



**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

Interim Report  
中期報告  
2024 / 2025

## CONTENTS

CORPORATE INFORMATION .....	02
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS .....	03
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME .....	04
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....	05
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	07
CONDENSED CONSOLIDATED CASH FLOW STATEMENT .....	09
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT .....	11
MANAGEMENT DISCUSSION AND ANALYSIS .....	33
OTHER INFORMATION .....	40

**CORPORATE INFORMATION****BOARD OF DIRECTORS****Executive Directors**

Mr LI Lixin (*Chairman*)

Mr CHENG Jianhe

Ms JIN Yaxue

**Independent Non-Executive Directors**

Mr SHIN Yick Fabian

Mr HE Chengying

Mr KWONG Kwan Tong

**AUDIT COMMITTEE**

Mr SHIN Yick Fabian (*Chairman*)

Mr HE Chengying

Mr KWONG Kwan Tong

**REMUNERATION COMMITTEE**

Mr KWONG Kwan Tong (*Chairman*)

Ms JIN Yaxue

Mr SHIN Yick Fabian

**NOMINATION COMMITTEE**

Mr HE Chengying (*Chairman*)

Mr SHIN Yick Fabian

Mr KWONG Kwan Tong

**COMPANY SECRETARY**

Mr PUN Kam Wai Peter

**COMPLIANCE ADVISER**

VBG Capital Limited

**REGISTERED OFFICE**

Clarendon House

2 Church Street

Hamilton

HM11, Bermuda

**HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS**

Office 6, 2/F.

International Enterprise Centre 3

No. 18 Tai Chung Road, Tsuen Wan

New Territories, Hong Kong

**AUDITOR**

KPMG

*Certified Public Accountants*

Public Interest Entity Auditor registered in

accordance with the Accounting and

Financial Reporting Council Ordinance

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

**PRINCIPAL BANKERS**

Agricultural Bank of China, Yinzhou Branch,  
the People's Republic of China (the "PRC")

Bank of Communications,

Hong Kong and Ningbo Branches, PRC

Bank of Hangzhou, Ningbo Branch, PRC

Bank of Ningbo, PRC

The Hongkong and Shanghai Banking

Corporation Limited

**PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

MUFG Fund Services (Bermuda) Limited

4th Floor North, Cedar House

41 Cedar Avenue

Hamilton HM12

Bermuda

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

Tricor Secretaries Limited

17/F., Far East Finance Centre

16 Harcourt Road

Hong Kong

**STOCK CODE**

Hong Kong Stock Code: 526

**COMPANY'S WEBSITE**

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

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2024 – unaudited

(Expressed in Renminbi (“RMB”))

		Six months ended 30 September	
	Note	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Revenue</b>	4	<b>1,405,550</b>	1,334,269
Cost of sales		<b>(1,060,823)</b>	(961,055)
<b>Gross profit</b>	4(b)	<b>344,727</b>	373,214
Other net income	5	<b>9,217</b>	142,918
Selling and distribution expenses		<b>(53,867)</b>	(49,066)
Administrative expenses		<b>(58,910)</b>	(59,264)
<b>Profit from operations</b>		<b>241,167</b>	407,802
Finance costs	6(a)	<b>(14,599)</b>	(19,364)
Net valuation loss on investment properties		<b>(203,831)</b>	(19,559)
Impairment losses on property, plant and equipment	6(c)	<b>(10,990)</b>	–
Impairment losses on financial assets and contract assets	6(c)	<b>(73,722)</b>	(5,914)
<b>(Loss)/profit before taxation</b>	6	<b>(61,975)</b>	362,965
Income tax	7	<b>35,741</b>	(69,774)
<b>(Loss)/profit for the period attributable to equity shareholders of the Company</b>		<b>(26,234)</b>	293,191
<b>(Loss)/earnings per share (RMB cent)</b>	8		
<b>Basic</b>		<b>(0.3)</b>	3.6
<b>Diluted</b>		<b>(0.3)</b>	3.6

The notes on pages 11 to 32 form part of this interim financial report.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024 – unaudited  
(Expressed in RMB)

	Six months ended 30 September	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>(Loss)/profit for the period</b>	<b>(26,234)</b>	293,191
<b>Other comprehensive income for the period (after tax and reclassification adjustments):</b>		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation into presentation currency	(434)	(6,910)
<b>Other comprehensive income for the period</b>	<b>(434)</b>	(6,910)
<b>Total comprehensive income for the period attributable to equity shareholders of the Company</b>	<b>(26,668)</b>	286,281

The notes on pages 11 to 32 form part of this interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 September 2024 – unaudited

(Expressed in RMB)

	Note	<b>30 September 2024 RMB'000 (Unaudited)</b>	31 March 2024 RMB'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	9	329,527	361,424
Investment properties		250,039	453,870
Deferred tax assets		46,889	24,021
		<b>626,455</b>	839,315
<b>Current assets</b>			
Inventories		302,422	291,203
Trade and other receivables, contract assets and prepayment	10	1,167,244	1,439,196
Financial assets at fair value through profit or loss ("FVPL")		800,303	799,094
Restricted cash	11	191,654	149,244
Cash and cash equivalents	12	969,598	548,260
		<b>3,431,221</b>	3,226,997
<b>Current liabilities</b>			
Trade and other payables	13	787,803	780,885
Bank and other loans	14	626,121	575,033
Lease liabilities		8,841	11,698
Income tax payable		78,894	59,007
		<b>1,501,659</b>	1,426,623
<b>Net current assets</b>		<b>1,929,562</b>	1,800,374
<b>Total assets less current liabilities</b>		<b>2,556,017</b>	2,639,689

		<b>30 September 2024</b>	31 March 2024
	<i>Note</i>	<b><i>RMB'000</i></b> <b>(Unaudited)</b>	<i>RMB'000</i> (Audited)
<b>Non-current liabilities</b>			
Bank and other loans	14	<b>89,970</b>	89,980
Lease liabilities		<b>8,200</b>	14,266
Deferred tax liabilities		<b>90,248</b>	141,176
		<b>188,418</b>	245,422
<b>NET ASSETS</b>		<b>2,367,599</b>	2,394,267
<b>CAPITAL AND RESERVES</b>			
Share capital	15(b)	<b>69,888</b>	69,888
Reserves		<b>2,297,711</b>	2,324,379
<b>TOTAL EQUITY</b>		<b>2,367,599</b>	2,394,267

