



(Registration No: EC 32308)

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

Financial statements on combined results of the Group for the quarter end of FY2014 as at 30 June 2014. 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)(i) 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 Quarter Ended 30 June 2014
(Expressed in Hong Kong thousand dollars)

	Three Months Ended 30.06.2014		
	FY2015	FY2014	Change
	HK\$'000	HK\$'000	%
Turnover	21,511	15,647	37
Cost of sales	(11,949)	(8,760)	36
Gross profit	9,562	6,887	39
Other net income / (loss)	60	123	(51)
Distribution expenses	(4,086)	(781)	423
Administrative expenses	(3,807)	(3,027)	26
Profit from operations	1,729	3,202	(46)
Finance costs	(543)	(347)	56
Profit from ordinary activities before taxation	1,186	2,855	(58)
Income tax	(338)	(202)	67
Net profit for the quarter	848	2,653	(68)
Attributable to:			
Equity holders of the Company	69	1,011	(93)
Minority interest	779	1,642	(53)
Net profit for the quarter	848	2,653	(68)

NM - Not meaningful

1(a)(ii) 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 Consolidated Comprehensive Income Statement
For the Quarter Ended 30 June 2014
(Expressed in Hong Kong thousand dollars)

	Three Months Ended 30.06.2014		
	FY2015	FY2014	Change
	HK\$'000	HK\$'000	%
Net profit for the quarter	848	2,653	(68)
Other comprehensive income			
Exchange differences on translating foreign operations	125	339	(63)
Total comprehensive income for the quarter	973	2,992	(67)
Attributable to:			
Equity holders of the Company	194	1,350	(86)
Non-controlling interests	779	1,642	(53)
Total comprehensive income for the quarter	973	2,992	(67)

NM - Not meaningful

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 30 June 2014
(Expressed in Hong Kong thousand dollars)

	The Group		The Company	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	As at 30/06/2014	As at 31/03/2014	As at 30/06/2014	As at 31/03/2014
Non-current assets				
Interests in subsidiaries	-	-	66,435	66,435
Property, plant and equipment	48,031	48,659	-	-
Intangible assets	55,025	55,357	-	-
Non-current prepayments	1,836	1,858	-	-
Land use rights	6,652	6,665	-	-
	111,544	112,539	66,435	66,435
Current assets				
Inventories	17,639	17,726	-	-
Trade receivables	52,437	52,524	-	-
Prepayments, deposits and other receivables	20,650	20,789	-	-
Amounts due from subsidiaries	-	-	9,874	8,734
Tax recoverable	-	-	-	-
Cash and cash equivalents	35,016	32,956	2,014	2,233
	125,742	123,995	11,888	10,967
Current liabilities				
Trade and other payables	36,091	36,183	9,200	9,200
Short term loan	26,439	26,574	-	-
Tax payable	532	1,688	-	-
Obligations under a finance lease	192	208	-	-
	63,254	64,653	9,200	9,200
Net current assets/(liabilities)	62,488	59,342	2,688	1,767
Non-current liabilities				
Dividend payable	69,487	69,528	-	-
Obligations under a finance lease	121	143	-	-
	69,608	69,671	-	-
Net assets/(liabilities)	104,424	102,210	69,123	68,202
Equity				
Share capital	123,988	123,251	123,988	123,251
Reserves	(46,898)	(47,513)	(54,865)	(55,049)
Total equity attributable to equity holders of the Company	77,090	75,738	69,123	68,202
Non-controlling interests	27,334	26,472	-	-
Total equity	104,424	102,210	69,123	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 30/06/2014 In HK\$'000		As at 31/03/2014 In HK\$'000	
Secured	Unsecured	Secured	Unsecured
26,439	-	26,574	-

Amount repayable after one year

As at 30/06/2014 In HK\$'000		As at 31/03/2014 In HK\$'000	
Secured	Unsecured	Secured	Unsecured
121	-	143	-

Not Applicable

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 Quarter Ended 30 June 2014
(Expressed in Hong Kong thousand dollars)

