 (2013: HK$4,687,000). The impaired loans and advances relate to customers that were in financial difficulties and only a portion of the receivables is expected to be recovered. Accordingly, the Directors of the Company consider that allowance for impairment of loans and advances to customers would be made on loans outstanding over 60 days.

(c) Loans and advances to customers disclosed above include amounts HK$21,089,000 (2013: HK$1,967,000) which are past due within 6 months at the end of the reporting period for which the Group has not made impairment because, in the opinion of the Directors of the Company, there is either no significant change in credit quality of the customers or sufficient collaterals to recover the outstanding loans receivables, therefore the amounts are still considered recoverable.

(d) The Group's neither past due nor impaired loans and advances to customers mainly represented loans granted to creditworthy customers for whom there was no recent history of default or secured by the collaterals which the value was higher than the carrying value of the loans and advances to customers.

14. SHARE CAPITAL

	Notes	**Number of shares**	*HK$'000*
Authorised:			
At 1st April 2012 and 31st March 2013		30,000,000,000	300,000
Ordinary shares of HK$0.01 each			
Share consolidation	(i)	(28,500,000,000)	–
Ordinary shares of HK$0.20 each			
Capital reduction	(ii)	–	(285,000)
Ordinary shares of HK$0.01 each			
Capital increase	(iii)	28,500,000,000	285,000
At 31st March 2014		30,000,000,000	300,000
Issued and fully paid:			
At 1st April 2012		699,197,543	6,991
Ordinary shares of HK$0.01 each			
Issue of shares upon bonus issue	(vii)	1,398,395,086	13,984
At 31st March 2013		2,097,592,629	20,975
Share consolidation	(i)	(1,992,712,998)	–
Capital reduction	(ii)	–	(19,927)
Issue of shares upon placing	(iv)	20,960,000	210
Issue of shares upon open offer	(v)	503,358,524	5,034
At 31st March, 2014		629,198,155	6,292

Notes:

For the year ended 31st March 2014

By a special resolution dated 17th June 2013, the Company had the capital reorganisation which was composed of:

(i) Shares consolidation:

The consolidation of every twenty issued and unissued shares of par value of HK$0.01 each in the share capital of the Company into one consolidated share of par value of HK$0.20 each;

(ii) Capital reduction:

Immediately upon the share consolidation becoming effective, (i) the issued share capital of the Company was reduced by cancelling the paid-up capital of the Company to the extent of HK$0.19 on each of the then issued consolidated shares such that the par value of each issued consolidated share was reduced from HK$0.20 to HK$0.01 (the "Issued Share Capital Reduction"); and (ii) the authorised share capital of the Company was reduced by reducing the par value of all consolidated shares from HK$0.20 each to HK$0.01 each resulting in the reduction of the authorised share capital of the Company from HK$300,000,000 divided into 1,500,000,000 consolidated shares to HK$15,000,000 divided into 1,500,000,000 adjusted shares of par value HK$0.01 each; and

The credit arising from the Issued Share Capital Reduction of approximately HK$19,927,000 was credited to the contributed surplus account of the Company.

(iii) Capital increase:

Immediately upon the capital reduction becoming effective, the authorised share capital of the Company was 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.

(iv) On 7th August 2013, 20,960,000 ordinary shares of the Company of HK$ 0.01 each were allotted at a price of HK$0.225 by way of placing of new shares under general mandate. The net proceeds were approximately HK$4.4 million for general working capital of the Group.

(v) By ordinary resolution dated 13th January 2014, there was an open offer to the qualifying shareholders on the basis of four offer shares for every ordinary share of HK$0.01 each at a price of HK$0.1 per offer share. On 14th February 2014, 503,358,524 offer shares were allotted of which 248,634,125 offer shares had underwritten by underwriter. The net proceeds were approximately HK$48.1 million for general working capital of the Group.

(vi) On 14th February 2014, the Company has been notified that, an aggregate of 256,430,325 shares in the share capital of the Company of which 7,796,200 shares held by Mr. Shiu Yeuk Yuen and 248,634,125 shares held by Able Rich Consultants Limited (a "Controlling Shareholder") have been pledged in favour of Kingston Securities Limited as a security for a loan facility up to a maximum amount of HK$15,000,000 to Able Rich Consultants Limited. Pursuant to the terms and conditions in the agreement, in the event of default by Able Rich Consultants Limited, Kingston Securities Limited would be entitled to enforce the pledged securities which may result in a transfer of voting rights in respect of such pledged securities. Details of which are set out in the circular dated 27th December 2013.

