LISI GROUP (HOLDINGS) LIMITED
利時集團（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 526)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

AUDITED RESULTS

The board of directors (the "Directors") of Lisi Group (Holdings) Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2015 together with comparative figures of the previous corresponding year are as follows:

Consolidated Statement of Profit or Loss

		Year ended 31 March	
		2015	2014
	Note	***RMB'000***	*RMB'000*
Turnover	4	**1,158,042**	783,003
Cost of sales		**(897,992)**	(629,925)
Gross profit	4(b)	**260,050**	153,078
Other revenue	5	**15,165**	16,673
Other net income	5	**5,911**	1,006
Selling and distribution expenses		**(81,345)**	(51,528)
Administrative expenses		**(113,840)**	(108,741)
Profit from operations		**85,941**	10,488
Disposal of investment property	9	**24,500**	–
Disposal of investment in a subsidiary		**1,393**	–
Net valuation gain on investment properties		**17,646**	1,405,220
Excess of the net fair value of the acquired net assets over cost		**–**	12,879
Share of (losses)/profits of an associate		**(8,800)**	8,267
Finance costs	6(a)	**(20,168)**	(142,130)
Profit before taxation	6	**100,512**	1,294,724
Income tax	7	**(20,202)**	(333,131)
Profit for the year		**80,310**	961,593

		Year ended 31 March	
		2015	2014
	Note	***RMB'000***	*RMB'000*
Attributable to:			
Equity shareholders of the Company		**82,212**	963,225
Non-controlling interests		**(1,902)**	(1,632)
Profit for the year		**80,310**	961,593
Earnings per share (RMB cent)	8		
Basic		**1.97**	27.73
Diluted		**0.61**	26.07

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Year ended 31 March	
	2015	2014
	RMB'000	*RMB'000*
Profit for the year	**80,310**	961,593
Other comprehensive income for the year (after tax and reclassification adjustments):		
Items that may be reclassified subsequently to profit or loss:		
– Available-for-sale debt securities: net movement in fair value reserve	**8,467**	–
– Exchange differences on translation into presentation currency	**(2,771)**	(188)
– Reclassification of exchange differences on disposal of a subsidiary	**(300)**	–
Other comprehensive income for the year	**5,396**	(188)
Total comprehensive income for the year	**85,706**	961,405
Attributable to:		
Equity shareholders of the Company	**87,608**	963,037
Non-controlling interests	**(1,902)**	(1,632)
Total comprehensive income for the year	**85,706**	961,405

Consolidated Statement of Financial Position

	Note	At 31 March 2015 RMB'000	2014 RMB'000
Non-current assets			
Property, plant and equipment		**880,464**	896,831
Investment properties	9	**434,190**	2,065,480
Goodwill		**43,313**	43,313
Intangible assets		**12,375**	17,749
Interest in an associate		**40,144**	48,944
Available-for-sale investments		**82,881**	84,881
Deferred tax assets		**35,120**	57,740
		1,528,487	3,214,938
Current assets			
Available-for-sale investments		**531,289**	250,000
Inventories		**152,058**	159,533
Trade and other receivables	10	**1,514,397**	240,345
Restricted bank deposits		**132,974**	62,762
Cash and cash equivalents		**135,395**	55,020
		2,466,113	767,660
Current liabilities			
Trade and other payables	11	**527,658**	434,252
Bank and other loans		**697,691**	750,052
Income tax payable		**349,393**	5,322
		1,574,742	1,189,626
Net current assets/(liabilities)		**891,371**	(421,966)
Total assets less current liabilities		**2,419,858**	2,792,972
Non-current liabilities			
Bank and other loans		**316,380**	343,566
Convertible bonds	13	**134,883**	209,019
Deferred tax liabilities		**255,384**	612,882
		706,647	1,165,467
NET ASSETS		**1,713,211**	1,627,505
CAPITAL AND RESERVES			
Share capital		**36,138**	36,138
Reserves		**1,607,867**	1,520,259
Total equity attributable to equity shareholders of the Company		**1,644,005**	1,556,397
Non-controlling interests		**69,206**	71,108
TOTAL EQUITY		**1,713,211**	1,627,505

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 STATEMENT OF COMPLIANCE

The consolidated financial statements for the year ended 31 March 2015 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), 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 (the "HKICPA") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period, as permitted by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, continue to be those of the predecessor Companies Ordinance (Cap. 32). These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

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

2 BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 March 2015 comprise the Group and the Group's interests in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for derivative financial instruments, available-for-sale debt investments and investment properties which are stated at their fair values.

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 values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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.

3 CHANGES IN ACCOUNTING POLICIES

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

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*
- Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*
- Amendments to HKAS 36, *Recoverable amount disclosures for non-financial assets*
- HK (IFRIC) 21, *Levies*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 TURNOVER AND SEGMENT REPORTING

(a) Turnover

The principal activities of the Group are the manufacturing and trading of household products, the operation of department stores and supermarkets, the wholesale of wine and beverages and electrical appliances, and investments holding.

Turnover represents the sales value of goods sold to customers (net of value added tax or other sales tax and discounts), net income from concession sales, rental income from operating leases, service fee income, and investment and dividend income.

