



(Registration No: EC 32308)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

Financial statements on combined results of the Group for the year end of FY2015 as at 31 March 2015. These figures have not been audited.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

LOTTVISION LIMITED
Group Income Statement
For the Year Ended 31 March 2015
(Expressed in Hong Kong thousand dollars)

	FY2015	FY2014	Change
	HK\$'000	HK\$'000	%
Turnover	99,803	91,163	9
Cost of sales	(48,758)	(57,347)	(15)
Gross profit	51,045	33,816	51
Other net income	895	4,953	(82)
Other expenses	-	(26)	NM
Distribution expenses	(21,833)	(9,335)	134
Administrative expenses	(20,446)	(21,369)	(4)
Finance costs	(2,158)	(2,177)	(1)
Profit from ordinary activities before taxation	7,503	5,862	28
Income tax	(1,956)	(1,787)	9
Net profit for the year	5,547	4,075	36
Attributable to:			
Equity holders of the Company	1,259	1,352	(7)
Non-controlling interest	4,288	2,723	57
Net profit for the year	5,547	4,075	36

NM - Not meaningful

1(a) A consolidated comprehensive income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

LOTTVISION LIMITED
Group Comprehensive Income Statement
For the Year Ended 31 March 2015
(Expressed in Hong Kong thousand dollars)

	FY2015	FY2014	Change
	HK\$'000	HK\$'000	%
Net profit for the year	5,547	4,075	36
Other comprehensive income/(loss)			
Exchange differences on translating foreign operations, net of nil tax	1,117	(255)	NM
Total comprehensive income for the year	6,664	3,820	74
Attributable to:			
Equity holders of the Company	2,376	1,097	117
Non-controlling interest	4,288	2,723	57
Total comprehensive income for the year	6,664	3,820	74

NM - Not meaningful

Note: Profit for the year attributable to equity shareholders of the Company of HK\$2,375,000 (FY2014: HK\$1,097,000) is stated after charging/ (crediting):

	FY2015	FY2014
	HK\$'000	HK\$'000
Interest expenses	2,158	2,177
Net exchange (gains)/losses	-	(12)
Depreciation of property, plant and equipment	4,654	4,959
Amortisation of intangible assets	3,455	3,419
Reversal of contingent liabilities	-	(4,467)
Impairment losses on intangible assets	-	1,552

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

LOTTVISION LIMITED
Balance Sheet
as at 31 March 2015
(Expressed in Hong Kong thousand dollars)

	The Group		The Company	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	As at 31/03/2015	As at 31/03/2014	As at 31/03/2015	As at 31/03/2014
Non-current assets				
Interests in subsidiaries	-	-	66,435	66,435
Property, plant and equipment	47,876	48,659	-	-
Intangible assets	52,595	55,357	-	-
Long term prepayment	1,589	1,858	-	-
Land use right	6,651	6,665	-	-
	108,711	112,539	66,435	66,435
Current assets				
Inventories	21,976	17,726	-	-
Trade receivables	53,417	52,524	-	-
Prepayments, deposits and other receivables	12,554	20,789	-	-
Amounts due from subsidiaries	-	-	2,549	8,734
Cash and cash equivalents	39,081	32,956	299	2,233
	127,028	123,995	2,848	10,967
Current liabilities				
Trade and other payables	28,432	36,183	2,461	9,200
Short term loan	25,249	26,574	-	-
Tax payable	46	1,688	-	-
Amount due to subsidiary	-	-	135	-
Obligations under a finance lease	-	208	-	-
	53,727	64,653	2,596	9,200
Net current assets/(liabilities)	73,301	59,342	252	1,767
Non-current liabilities				
Dividend payable	71,928	69,528	-	-
Obligations under a finance lease	-	143	-	-
	71,928	69,671	-	-
Net assets/(liabilities)	110,084	102,210	66,687	68,202
Equity				
Share capital	123,988	123,251	123,988	123,251
Reserves	(44,664)	(47,513)	(57,301)	(55,049)
Total equity attributable to equity holders of the Company	79,324	75,738	66,687	68,202
Non-controlling interest	30,760	26,472	-	-
Total equity	110,084	102,210	66,687	68,202

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/03/2015 In HK\$'000		As at 31/03/2014 In HK\$'000	
Secured	Unsecured	Secured	Unsecured
25,249	-	26,782	-

Amount repayable after one year

As at 31/03/2015 In HK\$'000		As at 31/03/2014 In HK\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	143	-

Details of collaterals

The borrowings of HK\$25.2 million as at 31 March 2015 is secured by the 34,165 square meters land use right and 760 square meters office area of Nutryfarm (Chengdu) Biomedicine Limited ("NFC"), which is a subsidiary of the Group in which the Group holds a 55% interest.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

