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

(Incorporated in Bermuda with limited liability)

(Stock code: 526)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2016

AUDITED RESULTS

The board of directors (the "Directors") of Lisi Group (Holdings) Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2016 together with comparative figures of the previous corresponding year are as follows:

Consolidated Statement of Profit or Loss

		Year ended 31 March	
		2016	2015
	Note	***RMB'000***	*RMB'000*
Revenue	4	**1,085,709**	1,158,042
Cost of sales		**(833,150)**	(897,992)
Gross profit	4(b)	**252,559**	260,050
Other income	5	**18,976**	21,076
Selling and distribution expenses		**(70,004)**	(81,345)
Administrative expenses		**(285,531)**	(113,840)
(Loss)/profit from operations		**(84,000)**	85,941
Net valuation (loss)/gain on investment properties		**(8,800)**	17,646
Net loss on disposal of an available-for-sale investment		**(10,687)**	–
Net gain on disposal of an investment property		**–**	24,500
Net gain on disposal of an investment in a subsidiary		**–**	1,393
Share of losses of an associate		**(13,960)**	(8,800)
Finance costs	6(a)	**(162,361)**	(20,168)

		Year ended 31 March	
		2016	2015
	Note	***RMB'000***	*RMB'000*
(Loss)/profit before taxation	6	**(279,808)**	100,512
Income tax	7	**304,820**	(20,202)
Profit for the year		**25,012**	80,310
Attributable to:			
Equity shareholders of the Company		**24,998**	82,212
Non-controlling interests		**14**	(1,902)
Profit for the year		**25,012**	80,310
Earnings per share (RMB cent)	8		
Basic		**0.55**	1.97
Diluted		**0.55**	0.61

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Year ended 31 March	
	2016	2015
	RMB'000	*RMB'000*
Profit for the year	**25,012**	80,310
Other comprehensive income for the year (after tax and reclassification adjustments):		
Items that may be reclassified subsequently to profit or loss:		
– Available-for-sale debt securities net movement in fair value reserve	**(4,774)**	8,467
– Exchange differences on translation into presentation currency	**3,019**	(2,771)
– Reclassification of exchange differences on disposal of a subsidiary	**–**	(300)
Other comprehensive income for the year	**(1,755)**	5,396
Total comprehensive income for the year	**23,257**	85,706
Attributable to:		
Equity shareholders of the Company	**23,243**	87,608
Non-controlling interests	**14**	(1,902)
Total comprehensive income for the year	**23,257**	85,706

Consolidated Statement of Financial Position

		At 31 March	
		2016	2015
	Note	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**865,488**	880,464
Investment properties	9	**425,390**	434,190
Goodwill		**43,313**	43,313
Intangible assets		**7,001**	12,375
Interests in an associate		**26,184**	40,144
Available-for-sale investments		**72,194**	82,881
Deferred tax assets		**32,892**	35,120
		1,472,462	1,528,487
Current assets			
Available-for-sale investments		**644,924**	531,289
Inventories		**148,087**	152,058
Trade and other receivables	10	**718,671**	1,514,397
Restricted bank deposits		**319,416**	132,974
Cash and cash equivalents		**258,198**	135,395
		2,089,296	2,466,113
Current liabilities			
Trade and other payables	11	**506,345**	527,658
Bank and other loans		**790,227**	697,691
Income tax payable		**4,314**	349,393
		1,300,886	1,574,742
Net current assets		**788,410**	891,371
Total assets less current liabilities		**2,260,872**	2,419,858
Non-current liabilities			
Bank and other loans		**271,615**	316,380
Convertible bonds	12	**–**	134,883
Deferred tax liabilities		**249,472**	255,384
		521,087	706,647
NET ASSETS		**1,739,785**	1,713,211
CAPITAL AND RESERVES			
Share capital		**39,374**	36,138
Reserves		**1,631,191**	1,607,867
Total equity attributable to equity shareholders of the Company		**1,670,565**	1,644,005
Non-controlling interests		**69,220**	69,206
TOTAL EQUITY		**1,739,785**	1,713,211

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. STATEMENT OF COMPLIANCE

The consolidated financial statements for the year ended 31 March 2016 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

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

2. BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 March 2016 comprise the Group and the Group's interests in an associate.