The amount of each significant category of revenue and net income recognised during the year is analysed as follows:

	2015	2014
	RMB'000	*RMB'000*
Sales of goods:		
– manufacturing and trading of household products	**401,075**	330,012
– retail operation of department stores and supermarkets	**330,236**	201,732
– wholesale of wine and beverages and electrical appliances	**289,639**	174,367
	1,020,950	706,111
Net income from concession sales	**22,963**	16,527
Rental income from operating leases	**36,571**	23,205
Service fee income	**51,406**	27,676
Investment and dividend income	**26,152**	9,484
	1,158,042	783,003

Information on revenue from external customers contributing over 10% of the Group's turnover, which arose from the manufacturing and trading of household products business, is as follows:

	2015	2014
	RMB'000	*RMB'000*
Customer A	**135,159**	98,659

Note (i): In respect of the Group's operation of department stores and supermarkets, the directors of the Company consider that the customer base is diversified and has no customer with whom transactions have exceeded 10% of the Group's turnover for the years ended 31 March 2015 and 2014.

Information on gross revenue

Gross revenue represents the gross amount arising from the sales of goods to retail and wholesale customers and concession sales charged to retail customers, rental income from operating leases, service fee income charged to tenants, and investment and dividend income, net of value added tax or other sales tax and discounts.

	2015	2014
	RMB'000	*RMB'000*
Sales of goods:		
– manufacturing and trading of household products	**401,075**	330,012
– retail operation of department stores and supermarkets	**330,236**	201,732
– wholesale of wine and beverages and electrical appliances	**289,639**	174,367
	1,020,950	706,111
Gross revenue from concession sales	**164,551**	118,814
Rental income from operating leases	**36,571**	23,205
Service fee income	**51,406**	27,676
Investment and dividend income	**26,152**	9,484
	1,299,630	885,290

Further details regarding the Group's principal activities are disclosed below.

(b) Segment reporting

The Group manages its business by lines of business. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments:

– Manufacturing and trading: this segment manufactures and trades plastic and metallic household products.

– Retail: this segment manages the department stores and supermarket operations.

– Wholesale: this segment carries out the wholesale of wine and beverages and electrical appliances business.

– Investments holding: this segment manages the investments in debt and equity securities.

No operating segments have been aggregated to form the above reportable segments.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and net income are allocated to the reportable segments with reference to revenue and net income generated by those segments and the expenses incurred by those segments. Inter-segment sales are priced with reference to prices charged to external parties for similar products or services. Other than inter-segment sales, assistance provided by one segment to another is not measured.

The measure used for reporting segment result is gross profit. The Group's operating expenses such as selling and distribution expenses and administrative expenses, and assets and liabilities are not monitored by the Group's senior executive management based on segment. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income not derived from investment in debt securities and interest expenses is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2015 and 2014 is set out below.

	2015				
	Manufacturing and trading	**Retail**	**Wholesale**	**Investments holding**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue and net income from external customers	**401,075**	**437,747**	**292,304**	**26,152**	**1,157,278**
Inter-segment revenue	**–**	**–**	**5,193**	**–**	**5,193**
Reportable segment revenue and net income	**401,075**	**437,747**	**297,497**	**26,152**	**1,162,471**
Reportable segment gross profit	**91,108**	**105,500**	**37,441**	**26,152**	**260,201**

	2014				
	Manufacturing and trading	Retail	Wholesale	Investments holding	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue and net income from external customers	330,012	265,933	176,660	9,484	782,089
Inter-segment revenue	–	–	2,691	–	2,691
Reportable segment revenue and net income	330,012	265,933	179,351	9,484	784,780
Reportable segment gross profit	69,563	68,150	6,444	9,484	153,641

(ii) Reconciliations of reportable segment revenue and net income

	2015	2014
	RMB'000	*RMB'000*
Revenue and net income		
Reportable segment revenue and net income	**1,162,471**	784,780
Elimination of inter-segment revenue	**(5,193)**	(2,691)
Unallocated revenue	**764**	914
Consolidated turnover *(Note 4(a))*	**1,158,042**	783,003
Gross profit		
Reportable segment gross profit	**260,201**	153,641
Gross loss of unallocated items	**(151)**	(563)
Consolidated gross profit	**260,050**	153,078

(iii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue and net income from external customers and (ii) the Group's property, plant and equipment, investment properties (for 2014, excluded the then to be disposed investment property), intangible assets, goodwill and available-for-sale investments (together as "specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and investment properties (for 2014, excluded the then to be disposed investment property), and the location of the operations to which they are allocated, in the case of intangible assets, goodwill and available-for-sale investments.

	Revenue and net income from external customers		**Specified non-current assets**	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
The PRC (including Hong Kong) (place of domicile)	**761,751**	459,026	**1,453,223**	1,474,754
The United States	**347,043**	277,076	**–**	–
Europe	**12,390**	21,214	**–**	–
Canada	**13,594**	4,856	**–**	–
Others	**23,264**	20,831	**–**	–
	1,158,042	783,003	**1,453,223**	1,474,754

5 OTHER REVENUE AND NET INCOME

	2015	2014
	RMB'000	*RMB'000*
Other revenue		
Interest income on cash at bank and advances due from related parties	**10,461**	10,152
Government grants	**3,937**	4,427
Others	**767**	2,094
	15,165	16,673
Other net income		
Net gain from sale of scrap materials	**542**	1,013
Net gain/(loss) on disposal of property, plant and equipment	**5,037**	(7)
Others	**332**	–
	5,911	1,006

6 PROFIT BEFORE TAXATION

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

(a) Finance costs:

	2015	2014
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**66,168**	41,447
Finance charges on convertible bonds	**9,427**	11,789
Bank charges and other finance costs	**7,816**	7,856
Total borrowing costs	**83,411**	61,092
Changes in fair value on the derivative components of convertible bonds	**(57,024)**	149,569
Net gain on redemption of convertible bonds	**(6,219)**	(68,531)
	20,168	142,130

No borrowing costs have been capitalised for the year ended 31 March 2015 (2014: RMB Nil).

