



Unlimited Creativity Holdings Limited

Continued into Bermuda with limited liability
Stock Code: **8079**

2011 / 2012

Third Quarterly Report

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 report, 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 report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

HIGHLIGHTS

- Turnover for the nine months ended 31 December 2011 was approximately HK\$43.0 million (2010: HK\$58.4 million (restated)) representing a decrease of approximately 26%, as compared with the corresponding period in 2010.
- Loss attributable to owners for the nine months ended 31 December 2011 was approximately HK\$24.3 million (2010: HK\$25.5 million).
- The Board of Directors (the “Board”) does not recommend the payment of a dividend for the nine months ended 31 December 2011.

THIRD QUARTERLY RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and nine months ended 31 December 2011, together with the comparative unaudited figures for the corresponding periods in 2010 as follows:-

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2011

	Notes	For the three months ended 31 December		For the nine months ended 31 December	
		2011 HK\$'000	2010 HK\$'000 (Restated)	2011 HK\$'000	2010 HK\$'000 (Restated)
Revenue	2	14,291	12,853	43,018	58,401
Cost of sales		(1,383)	(2,278)	(4,752)	(11,178)
Gross Profit		12,908	10,575	38,266	47,223
Other revenue and other gains/(losses) – net	3	3,237	(4,347)	(14,517)	5,936
Servicing, selling and distribution costs		(2,404)	(3,546)	(8,131)	(33,736)
Administrative expenses		(7,734)	(10,350)	(26,129)	(31,110)
Other operating expenses		(3,710)	(892)	(7,919)	(8,147)
Net loss on disposal of subsidiaries		-	(7,443)	-	(7,443)
Operating profit/(loss)		2,297	(16,003)	(18,430)	(27,277)
Finance costs		(95)	(195)	(260)	(311)
Share of results of associates		(5,898)	484	(5,847)	767
Loss before income tax		(3,696)	(15,714)	(24,537)	(26,821)
Income tax credit	4	-	-	-	1,387
Loss for the period		(3,696)	(15,714)	(24,537)	(25,434)
Other comprehensive income:					
Changes in fair value of available-for-sale financial assets		1	830	(656)	1,672
Other comprehensive income for the period		1	830	(656)	1,672
Total comprehensive income for the period		(3,695)	(14,884)	(25,193)	(23,762)

	<i>Notes</i>	For the three months ended 31 December		For the nine months ended 31 December	
		2011 HK\$'000	2010 HK\$'000 (Restated)	2011 HK\$'000	2010 HK\$'000 (Restated)
Loss attributable to:-					
Owners of the Company		(3,648)	(15,364)	(24,333)	(25,461)
Non-controlling interests		(48)	(350)	(204)	27
		<u>(3,696)</u>	<u>(15,714)</u>	<u>(24,537)</u>	<u>(25,434)</u>
Total comprehensive income attributable to:					
Owners of the Company		(3,647)	(14,534)	(24,989)	(23,789)
Non-controlling interests		(48)	(350)	(204)	27
		<u>(3,695)</u>	<u>(14,884)</u>	<u>(25,193)</u>	<u>(23,762)</u>
Loss per share attributable to owners of the Company					
Basic and Diluted	6	<u>HK(0.5) cents</u>	<u>HK(13.3) cents</u>	<u>HK(6.9) cents</u>	<u>HK(26.8) cents</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

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

The accounting policies adopted in preparing the unaudited consolidated financial statements for the nine months ended 31 December 2011 are consistent with those followed in the annual report of the Company for the year ended 31 March 2011, except in relation to the new and revised standards, amendments and interpretations that affect the Company and its subsidiaries and are adopted for the first time for the preparation of current period's financial statement.

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

2. Revenue

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

For the three months ended 31 December		For the nine months ended 31 December	
2011	2010	2011	2010
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Restated)		(Restated)

(a) Turnover by reportable segment

Revenue

Beauty services and sale				
of beauty products	3,844	2,633	10,565	21,392
Clinical services	5,433	7,634	19,593	32,739
Rental income from				
investment properties	150	154	363	465
Money lending	4,864	2,432	12,497	3,805
	<hr/>	<hr/>	<hr/>	<hr/>
Total	14,291	12,853	43,018	58,401
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(b) Turnover by geographical segment

	For the three months ended 31 December		For the nine months ended 31 December	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000 (Restated)	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000 (Restated)
Hong Kong	9,357	8,319	27,816	38,864
Macau	4,934	4,534	15,202	13,384
China	-	-	-	6,153
	<u>14,291</u>	<u>12,853</u>	<u>43,018</u>	<u>58,401</u>