The notes on pages 11 to 32 form part of this interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 September 2024 – unaudited

(Expressed in RMB)

	Share capital RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	Statutory reserve RMB'000	Contributed surplus RMB'000	Exchange reserve RMB'000	Other reserve RMB'000	Accumulated (loss)/profit RMB'000	Total equity RMB'000
<b>Balance at 1 April 2023</b>	69,888	2,690,990	1,341	49,768	202,449	(2,449)	30,340	(967,345)	2,074,982
<b>Changes in equity for the six months ended 30 September 2023:</b>									
Profit for the period	-	-	-	-	-	-	-	293,191	293,191
Other comprehensive income	-	-	-	-	-	(6,910)	-	-	(6,910)
Total comprehensive income for the period	-	-	-	-	-	(6,910)	-	293,191	286,281
Appropriation to reserves	-	-	-	(3,384)	-	-	-	3,384	-
<b>Balance at 30 September 2023</b>	69,888	2,690,990	1,341	46,384	202,449	(9,359)	30,340	(670,770)	2,361,263

The notes on pages 11 to 32 form part of this interim financial report.



**LSI GROUP (HOLDINGS) LIMITED**  
Interim Report 2024/2025

	Share capital RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	Statutory reserve RMB'000	Contributed surplus RMB'000	Exchange reserve RMB'000	Other reserve RMB'000	Accumulated (loss)/profit RMB'000	Total equity RMB'000
<b>Balance at 1 October 2023</b>	69,888	2,690,990	1,341	46,384	202,449	(9,359)	30,340	(670,770)	2,361,263
<b>Changes in equity for the six months ended 31 March 2024:</b>									
Profit for the period	-	-	-	-	-	-	-	31,860	31,860
Other comprehensive income	-	-	-	-	-	1,144	-	-	1,144
Total comprehensive income for the period	-	-	-	-	-	1,144	-	31,860	33,004
Appropriation to reserves	-	-	-	3,527	-	-	-	(3,527)	-
<b>Balance at 31 March 2024</b>	69,888	2,690,990	1,341	49,911	202,449	(8,215)	30,340	(642,437)	2,394,267
<b>Changes in equity for the six months ended 30 September 2024:</b>									
Loss for the period	-	-	-	-	-	-	-	(26,234)	(26,234)
Other comprehensive income	-	-	-	-	-	(434)	-	-	(434)
Total comprehensive income for the period	-	-	-	-	-	(434)	-	(26,234)	(26,668)
Appropriation to reserves	-	-	-	-	-	-	-	-	-
<b>Balance at 30 September 2024</b>	69,888	2,690,990	1,341	49,911	202,449	(8,649)	30,340	(668,671)	2,367,599

The notes on pages 11 to 32 form part of this interim financial report.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2024 – unaudited

(Expressed in RMB)

	Six months ended 30 September	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Operating activities</b>		
Cash generated from/(used in) operations	422,423	(32,557)
Tax paid	(18,168)	(11,424)
<b>Net cash generated from/(used in) operating activities</b>	<b>404,255</b>	(43,981)
<b>Investing activities</b>		
Proceeds from sales of financial assets at FVPL	130	130
Payments for purchase of property, plant and equipment	(69,448)	(57,117)
Proceeds from disposal of property, plant and equipment	26,742	65,903
Interest received	6,020	3,618
Investment income received	19,138	19,063
<b>Net cash (used in)/generated from investing activities</b>	<b>(17,418)</b>	31,597

The notes on pages 11 to 32 form part of this interim financial report.

		<b>Six months ended 30 September</b>	
	<i>Note</i>	<b>2024 RMB'000 (Unaudited)</b>	2023 RMB'000 (Unaudited)
<b>Financing activities</b>			
Proceeds from new bank and other loans		<b>336,185</b>	446,935
Repayment of bank and other loans		<b>(285,760)</b>	(491,360)
Finance costs paid		<b>(13,305)</b>	(18,310)
Interest element of lease rentals paid		<b>(450)</b>	(949)
Capital element of lease rentals paid		<b>(2,703)</b>	(7,547)
		<hr/>	<hr/>
<b>Net cash generated from/(used in) financing activities</b>		<b>33,967</b>	(71,231)
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>420,804</b>	(83,615)
<b>Cash and cash equivalents at 1 April</b>		<b>548,260</b>	453,497
<b>Effect of foreign exchange rate changes</b>		<b>534</b>	263
		<hr/>	<hr/>
<b>Cash and cash equivalents at 30 September</b>	12	<b>969,598</b>	370,145

The notes on pages 11 to 32 form part of this interim financial report.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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*(Expressed in RMB unless otherwise indicated)*

### 1. CORPORATE INFORMATION

Lisi Group (Holdings) Limited (the “Company”, together with its subsidiaries, the “Group”) was incorporated in Bermuda as an exempted company with limited liability under the Bermuda Companies Act 1981. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 11 October 1995. As at the date of this report, the Company is an investment holding company and the principal activities of the Group are engaged in manufacturing and trading of household products, operation of supermarkets, wholesale of wine and electrical appliances, property rental and investments holding.