LOTTVISION LIMITED
Group Cash Flow Statement
For the Year Ended 31 March 2015
(Expressed in Hong Kong thousand dollars)

	FY2015 HK\$'000	FY2014 HK\$'000
Operating activities		
Profit from ordinary activities before taxation	7,503	5,862
Adjustments for:		
Finance costs	2,158	2,177
Gain on disposal and written off of property, plant and equipment	(256)	(28)
Interest income	(193)	(65)
Amortisation of intangible assets	3,456	3,419
Amortisation of land use rights	144	146
Depreciation	4,654	4,959
Impairment losses of intangible assets	-	1,552
Unrealised foreign exchange difference	(194)	(129)
Operating profit before changes in working capital	17,272	17,893
Changes in working capital		
(Increase)/decrease in inventories	(3,837)	796
Decrease/(increase) in trade and other receivables	8,530	(15,254)
Decrease in trade and other payables	(7,570)	(15,245)
Cash generated from/(used in) operations	14,395	(11,810)
Tax (paid)/refund	(3,613)	114
Net cash inflow/(outflow) from operating activities	10,782	(11,696)
Investing activities		
Purchase of property, plant and equipment	(2,874)	(495)
Proceeds from disposal of property, plant and equipment	256	60
Interest received	193	65
Deposit paid for the acquisition of intangible assets	(72)	-
Net cash outflow from investing activities	(2,497)	(370)
Financing activities		
Interest paid	(2,158)	(2,177)
Decrease in bank deposits	618	898
Drawdown of borrowings	-	27,015
Proceeds from issuance of new shares	1,210	1,488
Repayment of a finance lease	(117)	(615)
Repayment of borrowings	(1,870)	(18,219)
Net cash (outflow)/inflow from financing activities	(2,317)	8,390
Net increase/(decrease) in cash and cash equivalents	5,968	(3,676)
Cash and cash equivalents at beginning of the year	32,338	35,991
Effect of foreign exchange rate changes	775	23
Cash and cash equivalents at end of the year	39,081	32,338

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Share Capital	Share Premium	Exchange Reserve	Equity-settled Share-based Transaction Reserve	Accumulated Losses	Total	Non-controlling interest	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2013	123,251	267,634	1,172	3,368	(320,784)	74,641	23,749	98,390
Other comprehensive income/(loss) for the year	-	-	(255)	-	-	(255)	-	(255)
Net profit for the year	-	-	-	-	1,352	1,352	2,723	4,075
At 31 March 2014	123,251	267,634	917	3,368	(319,432)	75,738	26,472	102,210
Cancellation of share options	-	-	-	(3,368)	3,368	-	-	-
Issuance of shares	737	473	-	-	-	1,210	-	1,210
Other comprehensive income/(loss) for the year	-	-	1,117	-	-	1,117	-	1,117
Net profit for the year	-	-	-	-	1,259	1,259	4,288	5,547
At 31 March 2015	123,988	268,107	2,034	-	(314,805)	79,324	30,760	110,084

The Company	Share Capital	Share Premium	Equity-settled Share-based Transaction Reserve	Accumulated Losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2013	123,251	267,634	3,368	(329,519)	64,734
Net profit/(loss) for the year	-	-	-	3,468	3,468
At 31 March 2014	123,251	267,634	3,368	(326,051)	68,202
Cancellation of share options	-	-	(3,368)	3,368	-
Issuance of shares	737	473	-	-	1,210
Net profit/(loss) for the year	-	-	-	(2,725)	(2,725)
At 31 March 2015	123,988	268,107	-	(325,408)	66,687

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisitions or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of treasury shares, if any, against the number of issued shares excluding treasury shares of the company, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During FY2015, the share capital of the Group increased by HK\$737,000, as the Group had issued 10,526,316 ordinary shares on 11 June 2014. The Company had cancelled 3,368,000 employee share options of HK\$3.4 million on 8 January 2015. The Company has no outstanding convertibles.

During FY2014, the share capital of the Group had no change. The Company has no outstanding convertibles.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 31 March 2015 was 1,771,256,080, and the total number of issued shares excluding treasury shares as at 31 March 2014 was 1,760,729,764). As at 31 March 2015 and 31 March 2014, there were no treasury shares outstanding.

- 1d(iv) A statement showing all sales, transfers, disposals, cancellation, and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice.**

The figures have not been audited nor reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The same accounting policies and methods of computation as our last audited annual financial statements have been applied.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Company has no changes in the accounting policies and methods of computation.

6. Earnings/ (loss) per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	FY2015	FY2014
	HK cents	HK cents
(a) Based on the weighted average number of ordinary shares in issue; and	0.07	0.08
(b) On a fully diluted basis	0.07	0.08

Note 6(a) : For FY2015, the calculation of basic profit per share was based on profit attributable to equity holders of the Company of HK\$1,259,000 and the weighted average of 1,769,208,495 ordinary shares in issue.