3. Other revenue and other gains/(losses) – net

	For the three months ended 31 December		For the nine months ended 31 December	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000 (Restated)	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000 (Restated)
Franchise fee income	-	-	-	143
Interest income	118	18	165	196
Rental income from sublet of office premises	-	282	-	868
Dividend income from listed investments	47	75	242	481
Fair value (loss)/gain on financial assets at fair value through profit or loss	3,057	(4,942)	(15,440)	2,932
Fair value gains on investment properties	-	-	238	-
Gain on disposal of available-for-sale financial assets	-	-	256	-
Others	15	220	22	1,316
	<u>3,237</u>	<u>(4,347)</u>	<u>(14,517)</u>	<u>5,936</u>

4. Income tax credit

	For the three months ended 31 December		For the nine months ended 31 December	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Current:				
Hong Kong				
– Charge for the period	-	-	-	-
– Under/(Over) provision in prior years	-	-	-	-
Overseas				
– Charge for the period	-	-	-	-
– Under/(Over) provision in prior years	-	-	-	(1,387)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,387)</u>
Income tax credit	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,387)</u>

5. Dividend

The directors do not recommend the payment of a dividend for the nine months ended 31 December 2011 (2010: HK\$Nil).

6. Loss per share

The calculation of basic loss per share for the three months ended 31 December 2011 is based on the loss attributable to owners of the Company of approximately HK\$3,648,000 (2010: approximately HK\$15,364,000) and the weighted average number of 699,197,543 ordinary shares in issue during the period (2010: 115,745,274 (restated) shares in issue).

The calculation of basic loss per share for the nine months ended 31 December 2011 is based on the loss attributable to owners of the Company of approximately HK\$24,333,000 (2010: approximately HK\$25,461,000) and the weighted average number of 353,648,814 ordinary shares in issue during the period (2010: 95,072,691 (restated) shares in issue).

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

7. Unaudited condensed consolidated statement of changes in equity
For the nine months ended 31 December 2011

	Equity attributable to the owners of the Company											Non-controlling interests	Total equity
	Capital			Investment			Share		Sub-total	HK\$'000			
	Share capital	Share premium	redemption reserve	Exchange reserve	Accumulated losses	Capital reserves	revaluation reserve	Revaluation reserve			option reserve		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2010	23,633	40,380	278	17	(101,360)	28,327	(1,430)	-	89	143,500	133,434	-	133,434
Changes in fair values of available-for-sale financial assets	-	-	-	-	-	-	1,672	-	-	-	1,672	-	1,672
Loss for the period	-	-	-	-	(25,461)	-	-	-	-	-	(25,461)	27	(25,434)
Total comprehensive income for the period	-	-	-	-	(25,461)	-	1,672	-	-	-	(23,789)	27	(23,762)
Realisation of fair value change of available-for-sale financial assets on disposals	-	-	-	-	-	-	933	-	-	-	933	-	933
Equity-settled share option arrangements	-	-	-	-	-	-	-	-	37	-	37	-	37
Option forfeited	-	-	-	-	126	-	-	-	(126)	-	-	-	-
Allotment of shares	12,710	59,926	-	-	-	-	-	-	-	-	72,636	-	72,636
Capital reduction	(32,070)	-	-	-	-	-	-	-	-	32,070	-	-	-
Arising from de-consolidation of a subsidiary	-	-	-	(17)	-	-	-	-	-	-	(17)	-	(17)
At 31 December 2010	<u>4,273</u>	<u>100,306</u>	<u>278</u>	<u>-</u>	<u>(126,695)</u>	<u>28,327</u>	<u>1,175</u>	<u>-</u>	<u>-</u>	<u>175,570</u>	<u>183,234</u>	<u>27</u>	<u>183,261</u>
At 1 April 2011	5,264	116,612	278	-	(109,534)	28,526	(224)	6,828	1,184	175,570	164,504	1,214	165,718
Changes in fair values of available-for-sale financial assets	-	-	-	-	-	-	(650)	-	-	-	(650)	-	(650)
Loss for the period	-	-	-	-	(24,333)	-	-	-	-	-	(24,333)	(204)	(24,537)
Total comprehensive income for the period	-	-	-	-	(24,333)	-	(650)	-	-	-	(24,989)	(204)	(25,193)
Acquisition of equity interest of non-controlling interests	-	-	-	-	-	(245)	-	-	-	-	(245)	245	-
Shares issued on exercise of share options	43	1,016	-	-	-	-	-	-	(453)	-	606	-	606
Allotment of shares	1,050	10,174	-	-	-	-	-	-	-	-	11,224	-	11,224
Capital reduction	(5,721)	-	-	-	-	-	-	-	-	5,721	-	-	-
Rights issue	6,356	85,166	-	-	-	-	-	-	-	-	91,522	-	91,522
At 31 December 2011	<u>6,992</u>	<u>212,968</u>	<u>278</u>	<u>-</u>	<u>(193,867)</u>	<u>28,281</u>	<u>(880)</u>	<u>6,828</u>	<u>731</u>	<u>181,291</u>	<u>242,622</u>	<u>1,255</u>	<u>243,877</u>

8. Comparative figures

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Turnover for the nine months ended 31 December 2011 (“Nine-month Period”) was approximately HK\$43.0 million, representing a decrease of approximately 26% when compared with the same period last year. Loss attributable to the owners of the Company for Nine-month Period was approximately HK\$24.3 million, slightly improved from loss of HK\$25.5 million same period last year.

