UNIVERSE INTERNATIONAL HOLDINGS LIMITED
寰宇國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1046)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30TH JUNE 2015

RESULTS

The board of directors (the "Directors") of Universe International Holdings Limited (the "Company") (the "Board") hereby announces the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 30th June 2015, together with comparative figures for the year ended 30th June 2014 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 30th June	
		2015	2014
	Note	***HK$'000***	*HK$'000*
Revenue and income			
Sales of goods – video distribution		**6,877**	7,873
Income on film exhibition, licensing and sub-licensing of film rights		**34,234**	174,422
Fair value changes on investment securities		**229,943**	35,916
Income from other businesses		**29,154**	15,004
Total revenue and income	*3*	**300,208**	233,215
Cost of revenue and income			
Cost of inventories sold – video distribution		**(4,803)**	(3,248)
Related cost on film exhibition, licensing and sub-licensing of film rights		**(18,917)**	(173,882)
Cost from other businesses		**(21,829)**	(4,699)
Total cost of revenue and income	*4*	**(45,549)**	(181,829)

* *for identification purposes only*

	Note	Year ended 30th June 2015 HK$'000	2014 HK$'000
Impairment losses of film rights		**(5,818)**	(1,211)
Selling expenses	*4*	**(3,234)**	(3,643)
Administrative expenses	*4*	**(49,117)**	(35,541)
Other income		**834**	4,584
Other losses – net		**(248)**	(655)
Gain on disposal of subsidiaries		**6**	43,744
Increase in fair value of investment properties		**500**	2,344
Fair value loss in issuance of unlisted warrants		**–**	(81,206)
Other operating income	*4*	**826**	1,411
Finance income		**314**	536
Finance cost		**(170)**	–
Share of loss of an associate		**(38)**	–
Share of loss of a joint venture		**(218)**	(221)
Profit/(loss) before income tax		**198,296**	(18,472)
Income tax expense	*5*	**(37,366)**	(5,855)
Profit/(loss) for the year		**160,930**	(24,327)
Profit/(loss) for the year attributable to:			
Owners of the Company		**161,956**	(24,327)
Non-controlling interests		**(1,026)**	–
		160,930	(24,327)

	Note	Year ended 30th June 2015 HK$'000	2014 HK$'000 (Restated)
Earnings/(loss) per share attributable to the owners of the Company during the year *(expressed in HK cent)*			
– basic	*6*	**68.01**	(14.18)
– diluted	*6*	**67.13**	N/A

	Year ended 30th June	
	2015	2014
	HK$'000	*HK$'000*
Profit/(loss) for the year	**160,930**	(24,327)
Other comprehensive income/(loss):		
Items that may be reclassified to profit or loss:		
Change in value of available-for-sale financial assets	**8,347**	(35)
Currency translation differences	**(18)**	–
Other comprehensive income/(loss) for the year, net of tax	**8,329**	(35)
Total comprehensive income/(loss) for the year	**169,259**	(24,362)
Total comprehensive income/(loss) for the year attributable to:		
Owners of the Company	**170,285**	(24,362)
Non-controlling interests	**(1,026)**	–
	169,259	(24,362)

CONSOLIDATED BALANCE SHEET

		As at 30th June	
		2015	2014
	Note	***HK$'000***	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**5,229**	1,581
Investment properties		**25,560**	25,060
Other intangible assets		**3,172**	1,858
Film rights and films in progress		**17,906**	32,021
Investment in an associate		**5,022**	–
Investments in joint ventures		**706**	924
Loan receivable from a joint venture		**8,140**	7,922
Film related deposits		**38,195**	39,045
Deposits paid		**6,204**	827
Deferred income tax assets		**380**	368
Available-for-sale financial assets		**88,415**	54,965
		198,929	164,571
Current assets			
Inventories		**5,841**	2,968
Accounts receivable	*8*	**14,183**	25,466
Loans receivable	*9*	**37,000**	38,930
Amount due from a joint venture		**10**	–
Deposits paid, prepayments and other receivables		**65,722**	18,336
Financial assets at fair value through profit or loss		**315,109**	60,315
Cash and cash equivalents		**102,834**	84,178
		540,699	230,193
Total assets		**739,628**	394,764
EQUITY			
Equity attributable to the owners of the Company			
Share capital		**2,984**	34,578
Share premium		**213,630**	136,842
Other reserves		**148,463**	83,492
Retained earnings		**206,943**	44,987
		572,020	299,899
Non-controlling interests		**247**	–
Total equity		**572,267**	299,899

		As at 30th June	
		2015	2014
	Note	***HK$'000***	*HK$'000*
LIABILITIES			
Non-current liabilities			
Borrowings		**9,200**	–
Obligations under finance lease		**97**	52
Deferred income tax liabilities		**29,813**	4,742
		39,110	4,794
Current liabilities			
Accounts payable	*10*	**4,189**	4,193
Other payables and accrued charges		**52,868**	51,289
Deposits received		**56,726**	32,446
Amount due to the ultimate holding company		**1**	1
Obligations under finance lease		**35**	17
Taxation payable		**14,432**	2,125
		128,251	90,071
Total liabilities		**167,361**	94,865
Total equity and liabilities		**739,628**	394,764
Net current assets		**412,448**	140,122
Total assets less current liabilities		**611,377**	304,693

Notes:

1. General information

Universe International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") are principally engaged in distribution of films in various videogram formats, film exhibition, licensing and sub-licensing of film rights, leasing of investment properties, securities investment, money lending, trading and wholesale of optical products, and trading, wholesale and retail of watch and jewellery products.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company is listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

These consolidated financial statements are presented in thousands of units of Hong Kong dollars ("HK$'000"), unless otherwise stated.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term referred to all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets and financial assets at fair value through profit or loss, which are carried at fair value.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

During the year ended 30th June 2015, the Directors performed a review of the content and presentation of the consolidated financial statements and considered that it is more appropriate to begin with components on revenue and income and cost of revenue and income, which would be more relevant to the understanding of users of the Group's consolidated financial statements.

Consequently, the presentation of the consolidated statement of comprehensive income for the year ended 30th June 2015 has been revised and the comparatives have been revised in order to conform with the presentation adopted in these consolidated financial statements. The changes in presentation of the consolidated statement of comprehensive income do not have any impact on the Group's profit for the year or the calculation of the Group's earnings per share.

The Group has also reassessed the classification of the deposits as at 30th June 2015. As a result of the reassessment, the Group has reclassified non-current rental deposits from current deposits to non-current deposits based on the term of rental agreement.

The preparation of consolidated financial statements in conformity with HKFRSs 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 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. The Group has adopted the new and revised HKFRSs below, which are relevant to its operations, in the preparation of the consolidated financial statements.

HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendment	Investment Entities
HKAS 32 Amendment	Offsetting Financial Assets and Financial Liabilities
HKAS 36 Amendment	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 Amendment	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies
HKAS 19 (2011) Amendment	Defined Benefit Plans: Employee Contributions
Annual Improvement Project	Annual Improvements 2010-2012 Cycle
Annual Improvement Project	Annual Improvements 2011-2013 Cycle

These amendments to standards and new interpretations had no material impact on the presentation of the Group's financial statements.

