



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

(Incorporated in Bermuda with limited liability) (於百慕達註冊成立之有限公司)  
Stock Code 股份代號 : 526



中期報告

2015/2016

INTERIM REPORT

**CORPORATE INFORMATION**

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**BOARD OF DIRECTORS**

**Executive Directors**

Mr LI Lixin (*Chairman*)

Mr CHENG Jianhe

(*Chief Executive Officer*)

Ms JIN Yaxue

**Non-Executive Director**

Mr LAU Kin Hon

**Independent Non-Executive Directors**

Mr HE Chengying

Mr SHIN Yick Fabian

Mr CHEUNG Kiu Cho Vincent

**COMPANY SECRETARY**

Mr LAU Kin Hon

**REGISTERED OFFICE**

Clarendon House

Church Street

Hamilton

HM11, Bermuda

**HEAD OFFICE AND PRINCIPAL PLACE  
OF BUSINESS**

Workshop 06-07, 36/F King Palace Plaza

No. 52A Sha Tsui Road, Tsuen Wan

New Territories, Hong Kong

**SECURITIES CODE**

Hong Kong Stock Code: 526

**WEBSITE ADDRESS**

<http://www.lisigroup.com.hk>

**PRINCIPAL BANKERS**

Bank of Communications, Shenzhen  
and Ningbo Branches, the People's  
Republic of China (the "PRC")

Bank of Ningbo, PRC

China Construction Bank, Ningbo  
Branch, PRC

Industrial Bank Company Limited,  
Ningbo and Hong Kong Branch  
The Hongkong and Shanghai Banking  
Corporation Limited

**PRINCIPAL SHARE REGISTRAR AND  
TRANSFER OFFICE**

MUFG Fund Services (Bermuda) Limited  
26 Burnaby Street, Hamilton HM11  
Bermuda

**HONG KONG BRANCH SHARE  
REGISTRAR AND TRANSFER OFFICE**

Tricor Secretaries Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

**LISI GROUP (HOLDINGS) LIMITED**  
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The board of directors (the “Board”) of Lisi Group (Holdings) Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2015 together with the comparative figures as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the six months ended 30 September 2015 – unaudited  
(Expressed in Renminbi (“RMB”))*

		<b>Six months ended 30 September</b>	
	<i>Note</i>	<b>2015 RMB'000 (unaudited)</b>	<b>2014 RMB'000 (unaudited)</b>
<b>Turnover</b>	3	<b>524,941</b>	547,776
Cost of sales		<b>(402,999)</b>	(428,574)
<b>Gross profit</b>	3(b)	<b>121,942</b>	119,202
Other revenue	4	<b>6,107</b>	4,901
Other net (loss)/income	4	<b>(515)</b>	6,142
Selling and distribution expenses		<b>(35,133)</b>	(36,712)
Administrative expenses		<b>(58,125)</b>	(63,395)
<b>Profit from operations</b>		<b>34,276</b>	30,138
Share of losses of an associate		<b>(6,230)</b>	(1,799)
Finance costs	5(a)	<b>(133,383)</b>	(72,274)
<b>Loss before taxation</b>	5	<b>(105,337)</b>	(43,935)
Income tax	6	<b>(8,620)</b>	(9,334)
<b>Loss for the period</b>		<b>(113,957)</b>	(53,269)
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>(112,077)</b>	(50,874)
Non-controlling interests		<b>(1,880)</b>	(2,395)
<b>Loss for the period</b>		<b>(113,957)</b>	(53,269)
<b>Loss per share (RMB cent)</b>			
Basic	7(a)	<b>(2.5)</b>	(1.2)
Diluted	7(b)	<b>(0.4)</b>	(0.4)

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME**

*For the six months ended 30 September 2015 – unaudited  
 (Expressed in RMB)*

	Six months ended 30 September	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
<b>Loss for the period</b>	<b>(113,957)</b>	(53,269)
<b>Other comprehensive loss for the period (after tax):</b>		
Items that may be reclassified subsequently to profit or loss:		
– Available-for-sale investments: net movement in fair value reserve	<b>(4,720)</b>	–
– Exchange difference on translation into presentation currency	<b>(962)</b>	(95)
<b>Other comprehensive loss for the period</b>	<b>(5,682)</b>	(95)
<b>Total comprehensive loss for the period</b>	<b>(119,639)</b>	(53,364)
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>(117,759)</b>	(50,969)
Non-controlling interests	<b>(1,880)</b>	(2,395)
<b>Total comprehensive loss for the period</b>	<b>(119,639)</b>	(53,364)