(b) Staff costs #:

	2015	2014
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**126,661**	97,743
Contributions to defined contribution retirement plans	**8,372**	4,719
	135,033	102,462

The employees of the subsidiaries of the Group established in the PRC participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at 14% of the employees' basic salaries. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC, from the above mentioned retirement schemes at their normal retirement age.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant salaries, subject to a cap of monthly relevant salaries of HK$30,000 (HK$25,000 prior to June 2014). Contributions to the MPF Scheme vest immediately.

The Group has no further obligation for payment of other retirement benefits beyond the above annual contributions.

(c) Other items:

	2015	2014
	RMB'000	*RMB'000*
Cost of inventories #	**869,525**	615,199
Auditors' remuneration		
– statutory audit service	**1,800**	1,700
– audit service related to acquisition of subsidiaries	**–**	1,900
– other services related to disposal of investment property	**500**	–
Depreciation and amortisation #	**51,572**	32,859
Impairment losses on property, plant and equipment	**–**	18,980
Impairment losses on trade and other receivables	**–**	166
Operating lease charges in respect of properties	**40,280**	27,757
Net foreign exchange (gain)/loss	**(527)**	1,346

\# Cost of inventories includes RMB65,031,000 (2014: RMB58,100,000) for the year ended 31 March 2015, relating to staff costs, and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Income tax in the consolidated statement of profit or loss represents:

	2015	2014
	RMB'000	*RMB'000*
Current taxation – PRC Corporate Income Tax		
– Provision for the year	**355,216**	4,711
– (Over-provision)/under-provision in respect of prior years	**(179)**	316
	355,037	5,027
Deferred taxation		
– Origination and reversal of temporary differences	**(334,835)**	341,780
– Recognition of prior years' unused tax losses previously not recognised	**–**	(13,676)
	(334,835)	328,104
	20,202	333,131

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2015	2014
	RMB'000	*RMB'000*
Profit before taxation	**100,512**	1,294,724
Expected tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned (Notes (i), (ii) and (iii))	**20,354**	341,684
Tax effect of non-deductible expenses	**5,919**	2,378
Tax effect of non-taxable income (Note (iv))	**(10,946)**	(2,771)
Tax effect of share of losses/(profits) of an associate	**2,200**	(2,067)
Tax effect of unused tax losses not recognized	**2,854**	7,267
Tax effect of recognition of prior years' unused tax losses previously not recognised	**–**	(13,676)
(Over-provision)/under-provision in respect of prior years	**(179)**	316
Income tax	**20,202**	333,131

Notes:

(i) The Hong Kong Profits Tax rate for the year ended 31 March 2015 is 16.5% (2014: 16.5%). No provision for Hong Kong Profits Tax has been made, as the Company and the subsidiary of the Group incorporated in Hong Kong did not have assessable profits subject to Hong Kong Profits Tax for the year ended 31 March 2015 (2014: RMB Nil).

(ii) The Company and the subsidiaries of the Group incorporated in countries other than the PRC (including Hong Kong) are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

(iii) The subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rate of 25% (2014: 25%).

(iv) Non-taxable income mainly represents the non-taxable gain arising from changes in fair value on the derivative components of convertible bonds.

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 March 2015 is based on the profit attributable to ordinary equity shareholders of the Company of RMB82,212,000 (2014: profit attributable to ordinary equity shareholders of the Company of RMB963,225,000) and the weighted average of 4,176,964,000 ordinary shares (2014: 3,473,676,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	2015	2014
	'000	*'000*
Issued ordinary shares at 1 April	**4,176,964**	2,476,964
Effect of shares issued on the acquisition of subsidiaries	**–**	996,712
Weighted average number of ordinary shares at 31 March	**4,176,964**	3,473,676

(b) Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 March 2015 is based on the profit attributable to ordinary equity shareholders of the Company (diluted) of RMB28,078,000 (2014: RMB1,057,206,000 (diluted)) and the weighted average of 4,613,371,000 ordinary shares (diluted) (2014: 4,055,852,000 ordinary shares (diluted)), calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company (diluted)

	2015	2014
	RMB'000	*RMB'000*
Profit attributable to ordinary equity shareholders	**82,212**	963,225
After tax effect of effective interest and exchange differences on the liability component of convertible bonds	**9,109**	12,943
After tax effect of changes in fair value recognised on the derivative components of convertible bonds	**(57,024)**	149,569
After tax effect of net gain on redemptions of convertible bonds	**(6,219)**	(68,531)
Profit attributable to ordinary equity shareholders (diluted)	**28,078**	1,057,206

(ii) Weighted average number of ordinary shares (diluted)

	2015	2014
	'000	*'000*
Weighted average number of ordinary shares at 31 March	**4,176,964**	3,473,676
Effect of conversion of convertible bonds	**436,407**	582,176
Weighted average number of ordinary shares (diluted) at 31 March	**4,613,371**	4,055,852

