Report of the Directors (continued)

DIRECTORS (CONTINUED)
No contracts of significance to which the company, any of its holding companies or any of its fellow subsidiaries was a party, and in which a director of the company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS
No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the year.

AUDITORS
KPMG retire, and being eligible, offer themselves for reappointment. A resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

[Signature]

Hong Kong  2nd July 2015
Independent auditor's report

to the sole shareholder of UAL Ventures (China) Limited
(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of UAL Ventures (China) Limited ("the company") set out on pages 5 to 16, which comprise the statement of financial position as at 31 July 2014, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you in accordance with section 80 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Independent auditor's report

to the sole shareholder of UAL Ventures (China) Limited (continued)
(Incorporated in Hong Kong with limited liability)

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company’s affairs as at 31 July 2014 and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG
Certified Public Accountants
8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

02 JUL 2015
Statement of Comprehensive Income  
For the year ended 31 July 2014  
(Expressed in Hong Kong dollars)

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Turnover</strong></td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>15</td>
<td>98</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td></td>
<td>(171)</td>
<td>(730)</td>
</tr>
<tr>
<td><strong>Loss for the year before tax</strong></td>
<td>3</td>
<td>(156)</td>
<td>(632)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>4</td>
<td>-</td>
<td>(10,149)</td>
</tr>
<tr>
<td><strong>Loss and total comprehensive income for the year</strong></td>
<td></td>
<td>(156)</td>
<td>(10,781)</td>
</tr>
</tbody>
</table>

The notes on pages 9 to 16 form part of these financial statements.
Statement of Financial Position
At 31 July 2014
(Expressed in Hong Kong dollars)

<table>
<thead>
<tr>
<th>Notes</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>555,176</td>
<td>549,592</td>
</tr>
<tr>
<td><strong>Total Current assets</strong></td>
<td>555,176</td>
<td>549,592</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts due to a holding company</td>
<td>587,443</td>
<td>547,283</td>
</tr>
<tr>
<td>Accruals</td>
<td>-</td>
<td>24,271</td>
</tr>
<tr>
<td>Current tax</td>
<td>-</td>
<td>10,149</td>
</tr>
<tr>
<td><strong>Total Current liabilities</strong></td>
<td>587,443</td>
<td>581,703</td>
</tr>
<tr>
<td><strong>Net Liabilities</strong></td>
<td>(32,267)</td>
<td>(32,111)</td>
</tr>
<tr>
<td><strong>Capital and Reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Reserves</td>
<td>(32,268)</td>
<td>(32,112)</td>
</tr>
<tr>
<td><strong>Shareholder's Deficit</strong></td>
<td>7</td>
<td>(32,267)</td>
</tr>
</tbody>
</table>

Approved and authorised for issue by the board of directors on 2nd July 2015

The notes on pages 9 to 16 form part of these financial statements.
Statement of Changes in Equity  
For the year ended 31 July 2014  
(Expressed in Hong Kong dollars)  

<table>
<thead>
<tr>
<th>Notes</th>
<th>Share Capital $</th>
<th>Reserves $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 1 August 2012</strong></td>
<td>1</td>
<td>(21,331)</td>
<td>(21,330)</td>
</tr>
<tr>
<td>Changes in equity:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss and total comprehensive income for the year</td>
<td>-</td>
<td>(10,781)</td>
<td>(10,781)</td>
</tr>
<tr>
<td><strong>Balance at 31 July 2013 and 1 August 2013</strong></td>
<td>1</td>
<td>(32,112)</td>
<td>(32,111)</td>
</tr>
<tr>
<td>Changes in equity:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss and total comprehensive income for the year</td>
<td>-</td>
<td>(156)</td>
<td>(156)</td>
</tr>
<tr>
<td><strong>Balance at 31 July 2014</strong></td>
<td>1</td>
<td>(32,268)</td>
<td>(32,267)</td>
</tr>
</tbody>
</table>

The notes on pages 9 to 16 form part of these financial statements.
Cash Flow Statement
For the year ended 31 July 2014
(Expressed in Hong Kong dollars)

CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Notes</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss before tax</td>
<td>(156)</td>
<td>(632)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>2</td>
<td>(15)</td>
</tr>
<tr>
<td>Net foreign exchange loss/(gain)</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Operating loss before changes in working capital</td>
<td></td>
<td>(157)</td>
</tr>
</tbody>
</table>

Movement in working capital elements:
| Increase in amounts due to a holding company | 40,160 | 40,885 |
| Decrease in accruals | (24,271) | (42,848) |
| Cash used in operations | 15,732 | (20,969) |

Profits tax paid | (10,149) | - |
Net cash generated from/(used in) operating activities | 5,583 | (20,969) |

CASH FLOW FROM INVESTING ACTIVITIES

| Interest received | 2 | 15 | 98 |
| Net cash generated from investing activities | | 15 | 98 |

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS

|  | 5,598 | (20,871) |

Cash and cash equivalents at the beginning of year | 549,592 | 552,187 |
Effects of exchange rate changes on the balance of cash held in foreign currencies | (14) | 18,276 |
Cash and cash equivalents at the end of year | 555,176 | 549,592 |

Note: Cash and cash equivalents represent bank balances and cash in hand.