If only three months ended 31 December 2011 (“Three-month Period”) were concerned, an improvement in both turnover and result were seen. Turnover for Three-month Period was HK\$14.3 million, representing an increase of approximately 11% when compared with the same period last year. Loss attributable to the owners of the Company for the Three-month Period was largely reduced to HK\$3.6 million from HK\$15.4 million same period last year.

Beauty Services and Sale of Beauty Products

Since the loss making subsidiaries which were engaged in the provision of beauty services and clinical services were sold in October 2010, undoubtedly, turnover for beauty services and sale of beauty products for Nine-month Period would be largely reduced. As a result, turnover for Nine-month Period of this business segment was approximately HK\$10.6 million, representing a decrease of approximately 51% when compared with the same period last year.

Also because of the exclusion of those disposed loss making subsidiaries, this business segment turned back to profit in Nine-month Period, instead of loss in last year same period.

Clinical Services

For Nine-month Period, turnover for this business segment was approximately HK\$19.6 million. This represented 40% decrease when compared to turnover of HK\$32.7 million recorded in last year same period.

Similar to beauty services, a substantial decrease in turnover was resulted because the comparative figures for same period last year included those subsidiaries which were sold out subsequently.

Property Investment

At the start of this financial year, the residential properties which contributed most of the revenue of this business segment in last year same period were disposed out. Even the corporate strategy to invest in industrial properties is adopted, the rental income from industrial properties would only be contributed to the Group upon the completion of the corresponding transactions which were in July and August 2011 respectively. This resulted in the decrease in turnover of this business segment from HK\$0.5 million last year same period to HK\$0.4 million the Nine-month Period.

Securities Investment

As it has been widely covered across the local and international financial media, global financial markets are continuing to experience significant levels of volatility, driven largely from the increased risk of a renewed recession in Europe, macro economic imbalances stemming from a worsening sovereign debt crisis in Europe, which, in turn, has put further pressure on banks and exacerbated concerns in respect of a hard landing in China. As such, the market value of investment portfolio of the Group was also negatively affected. Notwithstanding that during Three-month period, the Group got fair value gain of HK\$3.1 million, more than HK\$14.9 million loss on this business segment has been recorded during the Nine-month Period.

Money Lending

Since more resources have been donated to this business segment, the turnover of this business segment has increased from HK\$3.8 million last year same period to HK\$12.5 million the Nine-month Period, representing more than 220% increase in value. It is the policy of the Group to take a prudence approach on impairment assessment. As such, provision on impairment loss was also increased. This led to a less than HK\$1.0 million loss was resulted in this business segment. To reduce the credit risk associated with the loan to customers, the Group would diversify our loan portfolio to lend out more loans with suitable pledge such as residential mortgage.

Outlook

In view of the volatility of global financial market, a more cautious approach will be adopted in investing in securities as well as seeking new investment opportunities.

The same approach will also be adopted in running our existing businesses. For the money lending business, focus will be placed on loans with suitable pledge. For those loans without pledge, a comparative higher interest rate will be charged to compensate the associated credit risk.

DIVIDEND

The Board does not recommend the payment of a dividend for the nine months ended 31 December 2011 (2010: Nil).

SHARE OPTION SCHEME

On 24 September 2001, the shareholders of the Company approved a share option scheme (the "Scheme") under which its board of directors may, at its discretion, offer full-time or part time employees and executive, non-executive and independent non-executive directors of the Company and/or any of its subsidiaries, options to subscribe for shares in the Company. The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 30% of the issued share capital of the Company. The subscription price will be determined by the Company's board of directors and will 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.

On 4 January 2011, the shareholders of the Company approved to terminate the Scheme and adopted a new share option scheme ("the New Scheme") under which its Board of Directors may, at its discretion, offer full-time or part time employees and executive, non-executive and independent non-executive directors of the Company and/or any of its subsidiaries, suppliers, customers, advisors or consultants options to subscribe for shares of the Company. The maximum number of shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option scheme adopted by the Group shall not exceed 30% of the share capital of the Company in issue from time to time. The subscription price will be determined by the Company's Board of Directors and will 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.