9 INVESTMENT PROPERTIES

	2015	2014
	RMB'000	*RMB'000*
Valuation:		
At 1 April	**2,065,480**	175,600
Additions	**108,564**	34,000
Additions through acquisition of subsidiaries	**–**	450,660
Fair value adjustments:		
– gains included in the consolidated statement of profit or loss	**17,646**	1,423,900
– losses included in the consolidated statement of profit or loss	**–**	(18,680)
Disposal	**(1,757,500)**	–
At 31 March	**434,190**	2,065,480

Disposal of an investment property

On 19 May 2014, a wholly-owned subsidiary of the Group, Jinda Plastic Metal Products (Shenzhen) Co., Ltd. ("Jinda Plastic"), entered into various agreements with Shenzhen City Xingshun Property Development Co., Ltd. ("Xingshun"), where Jinda Plastic agreed to dispose of its land situated in Shenzhen (the "Jinda Land") to Xingshun for a consideration of RMB1,782,000,000. Upon disposal of the Jinda Land, the Group has recognised a gain of RMB24,500,000 which represents the difference between the consideration and fair value of Jinda Land as at the disposal date. As at 31 March 2015, the Group has received RMB534,600,000 from Xingshun and the remaining consideration of RMB1,247,400,000 has been included in "Trade and other receivables" and is to be received according to the payments schedule as stipulated in the sale and purchase agreement, which the directors of the Company consider to be before 31 March 2016.

10 TRADE AND OTHER RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Trade receivables from:		
– Third parties	**33,471**	38,334
– Companies under the control of the controlling equity shareholder of the Company (the "Controlling Shareholder")(Note(aa))	**150,308**	106,521
– A non-controlling equity holder of a subsidiary of the Group	**17,423**	12,055
Bills receivables	**3,420**	4,885
	204,622	161,795
Less: allowance for doubtful debts	**–**	(317)
	204,622	161,478
Amounts due from companies under the control of the Controlling Shareholder (Note (bb))	**2,166**	5,403
Amount due from an associate (Note (cc))	**5,000**	–
Prepayments, deposits and other receivables:		
– Prepayments and deposits for operating leases expenses	**4,944**	11,780
– Prepayments for purchase of inventories	**8,798**	3,344
– Advances to third parties	**28,178**	41,819
– Receivable from the disposal of investment property	**1,247,400**	–
– Others	**13,289**	16,521
	1,302,609	73,464
	1,514,397	240,345

Note (aa): The balance mainly related to transactions under an export agency agreement entered into between the Group and a company under the control of the Controlling Shareholder which has been approved by the independent equity shareholders of the Company on 26 February 2013.

Note (bb): The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Note (cc): The amount is unsecured, bears interest at 8% per annum and is repayable in November 2015.

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year.

(i) Ageing analysis

Included in trade and other receivables are trade and bills receivables (net of allowance for doubtful debts) with the following ageing analysis (based on the invoice date) as of the end of the reporting period:

	2015	2014
	RMB'000	*RMB'000*
Within 1 month	**67,604**	58,854
More than 1 month but less than 3 months	**93,456**	73,071
Over 3 months	**43,562**	29,553
	204,622	161,478

(ii) Impairment of trade and other receivables

Impairment losses in respect of trade and other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and other receivables directly.

The movements in the allowance for doubtful debts during the year are as follows:

	2015	2014
	RMB'000	*RMB'000*
At 1 April	**317**	170
Exchange adjustments	**–**	1
Impairment losses recognised	**–**	166
Uncollectible amounts written off	**(317)**	(20)
At 31 March	**–**	317

At 31 March 2015, none of the Group's trade and other receivables (31 March 2014: RMB317,000) were individually determined to be impaired. The individually impaired receivables related to customers and debtors that were in financial difficulties and management assessed that these receivables are irrecoverable. The Group does not hold any collateral over these balances.

(iii) Trade and bills receivables that are not impaired

The ageing analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired is as follows:

	2015	2014
	RMB'000	*RMB'000*
Neither past due nor impaired	**141,564**	105,429
Less than 1 month past due	**48,084**	31,551
More than 1 month but less than 3 months past due	**12,237**	21,872
More than 3 months past due	**2,737**	2,626
	63,058	56,049
	204,622	161,478

Credit terms of one to three months from the date of billing or separately negotiated repayment schedules may be granted to customers and debtors, depending on credit assessment carried out by management on an individual customer basis. Normally, the Group does not obtain collateral from customers and debtors.

Receivables that were neither past due nor impaired relate to bills receivables from the issuing banks and customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

11. TRADE AND OTHER PAYABLES

	2015	2014
	RMB'000	*RMB'000*
Trade payables to:		
– Third parties	**186,394**	188,514
– Companies under the control of the Controlling Shareholder	**53,777**	53,908
Bills payables	**89,324**	22,612
	329,495	265,034
Amounts due to companies under the control of the Controlling Shareholder (Note (i))	**26,087**	18,020
Accrued charges and other payables:		
– Accrued operating lease expenses	**18,208**	20,818
– Payables for staff related costs	**33,478**	26,818
– Accruals for costs incurred on investment property	**8,572**	13,300
– Deposits from suppliers	**5,354**	4,639
– Payables for interest expenses	**9,865**	6,141
– Payables for miscellaneous taxes	**6,795**	1,097
– Others	**14,749**	17,002
	97,021	89,815
Financial liabilities measured at amortised cost	**452,603**	372,869
Advances received from customers	**75,055**	61,383
	527,658	434,252

Note:

(i) The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

All of the trade and other payables are expected to be settled or recognised as revenue within one year or are repayable on demand.