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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 September 2015 – unaudited  
 (Expressed in RMB)

	Note	30 September 2015 RMB'000 (Unaudited)	31 March 2015 RMB'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		868,730	880,464
Investment properties		434,190	434,190
Goodwill		43,313	43,313
Intangible assets		9,688	12,375
Interest in an associate		33,914	40,144
Available-for-sale investments		82,881	82,881
Deferred tax assets		9,378	35,120
		<b>1,482,094</b>	1,528,487
<b>Current assets</b>			
Available-for-sale investments		324,996	531,289
Inventories		164,219	152,058
Trade and other receivables	8	1,525,938	1,514,397
Restricted bank deposits		105,641	132,974
Cash and cash equivalents		284,539	135,395
		<b>2,405,333</b>	2,466,113
<b>Current liabilities</b>			
Trade and other payables	9	491,257	527,658
Bank and other loans		899,797	697,691
Income tax payable		349,593	349,393
		<b>1,740,647</b>	1,574,742
<b>Net current assets</b>		<b>664,686</b>	891,371
<b>Total assets less current liabilities</b>		<b>2,146,780</b>	2,419,858

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	Note	<b>30 September 2015 RMB'000 (Unaudited)</b>	31 March 2015 RMB'000 (Audited)
<b>Non-current liabilities</b>			
Bank and other loans		<b>281,430</b>	316,380
Convertible bonds	11	–	134,883
Deferred tax liabilities		<b>229,581</b>	255,384
		<b>511,011</b>	706,647
<b>NET ASSETS</b>			
		<b>1,635,769</b>	1,713,211
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>39,374</b>	36,138
Reserves		<b>1,529,069</b>	1,607,867
<b>Total equity attributable to equity shareholders of the Company</b>			
		<b>1,568,443</b>	1,644,005
<b>Non-controlling interests</b>			
		<b>67,326</b>	69,206
<b>TOTAL EQUITY</b>			
		<b>1,635,769</b>	1,713,211



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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*For the period ended 30 September 2015 – unaudited*

*(Expressed in RMB)*

	Attributable to equity shareholders of the Company											
	Share capital	Share premium	Capital redemption reserve	Statutory reserves	Contributed surplus	Exchange reserve	Property revaluation reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 April 2014</b>	36,138	541,228	1,341	8,610	56,236	(17,109)	8,594	-	921,359	1,556,397	71,108	1,627,505
<b>Changes in equity for the period ended 30 September 2014:</b>												
Loss for the period	-	-	-	-	-	-	-	-	(50,874)	(50,874)	(2,395)	(53,269)
Other comprehensive loss	-	-	-	-	-	(95)	-	-	-	(95)	-	(95)
Total comprehensive loss for the period	-	-	-	-	-	(95)	-	-	(50,874)	(50,969)	(2,395)	(53,364)
Appropriation to reserves	-	-	-	65	-	-	-	-	(65)	-	-	-
	-	-	-	65	-	-	-	-	(65)	-	-	-
<b>Balance at 30 September 2014 (Unaudited)</b>	36,138	541,228	1,341	8,675	56,236	(17,204)	8,594	-	870,420	1,505,428	68,713	1,574,141
<b>Balance at 1 April 2015</b>	36,138	541,228	1,341	12,825	56,236	(20,180)	-	8,467	1,007,950	1,644,005	69,206	1,713,211
<b>Changes in equity for the period ended 30 September 2015:</b>												
Loss for the period	-	-	-	-	-	-	-	-	(112,077)	(112,077)	(1,880)	(113,957)
Other comprehensive loss	-	-	-	-	-	(962)	-	(4,720)	-	(5,682)	-	(5,682)
Total comprehensive loss for the period	-	-	-	-	-	(962)	-	(4,720)	(112,077)	(117,759)	(1,880)	(119,639)
Exercising convertible bonds into ordinary shares	3,236	222,158	-	-	-	-	-	-	-	225,394	-	225,394
Special dividend approved	-	(183,197)	-	-	-	-	-	-	-	(183,197)	-	(183,197)
Appropriation to reserves	-	-	-	(26)	-	-	-	-	26	-	-	-
	3,236	38,961	-	(26)	-	-	-	-	26	42,197	-	42,197
<b>Balance at 30 September 2015 (Unaudited)</b>	39,374	580,189	1,341	12,799	56,236	(21,142)	-	3,747	895,899	1,568,443	67,326	1,635,769