### 2. BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange” and the “Listing Rules” respectively), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, 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.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

### 3. ACCOUNTING POLICIES

#### **Changes in accounting policies**

The Group has applied the following amendments to the HKFRSs issued by the HKICPA for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* (“2020 amendments”)
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants* (“2022 amendments”)
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements*
- Amendments to HK Interpretation 5, *Presentation of financial statements: Classification by the borrower of a term loan that contains a repayment on demand clause* (“2020 amendments”)

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

4. REVENUE AND SEGMENT REPORTING

(a) Disaggregation of revenue

Disaggregation of revenue by major products of service lines is as follows:

	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major products of service lines		
– sales of goods	<b>1,256,062</b>	1,192,126
– rendering of services	<b>109,124</b>	110,236
	<b>1,365,186</b>	1,302,362
<b>Revenue from other sources</b>		
– investment income	<b>20,477</b>	12,316
– rental income from operating leases	<b>19,887</b>	19,591
	<b>40,364</b>	31,907
	<b>1,405,550</b>	1,334,269

Disaggregation of revenue from contracts with customers by timing of revenue recognition is disclosed as follows:

	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by timing of revenue recognition		
– Point in time	<b>1,261,679</b>	1,197,697
– Over time	<b>103,507</b>	104,665
	<b>1,365,186</b>	1,302,362

**(b) Segment reporting**

The Group manages its business by lines of business. The Group's reportable segment for the six months ended 30 September 2024 (the "Reporting Period") are presented as follows:

- Manufacturing and trading: this segment manufactures and trades plastic and metallic household products.
- Retail: this segment manages the supermarket operations and property rental services.
- Wholesale: this segment carries out the wholesale of wine and electrical appliances business, and provides central air-conditioner installation services.
- 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 or equity securities, interest expenses and reconciliation of reportable segment profit to consolidated profit before tax is presented.



**LISI GROUP (HOLDINGS) LIMITED**  
Interim Report 2024/2025

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 Reporting Period and the six months ended 30 September 2023 is set out below.

	Six months ended 30 September 2024 (Unaudited)				
	Manufacturing and trading	Retail	Wholesale	Investments holding	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from external customers	768,671	116,166	500,236	20,477	1,405,550
Inter-segment revenue	-	584	16,144	-	16,728
<b>Reportable segment revenue</b>	<b>768,671</b>	<b>116,750</b>	<b>516,380</b>	<b>20,477</b>	<b>1,422,278</b>
<b>Reportable segment gross profit</b>	<b>205,526</b>	<b>39,520</b>	<b>79,204</b>	<b>20,477</b>	<b>344,727</b>

	Six months ended 30 September 2023 (Unaudited)				
	Manufacturing and trading	Retail	Wholesale	Investments holding	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from external customers	708,906	164,327	448,720	12,316	1,334,269
Inter-segment revenue	-	-	38,074	-	38,074
<b>Reportable segment revenue</b>	<b>708,906</b>	<b>164,327</b>	<b>486,794</b>	<b>12,316</b>	<b>1,372,343</b>
<b>Reportable segment gross profit</b>	<b>228,082</b>	<b>46,030</b>	<b>86,786</b>	<b>12,316</b>	<b>373,214</b>

(ii) Reconciliations of reportable segment revenue

	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Reportable segment revenue	<b>1,422,278</b>	1,372,343
Elimination of inter-segment revenue	<b>(16,728)</b>	(38,074)
Consolidated revenue	<b>1,405,550</b>	1,334,269

5. OTHER NET INCOME

	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Government grants	<b>6,301</b>	6,933
Interest income on cash at bank	<b>6,020</b>	5,096
(Loss)/gain on disposal of property, plant and equipment	<b>(6,240)</b>	131,573
Others	<b>3,136</b>	(684)
	<b>9,217</b>	142,918

6. (LOSS)/PROFIT BEFORE TAXATION

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

(a) Finance costs

	Six months ended 30 September	
	2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
Interest on bank and other borrowings	14,149	18,385
Interest on lease liabilities	450	949
Net foreign exchange difference	–	30
	<hr/>	<hr/>
Total borrowing costs	<b>14,599</b>	19,364
	<hr/> <hr/>	<hr/> <hr/>

(b) Staff costs

	Six months ended 30 September	
	2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
Salaries, wages and other benefits	75,277	67,463
Contributions to defined contribution retirement plans	4,910	4,430
	<hr/>	<hr/>
	<b>80,187</b>	71,893
	<hr/> <hr/>	<hr/> <hr/>

(c) **Other items**

	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Cost of inventories	<b>962,673</b>	859,913
Depreciation and amortisation		
– owned property, plant and equipment	<b>45,775</b>	37,415
– right-of-use assets	<b>4,212</b>	7,873
Impairment losses on property, plant and equipment	<b>10,990</b>	–
Impairment losses on financial assets and contract assets	<b>73,722</b>	5,914
	<b>997,372</b>	911,115

7. **INCOME TAX**

	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Current taxation</b>		
– Provision for the six months period	<b>35,773</b>	75,282
– Under-provision in respect of prior years	<b>2,282</b>	1,606
	<b>38,055</b>	76,888
<b>Deferred taxation:</b>		
– Reversal and origination of temporary differences	<b>(73,796)</b>	(7,114)
	<b>(35,741)</b>	69,774

## Notes:

- (i) Hong Kong Profits Tax rate for the Reporting Period is 16.5% (six months ended 30 September 2023: 16.5%). No provision for Hong Kong Profits Tax has been made as the Company and the subsidiaries of the Group incorporated in Hong Kong did not have assessable profits subject to Hong Kong Profits Tax for the Reporting Period (six months ended 30 September 2023: RMBNil).
- (ii) The Group established in the Mainland China are subject to the People's Republic of China (the "PRC") Corporate Income Tax rate of 25% for the Reporting Period (six months ended 30 September 2023: 25%). One of the Group's subsidiaries in the Mainland China enjoyed a preferential PRC Corporate Income Tax rate of 15% applicable for enterprise with advanced and new technologies.
- (iii) Subsidiaries incorporated in other jurisdictions are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

8. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share for the Reporting Period is based on the (loss)/profit attributable to ordinary equity shareholders of the Company and the weighted average of 8,044,020,000 ordinary shares (2023: 8,044,020,000 ordinary shares) in issue during the Reporting Period.

	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
(Loss)/profit for the period attributable to equity shareholders of the Company	<b>(26,234)</b>	293,191

(b) Diluted (loss)/earnings per share

There were no potential dilutive ordinary shares during the Reporting Period (six months ended 30 September 2023: Nil). Hence, diluted (loss)/earnings per share is the same as basic (loss)/earnings per share.

9. PROPERTY, PLANT AND EQUIPMENT

During the Reporting Period, the Group acquired items of property, plant and equipment with a cost of RMB62.1 million (six months ended 30 September 2023: RMB50.5 million). Items of property, plant and equipment with a net book value of RMB33 million were disposed during the Reporting Period (six months ended 30 September 2023: RMB65.9 million).