Included in trade and other payables are trade and bills payables with the following ageing analysis (based on the invoice date) as of the end of the reporting period:

	2015	2014
	RMB'000	*RMB'000*
Within 1 month	**104,002**	132,002
Over 1 month but within 3 months	**136,653**	69,847
Over 3 months but within 6 months	**82,711**	57,579
Over 6 months	**6,129**	5,606
	329,495	265,034

12 DIVIDEND

The directors of the Company did not recommend the payment of a final dividend for the year ended 31 March 2015 (2014: HK$Nil).

13 CONVERTIBLE BONDS

	Liability component	**Derivative components**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At 1 April 2013	–	–	–
Convertible bonds issued (Note (i))	244,290	62,812	307,102
Accrued finance charges for the year	11,789	–	11,789
Fair value changes on the derivative components	–	149,569	149,569
Redemptions during the year (Note (ii))	(159,699)	(100,896)	(260,595)
Exchange adjustments	915	239	1,154
At 31 March 2014 and 1 April 2014	97,295	111,724	209,019
Accrued finance charges for the year	**9,427**	**–**	**9,427**
Fair value changes on the derivative components	**–**	**(57,024)**	**(57,024)**
Reclassification to interest payable	**(3,378)**	**–**	**(3,378)**
Redemptions during the year (Note (iii))	**(14,033)**	**(8,810)**	**(22,843)**
Exchange adjustments	**(123)**	**(195)**	**(318)**
At 31 March 2015	**89,188**	**45,695**	**134,883**

Notes:

(i) On 30 August 2013, the Company has issued unsecured convertible bonds with an aggregate face value of HK$382,800,000 (equivalent to approximately RMB302,067,000), interest bearing at 3% per annum and maturing on 30 August 2016 to Shi Hui Holdings Limited ("Shi Hui"), a company under the control of the Controlling Shareholder, as part of the consideration for the Group's acquisition of subsidiaries from Shi Hui (the "Shi Hui Bonds").

Upon issuance, the holder of the Shi Hui Bonds could, at any time up till 30 August 2016, convert the Shi Hui Bonds into the Company's shares at HK$0.3 per share (i.e. the conversion option). The Company has the right to redeem the Shi Hui Bonds in whole or in part at any time before the maturity date at its face value (i.e. the call option). Both the conversion and call options are classified as derivative financial instruments and have been included in the balance of convertible bonds in the consolidated statement of financial position.

(ii) During the year ended 31 March 2014, an aggregate principal amount of the Shi Hui Bonds of HK$241,075,000 (equivalent to approximately RMB189,891,000) had been redeemed with cash and used to set off the Group's amounts due from companies under the control of the Controlling Shareholder. The difference between the redemption and carrying amounts of the redeemed bonds of RMB68,531,000 had been recognised as gain in the consolidated statement of profit or loss.

(iii) On 19 September 2014, the Group has redeemed a principal amount of HK$20,325,000 (equivalent to approximately RMB16,114,000) of the Shi Hui Bonds in cash.

The difference between the redemption and carrying amount of the redeemed bonds of RMB6,219,000 has been recognised as gain in the consolidated statement of profit or loss during the year ended 31 March 2015.

14 NON-ADJUSTING EVENTS AFTER THE END OF THE REPORTING PERIOD

(a) Declaration of special distribution

On 22 May 2015, the directors of the Company have proposed a special distribution of HK$0.05 per ordinary share. The special distribution has been approved by the board of directors on 22 May 2015.

(b) Conversion of convertible bonds into ordinary shares

On 5 June 2015, the convertible bonds issued by the Company with an aggregate principal amount of HK$121,400,000 were converted into 404,668,000 ordinary shares at the conversion price of HK$0.3 per share by Shi Hui. The new ordinary shares were issued to Shi Hui and its two nominees, Chance Talent Management Limited and HNW Investment Fund Series SPC. Upon completion of the conversion on 5 June 2015, the number of ordinary shares of the Company in issue increased from 4,176,964,000 to 4,581,632,000.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

General Information

For the year ended 31 March 2015 (the "Year"), the Group recorded a turnover of approximately RMB1,158.0 million, representing an increase of 47.9% when compared with the turnover of approximately RMB783.0 million reported for the last year. Net profit for the Year was approximately RMB80.3 million compared to a net profit of RMB961.6 million for the last year. The Group's basic and diluted earnings per share were RMB 1.97 cent and RMB 0.61 cent respectively and the Group's basic and diluted earnings per share were RMB27.73 cent and RMB26.07 cent respectively for the last year.

Liquidity and Financial Resources

As at 31 March 2015, the Group's net assets increased to RMB1,713.2 million, rendering net asset value per share at RMB41.0 cent. The Group's total assets at that date were valued at RMB3,994.6 million, including cash and bank deposits of approximately RMB268.4 million and current available-for-sale investments of RMB531.3 million. Consolidated bank loans, convertible bonds and other borrowings amounted to RMB1,148.9 million. Its debt-to-equity ratio (bank loans, convertible bonds and other borrowings over total equity) has been decreased from 80.0% as at 31 March 2014 to 67.1% as at 31 March 2015.