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

*For the six months ended 30 September 2015 – unaudited  
 (Expressed in RMB)*

	Six months ended 30 September	
	2015 <i>RMB'000</i> (Unaudited)	2014 <i>RMB'000</i> (Unaudited)
Net cash (used in) generated from operating activities	(23,015)	91,043
Net cash generated from investing activities	236,387	203,416
Net cash used in financing activities	(63,391)	(200,720)
<b>Net increase in cash and cash equivalents</b>	<b>149,981</b>	<b>93,739</b>
Cash and cash equivalents as at 1 April	135,395	55,020
Effect of foreign exchange rate changes, net	(837)	(153)
<b>Cash and cash equivalent as at 30 September</b>	<b>284,539</b>	<b>148,606</b>





## **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**

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### **1. BASIS OF PREPARATION**

The Group's condensed consolidated financial statements have been prepared in accordance with applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" and other relevant HKASs and interpretations and the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies adopted and the basis of preparation used in the preparation of the condensed consolidated financial statements of the Group are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2015.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

### **2. 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.



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**3. 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 wholesales of wine and beverages and electrical appliances, and investment 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 period is analysed as follows:

	<b>Six months ended 30 September</b>	
	<b>2015</b>	2014
	<i><b>RMB'000</b></i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Sales of goods:		
– manufacturing and trading of household products	<b>201,171</b>	192,851
– retail operation of department stores and supermarkets	<b>144,048</b>	161,261
– wholesale of wine and beverages and electrical appliances	<b>105,744</b>	129,790
	<b>450,963</b>	483,902
Net income from concession sales	<b>13,016</b>	10,278
Rental income from operating leases	<b>17,327</b>	17,085
Service fee income	<b>23,280</b>	21,203
Investment and dividend income	<b>20,355</b>	15,308
	<b>524,941</b>	547,776



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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:

	<b>Six months ended 30 September</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Customer A	<b>73,806</b>	61,332

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 period ended 30 September 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.

	<b>Six months ended 30 September</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Sales of goods:		
– manufacturing and trading of household products	<b>201,171</b>	192,851
– retail operation of department stores and supermarkets	<b>144,048</b>	161,261
– wholesale of wine and beverages and electrical appliances	<b>105,744</b>	129,790
	<b>450,963</b>	483,902
Gross revenue from concession sales	<b>15,402</b>	14,356
Rental income from operating leases	<b>17,327</b>	17,085
Service fee income	<b>23,280</b>	21,203
Investment and dividend income	<b>20,355</b>	15,308
	<b>527,327</b>	551,854

Further details regarding the Group's principle 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.
- Investment 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. To improve the efficiency at group level, the management of the Group considers it is more important to focus on the profitability of each of the operating segment. As a result, the treasury function is centrally managed by the Group and resources have been deployed across the various segments of the Group. Consequently, 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.

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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 period ended 30 September 2015 and 2014 is set out below.

Six months ended 30 September 2015 (Unaudited)					
	Manufacturing	Investments			Total
	and trading	Retail	Wholesale	holding	
	RMB'000	RMB'000	RMB'000	RMB'000	
Revenue and net income from external customers	201,171	196,778	106,287	20,355	524,591
Inter-segment revenue	-	-	2,386	-	2,386
Reportable segment revenue and net income	201,171	196,778	108,673	20,355	526,977
Reportable segment gross profit	55,031	41,842	4,364	20,355	121,592

Six months ended 30 September 2014 (Unaudited)					
	Manufacturing	Investments			Total
	and trading	Retail	Wholesale	holding	
	RMB'000	RMB'000	RMB'000	RMB'000	
Revenue and net income from external customers	192,851	207,448	131,872	15,308	547,479
Inter-segment revenue	-	-	4,078	-	4,078
Reportable segment revenue and net income	192,851	207,448	135,950	15,308	551,557
Reportable segment gross profit	41,750	46,794	15,545	15,308	119,397



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(ii) *Reconciliations of reportable segment revenue and net income*

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Revenue and net income</b>		
Reportable segment revenue and net income	526,977	551,557
Elimination of inter-segment revenue	(2,386)	(4,078)
Unallocated revenue	350	297
Consolidated turnover	<b>524,941</b>	547,776
<b>Gross profit</b>		
Reportable segment gross profit	121,592	119,397
Gross gain/(loss) of unallocated items	350	(195)
Consolidated gross profit	<b>121,942</b>	119,202

(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, 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, and the location of the operation to which they are allocated, in the case of intangible assets, goodwill and available-for-sale investments.