The notes on pages 9 to 16 form part of these financial statements.
Notes to the financial statements
For the year ended 31 July 2014
(Expressed in Hong Kong dollars)

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance and changes in accounting policies

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap.32), in accordance with the transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of schedule 11 of the Ordinance. A summary of the significant accounting policies adopted by the company is set out below.

The HKICPA has issued certain new and revised HKFRS that are first effective or available for early adoption for the current accounting period of the company. There is no material impact on the company’s financial statements as a result of these changes and therefore no changes in accounting policies. The company has also not yet applied any new standard or interpretation that is not yet effective for the current accounting period (see note 10).

(b) Basis for preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis.

These financial statements have been prepared by the directors on a break-up basis on the assumption that the company will not continue in business. Accordingly, the company is no longer a going concern. Under the break-up basis, adjustments are made to reduce the value of assets to their recoverable amount and to provide for any future expected liabilities. The directors consider that additional write-downs are not necessary and no further liabilities or provisions are required at 31 July 2014.

The preparation of financial statements in conformity with the HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.
Notes to the financial statements (continued)
For the year ended 31 July 2014
(Expressed in Hong Kong dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis for preparation of the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(d) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(e) Income tax

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

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

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. Apart from differences which arise on initial recognition of assets and liabilities, all deferred tax liabilities and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.
Notes to the financial statements (continued)
For the year ended 31 July 2014
(Expressed in Hong Kong dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the company and when the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the statement of comprehensive income on the following basis:

Interest income

Interest income is recognised as it accrues using the effective interest method.

(g) Translation of foreign currencies

Foreign currency transactions are translated at foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated in foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses arising in these cases are dealt with as a movement in the statement of comprehensive income.

(h) Related parties

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

(i) has control or joint control over the company;
(ii) has significant influence over the company; or
(iii) is a member of the key management personnel of the company or the company’s parent.

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

(i) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

For the year ended 31 July 2014
(Expressed in Hong Kong dollars)

2. TURNOVER AND OTHER INCOME
The company was inactive and did not generate any service income for the year.

Other income
Interest income  

3. LOSS BEFORE TAX

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

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditor’s remuneration</td>
<td>-</td>
<td>6,676</td>
</tr>
<tr>
<td>Bank charges</td>
<td>157</td>
<td>1,007</td>
</tr>
<tr>
<td>Net foreign exchange loss/(gain)</td>
<td>14</td>
<td>(18,276)</td>
</tr>
</tbody>
</table>

Auditor’s remuneration for the current year has been borne by a group company which has waived its right of recovery thereof.

4. INCOME TAX EXPENSE

(a) No provision for Hong Kong Profit Tax has been made for the year ended 31 July 2014 (2013: nil) as the company has no assessable profits for the current year and prior year. The provision for United Kingdom Corporation Tax for the year ended 31 July 2013 was calculated at 20% of the estimated assessable profits for the year.

Income tax recognised in the profit or loss:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for Hong Kong Profit tax for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Provision for overseas tax for the year</td>
<td>-</td>
<td>3,675</td>
</tr>
<tr>
<td>Under-provision in respect of prior year</td>
<td>-</td>
<td>6,474</td>
</tr>
<tr>
<td>Total income tax recognised in the profit or loss</td>
<td>-</td>
<td>10,149</td>
</tr>
</tbody>
</table>
4. INCOME TAX EXPENSE (CONTINUED)

   (b) The tax charge for the year can be reconciled to the loss per the statement of comprehensive income as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss before tax</td>
<td>(156)</td>
<td>(632)</td>
</tr>
<tr>
<td>Tax on loss before tax, calculated at the rates applicable in the tax jurisdiction concerned (2014: 20%; 2013: 20 %)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax effect of non-deductible expenses</td>
<td>31</td>
<td>3,801</td>
</tr>
<tr>
<td>Under-provision in respect of prior year</td>
<td>-</td>
<td>6,474</td>
</tr>
<tr>
<td>Income tax expense for the year</td>
<td>-</td>
<td>10,149</td>
</tr>
</tbody>
</table>

(c) Deferred taxation

The Company has not recognised a deferred tax asset in respect of cumulative tax losses in Hong Kong of approximately $11,151,166 (2013:$ 11,151,166) as it is not probable that future taxable profits against which the loss can be utilised will be available. The tax loss in Hong Kong does not expire under current tax legislation.