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

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKAS 19, *Employee benefits: Defined benefit plans: Employee contributions*
- *Annual Improvements to HKFRSs 2010-2012 Cycle*
- *Annual Improvements to HKFRSs 2011-2013 Cycle*

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

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

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

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

	2016	2015
	RMB'000	*RMB'000*
Sales of goods:		
– manufacturing and trading of household products	**369,387**	401,075
– retail operation of department stores and supermarkets	**316,126**	330,236
– wholesale of wine and beverages and electrical appliances	**257,637**	289,639
	943,150	1,020,950
Net income from concession sales[#]	**17,071**	22,963
Rental income from operating leases	**35,350**	36,571
Service fee income	**55,202**	51,406
Investment and dividend income	**34,936**	26,152
	1,085,709	1,158,042

[#] The gross revenue arising from concession sales charged to retailed customer for the year ended 31 March 2016 is RMB124,697,000 (2015: RMB164,551,000).

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

	2016	2015
	RMB'000	*RMB'000*
Customer A	**130,555**	135,159

In respect of the Group's retail operation of department stores and supermarkets and wholesale of wine and beverages and electrical appliances, the directors of the Company consider that the customer bases are diversified and have no customer with whom transactions have exceeded 10% of the Group's revenue for the years ended 31 March 2016 and 2015.

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

(b) Segment reporting

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

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

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

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

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

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

(i) Segment results

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

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

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

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2016 and 2015 is set out below.

	2016				
	Manufacturing and trading	**Retail**	**Wholesale**	**Investments holding**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Revenue and net income from external customers	**369,387**	**422,086**	**258,599**	**34,936**	**1,085,008**
Inter-segment revenue	**–**	**–**	**3,437**	**–**	**3,437**
Reportable segment revenue and net income	**369,387**	**422,086**	**262,036**	**34,936**	**1,088,445**
Reportable segment gross profit	**104,023**	**99,005**	**13,894**	**34,936**	**251,858**

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

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

	2016	2015
	RMB'000	*RMB'000*
Revenue and net income		
Reportable segment revenue and net income	**1,088,445**	1,162,471
Elimination of inter-segment revenue	**(3,437)**	(5,193)
Unallocated revenue	**701**	764
Consolidated revenue	**1,085,709**	1,158,042
Gross profit		
Reportable segment gross profit	**251,858**	260,201
Gross gain/(loss) of unallocated items	**701**	(151)
Consolidated gross profit	**252,559**	260,050

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

	Revenue and net income from external customers		**Specified non-current assets**	
	2016	2015	**2016**	2015
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
The PRC (including Hong Kong) (place of domicile)	**721,608**	761,751	**1,413,386**	1,453,223
The United States	**308,910**	347,043	**–**	–
Europe	**17,184**	12,390	**–**	–
Canada	**10,467**	13,594	**–**	–
Others	**27,540**	23,264	**–**	–
	1,085,709	1,158,042	**1,413,386**	1,453,223

5. OTHER INCOME

	2016	2015
	RMB'000	*RMB'000*
Interest income on cash at bank and advances due from related parties	**14,048**	10,461
Government grants	**2,814**	3,937
Net gain from sale of scrap materials	**394**	542
Net (loss)/gain on disposal of property, plant and equipment	**(271)**	5,037
Others	**1,991**	1,099
	18,976	21,076

6. (LOSS)/PROFIT BEFORE TAXATION

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

(a) Finance costs

	2016	2015
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**58,203**	66,168
Finance charges on convertible bonds (Note 12)	**1,649**	9,427
Bank charges and other finance costs	**11,962**	7,816
Total borrowing costs	**71,814**	83,411
Changes in fair value on the derivative components of convertible bonds (Note 12)	**90,547**	(57,024)
Net gain on redemption of convertible bonds	**–**	(6,219)
	162,361	20,168

No borrowing costs have been capitalised for the year ended 31 March 2016 (2015: RMBNil).

