Director’s report

The director submits herewith his annual report together with the audited financial statements for the year ended 31 July 2015.

PRINCIPAL PLACE OF BUSINESS
UAL Ventures (China) Limited ("the company") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Suite 1701-02, 17/F, FWD Financial Centre, 308 Des Voeux Road Central, Hong Kong.

PRINCIPAL ACTIVITIES
The company is engaged in marketing consultancy and other grant funded business development activities.

As the grant funded programme terminated on 31 October 2009, the activities of the company have since been limited.

The financial statements have been prepared on a break up basis and the effect of this is explained in note 1(b) to the financial statements.

SHARE CAPITAL
Details of the share capital of the company are set out in note 7 to the financial statements. There were no movements during the year ended 31 July 2015.

DIRECTOR
The director during the financial year and up to the date of this report was:

Kan Mun Kiu Justin

At no time during the year was the company, or any of its holding companies or fellow subsidiaries a party to any arrangement to enable the director of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.
Director's report (continued)

DIRECTOR’ INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS
No contracts of significance to which the company, or any of its holding companies or fellow subsidiaries was a party, and in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.

AUDITORS
KPMG retire, and being eligible, offer themselves for re-appointment. 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

Kan Mun Kiu Justin 28th April 2016
Director
Hong Kong,
Independent auditor’s report to the sole member 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 14, which comprise the statement of financial position as at 31 July 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

DIRECTOR’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The director of the company is 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 director 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 405 of the Hong Kong Companies Ordinance, 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 member of UAL Ventures (China) Limited
(Incorporated in Hong Kong with limited liability)

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 July 2015 and of the company's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

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

28 APR 2016
### Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 July 2015

(Expressed in Hong Kong dollars)

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross profit</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td></td>
<td>-</td>
<td>(171)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss before taxation</td>
<td>3</td>
<td>-</td>
<td>(156)</td>
</tr>
<tr>
<td>Income tax</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss and total comprehensive income for the year</td>
<td></td>
<td>-</td>
<td>(156)</td>
</tr>
</tbody>
</table>
# Statement of Financial Position

**At 31 July 2015**

(Expressed in Hong Kong dollars)

<table>
<thead>
<tr>
<th>Notes</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**Current assets**

Cash and bank balances

- 555,176

**Current liabilities**

Amounts due to a holding company

6 32,267 587,443

32,267 587,443

**Net liabilities**

(32,267) (32,267)

**Capital and reserves**

Share capital

7 1 1

(32,268) (32,268)

Accumulated losses

Shareholder’s deficit

(32,267) (32,267)

Approved and authorised for issue by the board of director on 28 APR 2016

Kan Mun Kiu Justin

Director

The notes on pages 9 to 14 form part of these financial statements.
## Statement of Changes in Equity

For the year ended 31 July 2015  
(Expressed in Hong Kong dollars)

<table>
<thead>
<tr>
<th></th>
<th>Share Capital $</th>
<th>Accumulated losses $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 1 August 2013</strong></td>
<td>1</td>
<td>(32,112)</td>
<td>(32,111)</td>
</tr>
<tr>
<td><strong>Changes in equity:</strong></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 and 1 August 2014</strong></td>
<td>1</td>
<td>(32,268)</td>
<td>(32,267)</td>
</tr>
<tr>
<td><strong>Changes in equity:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss and total comprehensive income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at 31 July 2015</strong></td>
<td>1</td>
<td>(32,268)</td>
<td>(32,267)</td>
</tr>
</tbody>
</table>

The notes on pages 9 to 14 form part of these financial statements.
**Cash Flow Statement**

For the year ended 31 July 2015

(Expressed in Hong Kong dollars)

<table>
<thead>
<tr>
<th>Notes</th>
<th>2015 $</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss before taxation</td>
<td>-</td>
<td>(156)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Net foreign exchange loss</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Operating loss before changes in working capital</td>
<td>-</td>
<td>(157)</td>
</tr>
</tbody>
</table>

| (Decrease)/Increase in amounts due to a holding company | (555,176) | 40,160 |
| Decrease in accruals | - | (24,271) |
| **Cash (used in)/ generated from operations** | (555,176) | 15,732 |

| Profits tax paid | - | (10,149) |
| **Net cash (used in)/generated from operating activities** | (555,176) | 5,583 |