The following new or revised standards and amendments to standards are relevant to the Group's operation but are not effective for the Group's financial year beginning 1st July 2014 and have not been early adopted in these consolidated financial statements:

		Effective for annual periods beginning on or after
Annual Improvement Project	Annual Improvements 2012-2014 Cycle	1st January 2016
HKFRS 14	Regulatory Deferral Accounts	1st January 2016
HKFRS 10 and HKAS 28 Amendment	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1st January 2016
HKFRS 10, HKFRS 12 and HKAS 28 Amendment	Investment Entities: Applying the Consolidation Exception	1st January 2016
HKFRS 11 Amendment	Accounting for Acquisitions of Interests in Joint Operations	1st January 2016
HKAS 1 Amendment	Disclosure Initiative	1st January 2016
HKAS 16 and HKAS 38 Amendment	Clarification of Acceptable Methods of Depreciation and Amortisation	1st January 2016
HKAS 16 and HKAS 41 Amendment	Agriculture: Bearer Plants	1st January 2016
HKAS 27 Amendment	Equity Method in Separate Financial Statements	1st January 2016
HKFRS 15	Revenue from Contracts with Customers	1st January 2017
HKFRS 9	Financial Instruments	1st January 2018

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations would be in the period of initial application, but not yet in a position to state whether these amendments, new standards and interpretations would have a significant impact on the Group's results of operations and financial position.

3. Segment information

Primary reporting format – business segments

The chief operating decision-marker ("CODM") reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports, as below:

- Distribution of films in various videogram formats
- Film exhibition, licensing and sub-licensing of film rights
- Leasing of investment properties
- Securities investments
- Money lending

The CODM assesses the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure from the operating segments, such as gain on disposal of subsidiaries and fair value loss in issuance of unlisted warrants. Finance income, finance costs, share of results of an associate and a joint venture and income tax expense are not included in the result for each operating segment that is reviewed by the CODM. Other information provided, except as noted below, to the CODM is measured in a manner consistent with that in the consolidated financial statements.

Total assets, excluding investment properties, financial assets at fair value through profit or loss, loans receivable, inventories, accounts receivable, amount due from a joint venture and other unallocated assets (included in property, plant and equipment, deposits paid, prepayment and other receivables) are managed on a central basis. These are part of the reconciliation to total balance sheet assets.

The Group's inter-segment transactions mainly consist of licensing of film rights, which are transferred at cost. The revenue and income from external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of profit or loss.

There are no sales between geographical segments.

Primary reporting format – business segments

	2015							
	Sales of goods – video distribution *HK$'000*	Film exhibition, licensing and sub-licensing of film rights *HK$'000*	Leasing of investment properties *HK$'000*	Securities investments *HK$'000*	Money lending *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
Revenue and income								
External sales and fair value changes in investment securities	6,877	34,234	989	229,943	5,224	22,941	–	300,208
Inter-segment sales	–	583	–	–	–	7	(590)	–
	6,877	34,817	989	229,943	5,224	22,948	(590)	300,208
Results								
Segment results before impairment loss and changes in fair value of investment properties	(3,317)	(466)	773	223,690	2,548	(19,508)	–	203,720
Increase in fair value of investment properties	–	–	500	–	–	–	–	500
Impairment loss of film rights	–	(5,818)	–	–	–	–	–	(5,818)
Segment results	(3,317)	(6,284)	1,273	223,690	2,548	(19,508)	–	198,402
Gain on disposal of a subsidiary								6
Finance income								314
Finance cost								(170)
Share of loss of an associate								(38)
Share of loss of a joint venture								(218)
Profit before income tax								198,296
Income tax expense								(37,366)
Profit attributable to the owners of the Company								160,930
Assets								
Segment assets	5,712	34,269	25,568	315,109	37,000	13,913	–	431,571
Unallocated assets								308,057
Total assets								739,628
Liabilities								
Segment liabilities	2,158	59,350	213	–	–	6,351	–	68,072
Unallocated liabilities								99,289
Total liabilities								167,361
Other information								
Capital expenditures	626	3,406	–	–	–	384	–	4,416
Unallocated capital expenditures								7,896
Total capital expenditures								12,312
Depreciation and amortisation of leasehold land	113	406	2	–	–	34	–	555
Unallocated depreciation and amortisation of leasehold land								470
Total depreciation and amortisation of leasehold land								1,025
Amortisation of film rights	748	15,188	–	–	–	–	–	15,936

	2014							
	Sales of goods – video distribution *HK$'000*	Film exhibition, licensing and sub-licensing of film rights *HK$'000*	Leasing of investment properties *HK$'000*	Securities investments *HK$'000*	Money lending *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
Revenue and income								
External sales and fair value changes in investment securities	7,873	174,422	1,537	35,916	1,863	11,604	–	233,215
Inter-segment sales	–	3,386	–	–	–	12	(3,398)	–
	7,873	177,808	1,537	35,916	1,863	11,616	(3,398)	233,215
Results								
Segment results before impairment loss and changes in fair value of investment properties	(4,114)	(11,426)	1,224	34,075	1,274	(3,491)	–	17,542
Increase in fair value of investment properties	–	–	2,344	–	–	–	–	2,344
Impairment losses of film rights	–	(1,211)	–	–	–	–	–	(1,211)
Segment results	(4,114)	(12,637)	3,568	34,075	1,274	(3,491)	–	18,675
Gain on disposal of subsidiaries								43,744
Fair value loss in issuance of unlisted warrants								(81,206)
Finance income								536
Share of loss of a joint venture								(221)
Loss before income tax								(18,472)
Income tax expense								(5,855)
Loss attributable to the owners of the Company								(24,327)
Assets								
Segment assets	7,494	53,552	25,070	60,315	38,930	8,602	–	193,963
Unallocated assets								200,801
Total assets								394,764
Liabilities								
Segment liabilities	1,826	59,675	187	–	–	4,343	–	66,031
Unallocated liabilities								28,834
Total liabilities								94,865
Other information								
Capital expenditures	2,288	10,902	8	–	–	10	–	13,208
Unallocated capital expenditures								11,355
Total capital expenditures								24,563
Depreciation and amortisation of leasehold land	190	75	1	–	–	51	–	317
Unallocated depreciation and amortisation of leasehold land								649
Total depreciation and amortisation of leasehold land								966
Amortisation of film rights	4,748	157,597	–	–	–	–	–	162,345

Secondary reporting format – geographical segments

	2015		
	Revenue and income *HK$'000*	**Total assets** *HK$'000*	**Capital expenditures** *HK$'000*
Hong Kong and Macau	**274,466**	**692,827**	**9,593**
PRC and other asian countries (other than Hong Kong and Macau)	**25,325**	**46,707**	**2,719**
North America	**200**	**27**	**–**
Europe	**203**	**35**	**–**
Others	**14**	**32**	**–**
	300,208	**739,628**	**12,312**

	2014		
	Revenue and income *HK$'000*	Total assets *HK$'000*	Capital expenditures *HK$'000*
Hong Kong and Macau	90,589	359,991	24,563
PRC and other asian countries (other than Hong Kong and Macau)	141,704	34,712	–
North America	256	3	–
Europe	478	35	–
Others	188	23	–
	233,215	394,764	24,563

4. Expenses by nature

Expenses included in cost of revenue and income, impairment losses of film rights and film deposits, selling expenses, administrative expenses and other operating income, are analysed as follows:

	Year ended 30th June	
	2015	2014
	HK$'000	*HK$'000*
Amortisation of film rights	**15,936**	162,345
Amortisation of leasehold land	**–**	34
Depreciation of owned assets	**999**	920
Depreciation of leased assets	**26**	12
Impairment losses of film rights	**5,818**	1,211
Write-back of provision for impairment loss of available-for-sale financial assets	**(969)**	–
(Write-back of)/provision for inventories	**(266)**	204
Write-off of inventories	**296**	20
Write-back of provision for film deposit	**(125)**	(1,630)
Employee benefits expenses including directors' emoluments	**27,870**	21,044
Cost of inventories sold – video distribution	**4,803**	3,248
Cost of inventories sold – optical products	**307**	–
Advertising costs	**149**	1,794
Direct operating expenses arising from investment properties that generate rental income	**180**	288
Auditor's remuneration	**1,590**	1,497

5. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year.