**10. TRADE AND OTHER RECEIVABLES, CONTRACT ASSETS AND PREPAYMENTS**

**(a) Trade and other receivables and contract assets**

	At 30 September 2024 RMB'000 (Unaudited)	At 31 March 2024 RMB'000 (Audited)
Trade receivables from:		
– Third parties	264,969	202,445
– Companies under the control of a shareholder of the Company (Note (i))	812,644	799,629
	<b>1,077,613</b>	1,002,074
Less: loss allowance	(105,025)	(83,336)
	<b>972,588</b>	918,738
Amounts due from companies under the control of a shareholder of the Company (Note (ii))	318	626
Advance to third parties (Note (iii))	–	244,176
Other receivables	26,208	13,760
Less: loss allowance	(1,635)	(2,941)
	<b>24,573</b>	254,995
Financial assets measured at amortised cost	<b>997,479</b>	1,174,359
Deposits:		
– Deposits for operating leases expenses paid to third parties	8,122	8,718
– Others	3,016	2,548
	<b>11,138</b>	11,266
Trade and other receivables (Note (iv))	<b>1,008,617</b>	1,185,625
Contract assets (Note (v) and (vi))	173,593	167,777
Less: loss allowance	(66,172)	(12,834)
	<b>107,421</b>	154,943
	<b>1,116,038</b>	1,340,568
<b>(b) Prepayments:</b>		
– Prepayments to suppliers	50,676	96,329
– Others	530	2,299
	<b>51,206</b>	98,628

Notes:

- (i) The balance mainly related to transactions under an export agency agreement entered into between the Group and a company under the control of a shareholder of the Company.
- (ii) The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.
- (iii) As at 31 March 2024, total amounts of RMB244.2 million have been provided to three third parties and suppliers of the Group. The amounts were fully refunded before 30 June 2024.
- (iv) All of the trade and other receivables are expected to be recovered or recognised as expenses within one year.
- (v) Contract assets are mainly arising from performance under the sale and installation of heating, ventilation and air-conditioning (“HVAC”). The Group’s HVAC business requires stage payments. A 20% to 30% of the consideration of goods will be payable after the completion of the installation inspection. This amount is included in contract assets until the completion of installation inspection as the Group’s entitlement to this final payment is conditional upon the Group’s work satisfactorily passing inspection. The contract assets are expected to be fully recovered in three years.
- (vi) All of the amounts are expected to be billed within one year from the end of the Reporting Period, except for the amounts of RMB3.3 million at 30 September 2024 (31 March 2024: RMB3.5 million) related to retentions receivable (net of loss allowance) which are expected to be recovered over one year.

#### Ageing analysis

Included in trade and other receivables are trade receivables (net of loss allowance) with the following ageing analysis (based on earlier of the invoice date and revenue recognition) as of the end of the Reporting Period:

	At 30 September 2024 RMB’000 (Unaudited)	At 31 March 2024 RMB’000 (Audited)
Within 1 month	53,684	183,127
More than 1 month but less than 3 months	307,549	228,971
Over 3 months	611,355	506,640
	<b>972,588</b>	<b>918,738</b>



#### 11. RESTRICTED CASH

	<b>At 30 September 2024 RMB'000 (Unaudited)</b>	At 31 March 2024 RMB'000 (Audited)
Pledged deposits for issuance of bank loans and bills	<b>187,867</b>	145,491
Pledged deposits for security performance	<b>3,777</b>	3,743
Other restricted cash	<b>10</b>	10
	<b>191,654</b>	149,244

#### 12. CASH AND CASH EQUIVALENTS

	<b>At 30 September 2024 RMB'000 (Unaudited)</b>	At 31 March 2024 RMB'000 (Audited)
Cash at bank and on hand	<b>969,598</b>	548,260

The Group's operations in the PRC conduct their businesses mainly in RMB. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government.

13. TRADE AND OTHER PAYABLES

	At 30 September 2024 <i>RMB'000</i> (Unaudited)	At 31 March 2024 <i>RMB'000</i> (Audited)
Trade payables to:		
– Third parties	259,538	293,795
– Companies under the control of shareholders of the Company	88,242	83,244
	<b>347,780</b>	377,039
Bills payable	261,146	218,983
	<b>608,926</b>	596,022
Accrued charges and other payables:		
– Accrued expenses	22,913	19,792
– Payables for staff related costs	72,780	69,902
– Deposits from customers and suppliers:		
– Third parties	8,904	8,854
– Payables for miscellaneous taxes	4,977	8,995
– Others	4,707	5,488
	<b>114,281</b>	113,031
Financial liabilities measured at amortised cost	723,207	709,053
Contract liabilities	64,596	71,832
	<b>787,803</b>	780,885

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

### Ageing analysis

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>At</b>	At
	<b>30 September</b>	31 March
	<b>2024</b>	2024
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Within 1 month	<b>162,527</b>	190,472
Over 1 month but within 3 months	<b>108,567</b>	113,219
Over 3 months but within 6 months	<b>217,243</b>	176,874
Over 6 months	<b>120,589</b>	115,457
	<b>608,926</b>	596,022

#### 14. BANK AND OTHER LOANS

The Group's bank and other loans are analysed as follows:

	<b>At 30 September 2024 RMB'000 (Unaudited)</b>	<b>At 31 March 2024 RMB'000 (Audited)</b>
Bank loans:		
– Unsecured and guaranteed (Note (i))	<b>30,000</b>	–
– Secured and unguaranteed (Note (ii))	<b>405,435</b>	371,000
– Secured and guaranteed (Notes (ii) and (iii))	<b>243,970</b>	257,980
	<b>679,405</b>	628,980
Loans from shareholders and companies under the control of shareholders of the Company:		
– Unsecured and unguaranteed (Note (iv))	<b>36,686</b>	36,033
	<b>716,091</b>	665,013

Notes:

- (i) At 30 September 2024, bank loan of RMB30 million was guaranteed by a director, and/or companies under the control of a director of the Company.
- (ii) Certain bank loans are secured by the leasehold land buildings and deposit of the Group.
- (iii) Bank and other loans of RMB90 million as at 30 September 2024 (31 March 2024: RMB90 million) were guaranteed by a director of the company and a company under the control of a director of the Company.
- (iv) At 30 September 2024, the loans from companies under the control of shareholders of the Company are bearing interest rates ranging from 2% to 8% (31 March 2024: 2% - 8%) per annum and are repayable by July 2026 (31 March 2024: by March 2025).