(b) Staff costs

	2016	2015
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**118,902**	126,661
Contributions to defined contribution retirement plans	**6,839**	8,372
	125,741	135,033

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

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

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

(c) Other items

	2016	2015
	RMB'000	*RMB'000*
Cost of inventories #	**807,927**	869,525
Auditors' remuneration		
– statutory audit service	**1,800**	1,800
– other services related to disposal of investment property	**–**	500
Depreciation and amortisation #	**56,018**	51,572
Impairment losses on trade and other receivables (Note 10(ii))	**50,000**	–
Operating lease charges in respect of properties	**35,257**	40,280
Net foreign exchange loss/(gain)	**12,787**	(527)

Cost of inventories includes RMB67,639,000 (2015: RMB65,031,000) for the year ended 31 March 2016, relating to staff costs, and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	2016	2015
	RMB'000	*RMB'000*
Current taxation – PRC Corporate Income Tax		
– Provision for the year	**12,018**	355,216
– Over-provision in respect of prior years (Note (vi))	**(314,745)**	(179)
	(302,727)	355,037
Deferred taxation		
– Origination and reversal of temporary differences	**(4,186)**	(334,835)
– Write-down of deferred tax assets	**2,093**	–
	(2,093)	(334,835)
	(304,820)	20,202

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

	2016	2015
	RMB'000	*RMB'000*
(Loss)/profit before taxation	**(279,808)**	100,512
Expected tax on (loss)/profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned (Notes (i), (ii) and (iii))	**(59,500)**	20,354
Tax effect of non-deductible expenses (Note (iv))	**63,378**	5,919
Tax effect of non-taxable income	**(131)**	(10,946)
Tax effect of share of losses of an associate	**3,490**	2,200
Tax effect of write-down of deferred tax assets (Note (v))	**2,093**	–
Tax effect of unused tax losses not recognised	**595**	2,854
Over-provision in respect of prior years (Note (vi))	**(314,745)**	(179)
Income tax	**(304,820)**	20,202

Notes:

(i) The Hong Kong Profits Tax rate for the year ended 31 March 2016 is 16.5% (2015: 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 year ended 31 March 2016 (2015: RMBNil).

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

(iii) The subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rate of 25% (2015: 25%).

(iv) Non-deductible expenses for the year ended 31 March 2016 mainly represents the loss arising from the changes in fair value on the derivative components of convertible bonds and certain expenses without invoices.

(v) The Group wrote down previously recognised deferred tax assets of RMB2.1 million in respect of impairment losses on property, plant and equipment (2015: RMBNil), as the management of the Group expects that it is not probable that certain subsidiary of the Group will have enough taxable profit to utilise the temporary differences in the future.

(vi) On 14 January 2016, the Group received a letter from local tax authority of Shenzhen which stated that in accordance with certain local preferential tax policies, the income tax in respect of the disposal of an investment property was agreed at an amount of RMB30,022,000. The Company paid the amount to the local tax authority accordingly and reversed the difference between the agreed amount and the originally accrued amount, which was calculated based on the standard tax rate.

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 March 2016 is based on the profit attributable to ordinary equity shareholders of the Company of RMB24,998,000 (2015: profit attributable to ordinary equity shareholders of the Company of RMB82,212,000) and the weighted average of 4,509,765,000 ordinary shares (2015: 4,176,964,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	2016	2015
	'000	*'000*
Issued ordinary shares at 1 April	**4,176,964**	4,176,964
Effect of issuance of ordinary shares upon conversion of convertible bonds	**332,801**	–
Weighted average number of ordinary shares at 31 March	**4,509,765**	4,176,964

(b) Diluted earnings per share

There are no dilutive potential ordinary shares during the year ended 31 March 2016. The Group's convertible bonds (see Note 12) were not included in the calculation of diluted earnings per share because they are antidilutive during the year ended 31 March 2016.