Most of the Group business transactions were conducted in RMB and USD. As at 31 March 2015, the Group's borrowings were denominated in RMB, HKD and USD.

Capital Structure

On 30 August 2013, the Company allotted and issued 1,700,000,000 consideration shares at the issue price of HK$0.30 per share and the consideration convertible bonds in the principal amount of HK$382.8 million at the initial conversion price of HK$0.30 per share to Shi Hui Holdings Limited, which is wholly owned by Big-Max Manufacturing Co., Limited, the majority shareholder of the Company. For details of this major change in the capital structure of the Company, please refer to the circular of the Company dated 22 May 2013. On 31 October 2013, 31 December 2013 and 3 March 2014 and 19 September 2014, the Company partially redeemed approximately HKD20.8 million, HKD136.8 million, HKD83.5 million and HKD20.3 million convertible bonds and the remaining balance as at 31 March 2015 was HKD121.4 million. As at 31 March 2015, the Group's major borrowings included bank loans, which had an outstanding balance of RMB890.9 million, other borrowings from a shareholder, third parties and convertible bonds totaling RMB258.0 million. All of the Group's borrowings have been denominated in RMB, HKD and USD.

Pledge of Assets

The Group's leasehold land and buildings and investment properties with a carrying amount of RMB1,151.4 million as at 31 March 2015 were pledged to secure bank borrowing and facilities of the Group.

Capital Expenditure and Commitments

The Group will continue to allocate a reasonable amount of resources to acquisition, better utilization of the Company's assets, and improvement of capital assets to improve operations efficiency and to meet customer needs and market demands. Sources of funding are expected to come primarily from trading revenue that the Group will generate from operations and alternative debt and equity financing, and disposal of available-for-sale investments/assets. In particular, the disposal of the land of the previous factory of the Group in Shenzhen will generate substantial cash in 2015/16 as the Group continues to collect the remaining balance of the net proceeds realized from the deal.

Exposure to Foreign-Exchange Fluctuations

The functional currency of the Company is RMB and the Group's monetary assets and liabilities were principally denominated in RMB, HKD and USD. The Group considers the risk exposure to foreign currency fluctuation would be in line with the gradual appreciation of RMB. Given that RMB is not yet an international hard currency, there is no effective method to hedge the relevant risk for the size and cash flow pattern of the Group. However, as most of the Group's raw materials procurement for its manufacturing business were settled in USD and HKD, and most of the Group's customers accept the passing-on of the rising cost, to various extent, due to the appreciation of RMB, the effect arising from the relevant risk can be reduced. Looking forward, as the Chinese Government is driving RMB to get more internationalized and towards free floating in the coming years, we expect more hedging tools will be available in the currency market. The Group will monitor closely the development of currency policy of the Chinese Government and the availability of the hedging tools which are appropriate for the manufacturing business operations of the Group in this respect.

With the acquisition of the domestic retail and wholesale business in Ningbo, China in August 2013, the Group added a very substantial portion of business which has both revenues and expenditures essentially in RMB. From this perspective, the currency exposure of the Group has been relatively diluted.

Segment Information

With the acquisition of New JoySun Group, retail and wholesale business has emerged to become the most important business segment of the Group in the Year and accounted for 63.1% of total turnover. Manufacturing and trading business and investment holding business had 34.7% and 2.2% of the remaining.

In terms of geographical location, China became the Group's primary market, which accounted for 65.8% of total revenue. The remaining comprised of revenue from North America 31.1%, Europe 1.1% and others 2.0%.

Contingent Liabilities

As at 31 March 2015, the Group pledged certain leasehold land and buildings and investment properties with an aggregate carrying amount of approximately RMB97.4 million to secure bank loans borrowed by the related companies under the control of Mr. Li Lixin, Chairman of the Company. Such arrangements were made by New JoySun group prior to the acquisition in August 2013. The Directors do not consider it probable that a claim in excess of the provision for warranties provided by the Group will be made against the Group under any of the guarantees. The maximum liability of the Group as of the close of business under the guarantees issued is RMB51.7 million being the balance of the principal amount of the bank loans the Group pledged for.

Investments in New Businesses

During the Year, our equity interest in Veritas-Msi (China) Co., Ltd. ("VMCL") remained at 24.76%. VMCL is an associate company of the Group. The core business of VMCL is in the development and application of separation technology and multiphase measurement sciences for the oil and gas industry. The Company will consider to sell our investment in VMCL should there be attractive offer which can give us a good return from this investment.

Another investment in new business in recent years is QL Electronics Co., Ltd. ("QLEC"). During the Year, our equity interest in QLEC was maintained at 8.54%. The core business of QLEC is in the development and manufacturing of semiconductor materials. As an investor, the Company is satisified with the business performance and the dividend policy of QLEC.

The latest investment of the Company is the acquisition of 95% beneficiary interest in certain department stores and supermarket chain in Ningbo from substantial Shareholder which was approved by the Shareholders of the Company on 7 June 2013 and completed on 30 August 2013. Furthermore, on 21 June 2013, the Company also announced the acquisition of the remaining 5% beneficiary interest in those department stores and supermarket chain mentioned above from an independent party so that, upon completion of these two acquisitions, the department stores and supermarket chain became wholly owned by the Group. For details of the investment, please refer to announcement dated 5 March 2013, the circular dated 22 May 2013 and the announcement dated 21 June 2013 released by the Company. This investment has brought substantial business growth to the Group and broadened our business with a new retail and wholesale sector which is widely considered to be a good market with the continuous economic growth of China and the supportive policy of the Chinese Government to stimulate domestic consumer market.