The amount of income tax expense charged to the consolidated statement of profit or loss represents:

	Year ended 30th June	
	2015	2014
	HK$'000	*HK$'000*
Hong Kong profits tax		
Current year	**12,307**	1,042
Deferred income tax	**25,059**	4,813
	37,366	5,855

6. Earnings/(loss) per share

(a) Basic

Basic earnings/(loss) per ordinary share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

For the year ended 30th June 2014, the weighted average number of ordinary shares for the purpose of basic loss per ordinary share has been restated and adjusted with the effect of shares consolidation (10 shares consolidated into 1 share) which occurred during the current year.

	Year ended 30th June	
	2015	2014 (As previously stated)
Profit/(loss) attributable to owners of the Company *(HK$'000)*	**161,956**	(24,327)
Weighted average number of ordinary shares in issue	**238,133,829**	1,715,589,398
Basic earnings/(loss) per ordinary share *(HK cents)*	**68.01**	(1.42)

	2014 (Restated)
Weighted average number of ordinary shares in issue	171,558,940
Basic loss per ordinary share *(HK cents)*	(14.18)

(b) Diluted

Diluted earnings/(loss) per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares is arising from share options, for which a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Year ended 30th June 2015
Profit attributable to owners of the Company and used to determine diluted earnings per ordinary share *(HK$'000)*	**161,956**
Weighted average number of ordinary shares in issue	**238,133,829**
Adjustment for share options	**3,131,072**
Weighted average number of ordinary shares for diluted earnings per ordinary share	**241,264,901**
Diluted earnings per ordinary share *(HK cents)*	**67.13**

The basic and diluted loss per share for the year ended 30th June 2014 are the same because the effect of the assumed conversion of all dilutive potential ordinary shares outstanding during the year was anti-dilutive.

7. Dividend per share

The Board did not recommend the payment of a final dividend for the year ended 30th June 2015 (2014: nil).

8. Accounts receivable

	Group	
	2015	2014
	HK$'000	*HK$'000*
Accounts receivable	**14,325**	25,608
Less: Provision for impairment of accounts receivable	**(142)**	(142)
Accounts receivable – net	**14,183**	25,466

The carrying amounts of accounts receivable approximates to their fair values.

The ageing analysis of the accounts receivable by invoice date as follows:

	As at 30th June	
	2015	2014
	HK$'000	*HK$'000*
1 to 90 days	**13,800**	2,114
91 days to 180 days	**211**	16,041
Over 180 days	**172**	7,311
	14,183	25,466

Sales of videogram products are with credit terms of 7 days to 60 days. Sales from film exhibition, licensing and sub-licensing of film rights are on open account terms. Sales of retail customers for optical products are made in cash or via major credit cards. The Group has policies in place to ensure that sales of products on credit terms are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers.

There is no concentration of credit risk with respect to accounts receivable, as the Group has a large number of customers, and are internationally dispersed.

No provision was recognised by the Group for the impairment of its accounts receivable during the year ended 30th June 2015 (2014: nil). During the year ended 30th June 2015, no provision (2014: nil) was written off from the allowance account.

As at 30th June 2015, the Group does not hold any collateral as security. (2014: same)

9. Loans receivable

	As at 30th June	
	2015	2014
	HK$'000	*HK$'000*
Loans to customers	**37,000**	38,930

A maturity profile of the loans receivable as at the end of the balance sheet date, based on the maturity date is as follows:

	As at 30th June	
	2015	2014
	HK$'000	*HK$'000*
– Non-current	**–**	–
– Current	**37,000**	38,930
	37,000	38,930

The Group seeks to maintain strict control over its outstanding loans receivable to minimise credit risk.

The credit quality analysis of the loans receivable is as follows:

	As at 30th June	
	2015	2014
	HK$'000	*HK$'000*
Neither past due nor impaired		
– Unsecured loans	**37,000**	29,930
– Secured loans	**–**	9,000
	37,000	38,930

The Group's loans receivable, which arise from the money lending business in Hong Kong, are denominated in Hong Kong dollars.

The loans receivable are neither impaired nor overdue as at 30th June 2015 (2014: same).

The maximum exposure to credit risk at each balance sheet dates is the carrying value of the loans receivable.

All the loans receivable are entered with contractual maturity within 1 year. The Group seeks to maintain tight control over its loans receivable in order to minimise credit risk by reviewing the borrowers' or guarantors' financial positions.

Loans receivable are interest-bearing at rates ranging from 8% to 15% per annum (2014: 8.5% to 24% per annum).

Interest income of approximately HK$5,224,000 (2014: HK$1,863,000) has been recognised in 'revenue and income' in the consolidated statement of profit or loss.

10. Accounts payable

The carrying amounts of the Group's accounts payable approximates to their fair values and are denominated in the Hong Kong dollars.

The ageing analysis of the accounts payable by invoice date is as follows:

	As at 30th June	
	2015	2014
	HK$'000	*HK$'000*
1 to 90 days	**1,761**	1,521
91 days to 180 days	**97**	469
Over 180 days	**2,331**	2,203
	4,189	4,193

11 Acquisition of a subsidiary

On 7th May 2015, Precise Reach Group Limited, an indirect wholly-owned subsidiary of the Company, acquired 80% of the issued share capital of Fine Ocean Limited.

The following table summarises the consideration paid for Fine Ocean Limited, the fair value of assets and liabilities acquired at the acquisition date.

	HK$'000
Consideration:	
Cash	2,405
Total consideration	2,405
Recognised amounts of identifiable assets acquired	
Cash and cash equivalents	5
Property, plant and equipment	347
Inventories	2,471
Accounts receivable	8
Other payables and accrued charges	(1,370)
Deposits received	(97)
Total identifiable net assets	1,364
Non-controlling interest	(273)
Goodwill	1,314
	2,405
Cash and cash equivalents acquired	5
Cash consideration	(2,405)
Net cash outflow on acquisition	(2,400)

Had Fine Ocean Limited been consolidated from 1st July 2014, the consolidated statement of profit or loss would show pro-forma revenue of approximately HK$304,268,000 and profit of approximately HK$161,263,000.

12. Pending litigations

(a) A court action was commenced in the Court of First Instance of the Hong Kong Special Administrative Region on 17th April 2002 by The Star Overseas Limited ("Star"), an independent third party, against Universe Entertainment Limited ("UEL"), an indirect wholly-owned subsidiary of the Company.

By the above action, Star alleges that a sum of US$935,872 (equivalent to HK$7,299,799) was payable by UEL to Star as its share of the revenue of the movie entitled "Shaolin Soccer" (the "Movie").

Pursuant to an Order (the "Order") made by the High Court on 21st February 2003, the UEL was ordered and had paid to Star a sum of HK$5,495,700, being part of the licence fee of the Movie received by UEL from Miramax Films (being the licencee of the Movie) and which was also part of the sum claimed by Star. Pursuant to the Order, UEL is also liable to pay Star interest in the sum of HK$350,905 and some of the costs of the application leading to the making of the Order, all of which have been settled. As the Order has not disposed of all the claims of US$935,872 (equivalent to HK$7,299,799) by Star, UEL is entitled to continue to defend the claim by Star for recovering the remaining balance in the sum of approximately HK$1,804,099 (HK$7,299,799 less HK$5,495,700).