For FY2014, the calculation of basic profit per share was based on profit attributable to equity holders of the Company of HK\$1,352,000 and the weighted average of 1,760,729,764 ordinary shares in issue.

Note 6(b) : Fully diluted profit per share for FY2015 and FY2014 are the same as profit per share based on weighted average number of ordinary shares since there was no potential dilutive ordinary shares outstanding during FY2015 and FY2014.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	As at 31/03/2015	As at 31/03/2014
	HK cents	HK cents
<u>The Company</u>		
Net asset value per ordinary share based on existing issued share capital	3.76	3.86
<u>The Group</u>		
Net asset value per ordinary share based on existing issued share capital	6.22	5.82

The calculation of net asset value per share of the Company for the current period reported is based on the Company's net asset value of positive HK\$66,687,000 and 1,771,256,080 ordinary shares in issue at 31 March 2015. The calculation of the net asset value per share of the Company for the immediately preceding financial year is based on the Company's net asset value of positive HK\$68,202,000 and 1,760,729,764 ordinary shares in issue at 31 March 2014.

The calculation of net asset value per share of the Group for the current period reported is based on the Group's net asset value of HK\$110,084,000 and 1,771,256,080 ordinary shares in issue at 31 March 2015. The calculation of net asset value per share of the Group for the immediately preceding financial year is based on the Group's net asset value of HK\$102,210,000 and 1,760,729,764 ordinary shares in issue at 31 March 2014).

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group.**

Income statement

Turnover

In FY2015, the Group recorded a turnover of approximately HK\$99.8 million comparing with HK\$91.2 million in FY2014. Majority of the revenue was generated by the Group's 55% interest in NFC.

Other net income

The Group recorded HK\$0.9 million other net income in FY2015. This comprises of gain on disposal of PPE, exchange gain and interest income etc. In FY2014, HK\$5.0 million other net income mainly represented the reversal of liabilities to the vendor of NFC because NFC did not meet the profit guarantee in FY2014.

Other expenses

In both of FY2015 and FY2014, the Group recorded no material other operating expenses.

Operating expenses

In FY2015, the Group reported distribution expenses of approximately HK\$21.8 million as compared to HK\$9.3 million in FY2014; administrative expenses of approximately HK\$20.4 million in FY2015 as compared to approximately HK\$21.4 million in FY2014.

The HK\$12.5 million increase of distribution expenses in FY2015 as compared to FY2014 is mainly due to the increase of advertisement and marketing expenses in FY2015. The Group reported HK\$1.0 million decrease of administrative expenses in FY2015 as compared to FY2014 due to the decrease in travel and entertaining expenses.

Finance costs

The Group recorded HK2.2 million finance cost in FY2015, which has no material fluctuation as compared to FY2014. This mainly represents the interest paid for the Group's bank loan.

Income tax

The Group recorded HK\$2.0 million of income tax in FY2015, which represents the income tax charged to NFC due to the operating profit in the PRC.

Net profit/ (loss) attributable to shareholders

Overall, the Group recorded a net profit attributable to shareholders of approximately HK\$1.3 million in FY2015 compared to a net profit of approximately HK\$1.4 million in FY2014.

Balance sheet

Intangible assets

Intangible assets decreased by HK\$2.8 million from HK\$55.4 million as at 31 March 2014 to HK\$52.6 million as at 31 March 2015. The decrease of HK\$2.8 million is due to amortization of intangible assets charged in FY2015.

Intangible assets of HK\$52.6 million as at 31 March 2015 included HK\$45.2 million of goodwill arising from the acquisition of NFC and HK\$7.4 million intangible assets related to the customer relationship, software and technology held by the Group.

Long-term prepayment

The Group recorded HK\$1.6 million long term prepayments as at 31 March 2015. This mainly represents the prepayment to acquire new licenses to launch more products by NFC.

Land use right

The Group recorded HK\$6.7 million for the land use right as at 31 March 2015. This is held by NFC for its factory and office areas.

Inventories

The Group recorded HK\$22.0 million inventories as at 31 March 2015. This mainly represents the finished goods, working in progress and raw materials held by NFC and it increased by HK\$4.3 million as compared to HK\$17.7 million inventories as at 31 March 2014 due to the increased raw materials, which will be used to manufacture more products required by the increased number of major customers.

Trade receivables

The Group recorded HK\$53.4 million trade receivables as at 31 March 2015, which mainly was attributed from NFC. It has no material fluctuation comparing with trade receivables as at 31 March 2014.

Prepayments, deposits and other receivables

The Group recorded HK\$12.6 million prepayments, deposits and other receivables as at 31 March 2015, which is a HK\$8.2 million decrease as compared to HK\$20.8 million as at 31 March 2014. This is mainly because the Group collected HK\$8.2 million advance from business partners.