LISI GROUP (HOLDINGS) LIMITED  
Interim Report 2024/2025

- (a) The Group's bank and other loans are repayable as follows:

	At <b>30 September 2024</b> <i>RMB'000</i> (Unaudited)	At 31 March 2024 <i>RMB'000</i> (Audited)
Within 1 year or on demand	<b>626,121</b>	575,033
After 1 year but within 2 years	<b>89,970</b>	–
After 2 years but within 5 years	–	89,980
	<b>716,091</b>	665,013

All of the bank and other loans are carried at amortised cost.

- (b) Certain of the Group's loans are secured by the Group's leasehold land and buildings, investment properties and deposits of the Group. The aggregate carrying values of the pledged leasehold land and buildings and investment properties are analysed as follows:

	At <b>30 September 2024</b> <i>RMB'000</i> (Unaudited)	At 31 March 2024 <i>RMB'000</i> (Audited)
Leasehold land and buildings	<b>97,432</b>	99,176
Investment properties	<b>171,239</b>	325,370
	<b>268,671</b>	424,546

- (c) At 30 September 2024, the Group's banking facilities amounting to RMB643,000,000 (31 March 2024: RMB644,490,000) were utilised to the extent of RMB582,694,000 (31 March 2024: RMB583,961,000).

15. CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the interim period

The directors of the Company did not recommend the payment of an interim dividend for the Reporting Period (six months ended 30 September 2023: RMBNil).

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period

No dividend in respect of the previous financial period has been approved during the Reporting Period (six months ended 30 September 2023: RMBNil).

(b) Share capital

	At 30 September 2024		At 31 March 2024	
	<i>No. of shares</i>		<i>No. of shares</i>	
	<i>'000</i>	<i>HK\$'000</i>	<i>'000</i>	<i>HK\$'000</i>
<b>Authorised:</b>				
Ordinary shares				
at HK\$0.01 each	<b>10,000,000</b>	<b>100,000</b>	10,000,000	100,000

	At 30 September 2024		At 31 March 2024	
	<i>No. of shares</i>		<i>No. of shares</i>	
	<i>'000</i>	<i>RMB'000</i>	<i>'000</i>	<i>RMB'000</i>
<b>Ordinary shares, issued and fully paid:</b>				
At 1 April and at				
30 September/				
31 March	<b>8,044,020</b>	<b>69,888</b>	8,044,020	69,888

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

## 16. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the balances and transactions disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions:

### Transactions with companies under the control of a director of the Company

		Six months ended 30 September	
		2024	2023
<i>Note</i>		<i>RMB'000</i>	<i>RMB'000</i>
		<b>(Unaudited)</b>	(Unaudited)
Sales of goods		2,321	778
Import and export handling charges	(i)	7,079	6,348
Rental payment for operating leases and in respect of the recognised lease liabilities (net of VAT)		8,207	8,304
Interest expenses	(ii)	844	585

Notes:

- (i) Pursuant the import agency agreement and export agency agreement (collectively, the “agreements”) between the Group and the related party, the related party provided import and export agency services to the Group. The gross transaction amount under the agreements amounted to RMB727.1 million (six months ended 30 September 2023: RMB648.5 million).
- (ii) Interest expenses represented interest charges on loans received from related parties.

As disclosed in Note 14, certain of the Group’s bank and other loans were guaranteed by related parties of the Company.

## 17. COMMITMENTS

At 30 September 2024, the outstanding capital commitments of the Group not provided for in the condensed consolidated financial statements were as follows:

	<b>At 30 September 2024 RMB'000 (Unaudited)</b>	<b>At 31 March 2024 RMB'000 (Audited)</b>
Commitments in respect of plant and machinery – Contracted for	<b>349</b>	1,782

## 18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### (a) Financial assets and liabilities measured at fair value

#### (i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the Reporting Period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.



LISI GROUP (HOLDINGS) LIMITED  
Interim Report 2024/2025

(ii) *Information about Level 3 fair value measurements*

The fair value of the Group's financial assets at FVPL is determined using the discounted cash flow model and the significant unobservable input used in the fair value measurement is discount rate, ranged from 3.75% to 4.72% for the six months ended 30 September 2024 (year ended 31 March 2024: 4.57% to 6.61%). The fair value measurement is negatively correlated to the discount rate. As at 30 September 2024, it is estimated that with all other variables held constant, an increase/decrease in the discount rate by 5% would have decreased/increased the Group's profit by RMB434,000 (year ended 31 March 2024: RMB1,098,000).

The movement during the period in the balance of the Level 3 fair value measurement is as follow:

	<b>Six months ended 30 September 2024 RMB'000 (Unaudited)</b>	Year ended 31 March 2024 RMB'000 (Audited)
Financial assets at FVPL		
At 1 April	<b>799,094</b>	803,773
Changes in fair value recognised in profit or loss during the period/year	<b>1,339</b>	(4,419)
Proceeds from sales	<b>(130)</b>	(260)
At 30 September/31 March	<b>800,303</b>	799,094

(b) **Fair value of financial assets and liabilities carried at other than fair value**

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values at 30 September 2024 and 31 March 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

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### FINANCIAL HIGHLIGHTS

#### General Information

The Group's operations consist of four segments: (i) manufacturing and trading business; (ii) retail business; (iii) wholesale business; and (iv) investments holding business. These segments collectively recorded revenue of approximately RMB1,405.6 million for the Reporting Period, representing an increase of 5.3% when compared to the revenue of approximately RMB1,334.3 million recorded in the corresponding period last year. The net loss for the Reporting Period amounted to approximately RMB26.2 million when compared to the net profit of approximately RMB293.2 million recorded in the corresponding period last year.