The Directors consider the new businesses have good business prospects. We are optimistic on the values of these investments and contribution of financial results brought to the Group in the future.

Employee Information

As at 31 March 2015, the Group employed a workforce of 2,185 employees in its various chain stores, offices and factories located in Hong Kong and the PRC. Competitive remuneration packages were provided and commensurate with individual responsibilities, qualifications, experience and performance. The Group provided management skills workshops, practical seminars for knowledge update, on-the-job training and safety training programs to its employees. There was a share-option scheme in force but no share option was granted during the Year.

Review of Operations

For the Year, the Group recorded a net profit of RMB80.3 million, compared to the net profit of RMB961.6 million for the corresponding last year. This decrease was primarily attributable to the net valuation gain on investment properties of the Group in last year which was essentially contributed by the revaluation of the land in Shenzhen. And such revaluation of the land in Shenzhen was a one-time gain as the land was sold already in this year.

Revenue

Total revenue increased by 47.9% to RMB1,158.0 million for the Year as compared with last year. Excluding the contribution by the newly acquired retail and wholesale business which did not have full year impact in 2013/14, the Group's total revenue for the Year would have been RMB402.8 million, representing an increase of 20.9 % as compared with last year.

Manufacturing and trading business

During the Year, the manufacturing and trading business contributed approximately RMB401.1 million to the total revenue of the Group. The business of this segment grew by RMB71.1 million when compared with the corresponding last year of approximately RMB330.0 million. The improvement was mainly supported by the complete integration of the relocated facilities with existing operations in Ningbo, order growth from existing customers and the development of new products and customers. While we are pleased with the positive development from the consolidation of the manufacturing facilities of the Group into one location in Ningbo, the management team of this business segment is still working to maximize the benefits from synergies of plant consolidation in various aspects of operations.

Retail and Wholesale Business

The acquisition of retail business and wholesale business in Ningbo, PRC, contributed revenue of RMB437.7 million and RMB292.3 million respectively during the Year.

Investment holding Business

Dividend income and investment income received during the Year was RMB0.9 million and RMB25.2 million respectively.

PROSPECTS

Further Strengthening Our Competence and Competitiveness in the Business of Household Products

Relocation of the Group's manufacturing plant in Shenzhen to Ningbo, PRC, was completed. The manufacturing facilities of household products of the Group is now consolidated in one location in Ningbo. Though plant relocation had been a difficult process and resulted in disturbances in our plant operations and business development, the benefit on our operations in terms of efficiency improvement in management resources and synergies in scale procurement and production operations began to take place and contribute to the business on long-term basis. The Group will continue its cost control measures and business strategy of focusing on higher margin products and customers that have been improving the segment's business and financial performance. Apart from the continuing effort in cost control measures such as integration and realignment of management and sales resources, structural changes in procurement and manufacturing planning and exploration of relocation of its production facilities (or part of them) to lower cost areas, the Group will step up its efforts to explore new products. Besides, the Group will also enlarge our customer base in both existing and emerging markets. We shall also monitor closely the volatility of global financial markets, the extension of different markets and adjust our sales and purchase strategies accordingly to achieve our goal of continuous business growth and performance improvement.

Disposal of the Land of the Previous Shenzhen Plant

On 19 May 2014, Jinda Plastic Metal Products (Shenzhen) Co., Limited ("Jinda Plastic"), an indirect wholly-owned subsidiary of the Company, and Shenzhen City Xinshun Property Development Company Limited entered into the Relocation Compensation Agreement and the Supplementary Agreement in relation to the proposed disposal of the land owned by Jinda Plastic and and situated within the Jinda Industrial Area which was the location of the previous Shenzhen plant of the Group. The aggregate amount of compensation would be RMB1,782 million and settled in cash. The Directors considered that the transaction would be in the interest of the Company and the Shareholders as a whole. For details of this transaction, please refer to the announcement of the Company dated 27 May 2014 and the circular of the Company dated 18 June 2014. A special general meeting was held on 8 July 2014 and the transaction was approved by the Shareholders. The Directors considered that the disposal of the land in Shenzhen would provide very substantial funding for the Group to improve the internal working capital position and make future investment(s) or acquisition(s) should there be such appropriate opportunities. The settlement of consideration for this transaction has been executing by phases according to the terms of the agreements. As at the date of this announcement, the Company distributed already a special dividend of HKD0.05 per share in June 2015 and has not made any decision on the use of remaing funds generated from this asset disposal.