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	Revenue and net income from external customers		Specified non-current assets	
	Six months ended		At	At
	30 September	30 September	30 September	31 March
	2015 <i>RMB'000</i> (Unaudited)	2014 <i>RMB'000</i> (Unaudited)	2015 <i>RMB'000</i> (Unaudited)	2015 <i>RMB'000</i> (Audited)
The PRC (including Hong Kong) (place of domicile)	327,255	356,083	1,438,802	1,453,223
The United States	168,123	167,038	-	-
Europe	9,013	6,603	-	-
Canada	3,986	6,777	-	-
Others	16,564	11,275	-	-
	<b>524,941</b>	<b>547,776</b>	<b>1,438,802</b>	<b>1,453,223</b>

**4. OTHER REVENUE AND NET (LOSS)/INCOME**

	Six months ended 30 September	
	2015 <i>RMB'000</i> (Unaudited)	2014 <i>RMB'000</i> (Unaudited)
<b>Other revenue</b>		
Interest income on cash at bank and advances due from related parties	5,198	4,329
Government grants	723	394
Others	186	178
	<b>6,107</b>	<b>4,901</b>
<b>Other net (loss)/income</b>		
Net gain from sale of scrap materials	272	360
Net (loss)/gain on disposal of property, plant and equipment	(82)	1,506
Net gain on disposal of investment in a subsidiary	-	1,415
Others	(705)	2,861
	<b>(515)</b>	<b>6,142</b>

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**5. LOSS BEFORE TAXATION**

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

**(a) Finance costs**

	<b>Six months ended 30 September</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Interest on bank and other borrowings	<b>32,608</b>	34,123
Finance charges on convertible bonds	<b>1,649</b>	4,994
Bank charges and other finance costs	<b>8,578</b>	1,785
<b>Total borrowing costs</b>	<b>42,835</b>	40,902
Changes in fair value and redemption gain from convertible bonds	<b>90,548</b>	31,372
	<b>133,383</b>	72,274

No borrowing costs have been capitalised for the period ended 30 September 2015 (2014: RMB Nil).

**(b) Other items**

	<b>Six months ended 30 September</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Staff costs (excluding directors' emoluments)	<b>57,004</b>	62,911
Cost of inventories	<b>389,738</b>	416,044
Auditors' remuneration	<b>1,419</b>	992
Depreciation and amortisation	<b>27,292</b>	25,975
Operating lease charges in respect of properties	<b>19,593</b>	18,913
Net foreign exchange (loss)/gain	<b>(3,167)</b>	2,787



**6. TAXATION**

Hong Kong Profits Tax has not been provided as the Group incurred a loss for taxation purposes in respect of operations in Hong Kong for the period (2014: Nil). The PRC Enterprise Income Tax in respect of operations in Mainland China is calculated at applicable tax rates on the estimated assessable profit for the period based on existing legislation, interpretation and practices in respect thereof.

**7. LOSS PER SHARE**

**(a) Basic loss per share**

The calculation of basic loss per share for the six months ended 30 September 2015 is based on the loss attributable to ordinary equity shareholders of the Company of RMB112,077,000 (six months ended 30 September 2014: RMB50,874,000) and the weighted average of 4,437,897,349 ordinary shares (2014: 4,176,963,794 ordinary shares) in issue during the interim period.

**(b) Diluted loss per share**

The calculation of diluted loss per share for the six months ended 30 September 2015 is based on the loss attributable to ordinary equity shareholders (diluted) of the Company of RMB19,760,000 (six months ended 30 September 2014: RMB16,941,000) and the weighted average of 4,581,631,935 diluted shares (2014: 4,644,936,478 diluted shares) in issue during the interim period.