On 30th April 2002, UEL issued a Writ of Summons against Star for the latter's wrongful exploitation of certain rights in the Movie co-owned by both parties. UEL claimed to recover all losses and damages suffered by UEL as a result of the wrongful exploitation.

On 9th September 2002, Universe Laser & Video Co. Limited ("ULV"), an indirect wholly-owned subsidiary of the Company, issued a Writ of Summons against Star for the latter's infringement of the licensed rights in the Movie held by ULV. ULV claimed to recover all losses and damages suffered by ULV as a result of the said infringement.

In the opinion of legal counsel, it is premature to predict the outcome of the claim against UEL. The Board is of the opinion that the outcome of the said claim made against UEL will have no material financial impact to the Group for the year ended 30th June 2015.

(b) On 1st September 2008, Koninklijke Philips Electronics N.V. ("KPE") issued a Writ of Summons against among other persons, the Company, ULV and Mr. Lam Shiu Ming, Daneil (one of the Directors), being three of the defendants named therein, in respect of damages arising from alleged infringement of the patents regarding Video Compact Disc owned by KPE.

In the opinion of legal counsel, it is premature to predict the outcome of the said claim made against the Company, ULV and Mr. Lam Shiu Ming, Daneil. The Board is of the opinion that the outflow of economic benefits cannot be reliably estimated and accordingly no provision for any liability that may result has been made in the consolidated financial statements.

(c) On 8th January 2010, KPE issued a Writ of Summons against among other persons, the Company, ULV and Mr. Lam Shiu Ming, Daneil (one of the Directors), being three of the defendants named therein, in respect of damages arising from alleged infringement of the patents regarding Digital Video Disc owned by KPE.

In June 2012, the action was discontinued against the Company and Mr. Lam Shiu Ming, Daneil. The claim made against ULV has been agreed with KPE and settled by ULV and appropriate legal costs provision was recognised accordingly in the consolidated financial statements for the year ended 30th June 2012.

No additional provision has been made in the consolidated financial statements for the year ended 30th June 2015. Based on the consultation with legal counsel, no further material outflow of economic benefits will be incurred for ULV.

(d) Universe Artiste Management Limited ("UAM") commenced Court of First Instance Action against Kwong Ling and Oriental Prosperous Int'l Entertainments Limited (collectively the "Defendants") on 30th June 2014 claiming inter alia for a declaration that UAM is entitled to extend/renew the term of the Artist Management Contract of the Defendants with UAM (the "Artist Management Contract") for 5 years as from 3rd May 2014 to 2nd May 2019.

The Defendants filed their defence and counterclaim on 29th September 2014. By such counterclaim, the Defendants were claiming against UAM, inter alia, for a declaration that the Artist Management Contract was void and unenforceable, the Artist Management Contract to be rescinded, damages for breach of the Artist Management Contract and for breach of fiduciary duties, a declaration that UAM is liable to account to the Defendants and an order for payment of all sums found to be due by UAM to the Defendants.

In the opinion of legal counsel, it is premature to predict the outcome of the said claim against UAM. The Board considers that the amounts of counterclaim by the Defendants against UAM is insignificant to the Group as a whole.

Save as disclosed above, as at 30th June 2015, no litigation or claim of material importance is known to the directors to be pending against either the Company or any of its subsidiaries.

13. Events after the balance sheet date

1. Pursuant to the Company's announcement dated 26th May 2015, Company's circular dated 24th June 2015 and Company's prospectus dated 24th July 2015, the Company proposed to raise not less than approximately HK$120.55 million and not more than approximately HK$134.36 million before expenses by issuing not less than 596,760,614 and not more than 665,160,614 new shares of HK$0.01 each in the share capital of the Company ("Rights Shares") at the subscription price of HK$0.202 ("Subscription Price") per Rights Share on the basis of two (2) Rights Shares for every one (1) Share in issue held on 23rd July 2015 ("Rights Issue").

   The Rights Issue was completed on 13th August 2015 and an aggregated of 596,760,614 Rights Shares have been issued.

2. Pursuant to the Company's announcement dated 26th May 2015 and Company's circular dated 24th June 2015, the Company entered into a placing agreement (the "Placing Agreement") pursuant to which the Company appointed a placing agent to procure, on a best effort basis, not less than six placees to subscribe for up to 586,350,000 new shares of HK$0.01 each in the share capital of the Company ("Placing Shares") at a price of HK$0.3411 per Placing Share.

   The Placing Agreement was completed on 28th July 2015 and an aggregated of 586,350,000 Placing Shares have been successfully placed to not less than six placees.

3. Pursuant to the Company's announcement dated 7th May 2015 and Company's circular dated 26th June 2015, the Group and 3 vendors entered into a sale and purchase agreement ("Winston S&P Agreement") on 7th May 2015 to acquire 79.99% of the enlarged issued share capital of Winston Asia Limited ("Winston"), a company incorporated in the British Virgin Islands ("BVI") with limited liability at a consideration of HK$64 million by issuing convertible notes with an aggregate principal amount of HK$64 million.

Winston is a holding company of a group of companies which are principally engaged in business activities including trading of watches and jewellery, trademark holding, wholesale and retail of watches and jewellery in Hong Kong and the People's Republic of China (the "PRC").

Prior to the completion of the Winston S&P Agreement, the Group owned approximately 20.01% of Winston, which was acquired by the Group in November 2014 and was recorded as investment in an associate. The Winston S&P Agreement was completed in July 2015 and Winston has become a wholly-owned subsidiary of the Company and the financial results of the Winston and its subsidiaries will be consolidated into the Group for the year ending 30th June 2016.

4. Pursuant to the Company's announcement dated 27th August 2015, the Group and a vendor entered into a sale and purchase agreement ("Glory S&P Agreement") on 27th August 2015 to acquire 49% of the issued share capital of Glory International Entertainment Limited ("Glory Entertainment"), a company incorporated in BVI with limited liability at an initial cash consideration of HK$36.75 million. The final cash consideration was subject to adjustment and a cap of HK$55.125 million.

   Glory Entertainment is principally engaged in investment holding and has a number of subsidiaries, the principal activities of which include advertising production, provision of public relations services, holding and sponsoring stage performance, concerts, film production and other cultural events in Hong Kong, Taiwan and the PRC.

   The Glory S&P Agreement was completed in August 2015 and the Group now owns 49% interest in Glory Entertainment and will equity account the financial results of Glory Entertainment and its subsidiaries for the year ending 30th June 2016.

5. Pursuant to the Company's announcement dated 21st August 2015, the Group and 2 vendors entered into a sale and purchase agreement ("Win Fung S&P Agreement") on 21st August 2015 to acquire the entire issued share capital of Win Fung Securities Limited ("Win Fung"), a company incorporated in Hong Kong with limited liability at a cash consideration of HK$73 million.

   Win Fung is a licensed corporation under the SFO and authorised to engage in the following regulated activities: (i) Type 1: Dealing in securities; and (ii) Type 4: Advising on securities. The principal activities of Win Fung are provision of brokerage services and securities margin financing to clients.

   The Group has paid an aggregate of HK$30 million as earnest money and deposit ("Deposit") to the 2 vendors under the Win Fung S&P Agreement. Completion of Win Fung S&P Agreement is conditional upon the fulfilment of certain conditions precedent. If the conditions precedent shall not have been fulfilled or waived on or before the 20th August 2016 for whatever reason, the Win Fung S&P Agreement shall cease and the Deposit shall be refunded to the Group.