The Group's basic and diluted loss per share for the Reporting Period were both RMB0.3 cents, while the Group's basic and diluted earnings per share for the corresponding period last year were both RMB3.6 cents.

#### Net Assets, Liquidity and Financial Resources

As at 30 September 2024, the Group's net assets decreased to approximately RMB2,367.6 million, resulting in a net asset value per share of RMB29.4 cents. The decrease in net assets were primarily attributed to the compensation to the Company from the resumption of land by the local government of Ningbo Municipality, the People's Republic of China (the "PRC") of approximately RMB131.2 million in the corresponding period last year, the net valuation loss on investment properties of approximately RMB203.8 million and the impairment losses on financial assets and contract assets of approximately RMB73.7 million for the Reporting Period.

As at 30 September 2024, the Group's total assets amounted to approximately RMB4,057.7 million, including cash and bank deposits of approximately RMB969.6 million. Bank and other loans amounted to approximately RMB716.1 million. The Group's debt-to-equity ratio (bank loans and other borrowings over total equity) increased from 27.8% as at 31 March 2024 to 30.2% as at 30 September 2024, such increase mainly due to the decrease in the equity during the Reporting Period.

Most of the Group's business transactions were conducted in RMB and US\$. As at 30 September 2024, the Group's major borrowings included bank loans, which had an outstanding balance of approximately RMB679.4 million. The loans from shareholders was approximately RMB36.7 million. All of the Group's borrowings are denominated in RMB, HK\$, and US\$.

**Pledge of Assets**

As at 30 September 2024, the Group's leasehold land and buildings and investment properties, with a carrying amount of approximately RMB268.7 million, were pledged as collateral to secure the Group's bank loans and facilities. Bank deposits amounting to approximately RMB191.7 million were pledged as collateral for the Group's bank loans and bills, letter of credit and security performance.

**Capital Expenditure and Commitments**

The Group will continue to allocate a reasonable amount of resources towards enhancing operational efficiency and meeting the needs of its customers and the demands of the market. To achieve these goals, the Group plans to optimise the utilisation of its assets and improve its capital assets. Funding for these initiatives primarily come from trading revenue generated from operations and bank borrowings. The Group will also explore alternative debt and equity financing options to support its growth and expansion plans.

As at 30 September 2024, the Group had total capital commitments in respect of acquisition of plant and machinery of approximately RMB0.3 million.

**Significant Investments**

As at 30 September 2024, the Group held investments primarily in (i) investment properties of approximately RMB250 million, which represented eight properties situated in Ningbo and rented out under operating leases. The investment properties in aggregate constituted approximately 6.2% of the Group's total assets as at 30 September 2024; and (ii) financial assets at fair value through profit or loss of approximately RMB800.3 million, which represented the financial products offered by the National Trust Company Limited ("National Trust"). As at 30 September 2024, the fair value of the financial products in aggregate constituted approximately 19.7% of the Group's total assets. The Group did not hold any other significant investment with a value of 5% or more of the Group's total assets.

**Investment Properties**

The Group's investment properties in Ningbo, the PRC, comprising shopping arcade, retail shops, and warehouse, are rented out under operating leases to generate rental yields. These investment properties are measured at fair value on a recurring basis. During the Reporting Period, the Group recorded a valuation loss of approximately RMB203.8 million on its investment properties. As at 30 September 2024, the investment properties were valued at approximately RMB250 million, constituting 6.2% of the Group's total assets. As at the date of this report, the Group plans to continue holding these investment properties for rental yields.

## Financial Assets

The National Trust Company Limited is a licensed financial institution in the PRC and is principally engages in the asset management and provision of financial products in the PRC.

國民信託申鑫 70 號單一資金信託 (National Trust Shenxin No. 70 Single Fund Trust\*) is a standalone trust (單一類信託) and as at 30 September 2024, its underlying assets include (i) Deposit at the amount of approximately RMB299.4 million; (ii) 寧銀理財寧欣日日薪固定收益類日開理財 3 號產品 (Bank of Ningbo Ningxin Fixed Income Open-end Wealth Management Product No. 3\*) at the amount of RMB50 million with an expected yield of 2.44%; (iii) 寧銀理財寧欣日日薪固定收益類日開理財 7 號產品 (Bank of Ningbo Ningxin Fixed Income Open-end Wealth Management Product No.7\*) at the amount of RMB30 million with an expected yield of 2.37%; and (iv) 浦銀理財雙周鑫最短持有期 18 號理財資產 (Puyin Wealth Management Bi-weekly Minimum Holding Period Wealth Management No.18\*) at the amount of approximately RMB100 million with an expected yield of 2.88%.

國民信託申鑫 80 號單一資金信託 (National Trust Shenxin No. 80 Single Fund Trust\*) is a standalone trust (單一類信託) and as at 30 September 2024, its underlying assets include (i) Deposit at the amount of approximately RMB119.5million; (ii) 寧銀理財寧欣日日薪固定收益類日開理財 7 號產品 (Bank of Ningbo Ningxin Fixed Income Open-end Wealth Management Product No. 7\*) at the amount of RMB50 million with an expected yield of 2.37%; (iii) 寧銀理財寧欣日日薪固定收益類日開理財 3 號產品 (Bank of Ningbo Ningxin Fixed Income Open-end Wealth Management Product No. 3\*) at the amount of RMB50 million with an expected yield of 2.44%; and (iv) 浦銀理財雙周鑫最短持有期 18 號理財資產 (Puyin Wealth Management Bi-weekly Minimum Holding Period Wealth Management No.18\*) at the amount of approximately RMB100 million with an expected yield of 2.88%.

Purchase of the financial products has been one of the means by the Group's management to increase the Group's income. The Group utilised certain idle funds to subscribe for certain financial products from National Trust. The Group's investment policies for the investments in financial products are formulated with reference to rating of the financial products. Given (i) the underlying assets of the National Trust Financial Products are investment in state-owned enterprise with ultimate beneficial owners being governmental authorities of the PRC; (ii) the National Trust Financial Products are regular return products where at least 80% of its underlying assets and interests are deposits, bonds and other debt investments; and (iii) the historic income of the National Trust Financial Products having been stable, the Group considers the risk of the investment in the National Trust Financial Products are relatively low.