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

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

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

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

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

9. INVESTMENT PROPERTIES

	2016 ***RMB'000***	2015 *RMB'000*
Valuation:		
At 1 April	**434,190**	2,065,480
Additions	**–**	108,564
Fair value adjustments:		
– (losses)/gains included in the consolidated statement of profit or loss	**(8,800)**	17,646
Disposal	**–**	(1,757,500)
At 31 March	**425,390**	434,190

10. TRADE AND OTHER RECEIVABLES

	2016 *RMB'000*	2015 *RMB'000*
Trade receivables from:		
– Third parties	**28,609**	33,471
– Companies under the control of the controlling equity shareholder of the Company (the "Controlling Shareholder") (Note(a))	**154,981**	150,308
– A non-controlling equity holder of a subsidiary of the Group	**11,245**	17,423
Bills receivable	**4,076**	3,420
	198,911	204,622
Less: allowance for doubtful debts	**–**	–
	198,911	204,622
Amounts due from companies under the control of the Controlling Shareholder (Note (b))	**1,005**	2,166
Amount due from an associate (Note (c))	**5,556**	5,000
Prepayments, deposits and other receivables:		
– Prepayments and deposits for operating leases expenses	**4,690**	4,944
– Prepayments for purchase of inventories	**20,362**	8,798
– Advances to third parties	**3,104**	28,178
– Receivable from the disposal of investment property	**469,040**	1,247,400
– Others	**16,003**	13,289
	513,199	1,302,609
Less: allowance for doubtful debts	**–**	–
	513,199	1,302,609
	718,671	1,514,397

Note (a): 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. The agreement has been renewed on 16 December 2015 and approved by the independent equity shareholders of the Company on 15 February 2016.

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

Note (c): The amounts is unsecured, bears interest at 8% per annum (31 March 2015: 8% per annum) and is repayable in November 2016 (31 March 2015: 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:

	2016	2015
	RMB'000	*RMB'000*
Within 1 month	**43,793**	67,604
More than 1 month but less than 3 months	**88,685**	93,456
Over 3 months	**66,433**	43,562
	198,911	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.

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

	2016	2015
	RMB'000	*RMB'000*
At 1 April	**–**	317
Exchange adjustments	**–**	–
Impairment losses recognised	**50,000**	–
Uncollectible amounts written off	**(50,000)**	(317)
At 31 March	**–**	–

At 31 March 2016, the Group's trade and other receivables of RMB519,040,000 (31 March 2015: RMBNil) were individually determined to be impaired. The individually impaired receivables related to a debtor with whom a new agreement was entered into by the Group pursuant to which the parties agreed the receivables shall be adjusted downward by RMB50,000,000. Consequently, specific allowance for doubtful debts of RMB50,000,000 was recognised and was subsequently written off (31 March 2015: RMBNil).

(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：

	2016	2015
	RMB'000	*RMB'000*
Neither past due nor impaired	**123,708**	141,564
Less than 1 month past due	**59,767**	48,084
More than 1 month but less than 3 months past due	**9,108**	12,237
More than 3 months past due	**6,328**	2,737
	75,203	63,058
	198,911	204,622

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 receivable from the issuing banks and customers for whom there was no recent history of default.

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

11. TRADE AND OTHER PAYABLES

	2016	2015
	RMB'000	*RMB'000*
Trade payables to:		
– Third parties	**166,955**	186,394
– Companies under the control of the Controlling Shareholder	**52,370**	53,777
Bills payable	**101,522**	89,324
	320,847	329,495
Amounts due to companies under the control of the Controlling Shareholder (Note (i))	**27,212**	26,087
Accrued charges and other payables:		
– Accrued operating lease expenses	**23,977**	18,208
– Payables for staff related costs	**34,965**	33,478
– Accruals for costs incurred on investment property	**–**	8,572
– Deposits from suppliers	**6,226**	5,354
– Payables for interest expenses	**4,390**	9,865
– Payables for miscellaneous taxes	**4,912**	6,795
– Others	**15,099**	14,749
	89,569	97,021
Financial liabilities measured at amortised cost	**437,628**	452,603
Advances received from customers	**68,717**	75,055
	506,345	527,658

Note:

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

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

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

	2016	2015
	RMB'000	*RMB'000*
Within 1 month	**116,916**	104,002
Over 1 month but within 3 months	**76,222**	136,653
Over 3 months but within 6 months	**106,896**	82,711
Over 6 months	**20,813**	6,129
	320,847	329,495