BUSINESS AND OPERATIONAL REVIEW

Overall Group Results

For the year ended 30th June 2015 ("Year"), the Group recorded revenue and income of approximately HK$300.2 million (2014: approximately HK$233.2 million). The increase was mainly due to the combined net effect of the decrease in income on film exhibitions and licensing and sub-licensing of films rights from approximately HK$174.4 million for the year ended 30th June 2014 to approximately HK$34.2 million for the Year; and the increase in fair value changes on investment securities from approximately HK$35.9 million for the year ended 30th June 2014 to approximately HK$229.9 million for the Year.

Profit attributable to owners of the Company amounted to approximately HK$162.0 million for the Year (2014: loss attributable to owners of the Company of approximately HK$24.3 million). The increase in profit attributable to owners of the Company for the Year is mainly attributable to the increase in fair value changes on investment securities from approximately HK$35.9 million for the year ended 30th June 2014 to approximately HK$229.9 million for the Year which is partly off-set by the increase of impairment loss of film rights of approximately HK$4.6 million and increase of administrative expense of approximately HK$13.6 million as compared to the year ended 30th June 2014.

Video distribution

Revenue from this business segment during the Year was approximately HK$6.9 million, representing the decrease of approximately 12.7% compared to the year ended 30th June 2014 due to unfavorable market environment during the Year.

Due to the difficult operating environment, the Group recorded a segmental loss of approximately HK$3.3 million for the Year (2014: approximately HK$4.1 million). The Group will continue to adopt a cautious and prudent approach in acquisition of new titles for the video distribution business.

Film exhibition, licensing and sub-licensing of film rights

Income from this business segment during the Year was approximately HK$34.2 million, representing a decrease of approximately 80.4% as compared to approximately HK$174.4 million for the year ended 30th June 2014.

The significant decrease in revenue from this business segment was mainly due to the decrease in the number of newly self-produced films released during the Year. In particular, only one new self-produced film, namely, "Little Big Master"（5個小孩的校長）was released during the Year, while two new self-produced films, namely, "Out of Inferno"（逃出生天）and "The White Storm"（掃毒）were released for the year ended 30th June 2014.

The Group recorded a segmental loss of approximately HK$6.3 million (2014: approximately HK$12.6 million) for the Year. The decrease in segmental loss was due to net effect of (i) the satisfactory box office and net result of the newly self-produced films released during the Year; (ii) the increase in contributions from non-newly released film during the Year. The gross profit margin for such non-newly released films is typically high because their cost had been fully amortised in previous year; and partly offset by (iii) the increase in impairment loss of film rights during the Year. Due to high production, advertising and distribution costs, the business environment of this segment is more challenging than before and the Group will continue to adopt a cautious and prudent approach to identify new opportunities and streamline the cost structure of this business segment.

Leasing of investment properties

Revenue from this business segment during the Year was approximately HK$1.0 million, representing the decrease of approximately 35.7% compared to the year ended 30th June 2014. The decrease in revenue is mainly due to sales of certain investment properties in January 2014.

The Group recorded a segmental gain of approximately HK$1.3 million (2014: approximately HK$3.6 million) from this business segment for the Year. The decrease in segmental gain from this segment is due to the decrease in revenue and the decrease in gain in fair value of investment properties during the Year.

Securities investment

Securities investment business recorded significant growth during the Year. The Group recorded realised and unrealised fair value gain on changes on investment securities of approximately HK$88.9 million (2014: approximately HK$7.9 million) and approximately HK$141.0 million (2014: approximately HK$28.0 million), respectively. The segment profit of this business is approximately HK$223.7 million (2014: approximately HK$34.1 million) during the Year. Such growth was mainly attributable to the good net performance of our investment portfolio and the positive investing market environment during the Year.

Reference is made to the Company's announcement dated 6th July 2015 ("Positive Profit Alert Announcement"), based on the information available as at 6th July 2015, the Group was expected to record a net profit for the Year against a net loss for the year ended 30th June 2014, which was mainly due to the significantly increase of the gains arising from the disposal and changes in the fair value of the investment securities from approximately HK$35.9 million for the year ended 30th June 2014 to approximately HK$248.7 million for the Year, which was estimated based on the closing prices of equity securities held by the Group as at 30th June 2015.

The total fair value changes on investment securities (including realised and unrealised fair value gain) is approximately HK$229.9 million as reported in this annual results announcement, which is different from approximately HK$248.7 million as reported in the Positive Profit Alert Announcement. The difference of approximately HK$18.8 million is due to the measurement of the fair value of one equity security (the trading of which in an active market was suspended in May 2015) in this annual results announcement which is based on the Group's share of its net asset value as at 30th June 2015 (representing the management's best estimate of such equity security's fair value based on information which became available subsequent to the date of the Positive Profit Alert Announcement) rather than the latest closing price of this equity security before its suspension of trading in an active market.

As at 30th June 2015, the total fair value of the investment portfolio held by the Group was approximately HK$315.1 million (2014: approximately HK$60.3 million). As at 30th June 2015, all the investment items of the Group's investment portfolio are shares of companies listed on the Stock Exchange and engaged in different industries such as entertainment services, manufacturing, financial advisory business, asset management, solar energy, healthcare and wholesale business etc. The Group's investment portfolio were classified as financial assets at fair value through profit or loss at the balance sheet date.

The Group will continue diversifying, optimizing and consolidating its investment portfolios, so as to achieve a better return to the Group.

Money lending business

The Group started its money lending business in December 2013 and achieved a significant growth in interest income and segment profit in the second year of operation during the Year. The Group recorded an interest income of approximately HK$5.2 million from this business, representing a year-on-year growth of approximately 180.4% compared to the year ended 30th June 2014. The segment profit of this business is approximately HK$2.5 million (2014: approximately HK$1.3 million) during the Year.

Loan portfolio is approximately HK$37.0 million as at 30th June 2015 (2014: approximately HK$38.9 million). Loan receivable are interest-bearing at rates ranging from 8% to 15% per annum (2014: 8.5% to 24% per annum). There was no default event happened in respect of the Group's loan portfolio during the Year (2014: nil).

The Group will continue to expand the money lending business to effectively utilise the Group's cash resources and to diversify the source of the Group's income.

Geographical contribution

In terms of geographical contribution, overseas markets accounted for approximately 8.6% (2014: approximately 61.2%) of the Group's total revenue and income during the Year. More revenue and income were generated from the securities and investment business in Hong Kong and less income was generated from the film exhibition and licensing and sub-licensing of film rights in PRC during the Year as compared to the year ended 30th June 2014.

Selling expenses

Selling expenses for the Year decreased by approximately 11.2% to approximately HK$3.2 million as compared to approximately HK$3.6 million for the year ended 30th June 2014. The decrease in selling expenses was mainly due to the decrease in the number of the newly released films during the Year.

Administrative expenses

Administrative expenses for the Year increased by approximately 38.2% to approximately HK$49.1 million as compared to approximately HK$35.5 million for the year ended 30th June 2014.

The increase in administrative expenses was mainly due to the increase in the salaries and overhead expenses in developing the new business during the Year and the recognition of the share based payment expenses of approximately HK$9.4 million (2014: nil) during the Year.

Other income

Other income for the Year decreased by approximately 81.8% to approximately HK$0.8 million as compared to approximately HK$4.6 million for the year ended 30th June 2014. The decrease was mainly due to the decrease of sponsorship income for the Company's films of approximately HK$3.3 million during the Year.

NEW/POTENTIAL INVESTMENTS

1. Pursuant to the Company's announcement dated 7th May 2015 and Company's circular dated 26th June 2015, the Group and 3 vendors entered into the Winston S&P Agreement on 7th May 2015 to acquire 79.99% of the enlarged issued share capital of Winston, a company incorporated in BVI with limited liability at a consideration of HK$64 million by issuing convertible notes with an aggregate principal amount of HK$64 million.