**CASH FLOW FROM INVESTING ACTIVITY**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash generated from investing activity</strong></td>
<td>-</td>
<td>15</td>
</tr>
</tbody>
</table>

**NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS**

(555,176) 5,598

Cash and cash equivalents at 1 August 555,176 549,592

Effects of exchange rate changes on the balance of cash held in foreign currencies - (14)

Cash and cash equivalents at 31 July - 555,176

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

The notes on pages 9 to 14 form part of these financial statements.
Notes to the financial statements
(Expressed in Hong Kong dollars unless otherwise indicated)

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies 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. The adoption of the new and revised HKFRSs has no significant impact on the financial statements of the company for the year ended 31 July 2015.

The company has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 10).

(b) Basis of 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 director 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 director considers that additional write-downs are not necessary and no further liabilities or provisions are required at 31 July 2015.

The preparation of financial statements in conformity with 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.
1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of 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) Payables (including amounts due to a holding company)

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 comprise cash at bank and on 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 profit or loss 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)
(Expressed in Hong Kong dollars unless otherwise indicated)

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 the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the profit or loss as follows:

Interest income

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

(g) Translation of foreign currencies
Foreign currency transactions during the year 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 at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in the profit or loss.

(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).
   (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the company's parent.

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)
(Expressed in Hong Kong dollars unless otherwise indicated)

2. REVENUE AND OTHER INCOME
   The company was inactive and did not generate any service income for the year ended 31 July 2015.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
<td>15</td>
</tr>
</tbody>
</table>

3. LOSS BEFORE TAXATION
   Loss before taxation is arrived after charging:
   Auditor’s remuneration       -    -
   Bank charges                  -    157
   Net foreign exchange loss     -    14

   Auditor’s remuneration for the year ended 31 July 2015 and 2014 has been borne by a group company which has waived its right of recovery thereof.

4. INCOME TAX
   (a) No provision for Hong Kong Profits Tax has been made for the year ended 31 July 2015 (2014: nil) as the company has no assessable profits for the current year and prior year. No provision for United Kingdom Corporation Tax has been made for the year ended 31 July 2015 (2014: nil) as the company has no assessable profits for the current and prior year.

   (b) Reconciliation between tax expenses charged to profit or loss and accounting loss at applicable tax rates:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss before taxation</td>
<td>-</td>
<td>(156)</td>
</tr>
<tr>
<td>Tax on loss before taxation, calculated at the rates applicable in the tax jurisdiction concerned (2015: 20%; 2014: 20 %)</td>
<td>-</td>
<td>(31)</td>
</tr>
<tr>
<td>Tax effect of non-deductible expenses</td>
<td>-</td>
<td>31</td>
</tr>
<tr>
<td>Actual tax expense charged to profit or loss</td>
<td>-</td>
<td>-</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 (2014:$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.
Notes to the financial statements (continued)
(Expressed in Hong Kong dollars unless otherwise indicated)

5. DIRECTOR’S EMOLUMENTS

No emoluments of any kind was paid to the director during the year ended 31 July 2015 (2014: nil) and therefore no director's emoluments are disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation.

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.

7. SHARE CAPITAL

(a) Issued share capital

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Ordinary shares, issued and fully paid

At 1 August and 31 July

1 $ 1 1 $ 1

Note:

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's 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.
Notes to the financial statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

8. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The company's financial instruments include amounts due to a holding company. Details are disclosed in note 6. The risks associated with these instruments and the policies on how to mitigate liquidity risk are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(a) 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.

(b) Fair value measurement

The carrying amounts of the company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 July 2014 and 2015.

9. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 July 2015, the director considers 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.

10. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 JULY 2015

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 July 2015 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 financial statements.