12. CONVERTIBLE BONDS

	Liability component *RMB'000*	Derivative components *RMB'000*	Total *RMB'000*
At 1 April 2014	97,295	111,724	209,019
Accrued finance charges for the year	9,427	–	9,427
Fair value changes on the derivative components	–	(57,024)	(57,024)
Reclassification to interest payable	(3,378)	–	(3,378)
Redemption during the year (Note (ii))	(14,033)	(8,810)	(22,843)
Exchange adjustments	(123)	(195)	(318)
At 31 March 2015 and 1 April 2015	89,188	45,695	134,883
Accrued finance charges for the year	**1,649**	**–**	**1,649**
Fair value changes on the derivative components	**–**	**90,547**	**90,547**
Interest paid	**(1,806)**	**–**	**(1,806)**
Exchange adjustments	**87**	**34**	**121**
Conversion into ordinary shares of the Company (Note (iii))	**(89,118)**	**(136,276)**	**(225,394)**
At 31 March 2016	**–**	**–**	**–**

Notes:

(i) On 30 August 2013, the Company 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) On 19 September 2014, the Group has redeemed a principal amount of HK$20,325,000 (equivalent to approximately RMB16,114,000) of the Shi Hui Bonds in cash.

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

(iii) On 5 June 2015, the Shi Hui Bonds issued by the Company with an aggregate principal amount of HK$121,400,400 were converted into 404,668,141 ordinary shares at the conversion price of HK$0.3 per share by Shi Hui. Consequently, the Company issued new ordinary shares to Shi Hui and its two nominees, Chance Talent Management Limited and HNW Investment Fund Series SPC. Upon completion of the conversion on 5 June 2015, the number of ordinary shares of the Company in issue increased from 4,176,964,794 to 4,581,632,935.

13. DIVIDENDS/DISTRIBUTION

(a) The directors of the Company did not recommend the payment of a final dividend for the year ended 31 March 2016 (2015: HK$Nil)

(b) Special distribution payable to equity shareholders of the Company approved and paid during the year:

	2016	2015
	RMB'000	*RMB'000*
Special distribution approved and paid during the year, of HK$0.05 per ordinary share	**183,197**	–

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

Acquisition of non-controlling interests in a subsidiary of the Group

On 3 August 2015, the Company, through a wholly-owned subsidiary of the Group, has entered into an equity transfer agreement to acquire 18% equity interests in Ningbo New Joysun Supermarket Chain Limited ("New Joysun Supermarket") from the current non-controlling equity holder of New JoySun Supermarket at a consideration of RMB38.9 million. Upon completion of the above equity transfer, the Group's effective interest in New JoySun Supermarket will increase from 82% to 100%. On 7 April 2016, the transfer of equity interests was completed.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

General Information

For the year ended 31 March 2016 (the "Year"), the Group recorded a revenue of approximately RMB1,085.7 million, representing a decrease of 6.2% when compared with the revenue of approximately RMB1,158.0 million reported for the last year. Net profit for the Year was approximately RMB25.0 million compared to a net profit of RMB80.3 million for the last year. The Group's basic and diluted earnings per share were RMB0.55 cent and RMB0.55 cent respectively and the Group's basic and diluted earnings per share were RMB1.97 cent and RMB0.61 cent respectively for the last year.

Liquidity and Financial Resources

As at 31 March 2016, the Group's net assets increased to RMB1,739.8 million, rendering net asset value per share at RMB38.0 cent. The Group's total assets at that date were valued at RMB3,561.8 million, including cash and bank deposits of approximately RMB577.6 million and current available-for-sale investments of RMB644.9 million. Consolidated bank loans and other borrowings amounted to RMB1,061.8 million. Its debt-to-equity ratio (bank loans and other borrowings over total equity) has been decreased from 67.1% as at 31 March 2015 to 61.0% as at 31 March 2016.

Most of the Group business transactions were conducted in RMB and USD. As at 31 March 2016, the Group's borrowings were denominated in RMB, EUR, HKD and USD.

Capital Structure

On 30 August 2013, the Company allotted and issued 1,700,000,000 consideration shares at the issue price of HK$0.30 per share and the consideration convertible bonds in the principal amount of HK$382.8 million at the initial conversion price of HK$0.30 per share to Shi Hui Holdings Limited, which was 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 HK$20.8 million, HK$136.8 million, HK$83.5 million and HK$20.3 million convertible bonds and the remaining balance of approximately HK$121.4 million convertible bonds was converted into 404,668,141 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 4,176,963,794 to 4,581,631,935. As at 31 March 2016, the Group's major borrowings included bank loans, which had an outstanding balance of RMB1,056.1 million, other borrowings from a shareholder and a third party totaling RMB5.7 million. All of the Group's borrowings have been denominated in RMB, EUR, HKD and USD.