\* for identification purpose only

The trust investment products reach maturity consecutively between October 2024 and March 2025. On 30 September 2024, the Group entered into agreement to subscribe for the National Trust Financial Products for the maximum subscription amount of RMB800,000,000. For details of the subscription of the financial products, please refer to the announcements of the Company dated 30 September 2024 and 23 October 2024 and the circular of the Company dated 24 October 2024.

### **Exposure to Foreign-Exchange Fluctuations**

The Company utilises the RMB as its functional currency, and the Group's monetary assets and liabilities are primarily denominated in RMB, HK\$, and US\$. The Group acknowledges that its exposure to foreign currency fluctuations is closely linked to the performance of the RMB exchange rate. However, as the RMB has not yet achieved international hard currency status, there are currently no effective methods available to hedge this risk for the Group's size and cash flow pattern.

As the Government of the PRC is driving RMB to get more internationalised 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 PRC Government and the availability of the hedging tools which are appropriate for the operations of manufacturing business in this respect.

### **Segment Information**

The Group comprises of the manufacturing and trading business, retail business, wholesale business, and investment holding business.

In terms of geographical segmentation, the Group's main markets consist of the PRC, Europe, and the United States, which collectively accounted for 96.7% of the Group's total revenue during the Reporting Period. Among these markets, with the PRC contributed 46.6% of the Group's revenue while Europe and the United States contributed 50.1%. The remaining 3.3% was generated from other markets.

### **Contingent Liabilities**

The Group had no significant contingent liabilities as at 30 September 2024.

### **Employee Information**

As at 30 September 2024, the Group have a workforce of 1,154 employees who work at the chain stores, offices and factories situated in Hong Kong and the PRC. The Group provided its employees with competitive remuneration packages that were aligned with their responsibilities, qualifications, experience, and performance. In addition to offering competitive compensation, the Group provided its employees with opportunities for continuing professional development, including providing management skills workshops, practical seminars for knowledge updates, on-the-job training, and safety training programs.

### **Review of Operations**

During the Reporting Period, the Group recorded a net loss of approximately RMB26.2 million, compared to a net profit of approximately RMB293.2 million in the corresponding period last year. The decrease were mainly attributed to the resumption of land by the local government of Ningbo Municipality, the PRC of approximately RMB131.2 million in the corresponding period last year, the net valuation loss on investment properties of approximately RMB203.8 million and the impairment losses on financial assets and contract assets of approximately RMB73.7 million for the Reporting Period.

### **Revenue**

During the Reporting Period, the Group recorded revenue of approximately RMB1,405.6 million, representing an increase of 5.3% when compared with the revenue of approximately RMB1,334.3 million recorded for the corresponding period last year.

### ***Manufacturing and Trading Business***

During the Reporting Period, the manufacturing and trading business segment generated revenue of approximately RMB768.7 million, representing an increase of 8.4% compared to the corresponding period last year's revenue of approximately RMB708.9 million. The competition in the overseas markets has been intense, and our management team is diligently seeking new opportunities. The revenue growth in this segment demonstrates their successful contribution, helping to strengthen our established customer base and allowing us to better navigate short-term market fluctuations.

### ***Retail Business***

The revenue in the Group's retail business for the Reporting Period decreased by 29.3% to approximately RMB116.2 million, compared to approximately RMB164.3 million in the corresponding period last year. The decline in revenue was primarily due to increasing move to retail online shopping, e-commerce and large supermarket chains.

***Wholesale Business***

The revenue in the Group's wholesale business increased by 11.5% to approximately RMB500.2 million, compared to approximately RMB448.7 million in the corresponding period last year. The wholesale business in wines and beverages decrease slightly, while the electrical appliances segment, particularly heating, ventilation, and air conditioning (HVAC), recorded an increase in revenue. This achievement is due to the Group's collaboration with large property companies, which has spurred growth in this segment.

***Investments Holding Business***

The Group's investment income increased by 66.7% to approximately RMB20.5 million during the Reporting Period, compared to approximately RMB12.3 million in the corresponding period last year.

**PROSPECTS****Strengthening our competence and competitiveness in the Manufacturing and Trading Business**

While uncertainty persist regarding economic recovery, consumer sentiment and the US-China Trade War, the Group maintain tentative positivity in its manufacturing and trading business for profitability and growth. Existent market headwinds continue to be significant, including rising in geopolitical tensions, high interest rate environment and ongoing, inflationary pressures on raw materials, delivery costs and labor. The Group proactively explored the overseas markets, adjusted our domestic marketing strategy, and will continue to implement cost control measures, including integrating and realigning management and sales resources, as well as making structural changes in procurement and manufacturing planning.

Going forward, the Group will continue to focus on developing and introducing new products to address the changing needs of its diverse customer base. The Group will also expand its customer base in both existing and emerging markets, with the aim of achieving continuous growth and enhancing its overall performance. The Group will continue to focus on higher-margin products and customers to further enhance its business and financial performance.

**Optimisation of retail business and maintaining steady growth of wholesale business**

Alongside the overall weakness in consumer demand, consumption patterns are experiencing significant changes. Offline stores are struggling with declining foot traffic as consumers increasingly prefer online platforms, making it harder to attract in-store shoppers.

Through the optimisation of the product structure and enhancement of product display in supermarket, including dedicated sections for local characteristic products, new arrivals, and discounted items to fulfil the diverse shopping habits and preferences of our customers. Furthermore, the direct sourcing of fresh food from source suppliers allows us to lower the costs while delivering products with superior quality and value to consumers.

The national real estate market has still been sluggish, both residential and commercial sectors recorded declining in certain extent. The decline in second and third-tier cities has been more severe than in first-tier cities. In terms of commercial real estate, plenty of new supply would enter the market in the coming years, which would further push up the vacant rate and result in a continued downward trend in commercial real estate. Given the current property market is deeply intertwined with the overall economy, the recovery of the property market will be heavily dependent on the improvement of the macro economy and the stimulation of regulatory policies. The Group's wholesale business segment, specifically the heating, ventilation, and air-conditioning (HVAC) wholesale business which collaborate with large and well-established real estate developer, will inevitably be affected by the downturn of real estate market and increase the risk of debts collection. The Group will always adhere to the HVAC wholesale business strategy of steady development, keep a close eye on the orientation of macro policies, the default risk and business development.