   Winston is a holding company of a group of companies which are principally engaged in business activities including trading of watches and jewellery, trademark holding, wholesale and retail of watches and jewellery in Hong Kong and the PRC.

   Prior to the completion of the Winston S&P Agreement, the Group owned approximately 20.01% of Winston, which was acquired by the Group in November 2014. The Winston S&P Agreement was completed in July 2015 and Winston has become a wholly-owned subsidiary of the Company and the financial results of the Winston and its subsidiaries will be consolidated into the Group for the year ending 30th June 2016.

2. Pursuant to the Company's announcement dated 27th August 2015, the Group and a vendor entered into the Glory S&P Agreement on 27th August 2015 to acquire 49% of the entire issued share capital of Glory Entertainment, a company incorporated in BVI with limited liability at an initial cash consideration of HK$36.75 million. The final cash consideration was subject to adjustment and a cap of HK$55.125 million.

   Glory Entertainment is principally engaged in investment holding and has a number of subsidiaries, the principal activities of which include advertising production, provision of public relations services, holding and sponsoring stage performance, concerts, film production and other cultural events in Hong Kong, Taiwan and the PRC.

   The Glory S&P Agreement was completed in August 2015 and the Group now owns 49% interest in the Glory Entertainment and will equity account the financial results of Glory Entertainment and its subsidiaries for the year ending 30th June 2016.

3. Pursuant to the Company's announcement dated 21st August 2015, the Group and 2 vendors entered into the Win Fung S&P Agreement on 21st August 2015 to acquire the entire issued share capital of Win Fung, a company incorporated in Hong Kong with limited liability at a cash consideration of HK$73 million.

   Win Fung is a licensed corporation under the SFO and authorised to engage in the following regulated activities: (i) Type 1: Dealing in securities; and (ii) Type 4: Advising on securities. The principal activities of Win Fung are provision of brokerage services and securities margin financing to clients.

The Group has paid the Deposit to the 2 vendors under the Win Fung S&P Agreement. Completion of Win Fung S&P Agreement is conditional upon the fulfilment of certain conditions precedent. If the conditions precedent have not been fulfilled or waived on or before the 20th August 2016 for whatever reason, the Win Fung S&P Agreement shall cease and the Deposit shall be refunded to the Group.

4. Pursuant to the Company's announcement dated 1st June 2015 and 30th June 2015, the Group and 2 potential sellers entered into a non-legally binding memorandum of understanding ("MOU 1") and an addendum to supplement the MOU 1 in respect of possible investment ("Possible Investment") in a company ("Target A") incorporated in BVI with limited liability. Target A and its subsidiaries are principally engaged in the provision of education and training programs in Hong Kong. The Group has paid HK$2 million earnest money ("Earnest Money") to the 2 potential sellers. If the parties to the MOU 1 shall not have entered into a formal agreement regarding the Possible Investment by 1st December 2015, the MOU 1 shall lapse and the Earnest Money shall be refunded to the Group.

5. Pursuant to the Company's announcement dated 20th April 2015, the Group and a potential seller entered into a non-legally binding memorandum of understanding ("MOU 2") in respect of a possible acquisition ("Possible Acquisition") of the shareholding in a company ("Target B") incorporated in the Cayman Islands with limited liability. Target B and its subsidiaries are principally engaged in the production of frames for eyeglasses and other optical products. If the parties to the MOU 2 shall not have entered into a formal agreement regarding the Possible Acquisition by 20th October 2015, the MOU 2 shall lapse.

6. Pursuant to the Company's announcement dated 30th October 2013, 30th June 2014, 31st December 2014 and 30th June 2015, the Group entered into a cooperative framework agreement (the "Framework Agreement") with 貴州多彩貴州城建設經營有限公司 ("Guizhou Colorful") (in English, for identification purpose only, Guizhou Colorful Guizhou Town Construction Management Co., Ltd.), a limited liability company established in the PRC, on 30th October 2013, in relation to the proposed cooperation in a development project ("Colorful Guizhou Town Project") of Colorful Guizhou Town (多彩貴州城), a commercial, leisure and tourism site to be constructed in Guiyang City, the PRC. During the construction and operation phase of Colorful Guizhou Town, the Group will provide design, planning and management and personnel training services to Guizhou Colorful, and will consider investment in and construction of high-end theatres in Colorful Guizhou Town. If the parties to the Framework Agreement shall not have entered into a formal cooperative agreement regarding their proposed cooperation by 31st December 2015, the Framework Agreement shall lapse.

OUTLOOK

Due to the high production, advertising and distribution costs, the operating environment of film exhibition, licensing and sub-licensing of film rights are more challenging than before. In response to the above, the Group adopted a cautious approach towards investment in the film exhibition, licensing and sub-licensing of film rights which in turn resulted in the decrease in number of newly released self-produced films during the Year. Nevertheless, the Group will closely monitor the market environment and continue to evaluate new opportunities in this sector.

In order to diversify the Group's businesses, the Company has acquired 100% of the entire issued share capital of Winston in July 2015. Winston has a well-established business of trading in watches and jewellery, trademark holding, wholesale and retail of watches and jewellery in Hong Kong and the PRC. The acquisition of Winston will enable the Company to further diversify its current businesses and broaden the income sources of the Group.

In addition, the Group will continue to identify different investment opportunities include but not limited to the aforesaid "NEW/POTENTIAL INVESTMENTS" and in entertainment, retails, wholesales and manufacturing of watches, jewellery, eyeglasses and other optical products, provision of financial services, education and training, culture-related business and other business sectors with enormous potentials to further diversify its businesses and broaden the income sources to maximise the return to its shareholders.

FINANCIAL RESOURCES/LIQUIDITY

The Group's financial position remained healthy. As at 30th June 2015, the Group had cash balances of approximately HK$102.8 million (2014: approximately HK$84.2 million).

As at 30th June 2015, the Group had total assets of approximately HK$739.6 million (2014: approximately HK$394.8 million).

The Group's gearing ratio as at 30th June 2015 is zero (2014: zero), which was calculated on the basis of net debt (including borrowings, obligations under financial lease and amount due to ultimate holding company less cash and cash equivalent) divided by total capital (including equity and net debt) of the Group

Finance cost for the Year is approximately HK$170,000 (2014: nil), which arising from the Group's long term borrowing of HK$9.2 million as at 30th June 2015 (2014: nil).

In light of the fact that most of the Group's transactions are denominated in Hong Kong dollars, Renminbi and United States dollars, the Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi. The Group will continue to take proactive measures and monitor its exposure to the movements of these currencies closely.

CAPITAL REORGANISATION AND CAPITAL STRUCTURE

1. Pursuant to the Company's announcement dated 3rd February 2015 and Company's circular dated 18th February 2015, the Company proposed to implement the reorganisation of the share capital of the Company ("Capital Reorganisation") involving (a) the consolidation of every 10 issued and unissued pre-consolidated shares of HK$0.02 each in the share capital of the Company ("Pre-consolidated Shares") into 1 consolidated share of HK$0.20 in the share capital of the Company ("Consolidated Share" and "Consolidated Shares" shall be construed accordingly); (b) the reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK$0.19 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK$0.20 to HK$0.01; and (c) the sub-division of each of the authorized but unissued Consolidated Shares of HK$0.20 each into 20 shares of HK$0.01 each in the share capital of the Company ("Share" and "Shares" shall be construed accordingly). The Capital Reorganisation became effective on 17th March 2015.