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**8. TRADE AND OTHER RECEIVABLES**

	<b>30 September 2015 RMB'000 (Unaudited)</b>	31 March 2015 RMB'000 (Audited)
Trade receivables from:		
– Third parties	<b>38,080</b>	33,471
– Companies under the control of the controlling equity shareholder of the Company (the “Controlling Shareholder”) (Note (aa))	<b>158,575</b>	150,308
– A non-controlling equity holder of a subsidiary of the Group	<b>10,652</b>	17,423
– Bills receivables	<b>6,061</b>	3,420
	<b>213,368</b>	204,622
Less: allowance for doubtful debts	–	–
	<b>213,368</b>	204,622
Amounts due from companies under the control of the Controlling Shareholder (Note (bb))	<b>194</b>	2,166
Amount due from an associate (Note (cc))	<b>5,355</b>	5,000
Prepayments, deposits and other receivables:		
– Prepayments and deposits for operating leases expenses	<b>6,363</b>	4,944
– Prepayments for purchase of inventories	<b>6,109</b>	8,798
– Advances to third parties	<b>33,615</b>	28,178
– Receivables from the disposal of investment property	<b>1,247,400</b>	1,247,400
– Others	<b>13,534</b>	13,289
	<b>1,307,021</b>	1,302,609
	<b>1,525,938</b>	1,514,397

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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 amounts 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:

	<b>30 September 2015 RMB'000 (Unaudited)</b>	31 March 2015 RMB'000 (Audited)
Within 1 month	<b>67,449</b>	67,604
More than 1 month but less than 3 months	<b>80,464</b>	93,456
Over 3 months	<b>65,455</b>	43,562
	<b>213,368</b>	204,622

(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.



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

	<b>30 September 2015 RMB'000 (Unaudited)</b>	31 March 2015 RMB'000 (Audited)
At 1 April	–	317
Exchange adjustments	–	–
Impairment losses recognised	–	–
Uncollectible amounts written off	–	(317)
	–	–
At 30 September/31 March	–	–

At 30 September 2015, none of the Group's trade and other receivables (31 March 2015: RMB NIL) 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:

	<b>30 September 2015 RMB'000 (Unaudited)</b>	31 March 2015 RMB'000 (Audited)
Neither past due nor impaired	<b>135,384</b>	141,564
Less than 1 month past due	<b>72,077</b>	48,084
More than 1 month but less than 3 months past due	<b>3,155</b>	12,237
More than 3 months past due	<b>2,752</b>	2,737
	<b>77,984</b>	63,058
	<b>213,368</b>	204,622

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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.

**9. TRADE AND OTHER PAYABLES**

	<b>30 September 2015 RMB'000 (Unaudited)</b>	31 March 2015 RMB'000 (Audited)
Trade payables to:		
– Third parties	<b>168,558</b>	186,394
– Companies under the control of the Controlling Shareholder	<b>55,014</b>	53,777
– Bill payables	<b>70,691</b>	89,324
	<b>294,263</b>	329,495
Amounts due to companies under the control of the Controlling Shareholder (Note (i))	<b>27,879</b>	26,087
Accrued charges and other payables:		
– Accrued operating lease expenses	<b>25,919</b>	18,208
– Payables for staff related costs	<b>30,173</b>	33,478
– Payables for costs incurred on investment property	–	8,572
– Deposits from supplies	<b>5,999</b>	5,354
– Payables for interest expenses	<b>4,264</b>	9,865
– Payables for miscellaneous taxes	<b>3,898</b>	6,795
– Others	<b>27,264</b>	14,749
	<b>97,517</b>	97,021
Financial liabilities measured at amortised cost	<b>419,659</b>	452,603
Advances received from customers	<b>71,598</b>	75,055
	<b>491,257</b>	527,658

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Note:

- (i) The amounts are unsecured, non-interest bearing and has 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:

	<b>30 September 2015 RMB'000 (Unaudited)</b>	31 March 2015 RMB'000 (Audited)
Within 1 month	<b>141,399</b>	104,002
Over 1 month but within 3 months	<b>96,653</b>	136,653
Over 3 months but within 6 months	<b>54,456</b>	82,711
Over 6 months	<b>1,755</b>	6,129
	<b>294,263</b>	329,495

**10. DIVIDEND**

The directors of the Company did not recommend the payment of interim dividend for the period ended 30 September 2015 (2014: Nil).

**11. CONVERTIBLE BONDS**

	Liability component RMB'000	Derivative components RMB'000	Total RMB'000
At 1 April 2015	<b>89,188</b>	<b>45,695</b>	<b>134,883</b>
Accrued finance charges for the period	<b>1,649</b>	–	<b>1,649</b>
Fair value changes on the derivative components	–	<b>90,548</b>	<b>90,548</b>
Exchange adjustments	<b>87</b>	<b>34</b>	<b>121</b>
Issue of share capital upon conversion of convertible bonds	<b>(90,924)</b>	<b>(136,277)</b>	<b>(227,201)</b>
At 30 September 2015	–	–	–

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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 amounts 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.
- (iv) 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.