Trade and other payables

Trade and other payables amounted to HK\$28.4 million as at 31 March 2015 as compared to HK\$36.2 million as at 31 March 2014. The HK\$7.8 million decrease was comprised of i) HK\$6.1 million payment to

the vendor of NFC for realized proportion of the profit of FY2014 and 2) HK\$1.7 million payment to acquire inventories.

Short term loan

The Group recorded a HK\$25.2 million short term loan as at 31 March 2015. This loan is secured by land use right and office areas held by NFC.

Long term payable

HK\$71.9 million long term payable as at 31 March 2015 represents the payable to the vendor of NFC for the accumulated profits of NFC. The payable will not be settled within 10 years from the acquisition date.

Cash Flow Statement

The Group recorded a net cash inflow of HK\$10.8 million from operating activities in FY2015 as compared to a net cash outflow of HK\$11.7 million in FY2014 mainly due to the trade and other receivables collected by the Group's 55% subsidiary NFC in FY2015.

The Group recorded HK\$2.5 million net cash outflow from investing activities in FY2015 as compared to a net cash outflow of HK\$0.4 million in FY2014. In FY2015, HK\$2.9 million comprised of outflow to pay for the purchase of property, plant and equipment of NFC to manufacture new launched products.

The Group recorded HK\$2.3 million net cash outflow from financing activities in FY2015 as compared to a net cash inflow of HK\$8.4 million in FY2014. In FY2014, the cash inflow was mainly due to HK\$8.8 million net proceeds from the bank loan of NFC.

As at 31 March 2015, the Group remained in a cash balance position of HK\$39.1 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In FY2015, the Group's 55% interest subsidiary-NFC adjusted its revenue structure to focus on self-manufactured products. As a result, the gross margin ratio increased from 37.1% in FY2014 to 51.1% in FY2015. NFC realized advanced progress in new products launching, brands building and distribution expanding.

NFC is planning to purchase advanced equipment and testing system, enhance employee training to

apply for the certificate of China National Accreditation Service for Conformity Assessment (“CNAS”). Meanwhile NFC is founding its updated logistic system in order to be able to trace its products.

In the current year, NFC continued to apply for new licenses of nutrition and healthy foods and obtained over 26 government approval, to set up the complete product series of NFC. These products are related to the benefits of diabetes, liver protection and immunity enhancing etc.

NFC started cooperation with Focus Media, which was one of the largest marketing companies in China. By adopting high frequency advertisement in office buildings in Changsha, Lanzhou, Harbin and Wenzhou. NFC will continue to develop Over-The-Counter Channels in the coming year in Hunan, Gansu, Heilongjiang, Zhejiang and Shandong etc.

In the coming year, NFC will continue to inject capital to research and development and cooperate with Sichuan University. The target is to achieve at least 10 approval of new products in FY2016. To maintain current marketing strategy, NFC is planning to enter over 100 super markets in China mainland, expecting to increase its revenue extremely in FY2016.

Meanwhile NFC will develop its e-commerce business model as well. Main customers and distributors will still be the major part of revenue contribution in the coming years.

11. Dividend

(a) Current financial period reported on.

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding period of the immediately preceding financial year.

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended during the period under review.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained any IPT mandate.

PART II. ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements with comparative information for the immediately preceding year.**

	FY2015	FY2014
	HK\$'000	HK\$'000
Revenue		
PRC	99,803	91,163
Hong Kong	-	-
	<u>99,803</u>	<u>91,163</u>
Profit / (loss) before taxation		
PRC	14,721	12,509
Hong Kong	(7,218)	(6,647)
	<u>7,503</u>	<u>5,862</u>
Capital expenditure		
PRC	2,874	495
Hong Kong	-	-
	<u>2,874</u>	<u>495</u>

Note: Capital expenditure comprises additions to property, plant and equipment and intangible assets.

Segment assets		
PRC	195,090	188,300
Hong Kong	40,649	48,234
	<u>235,739</u>	<u>236,534</u>

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to section 8 above.

16. A breakdown of sales as follows:-

	FY2015	FY2014	Change
	HK\$'000	HK\$'000	%
	Group	Group	
Sales reported for first half year	59,524	36,230	64
Operating profit/(loss) after tax before deducting non-controlling interests reported for the first half year	3,328	2,344	42
Sales reported for second half year	40,279	54,933	(27)
Operating profit/(loss) after tax before deducting non-controlling interests reported for the second half year	2,219	1,731	28

NM - Not Meaningful

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous year as follows:

Not applicable.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

There are no persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

By Order of the Board

Gao Xiang Nong, Paul
Executive director
28 May 2015