5. DIRECTORS' REMUNERATION

No remuneration of any kind was paid to any directors during the year (2013: $ nil).

6. AMOUNTS DUE TO A HOLDING COMPANY

The amounts due to a holding company are unsecured, interest-free and have no fixed terms of repayment.
Notes to the financial statements (continued)

For the year ended 31 July 2014
(Expressed in Hong Kong dollars)

7. SHARE CAPITAL

(a) Share capital

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised (note 1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10,000 ordinary shares of $1.00 each (note 2)</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>Ordinary share, issued and fully paid</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1 ordinary share of $1.00 each</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

(1) Under the new Hong Kong Companies Ordinance (Cap. 622), which commenced operation on 3 March 2014, the concept of authorised share capital no longer exists.

(2) In accordance with section 135 of the new Hong Kong Companies Ordinance (Cap. 622), the Company’s shares no longer have a par or nominal value with effect from 3 March 2014. There is no impact on the number of shares in issue or the relative entitlement of any of the shareholders as a result of this transition.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company residual assets.

(b) Capital management

The company manages its capital to ensure that the company will meet its working capital requirements when considering required returns to shareholders and options available in relation to the balance of debt and equity. The management reviews the capital structure and considers the cost of capital and risks associated with each. In view of this, where required, the company will balance its overall capital structure through the payment of dividends and issue of new shares as it sees fit and appropriate.

8. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Financial risk management objectives and policies

The company's major financial instruments include cash at bank and in hand, other payables and accruals. Details of these financial instruments are disclosed in respective notes. The risks associated with these instruments and the policies on how to mitigate credit, liquidity, interest rate and foreign currency risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.
Notes to the financial statements (continued)

For the year ended 31 July 2014
(Expressed in Hong Kong dollars)

8. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk
The company’s credit risk is primarily attributable to cash at bank. Management has
a credit policy in place and the exposures to these credit risks are monitored on an
ongoing basis.

The company’s cash at bank are placed with major financial institutions with sound
credit ratings to minimise the credit exposure.

The maximum exposure to credit risk is represented by the carrying amount of each
financial asset in the statement of financial position, after deducting any impairment
allowance.

The company does not provide any guarantees which would expose the company to
credit risk.

(b) Liquidity risk
The company’s exposure to liquidity risk reflects its ability to readily access the funds
to support its operations. The company’s liquidity requirements are continually
reviewed and additional facilities put in place as appropriate by the immediate and
ultimate holding companies.

(c) Interest rate risk
The company did not have any material interest bearing assets or liabilities.

(d) Foreign currency risk
The company is not exposed to any significant foreign currency risk as its revenue
and expenses are predominantly in Hong Kong dollars and Renminbi. The former
currency is pegged to United States dollar and the latter is allowed to float within a
small range against a basket of currencies, which is largely pegged to the United
States dollars and is relatively stable.

(e) Fair values of financial assets and liabilities
In the opinion of the directors, there is no material difference between the book value
and fair value of cash and trade receivables, other payable and accruals in view of
their short term nature.

9. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 July 2014, the directors consider the immediate parent and ultimate
controlling party of the company to be Artscom Ventures Limited and University of the
Arts London respectively, both of which are incorporated in the United Kingdom.
Financial statements for both organisations can be obtained from University of the Arts
London, 272 High Holborn, London, WC1N 3LA.
Notes to the financial statements (continued)

For the year ended 31 July 2014
(Expressed in Hong Kong dollars)

10. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 JULY 2014

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards and interpretations which are not yet effective for the year ended 31 July 2014 and which have not been adopted in these financial statements.

The company is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the company's results of operations and financial position.

In addition, the requirements of Part 9, "Accounts and Audit", of the new Hong Kong Companies Ordinance (Cap. 622) came into operation from the company's first financial year commencing after 3 March 2014 (i.e. the company's financial year which began on 1 April 2014) in accordance with section 358 of that Ordinance. The company is in the process of making an assessment of the expected impact of the changes in the Companies Ordinance on the financial statements in the period of initial application of Part 9. So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the financial statements.