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**12. COMMITMENTS**

**(a) Capital commitments**

At 30 September 2015, the outstanding capital commitments of the Group not provided for in the consolidated financial statements were as follows:

	<b>30 September 2015 RMB'000 (Unaudited)</b>	31 March 2015 RMB'000 (Audited)
Commitments in respect of leasehold land and buildings, and plant and machinery – Contracted for	<b>1,055</b>	3,079

**(b) Operating lease commitments**

(i) At 30 September 2015, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	<b>30 September 2015 RMB'000 (Unaudited)</b>	31 March 2015 RMB'000 (Audited)
Within 1 year	<b>32,183</b>	29,539
After 1 year but within 5 years	<b>62,585</b>	55,648
After 5 years	<b>28,529</b>	30,350
	<b>123,297</b>	115,537

The Group leases a number of properties for the use by its supermarkets and manufacturing operations under operating leases. The leases typically run for an initial period of 1 to 20 years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.



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- (ii) At 30 September 2015, the total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	<b>30 September 2015</b>	31 March 2015
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Within 1 year	<b>33,665</b>	36,760
After 1 year but within 5 years	<b>65,565</b>	70,349
After 5 years	<b>373</b>	5,705
	<b>99,603</b>	112,814

The Group leases out part or whole of its department stores and supermarkets and certain of its leasehold land and buildings under operating leases. The leases typically run for an initial period of 1 to 10 years, with an option to renew the lease when all terms are renegotiated. One of the leases includes contingent rentals which are calculated based on a fixed percentage on the tenants' turnover.

**13. NON-ADJUSTING EVENTS AFTER THE END OF THE REPORTING PERIOD**

**(a) Acquisition of 18% equity interest in New JoySun Supermarket Chain Limited**

On 3 August 2015, Ningbo New JoySun Corporation ("New JoySun"), a wholly owned subsidiary of the Company, entered into the Agreement with Sanjiang Shopping Club Co., Ltd pursuant to which New JoySun has agreed to acquire 18% equity interest in Ningbo New JoySun Supermarket Chain Limited ("New JoySun Supermarket") at the consideration of RMB38.88 million in cash. After completion of the Acquisition, New JoySun Supermarket will be 100% owned by New JoySun. For details of the acquisition, please refer to the announcement dated 3 August 2015.

**(b) Update on very substantial disposal**

On 18 November 2015, the Company announced that Jinda Plastic and Xinshun Property entered into a supplemental agreement pursuant to which the parties agreed that the amount of land premium for the purpose of calculating the Compensation shall be RMB950 million and the amount of Compensation payable to Jinda Plastic shall be adjusted downward from RMB1,782 million to RMB1,732 million. For details of the substantial disposal, please refer to the announcement dated 18 November 2015.

**14. COMPARATIVE FIGURES**

In view of the change in focus how the Group operates its business segments after completion of acquisition of subsidiaries, certain information reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment has been changed in 2015. Accordingly, certain comparative figures have been adjusted to conform to current period's presentation.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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### **FINANCIAL HIGHLIGHTS**

#### ***General Information***

For the six months ended 30 September 2015, the Group recorded a turnover of approximately RMB524.9 million, representing a decrease of 4.2% when compared with the turnover of approximately RMB547.8 million reported for the corresponding period last year. Net loss for the six months ended 30 September 2015 was approximately RMB114.0 million compared to a net loss of RMB53.3 million for the corresponding period last year. The Group's basic and diluted loss per share were RMB2.5 cent and RMB0.4 cent respectively and the Group's basic and diluted loss per share were RMB1.2 cent and RMB0.4 cent respectively for the corresponding period last year.

#### ***Liquidity and Financial Resources***

As at 30 September 2015, the Group's net assets were approximately RMB1,635.8 million, rendering net asset value per share at RMB35.7 cent. The Group's total assets at that date were valued at RMB3,887.4 million, including cash and bank deposits of approximately RMB390.2 million and current available-for-sale investments of RMB325.0 million. Consolidated bank loans, convertible bonds and other borrowings amounted to RMB1,181.2 million. Its debt-to-equity ratio (bank loans, convertible bonds and other borrowings over total equity) has been increased from 67.1% as at 31 March 2015 to 72.2% as at 30 September 2015.