2. As announced on 23rd June 2014, the Company entered into a placing agreement (the "First Placing Agreement") pursuant to which the Company appointed a placing agent to procure, on a best effort basis, not less than six placees to subscribe for up to 343,200,000 new Pre-consolidated Shares of the Company ("First Placing Shares") at a price of HK$0.1 per First Placing Share ("First Placing"). The First Placing price of HK$0.1 per First Placing Share represented:

    (i) a discount of approximately 13.79% to the closing price of HK$0.116 per Pre-consolidated Share as quoted on the Stock Exchange on 23rd June 2014, the date of the First Placing Agreement; and

(ii) a discount of approximately 13.64% to the average closing price of HK$0.1158 per Pre-consolidated Share as quoted on the Stock Exchange for the five consecutive trading days of the Pre-consolidated Share immediately prior to the date of the First Placing Agreement.

Assuming the maximum number of the First Placing Shares were placed, the gross proceeds from the First Placing would be approximately HK$34.3 million and the net proceeds would be approximately HK$33.0 million. On such basis, the net issue price would be approximately HK$0.096 per First Placing Share.

The Directors were of the view that the First Placing would strengthen the financial position of the Group and provide general working capital to the Group to meet any future development and obligations. The First Placing also represented good opportunities to broaden the shareholders' base and the capital base of the Company.

The First Placing Agreement was completed on 9th July 2014 and an aggregated of 343,200,000 First Placing Shares have been successfully placed to not less than six placees. The net proceeds from the issuance of the First Placing Shares are approximately HK$33.0 million and all was utilised for general working capital for the Group.

3. As announced on 9th December 2014, the Company entered into second placing agreement (the "Second Placing Agreement") pursuant to which the Company appointed a placing agent to procure, on a best effort basis, not less than six placees to subscribe for up to 414,415,000 new Pre-consolidated Shares of the Company ("Second Placing Shares") at a price of HK$0.1 per Second Placing Share ("Second Placing"). The placing price of HK$0.1 per Second Placing Share represented:

(i) a discount of approximately 6.54% to the closing price of HK$0.107 per Pre-consolidated Share as quoted on the Stock Exchange on 9th December 2014, the date of the Second Placing Agreement; and

(ii) a discount of approximately 16.53% to the average closing price of HK$0.1198 per Pre-consolidated Share as quoted on the Stock Exchange for the five consecutive trading days of the Pre-consolidated Shares immediately prior to the date of the Second Placing Agreement.

Assuming the maximum number of the Second Placing Shares was placed, the gross proceeds from Second Placing would be approximately HK$41.4 million and the net proceeds would be approximately HK$39.7 million. On such basis, the net issue price would be approximately HK$0.096 per Second Placing Share.

The Directors are of the view that the Second Placing can strengthen the financial position of the Group and provide general working capital to the Group to meet any future development and obligations. The Second Placing also represent good opportunities to broaden the shareholders' base and the capital base of the Company.

The Second Placing Agreement was completed on 18th December 2014 and an aggregated of 414,415,000 Second Placing Shares have been successfully placed to not less than six placees. The net proceeds from the issuance of the Second Placing Shares were approximately HK$39.7 million and all was utilised for general working capital for the Group.

4. As announced on 10th April 2015, the Company entered into third placing agreement (the "Third Placing Agreement") pursuant to which the Company appointed a placing agent to procure, on a best effort basis, not less than six placees to subscribe for up to 49,730,000 new Shares of the Company ("Third Placing Shares") at a price of HK$0.4055 per Third Placing Share ("Third Placing"). The placing price of HK$0.4055 per Third Placing Share represented:

    (i) a discount of approximately 18.08% to the closing price of HK$0.495 per Share as quoted on the Stock Exchange on 10th April 2015, the date of the Third Placing Agreement; and

    (ii) a discount of approximately 14.99% to the average closing price of HK$0.477 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Third Placing Agreement.

    Assuming the maximum number of the Third Placing Shares was placed, the gross proceeds from Third Placing would be approximately HK$20.17 million and the net proceeds would be approximately HK$19.33 million. On such basis, the net issue price would be approximately HK$0.3887 per Third Placing Share.

    The Directors are of the view that the Third Placing can strengthen the financial position of the Group and provide general working capital to the Group to meet any future development and obligations. The Third Placing also represented good opportunities to broaden the shareholders' base and the capital base of the Company.

    The Third Placing Agreement was completed on 22nd April 2015 and an aggregated of 49,730,000 Third Placing Shares have been successfully placed to not less than six placees. The net proceeds from the issuance of the Third Placing Shares are approximately HK$19.33 million and all was utilised for general working capital for the Group.

5. Pursuant to the Company's announcement dated 26th May 2015, Company's circular dated 24th June 2015 and Company's prospectus dated 24th July 2015, the Company proposes to raise not less than approximately HK$120.55 million and not more than approximately HK$134.36 million before expenses by issuing not less than 596,760,614 and not more than 665,160,614 new Shares ("Rights Shares") at the subscription price of HK$0.202 ("Subscription Price") per Rights Share on the basis of two (2) Rights Shares for every one (1) Share in issue held on the 23rd July 2015 ("Rights Issue").

    The Subscription Price of HK$0.202 per Rights Share represented:

    (i) a discount of 74.75% to the closing price of HK$0.8 per Share as quoted on the Stock Exchange on 26th May 2015, being the last trading day of the announcement of Rights Issue ("Last Trading Day");

    (ii) a discount of approximately 49.66% to the theoretical ex-rights price of approximately HK$0.4013 per Share based on the closing price of HK$0.8 per Share as quoted on the Stock Exchange on the Last Trading Day; and

    (iii) a discount of approximately 72.78% to the average closing price of approximately HK$0.742 per Share for the last five consecutive trading days immediately prior to the Last Trading Day.

The Rights Issue was completed on 13th August 2015 and an aggregate of 596,760,614 Rights Shares have been issued. The net proceeds from the Rights Issue were approximately HK$114.8 million. The Group has applied HK$33 million for the development of money lending business and has applied approximately HK$3.2 million for general working capital..

6. Pursuant to the Company's announcement dated 26th May 2015 and Company's circular dated 24th June 2015, the Company entered into a placing agreement (the "Fourth Placing Agreement") pursuant to which the Company appointed a placing agent to procure, on a best effort basis, not less than six placees to subscribe for up to 586,350,000 new Shares ("Fourth Placing Shares") at a price of HK$0.3411 per Fourth Placing Share ("Fourth Placing"). The placing price of HK$0.3411 per Fourth Placing Share represented:

    (i) a discount of approximately 57.36% to the closing price of HK$0.8 per Share as quoted on the Stock Exchange on 26th May 2015, being the date of the Fourth Placing Agreement;

    (ii) a discount of approximately 15.00% to the theoretical ex-rights price of approximately HK$0.4013 per Share based on the closing price of HK$0.8 per Share as quoted on the Stock Exchange on the date of the Fourth Placing Agreement; (taking into account the Rights Issue); and

    (iii) a discount of approximately 54.03% to the average of the closing price per Share of HK$0.742 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Fourth Placing Agreement.

    Assuming the maximum number of the Fourth Placing Shares was placed, the gross proceeds from Fourth Placing would be approximately HK$200.0 million and the net proceeds would be approximately HK$192.5 million. On such basis, the net issue price would be approximately HK$0.3283 per Fourth Placing Share.