Expanding into New Businesses with Growth Potential

In addition to the investments in QLEC and VMCL in 2010 and 2012 respectively, the acquisition of retail and wholesale business in Ningbo has been completed on 30 August 2013. The consideration of HK$892.8 million was settled by the issuance of new shares and convertible bonds. The acquisition of the remaining 5% beneficiary interest from an independent party was completed at the consideration of RMB31.7 million and settled by internal financial resources of the Group. With substantial funding to be available upon completion with the disposal of the land in Shenzhen and settlement of consideration has been executing by phases, the management will actively look into investment and acquisition targets of appropriate and reasonable valuation and consider other uses of fund for the best benefit of the Company and the Shareholders as a whole. The investment objectives of the Group will be in driving impactful business growth, strengthening further competitive advantage of existing business segments and enhancing the return to the Shareholders.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2015, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

Name	Capacity	Number of shares/ underlying shares *(Note 1)*	Approximate percentage of the issued share capital of the Company
Mr Li Lixin	*Note 2*	3,435,161,014(L)	82.24%
		3,454,364,442(S)	82.70%

Note 1: (L) denotes long positions (S) denotes short positions

Note 2: Mr Li Lixin's interest in 3,030,493,014 shares is held as to 5,892,000 shares personally, 15,620,000 shares through his spouse Jin Yaer, 1,328,981,014 shares through Big-Max Manufacturing Co., Limited ("Big-Max") and 1,680,000,000 shares through Shi Hui Holdings Limited which is wholly-owned by Big-Max. Shi Hui Holdings Limited is interested in 404,668,000 underlying shares. The issued share capital of Big-Max is beneficially owned as to 90% by Mr Li Lixin and as to 10% by his spouse, Jin Yaer.

Furthermore, no share options had been granted under the Company's share option scheme since its adoption on 31 August 2012 and there were no other options outstanding at the beginning or the end of the period ended 31 March 2015. Other than that, at no time during the period ended 31 March 2015 was the Company or any of its subsidiaries a party to any arrangements to enable the directors to acquire benefits by means of the acquisition of share in, or debentures of, the Company or any other body corporate and none of the directors, their spouses or children under the age of 18 have any right to subscribe for the securities of the Company, or had exercised any such right during the period ended 31 March 2015.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2015, the interests or short positions of every person, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name	Capacity	Number of shares/ underlying shares *(Note)*	Approximate percentage of the issued share capital of the Company
China Cinda (HK) Holdings Company Limited	Interest in controlled corporation	2,839,789,871 (L)	67.99%
China Cinda Foundation Management Company Limited	Interest in controlled corporation	2,839,789,871 (L)	67.99%
Cinda General Partner Limited	Interest in controlled corporation	2,839,789,871 (L)	67.99%
Cinda International Holdings Limited	Interest in controlled corporation	2,839,789,871 (L)	67.99%
Cinda Retail and Consumer Fund L.P.	Beneficial owner/ beneficiary of a trust	2,839,789,871 (L)	67.99%
Cinda Strategic (BVI) Limited	Interest in controlled corporation	2,839,789,871 (L)	67.99%
Rainbow Stone Investments Limited	Interest in controlled corporation	2,839,789,871 (L)	67.99%
Sinoday Limited	Interest in controlled corporation	2,839,789,871 (L)	67.99%

Name	Capacity	Number of shares/ underlying shares *(Note)*	Approximate percentage of the issued share capital of the Company
中國信達資產管理股份有限公司 (China Cinda Asset Management Co., Ltd.)	Interest in controlled corporation	2,839,789,871 (L)	67.99%
Central Huijin Investment Ltd.	Person having a security interest in shares/interest in controlled corporation	3,071,951,299 (L)	73.55%
China Construction Bank Corporation	Person having a security interest in shares/interest in controlled corporation	3,071,951,299 (L)	73.55%
Cinda (BVI) Limited	Interest in controlled corporation	2,700,493,014 (L)	64.65%
Cinda International Securities Limited	Trustee (other than a bare trustee)	2,700,493,014 (L)	64.65%
HNW Investment Fund Series SPC acting for and on behalf of Benefit Segregated Portfolio	Beneficial owner/ person having a security interest in shares	2,963,609,299 (L)	70.95%

Note: (L) denotes long positions

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with the management the accounting principles and practice adopted by the Group and discussed internal controls, auditing and financial reporting matters including a review of the audited consolidated financial statements for the Year, in conjunction with the Company's external auditor.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

In the opinion of the Directors, the Company has complied with the Code of Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules issued by the Stock Exchange throughout the year saved for the following:

Under code provision E1.2 the chairman of the board and the chairmen of the audit, remuneration and nomination committees should attend the annual general meeting. The chairman of the board and the chairman of the remuneration committee of the Company were unable to attend the annual general meeting held during the Year due to their other commitments.

MODEL CODE

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issued (the "Model Code") as set out in Appendix 10 of the Listing Rules issued by the Stock Exchange. All Directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the Year ended 31 March 2015.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of this preliminary announcement of the Group's results for the Year have been agreed by the Group's auditor, KPMG, (the "Auditor") to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by the Auditor 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 HKICPA and consequently no assurance has been expressed by the Auditor on the preliminary announcement.

PUBLICATION OF THE FURTHER INFORMATION

The 2015 annual report of the Company containing all information required by Appendix 16 to the Listing Rules will be published on both the websites of The Stock Exchange and the Company in due course.

By Order of the Board
Li Lixin
Chairman

Hong Kong, 26 June 2015

As at the date of this announcement, the Board comprises Mr. Li Lixin (Chairman), Mr. Cheng Jianhe and Ms. Jin Yaxue being executive Directors, Mr. Lau Kin Hon being non-executive Directors, Mr. He Chengying, Mr. Cheung Kiu Cho Vincent and Mr. Shin Yick Fabian being independent non-executive Directors.