For year ended 31st March 2013

(vii) By an ordinary resolution passed on 28th February 2013, the Company issued two bonus shares for every one share held. The issued share capital of the Company was therefore increased from 699,197,543 shares of HK$0.01 each to 2,097,592,629 shares of HK$0.01 each accordingly.

The bonus shares had been credited as fully paid by way of capitalisation of an aggregate amount of approximately HK$14,168,000 in the share premium account of the Company.

15. ACCRUALS, RECEIPTS IN ADVANCE AND OTHER PAYABLES

	Group		Company	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Accruals	**1,510**	1,833	**524**	515
Receipts in advance	**198**	587	**–**	–
Deposits received and other payables	**538**	154	**–**	–
	2,246	2,574	**524**	515

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year's presentation.

17. EVENTS AFTER THE REPORTING PERIOD

(i) On 10th April 2014, the Group disposed of certain financial assets at fair value through profit or loss, details of which are set out in note 26 to the financial statements and the announcement of Company dated 11th April 2014.

(ii) On 29th May 2014, the Group entered into a provisional agreement with an independent third party regarding disposal of an investment property at a consideration of HK$19,350,000. The expected completion date of the disposal would be 14th July, 2014.

(iii) On 15th May 2004, the Company subscribed for the Allianz Income and Growth Fund amounting to USD1,980,000. The consideration was partially settled by cash and partially settled by a margin loan account interest at the bank's cost of fund plus 1% per annum. Details please refer to the announcement of the Company dated 15th May 2014.

(iv) On 12th June 2014, the Company entered into a non-legally binding memorandum of understanding (the "MOU") with an independent third party (the "Target Company") pursuant to which the Company intends to acquire certain percentage of the issued share capital of the Target Company (the "Possible Acquisition"). The Target Company is principally engaged in the business of recycling, processing and marketing of metals, including ferrous and non-ferrous metals. Details please refer to the announcement of the Company dated 12th June 2014.

18. DIVIDEND

No dividend was paid or proposed during the year ended 31st March 2014 nor has any dividend been proposed since the end of reporting period (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review

Turnover for the financial year ended 31st March 2014 was approximately HK$37.9 million, representing an increase of approximately 64.7% when compared with the continuing operations in last year. Loss attributable to owners of the Company for the year ended 31st March 2014 and the corresponding period in 2013 was approximately HK$12.3 million and HK$35.1 million respectively.

Property Investment

The rental income generated from the investment properties continued providing steady income to the Group. The turnover of this business segment for the financial year was approximately HK$0.7 million, being 28.4% increase from 2013.

The Group has two investment properties, comprising a residential unit in Diamond Hill and an industrial property in Chai Wan respectively. The two properties were held for long-term investment purposes and have been generating a very steady income stream to the Group since acquisition. Forward looking, in view of the land supply continues to be scarce in Hong Kong, the Company continues to be optimistic about the property market in Hong Kong and believes that this business segment will continue to provide revenue and benefits in the long-term to the Group and the Shareholders as a whole.

Securities and bonds Investment

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 Company will take more conservative step to invest in securities and bonds investment. The Company will also continue to closely monitor the relevant risk and control. Focus will be placed on corporate bonds with good credit rating. The investments will be held for short-to-medium term trading purpose. It is intended that the securities investments will provide the Group with a reasonable interest and/or dividend yield as well as capital appreciation. In the financial period under review, an amount of approximately HK$12.9 million has been recorded as loss reclassified from equity to profit or loss upon disposal of available for sale financial assets. Up to the reporting date, the strategic holding of 77,881,758 ordinary shares has been owned by the company, being 9.67% 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. In the financial year, turnover for this segment under review was approximately HK$33.2 million, representing 57.3% increased when compared with the continuing operations in 2013. A satisfactory profit was also brought from this segment.

Retail Business

The Group's current retail office in Taikoo was opened in January 2013 for the purpose of catering on-line sales and its on-line shopping service in Hong Kong is for the sales of grocery products (including frozen seafood, personal care products, stationery, electrical appliances and etc.) to the public.

Turnover for this segment in the financial period under review was approximately HK$3.9 million, being 197.7% increased from 2013. We will continue to monitor the operation and develop new market in order to increase the turnover and market share.

Outlook

Open offer on the basis of four offer shares for one share held

On 22nd November 2013, the Company has announced to raise approximately HK$50.33 million, before deduction of the relevant expenses, by issuing 503,358,524 Offer Shares at a price of HK$0.10 per Offer Share to the Qualifying Shareholders by way of Open Offer on the basis of four (4) Offer Shares for every one (1) Share held on the 21st January 2014 and payable in full on acceptance.