The Group will closely monitor the volatility of global financial markets and industry risks, maintain effective communication with our clients, and make timely adjustments to its sales and purchase strategies as needed to achieve its goal of continuous business growth and performance improvement. The Group has still been seeking investment opportunities from time to time with a view to diversify and enhance their asset portfolio, broaden their sources of income and accelerate further growth of the Group as a whole.



## OTHER INFORMATION

### DIRECTOR'S AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Name	Capacity	Number of shares/ underlying shares (Note 1)	Approximate percentage of the issued share capital of the Company
Mr. Li Lixin	Note 2	2,755,137,680 (L)	34.25%

Note 1: (L) denotes long positions

Note 2: Mr. Li Lixin's interest in 2,755,137,680 shares is held as to 17,822,000 shares personally, and 2,737,315,680 Shares through Lisi Manufacturing Co., Limited, the entire issued share capital of which is wholly owned by Mr. Li Lixin.

Save as disclosed above, none of the Directors and chief executive of the Company nor their associates had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein, or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange as at 30 September 2024.

**SUBSTANTIAL SHAREHOLDERS**

Name	Capacity	Number of shares/ underlying shares (Note)	Approximate percentage of the issued share capital of the Company
Lisi Manufacturing Co., Limited	Beneficial owner	2,737,315,680 (L)	34.03%
Cheng Weihong	Interest in controlled corporation	1,849,407,702 (L) 398,000,000 (S)	22.99% 4.95%
Tong Shipping	Interest of spouse	1,849,407,702 (L) 398,000,000 (S)	22.99% 4.95%
Mighty Mark Investments Limited	Beneficial owner	956,407,702 (L)	11.89%
Poly Platinum Enterprises Limited	Beneficial owner/Person having a security interest in shares	927,790,000 (L)	11.53%
Greater Bay Area Homeland Development Fund (GP) Limited	Person having a security interest in shares/interest in controlled corporation	927,790,000 (L)	11.53%
Greater Bay Area Homeland Investments Limited	Person having a security interest in shares/interest in controlled corporation	927,790,000 (L)	11.53%
Hopeful Glad Limited	Beneficial owner	893,000,000 (L) 398,000,000 (S)	11.10% 4.95%
David Alexia Eleni	Interest in controlled corporation	800,000,000 (L)	9.95%
Manukura (CMCI) Limited	Beneficial owner	800,000,000 (L)	9.95%

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

Save as disclosed herein, as at 30 September 2024, the Directors are not aware of any other persons (not being a Director or chief executive of the Company) who had or was deemed to have any interests or short positions in the shares or underlying shares which was required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

#### **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 Reporting Period.

#### **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company is committed to striving good corporate governance practices and emphasising on transparency and accountability to its shareholders and stakeholders for enhancing investor confidence. Throughout the Reporting Period, the Company has adopted and complied with all the code provisions as set out in the Corporate Governance Code as set forth in Appendix 14 to the Listing Rules, save and except for the deviations from code provision C.2.1.

##### **Code provision C.2.1**

Code Provision C.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Reporting Period, the Group has not had the position of chief executive. Although the Group has not designated any person as chief executive, the Board have met regularly to consider major matters regarding the operations of the Group. After evaluating the current board composition, the Board is of the opinion that the present composition and arrangement of the Board is appropriate and in the best interests of the Company in view of carrying out the policies and operation of the Company.

In order to protect and enhance the benefits of the Shareholders, the Board and the senior management will continue to monitor and review the governance policies so as to ensure that the Company will fully comply with the requirements as set out in the CG Codes.

#### **AUDIT COMMITTEE**

The Company has an audit committee (the “Audit Committee”) which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee consists of three members, namely Mr. He Chengying, Mr. Shin Yick Fabian and Mr. Kwong Kwan Tong, all of them are independent non-executive Directors. The chairman of the Audit Committee is Mr. Shin Yick Fabian. The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2024 have been reviewed by the Audit Committee. The Audit Committee is of the view that such results are prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

#### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the code of conduct regarding Directors’ securities transactions. Upon specific enquiries being made with all the Directors, each of them have confirmed that they have fully complied with the required standards set out in the Model Code throughout the Reporting Period in relation to their securities dealings.

#### **INTERIM DIVIDEND**

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2024.

**EVENTS AFTER THE REPORTING PERIOD**

On 15 September 2024, the Company entered into Subscription Agreement with Subscriber, Manukura (CMCI) Limited, pursuant to which, the Company has conditionally agreed to allot and issue and the Subscriber has conditionally agreed to subscribe for an aggregate of 800,000,000 Subscription Shares, representing (i) approximately 9.95% of the existing issued share capital of the Company; and (ii) approximately 9.05% of the issued share capital of the Company as enlarged by the allotment and issue of all the Subscription Shares, at the Subscription Price of HK\$0.076 per Subscription Share.

The Company intends to apply the net proceeds from the Subscription of approximately HK\$60,450,000 as follows:

- (1) as to approximately 90% of the net proceeds will be utilized for funding of the potential acquisition (the "Potential Acquisition") of Emerald Holding (Luxembourg) S.a.r.l by the Group, subject to the negotiations between the Group and the existing shareholder of Emerald and the progress of the deal; and
- (2) as to approximately 10% of the net proceeds will be used as general working capital of the Group.

The subscription agreement was completed on 25 October 2024. For details, please refer to the announcements of the Company dated 15 September 2024, 21 October 2024, 22 October 2024 and 25 October 2024.

**PUBLICATION OF THE FURTHER INFORMATION**

The 2024/2025 interim report of the Company will be published on the websites of both the Stock Exchange and the Company and shall be dispatched to shareholders of the Company in a timely manner.

By Order of the Board  
**Li Lixin**  
*Chairman and Executive Director*

Hong Kong, 28 November 2024



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

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