Pledge of Assets

The Group's leasehold land and buildings and investment properties with a carrying amount of RMB1,062.0 million as at 31 March 2016 were pledged to secure bank borrowing and facilities of the Group.

Capital Expenditure and Commitments

The Group will continue to allocate a reasonable amount of resources to acquisition, better utilization of the Company's assets, and improvement of capital assets to improve operations efficiency and to meet customer needs and market demands. Sources of funding are expected to come primarily from trading revenue that the Group will generate from operations and alternative debt and equity financing, and disposal of available-for-sale investments/assets. In particular, the disposal of the land of the previous factory of the Group in Shenzhen 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, EUR, HKD and USD. 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 which is due in June 2016 and subsequently extended to June 2017 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 especially after Britain decided to leave the European Union 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.

Segment Information

With the acquisition of New JoySun Group, retail and wholesale business has emerged to become the most important business segment of the Group in the Year and accounted for 62.7% of total revenue. Manufacturing and trading business and investment holding business had 34.1% and 3.2% of the remaining.

In terms of geographical location, China became the Group's primary market, which accounted for 66.5% of total revenue. The remaining comprised of revenue from North America 29.4%, Europe 1.6% and others 2.5%.

Contingent Liabilities

As at 31 March 2016, the Group pledged certain leasehold land and buildings and investment properties with an aggregate carrying amount of approximately RMB21.7 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 of the Company 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 RMB36.7 million being the balance of the principal amount of the bank loans the Group pledged for.

Investments in New Businesses

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

Another investment in recent years was QL Electronics Co., Ltd ("QLEC"). As QLEC was under restructuring for business expansion and opportunities in capital market. QLEC was split into two companies named QLEC (subsequently renamed as JRH QL Electronics Co., Ltd ("JRH") and Hangzhou Lion Microelectronics Co., Ltd ("HLMC"). HLMC is the parent company of JRH. At 22 January 2016, HLMC increased the share capital from 187,553,401 to 300,000,000 shares. During the Year, our investment of 18,318,800 shares in JRH were entitled to subscribe 14,417,912 shares in HLMC. Before the restructuring, our equity interest in HLMC was 8.211%. After the restructuring, our equity interest in HLMC was 7.592%. The core business of HLMC is in the development and manufacturing of semiconductor materials. As an investor, the Company is satisfied with the business performance of HLMC.

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 RMB38.9 million cash and the payment of acquisition was completed on 31 March 2016 and the business license was completed on 7 April 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 are in challenging market situations but still have good business prospects. We are optimistic on the values of these investments and contribution of financial results brought to the Group in the future.

Employee Information

As at 31 March 2016, the Group employed a workforce of 1,826 employees in its various chain stores, offices and factories located in Hong Kong and the PRC. Competitive remuneration packages were provided and commensurate with individual responsibilities, qualifications, experience and performance. The Group provided management skills workshops, practical seminars for knowledge update, on-the-job training and safety training programs to its employees. There was a share-option scheme in force but no share option was granted during the Year.

Review of Operations

For the Year, the Group recorded a net profit of RMB25.0 million, compared to the net profit of RMB80.3 million for the corresponding last year. This decrease was primarily attributable to the negative change of RMB90.5 million for the Year 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 and still outstanding during the Year. This factor had impact in profit and loss but not in cashflow.

Revenue

During the Year, the Group recorded total revenue of approximately RMB1,085.7 million, representing a decrease of 6.2% when compared with the total revenue of approximately RMB1,158.0 million reported for the last year.

Manufacturing and trading business

During the Year, the manufacturing and trading business contributed approximately RMB369.4 million to the total revenue of the Group. The business of this segment decreased by RMB31.7 million when compared with the corresponding last year of approximately RMB401.1 million. The decrease was mainly due to the reduction of orders from customers and pricing pressure which are a reflection of the current weak market situation and the cyclical order pattern of some our key customers. The Group will continue its cost control measures and business strategy of focusing on higher margin products and the development of new products and customers.