As the money lending business has shown satisfactory turnover and profit to the Group, the Company intends to expand its money lending business. In order to further expand the money lending business by increasing the amount of loans and advances to customers to generate more loan interests and at the same time to maintain a reasonable cash and bank balance for the healthy operation of the Company, additional financial resources is necessary for the Company so as not to limit the further expansion of the money lending business. The Board considers that the Open Offer represents an opportunity for the Company to develop its money lending business and enhance its working capital. Moreover, the Board is of the view that it is in the interests of the Company and its Shareholders as a whole to raise the capital through the Open Offer since it would allow the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and participate in the future growth and development of the Company.

The net proceeds from the Open Offer are expected to be approximately HK$48.3 million, which will be used (i) as to approximately HK$38.7 million for expanding its money lending business; and (ii) the remaining of approximately HK$9.6 million for general working capital and/or for the development of the Group's business. The usage of the general working capital includes the administrative expenses in a total of approximately HK$2 million per month.

The Open Offer has been completed on 14th February 2014, details of the Open Offer are set out in the circular dated 27th December 2013 and the results of the Open Offer are set out in the announcement dated 13th February 2014.

Liquidity and financial resources

The Group generally financed its operations with internally generated cash flows. As at 31st March 2014, the Group had cash and cash equivalents of approximately HK$11.6 million (2013: HK$55.0 million).

As at 31st March 2014 the Group had borrowings of HK$7 million (2013: HK$6.4 million) which were used to finance the investment properties and money lending business.

As at 31st March 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 2.8% (2013: N/A%).

Charges on Group's Asset

At 31st March 2014, the Group's investment properties with carrying amount of approximately HK$21.8 million (2013: HK$22.1 million). One of the investment properties located at Portion 2 of unit B on 14/F, Chai Wan Industrial Centre, No. 20 Lee Chung Street, Hong Kong with 2 years tenancy, with carrying amount of HK$16 million (2013: HK$16.5 million), which is exceeds 5% of the Group's total assets, was pledged to a bank for a general banking facilities to the Group. Subsequent to the balance date, a Provisional Sale & Purchase Agreement was signed and the transaction will be completed on 14th July 2014.

Treasury Policies

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

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 31st March 2014, the Group had around 65 (2013: 60) full-time employees. The total of employee remuneration, including that of the Directors, for the year ended 31st March 2014 amounted to approximately HK$14.1 million (2013: HK$11.9 million). The Group remunerates its employees based on their performance, experience and the prevailing commercial practice.

Capital Structure

Details of the movements in share capital of the Company are set out in note 14 to the consolidated financial statements.

Significant Acquisition and Disposal

On 23rd October 2013, the Group has exercised the conversion rights attached to a short term investment of Crosby Capital Limited's convertible bonds due 2015 in an aggregate principal amount of HK$19 million, which was acquired on 5th April 2013. After such conversion, 24,358,974 ordinary shares of Crosby Capital limited were held by the Group.

On 10th April 2014, the Company disposed of 24,358,974 Crosby Shares (representing approximately 5.48% of the total issued share capital of Crosby as at the date of disposal) for a cash consideration of approximately HK$19.49 million in open market. The consideration represented the market prices of Crosby Shares at the time of Disposal. Details refer to the announcement dated 11th April 2014.

Contingent Liabilities

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 (2013: HK$4,679,000).

On 9th October 2012, a Tenancy Agreement was jointly entered into between Wit Way Enterprises Limited, 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 an office premises. The duration of the Tenancy Agreement is for three years commencing from 1st November 2012 to 31st 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 party's 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.

SHARE OPTION SCHEMES

On 24th September 2001, the shareholders of the Company approved a share option scheme ("the Old 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 ("the Old Scheme").

On 4th January 2011, the shareholders of the Company approved to terminate the Old Scheme ("the Old 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 10 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 shall not be less than 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.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions ("Code") 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 save as disclosed below.

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.

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

For the year ended 31st March 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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. Currently it consists of three independent non-executive Directors, Mr. Kam Tik Lun, chairman of the Audit Committee, Mr. Siu Yim Kwan, Sidney and Mr. Tsui Pui Hung. Five meetings were held during the financial year ended 31st March 2014. Attendance of the members of the Audit Committee is set out below:

Name of Directors	Number of meeting attended/Number of meeting held
Mr. Siu Yim Kwan, Sidney	5/5
Mr. Tsui Pui Hung	5/5
Mr. Kam Tik Lun	5/5

The Company's annual results for the year ended 31st March 2014, have been reviewed by the Audit Committee.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company maintained the prescribed public float under the GEM Listing Rules.

COMPETING INTEREST

None of the Directors or the controlling shareholder (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 for the financial year end 31st March 2014.

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, 26th June 2014

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