    The Fourth Placing Agreement was completed on 28th July 2015 and an aggregated of 586,350,000 Fourth Placing Shares have been successfully placed to not less than six placees. The net proceeds from the issuance of the Fourth Placing Shares were approximately HK$192.5 million. The Group has applied HK$34.8 million for the development of money lending business and HK$36.75 million to acquire 49% of the issued share capital of the Glory International Entertainment Limited as announced on 27th August 2015.

    The Board has noted that the revenue and income of the Group has fluctuated in the past five financial years (From year ended 30th June 2010 to year ended 30th June 2014) from a maximum of approximately HK$233.2 million for the year ended 30th June 2014 to a minimum of approximately HK$75.9 million for the year ended 30th June 2012. The business segment of the film exhibition, licensing and sub-licensing of film rights accounted for a major portion of the total revenue and income of the Group, which represented approximately 74.8% of the total revenue for the financial year ended 30th June 2014. However, films are produced on a project basis and the revenue generated thereunder are not stable, thus causing the fluctuation of the revenue and income and also the profitability of the Group. In view of the above, it is the goal of the Group to expand its revenue and income stream and stabilize its revenue and income through (i) the acquisition of new businesses, which are considered to have a relatively stable income stream, from other parties; and/or (ii) further expansion of the other existing business segments of the Group. As such, the Group is in the process of negotiating with certain potential vendors for possible acquisitions of some new businesses and further investment in some existing businesses. When the management of the Company is in negotiation with the potential sellers of the aforementioned acquisitions, such potential sellers may have concerns as to whether the Group has sufficient internal resources to proceed with the acquisitions and to develop the businesses. To facilitate further negotiations, it is preferable for the Company to conduct fund raising exercise before the formal acquisition agreements of the aforesaid acquisitions are entered into. As such, the Group conducted the Fourth Placing and the Rights Issue. The Board also considers that the Fourth Placing and the Rights Issue represent a good opportunity to broaden the shareholders' base and the capital base of the Company.

THE PLEDGE OF GROUP'S ASSETS

As at 30th June 2015, the Group did not have any pledged assets (2014: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30th June 2015, the Group employed 52 staff (2014: 48). Remuneration is reviewed annually and certain staffs are entitled to commission. In addition to basic salaries, staff benefits included discretionary bonus, medical insurance scheme and mandatory provident fund.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed in the annual general meeting held on 26th November 2003, the Company conditionally approved and adopted a share option scheme (the "Old Scheme") in compliance with the Listing Rules.

Pursuant to an ordinary resolution passed in the annual general meeting held on 29th November 2011 (the "2011 AGM"), the Company approved the refreshment of the scheme mandate limit, which is 10% of the total number of the issued shares of the Company as at the date of the 2011 AGM, under the Old Scheme. After the refreshment of the scheme mandate limit, the total number of share options available for issue under the Old Scheme as at the date of the 2011 AGM was 171,177,037, which represented 10% of the total number of the issued shares of the Company as at the date of the 2011 AGM.

There was no share option outstanding prior to 27th June 2012 under the Old Scheme. On 27th June 2012, the Company granted 34,235,403 share options to certain Directors and employees of the Group under the Old Scheme at the subscription price of HK$0.67 (Adjusted after taking account of the effect of the Capital Reorganisation) per share option which were vested immediately and exercisable for a three-year period between 27th June 2012 and 26th June 2015 (both dates inclusive). The Old Scheme expired on 26th November 2013. According to the provisions of the Old Scheme, share options granted during the term of the Old Scheme and remain unexercised immediately prior to the end thereof shall continue to be exercisable in accordance with their terms of grant notwithstanding the expiry of the Old Scheme. 17,117,700 share options have been exercised for the year ended 30th June 2014. The Remaining 17,117,703 share options have been adjusted to 1,711,770 after the Capital Organisation and then lapsed during the Year and the total number of share options outstanding under the Old Scheme as at 30th June 2015 was nil.

Pursuant to an ordinary resolution passed in the annual general meeting held on 2nd December 2013 (the "2013 AGM"), the Company conditionally approved and adopted a new share option scheme (the "New Scheme") in compliance with the Listing Rules. The total number of share options available for issue under the New Scheme as at the date of the 2013 AGM was 171,604,979, which represented 10% of the total number of the issued shares of the Company as at the date of the 2013 AGM. There was no share option outstanding prior to 30th June 2014 under the New Scheme.

On 21st July 2014, the Company granted 171,604,000 share options to certain Directors and employees of the Group under the New Scheme at the subscription price of HK$0.1738 per share option which were vested immediately and exercisable for a two-year period between 21st July 2014 and 20th July 2016 (both dates inclusive).

As a result of the Capital Reorganisation which became effective on 17th March 2015, adjustments have been made and the said outstanding 171,604,000 share options became 17,160,400 share options conferring holders thereof to subscribe for up to a total of 17,160,400 Shares, out of which 2,072,000 share options were lapsed in April 2015 and 15,088,400 share options remained unexercised and outstanding as at 30th June 2015. The subscription price per share option was adjusted to HK$1.738 per share option after taking account of the effect of Capital Reorganisation.

Subsequent to the balance sheet date, as a result of the completion of the Rights Issue which took place on 13th August 2015, further adjustments have been made and the said outstanding 15,088,400 share options have become 24,348,782 share options conferring holders thereof to subscribe for up to a total of 24,348,782 Shares. The subscription price per share option was further adjusted to HK$1.077 per share option after taking account of the effect of the Rights Issue.

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

The Company has, throughout the Year, complied with the code provisions contained in the Codes except for the code provision A.2.1 of the Code for the separation of the roles of Chairman and Chief Executive Officer ("CEO") as described in the following.

Code provision A.2.1 of the Code sets out that the roles of the Chairman and CEO should be separated and should not be performed by the same individual. The Company does not at present have any officer holding the position of CEO. Mr. Lam Shiu Ming, Daneil is the founder and Chairman of the Company and has also carried out the responsibilities of CEO. Mr. Lam possesses the essential leadership skills to manage the Board and extensive knowledge in the businesses of the Group. The Board considers the present structure to be more suitable to the Group because it can promote the efficient formulation and implementation of the Group's strategies.

INTERNAL CONTROL

The Board has the overall responsibility for the internal control of the Group, including risk management, and sets appropriate policies having regard to the objectives of the Group. The Board, through the Audit Committee, conducted a review on the effectiveness of the Group's system of financial and non-financial controls. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. Controls are monitored by management review.

AUDIT COMMITTEE

The Audit Committee provides an important link between the Board and the Group's auditor in matters coming within the scope of the Group's audit. It also reviews the effectiveness of the external audit, internal control and risk evaluation. The Audit Committee comprises three independent non-executive Directors, namely Mr. Lam Wing Tai (as Chairman), Mr. Lam Chi Keung and Mr. Choi Wing Koon. Three meetings were held during the Year.

The annual results of the Group for the Year have been reviewed by the Audit Committee.

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

The Company has not redeemed any of its shares during the Year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the Year.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income, and the related notes thereto for the Year as set out in this annual results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this annual results announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.uih.com.hk), respectively. The annual report for 2015 of the Company will be dispatched to the shareholders and will be available on the above websites in due course.

By Order of the Board
Lam Shiu Ming, Daneil
Chairman

Hong Kong, 29th September 2015

As at the date of this annual results announcement, the executive directors of the Company are Mr. Lam Shiu Ming, Daneil, Mr. Hung Cho Sing, Mr. Yeung Kim Piu and Mr. Lam Kit Sun, the non-executive Director is Mr. Chan Shiu Kwong Stephen, and the independent non-executive Directors are Mr. Lam Wing Tai, Mr. Choi Wing Koon and Mr. Lam Chi Keung.