Retail and Wholesale Business

Retail and wholesale business decreased by 3.6% and 11.5% to RMB422.1 million and RMB258.6 million respectively for the Year as compared with corresponding 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 revenue in our retail business. On the other hand, the Chinese central government continues to control strictly on business entertainment and expenditures, so the revenue of wholesale business in wine and beverages dropped inevitably.

Investment holding Business

Dividend income decreased by 43.1% to RMB0.5 million and investment income increased by 36.4% to RMB34.4 million during the Year as compared with the corresponding 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 XingShun 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 XingShun 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 distribution of HK$0.05 per share and the Company paid the special distribution total amount of HK$229,082,000 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"). 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 31 March 2016, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

Name	**Capacity**	**Number of shares/ underlying shares** *(Note 1)*	**Approximate percentage of the issued share capital of the Company**
Mr Li Lixin	*Note 2*	2,843,631,680(L)	62.07%
		2,705,371,679(S)	59.05%

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

Note 2: Mr Li Lixin's interest in 2,843,631,680 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 1,482,412,666 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 year ended 31 March 2016. Other than that, at no time during the year ended 31 March 2016 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 year ended 31 March 2016.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2016, the interests or short positions of every person, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name	**Capacity**	**Number of shares/ underlying shares** *(Note)*	**Approximate percentage of the issued share capital of the Company**
China Cinda (HK) Holdings Company Limited	Interest in controlled corporation	1,457,482,681 (L)	31.81%
China Cinda Foundation Management Company Limited	Interest in controlled corporation	1,457,482,681 (L)	31.81%
Cinda General Partner Limited	Interest in controlled corporation	1,457,482,681 (L)	31.81%
Cinda International Holdings Limited	Interest in controlled corporation	1,457,482,681 (L)	31.81%

Name	**Capacity**	**Number of shares/ underlying shares** *(Note)*	**Approximate percentage of the issued share capital of the Company**
Cinda Retail and Consumer Fund L.P.	Beneficial owner/ beneficiary of a trust	1,457,482,681 (L)	31.81%
Cinda Strategic (BVI) Limited	Interest in controlled corporation	1,457,482,681 (L)	31.81%
Rainbow Stone Investments Limited	Interest in controlled corporation	1,457,482,681 (L)	31.81%
Sinoday Limited	Interest in controlled corporation	1,457,482,681 (L)	31.81%
中國信達資產管理股份有限公司 (China Cinda Asset Management Co., Ltd.)	Interest in controlled corporation	1,457,482,681 (L)	31.81%
Central Huijin Investment Ltd.	Person having a security interest in shares/interest in controlled corporation	1,507,667,014 (L)	32.91%
China Construction Bank Corporation	Person having a security interest in shares/interest in controlled corporation	1,507,677,014 (L)	32.91%
Cinda (BVI) Limited	Interest in controlled corporation	1,350,493,014 (L)	29.48%
Cinda International Securities Limited	Trustee (other than a bare trustee)	1,350,493,014 (L)	29.48%

Name	Capacity	Number of shares/ underlying shares *(Note)*	Approximate percentage of the issued share capital of the Company
HNW Investment Fund Series SPC acting for and on behalf of Benefit Segregated Portfolio	Beneficial owner/ person having a security interest in shares	1,371,191,014 (L)	29.93%

Note: (L) denotes long positions

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

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

AUDIT COMMITTEE

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

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

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

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

MODEL CODE

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issued (the "Model Code") as set out in Appendix 10 of the Listing Rules issued by the Stock Exchange. All Directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the Year ended 31 March 2016.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of this preliminary announcement of the Group's results for the Year have been agreed by the Group's auditor, KPMG, (the "Auditor") to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by HKICPA and consequently no assurance has been expressed by the Auditor on the preliminary announcement.

PUBLICATION OF THE FURTHER INFORMATION

The 2016 annual report of the Company containing all information required by Appendix 16 to the Listing Rules will be published on both the websites of The Stock Exchange and the Company in due course.

By Order of the Board
Li Lixin
Chairman

Hong Kong, 29 June 2016

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