Most of the Group business transactions were conducted in RMB and USD. As at 30 September 2015, the Group's borrowings were denominated in RMB, HKD, USD and EUR.

#### ***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 of approximately HKD121.4 million convertible bonds was converted into 404,668,000 ordinary shares of the Company at conversion price of HK\$0.3 per share at 5 June 2015 and the new ordinary shares were issued. Upon completion of this conversion, the number of ordinary shares of the Company in issue increased from 4,176,964,000 to 4,581,632,000.

As at 30 September 2015, the Group's major borrowings included bank loans, which had an outstanding balance of RMB1,048.7 million, other borrowings from a shareholder and third parties totaling RMB132.5 million. All of the Group's borrowings have been denominated in RMB, HKD, USD and EUR.

***Pledge of Assets***

The Group's leasehold land and buildings and investment properties with a carrying amount of RMB1,143.7 million as at 30 September 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 for 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 generates 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, USD and EUR. The Group considers the risk exposure to foreign currency fluctuation would be essentially in line with the performance of the exchange rate 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. As the Chinese Government is driving RMB to get more internationalized and towards free floating in the future, 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. For the EUR short term loan the Company obtained from a bank in HK (to be due in June 2016) and secured by a RMB fixed deposit of a subsidiary of the Group, it is widely expected in the forex market that EUR will further weaken in the near future and the currency risk exposure from this EUR loan is quite limited. The management feels comfortable with such limited exposure but will still manage this currency risk with utmost care.



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 six months ended 30 September 2015 and accounted for 57.8% of total turnover. Manufacturing and trading business and investment holding business had 38.3% and 3.9% of the remaining.

In terms of geographical location, China became the Group's primary market, which accounted for 62.3% of total revenue. The remaining comprised of revenue from North America 32.8%, Europe 1.7% and others 3.2%.

### ***Contingent Liabilities***

As at 30 September 2015, the Group pledged certain leasehold land and buildings and investment properties with an aggregate carrying amount of approximately RMB83.2 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 six months ended 30 September 2015, 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 satisfactory return from this investment.

Another investment in new business in recent years is QL Electronics Co., Ltd. ("QLEC"). During the six months ended 30 September 2015, 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 satisfied with the business performance 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 encountered with challenges from e-commerce in the short term but still considered to be a good market in the long term with the continuous economic growth of China and the supportive policy of the Chinese Government to stimulate domestic consumer market.

Also related to the development of New JoySun Group, on 3 August 2015 New JoySun Corp., a wholly owned subsidiary of the Group, agreed with Sanjiang Shopping Club Co., Ltd to acquire 18% equity interest in New JoySun Supermarket Chain Limited at the consideration of RMB38.88 million cash and the acquisition will be completed on or before 31 March 2016. Upon completion of the acquisition, New JoySun Supermarket Chain Limited will become a wholly owned subsidiary of the Group. For details of this acquisition, please refer to the announcement of the Company dated 3 August 2015.

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 30 September 2015, the Group employed a workforce of 2,028 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 six months ended 30 September 2015.



***Review of Operations***

For the six months ended 30 September 2015, the Group recorded a net loss of RMB114.0 million, compared to the net loss of RMB53.3 million for the corresponding period last year. This increase was primarily attributable to the negative change of RMB90.5 million in the fair value on the derivative component of the convertible bonds issued by the Company for the acquisition of New JoySun Group in August, 2013.

***Revenue***

Total revenue decreased by 4.2% to RMB524.9 million for the six months ended 30 September 2015 as compared with the corresponding period last year.

***Manufacturing and trading business***

During the six months ended 30 September 2015, the manufacturing and trading business contributed approximately RMB201.2 million to the total revenue of the Group. The business of this segment grew by RMB8.4 million when compared with the corresponding period last year of approximately RMB192.8 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***

Retail and wholesale business decreased by 5.1% and 19.4% to RMB196.8 million and RMB106.3 million respectively for the six months ended 30 September 2015 as compared with the corresponding period last year. The impact of the e-commerce, competition from large supermarket chains and new shopping malls nearby were the key challenges resulting in the drop of turnover in our retail business. On the other hand, the Chinese central government keeps strictly on control of business entertainment and expenditures, so the turnover of wholesale business in wine and beverages dropped inevitably.

***Investment holding Business***

Dividend income decreased by 43.0% to RMB0.5 million and investment income increased by 37.8% to RMB19.8 million for the six months ended 30 September 2015 as compared with the corresponding period last year.