Share options and respective exercise prices are as follows for the reporting period presented:

Type of grantee	At 1 April 2011	Exercised	Adjustments for share consolidation	Adjustments for rights issue	At 31 December 2011	Date of grant	Exercise period of the share options	Exercise price per share HK\$
<i>Eligible person</i>								
- In aggregate	2,700,000	(1,300,000)	(1,260,000)*	200,000*	340,000	15-Feb-11	15/2/2011 - 14/2/2014	0.6349*
<i>Employees</i>								
- In aggregate	8,400,000	(2,900,000)	(4,950,000)*	785,714*	1,335,714	23-Feb-11	23/2/2011 - 22/2/2014	0.5748*
	<u>11,100,000</u>	<u>(4,200,000)</u>	<u>(6,210,000)</u>	<u>985,714</u>	<u>1,675,714</u>			

* *These reflect the adjusted exercise prices and number of share options which have been granted and are outstanding after the completion of share consolidation and rights issue in August 2011 and September 2011 respectively*

As at 31 December 2011, 1,675,714 options were outstanding under the New Scheme.

The fair values of options granted were determined using the Black-Scholes valuation model.

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 December 2011, the interests or short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Interests in shares

Long positions

Name	Personal Interests	Family Interests	Other Interests	Total	Approximate percentage to the issued share capital of the Company as at 31 December 2011
Mr. Shiu Yeuk Yuen (note 1)	77,962,000	13,684,117 (note 2)	847,605 (note 3)	92,493,722	13.23%
Mr Leung Ge On Andy (note 1)	420,000	-	-	420,000	0.06%

Notes:

1. Mr. Shiu Yeuk Yuen and Mr. Leung Ge On, Andy are the executive Directors of the Company.
2. 13,684,117 shares are held by Ms. Hau Lai Mei, the spouse of Mr. Shiu Yeuk Yuen.
3. 847,605 shares are held by Heavenly Blaze Limited. Heavenly Blaze Limited is beneficially owned as to (i) 46% by Mr. Shiu Stephen Junior, son of Mr. Shiu Yeuk Yuen (being the executive Director); (ii) 34% by Mr. Shiu Yeuk Yuen and Ms. Siu York Chee (sister of Mr. Shiu Yeuk Yuen) together hold on behalf of Ms. Shiu Yo Yo and Ms. Shiu Sound Sound, daughters of Mr. Shiu Yeuk Yuen; (iii) 16% by Ms. Shiu Ting Yan, Denise, daughter of Mr. Shiu Yeuk Yuen; (iv) 1% by Mr. Cheng Jut Si; and (v) 3% by One Dollar Productions Limited which is beneficially owned as to 25% by Mr. Shiu Stephen Junior; and 75% by Ms. Hau Lai Mei.

Save as disclosed above, as at 31 December 2011, none of the Directors or chief executive of the Company had any interests or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

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

So far as known to the Directors, as at 31 December 2011, there was no person or corporation (other than the Directors or chief executives of the Company) who had an interests or short position in the Shares or underlying Shares or debentures of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the Nine-month period, the Company has complied with the code provisions (“Code Provisions”) set out in the Code on Corporate Governance Practices contained in Appendix 15 to the Listing Rules, except for the following deviations:–

1. Code Provision A.2.1

Code Provision A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The positions of Chairman of the Board and Chief Executive Officer (“CEO”) of the Company are both currently performed by the same person. The Board considers that this structure does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and there is a balanced composition of Executive Directors and Non-executive Directors (including Independent Non-executive Directors). Given the composition of the Board, the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group.

2. Code Provision A.4.1

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election and Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment.

None of the Independent non-executive directors is appointed for a specific term. Pursuant to the Company’s bye-laws, all directors of the Company, regardless of his/her term of appointment, if any, are subject to retirement by rotation at least once every three years and any new director appointed to fill a casual vacancy is subject to re-election by shareholders at the first general meeting after his/her appointment. The Company in practice will observe Code Provision A.4.2 and will ensure that any new director appointed to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after his/her appointment.

AUDIT COMMITTEE

The Company has formed an audit committee with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants. The audit committee (the "Committee") comprises two independent non-executive Directors, namely Dr. Siu Yim Kwan, Sidney and Mr. Tsui Pui Hung Walter since 12 December 2011 with the passing away of Mr. Hung Anckes Yau Keung, the former independent non-executive director. The primary duties of the Committee are to review the Company's annual report and accounts, half-year report, quarterly reports and monthly reports and to provide advice and comments thereon to the board of Directors. The Committee is also responsible for reviewing and monitoring the Company's internal control procedures. The Committee has reviewed the draft of this report and has provided advice and comments thereon.

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

None of the members of the Group purchased, sold or redeemed any of the Group's listed securities during the period from 1 April 2011 to 31 December 2011.

COMPETING INTERESTS

None of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company has an interest in a business which competes or may compete with the business of the Group.

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, Walter	-	Independent Non-executive Director

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

Hong Kong, 10 February 2012