## **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 are 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 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. Jinda Plastic and Xinshun Property entered into a supplemental agreement on 18 November 2015 pursuant to which the parties agreed that the amount of land premium for the purpose of calculating the Compensation shall be RMB950 million

and accordingly the amount of Compensation payable to Jinda Plastic shall be adjusted downward from RMB1,782 million to RMB1,732 million. For details of this substantial disposal, please refer to the announcement dated 18 November 2015. On 22 May 2015, the board of directors approved to distribute a special dividend of HKD0.05 per share and the Company paid the special dividend total amount of HKD229,082,000 on 10 June 2015. The Company has not made any decision on the use of remaining funds generated from the land 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.

***Memorandum of understanding in relation to a proposed acquisition***

On 25 September 2015, the Company and Mighty Mark Investments Limited (the “Vendor”) entered into a memorandum of understanding (“MOU”), pursuant to which the parties agreed to enter into further negotiation regarding a possible conditional acquisition by the Company, and the possible conditional disposal by the Vendor, of the entire shareholding interest in Mega Convention Group Limited (the “Target Company”, and together with its subsidiaries, the “Target Group”) (the “Proposed Acquisition”). Subject to the finalization and entering into of the definitive agreements to be entered into by the Company and the Vendor and upon the completion of the Proposed Acquisition, the Target Company will become a wholly-owned subsidiary of the Company. The principal business of the Target Group upon completion of its group restructuring, will be import and trading of cars and related services in China. For details of the Proposed Acquisition, please refer to the announcement dated 25 September 2015.



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

As at 30 September 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 <i>(Note 1)</i>	Approximate percentage of the issued share capital of the Company
Mr Li Lixin	Note 2	3,201,918,013(L)	69.89%
		2,459,839,014(S)	53.69%

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

Note 2: Mr Li Lixin's interest in 3,201,918,013 shares is held as to 9,822,000 shares personally, 19,258,000 shares through his spouse Jin Yaer, 1,332,139,014 shares through Big-Max Manufacturing Co., Limited ("Big-Max") and 1,840,698,999 shares through Shi Hui Holdings Limited which is wholly-owned by Big-Max. 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 30 September 2015. Other than that, at no time during the period ended 30 September 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 30 September 2015.

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**SUBSTANTIAL SHAREHOLDERS**

As at 30 September 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 <i>(Note)</i>	Approximate percentage of the issued share capital of the Company
China Cinda (HK) Holdings Company Limited	Interest in controlled corporation	2,089,672,681(L)	45.61%
China Cinda Foundation Management Company Limited	Interest in controlled corporation	2,089,672,681(L)	45.61%
China General Partner Limited	Interest in controlled corporation	2,089,672,681(L)	45.61%
China International Holdings Limited	Interest in controlled corporation	2,089,672,681(L)	45.61%
Cinda Retail and Consumer Fund L.P.	Beneficial owner/ beneficiary of a trust	2,089,672,681(L)	45.61%
Cinda Strategic (BVI) Limited	Interest in controlled corporation	2,089,672,681(L)	45.61%
Rainbow Stone Investments Limited	Interest in controlled corporation	2,089,672,681(L)	45.61%
Sinoday Limited	Interest in controlled corporation	2,089,672,681(L)	45.61%

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Name	Capacity	Number of shares/ underlying shares <i>(Note)</i>	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	2,089,672,681(L)	45.61%
Central Huijin Investment Limited	Person having a security interest in shares/interest in controlled corporation	2,229,057,014(L)	48.65%
China Construction Bank Corporation	Person having a security interest in shares/interest in controlled corporation	2,229,057,014(L)	48.65%
Cinda (BVI) Limited	Interest in controlled corporation	1,950,493,014(L)	42.57%
Cinda International Securities Limited	Trustee (other than a bare trustee)	1,950,493,014(L)	42.57%
HNW Investment Fund Series SPC acting for and on behalf of Benefit Segregated Portfolio	Beneficial owner/ person having a security interest in shares	2,042,095,347(L)	44.57%

*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 this period.

### **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 period ended 30 September 2015.

### **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 period ended 30 September 2015 save 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 chairmen of the audit committee and remuneration committee of the Company were unable to attend the annual general meeting held during the period 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 period ended 30 September 2015.

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**PUBLICATION OF THE FURTHER INFORMATION**

The 2015/2016 interim 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, 27 November 2015





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

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