	Three Months Ended 30.06.2014	
	FY2015	FY2014
	HK\$'000	HK\$'000
Operating activities		
Profit/(loss) from ordinary activities before taxation	1,186	2,855
Adjustments for:		
Depreciation of property, plant and equipment	628	643
Amortization of intangible assets	332	344
Operating profit / (loss) before changes in working capital	2,146	3,842
Changes in working capital		
Increase in inventories	(87)	(689)
Decrease/(increase) in trade receivables	(129)	(2,901)
Decrease/(increase) in prepayments, deposits and other receivables	1,065	(8,855)
Increase/(decrease) in trade and other payables	(1,248)	(2,181)
Cash generated from/(used by) operations	1,747	(10,784)
Tax paid	(338)	(282)
Interest paid	(97)	(105)
Tax refund	-	-
Net cash inflow/(outflow) from operating activities	1,312	(11,171)
Investing activities		
Acquisition of a subsidiary	-	(8,946)
Net cash inflow/(outflow) from investing activities	-	(8,946)
Financing activities		
Proceeds from share placement	1,241	-
Repaid to an independent third party	-	-
Repaid a bank loan	-	(9,831)
Net cash inflow from financing activities	1,241	(9,831)
Net (decrease)/increase in cash and cash equivalents	2,553	(29,948)
Cash and cash equivalents at beginning of the quarter	32,338	37,507
Effect of foreign exchange rate changes	125	339
Cash and cash equivalents at end of the quarter	35,016	7,898

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 a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Share Capital	Share Premium	Exchange Reserve	Share-based Payment Reserve	Retained Earnings	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2014	123,251	267,634	917	3,368	(319,432)	75,738	26,472	102,210
Issuance of shares	737	504	-	-	-	1,241	-	1,241
Total comprehensive income/(loss) for the quarter	-	-	125	-	69	194	779	973
At 30 June 2014	123,988	268,138	1,042	3,368	(319,363)	77,173	27,251	104,424

The Group	Share Capital	Share Premium	Exchange Reserve	Share-based Payment Reserve	Retained Earnings	Total	Non-controlling interests	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
Total comprehensive income/(loss) for the quarter	-	-	339	-	69	408	779	1,187
At 30 June 2013	123,251	267,634	1,511	3,368	(320,715)	75,049	24,528	99,577

The Company	Share Capital	Share Premium	Share-based Payment Reserve	Retained Earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2014	123,251	267,634	3,368	(326,051)	68,202
Issuance of shares	737	504	-	-	1,241
Total comprehensive income/(loss) for the quarter	-	-	-	(320)	(320)
At 30 June 2014	123,988	268,138	3,368	(326,371)	69,123

The Company	Share Capital	Share Premium	Share-based Payment Reserve	Retained Earnings	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
Total comprehensive income/(loss) for the quarter	-	-	-	(439)	(439)
At 30 June 2013	123,251	267,634	3,368	(329,958)	64,295

- 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 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 Q1 FY2015, share capital of the Group increased HK\$737,000. It is because that the Group issued 10,526,316 ordinary shares as at 11 June 2014. The Company has no outstanding convertibles.

During Q1 FY2014, share capital of the Group has 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 30 June 2014 was 1,771,256,080 (31 March 2014: 1,760,729,764). As at 30 June 2014 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.**

There is no change 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.

	Q1 FY2015	Q1 FY2014
	HK cents	HK cents
(a) Based on the weighted average number of ordinary shares in issue; and	0.01	0.06
(b) On a fully diluted basis	0.01	0.06

Note 6(a) : For Q1 FY2015, the calculation of basic loss per share was based on profit attributable to equity holders of the Company of HK\$69,000 and the weighted average of 1,762,951,986 ordinary shares in issue.

For Q1 FY2014, the calculation of basic loss per share was based on profit attributable to equity holders of the Company of HK\$1,011,000 and the weighted average of 1,760,729,764 ordinary shares in issue.

Note 6(b) : Fully diluted profit/(loss) per share for Q1 FY2015 and Q1 FY2014 are the same as profit/(loss) per share based on weighted average number of ordinary shares since there was no potential dilutive ordinary shares outstanding during Q1 FY2015 and Q1 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 30/06/2014	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	3.90	3.87
<u>The Group</u>		
Net asset value per ordinary share based on existing issued share capital	5.90	5.80

The calculation of net asset value per share of the Company is based on the Company's net asset value of HK\$69,123,000 (at 31 March 2014: HK\$64,734,000) and 1,771,256,080 ordinary shares in issue at 30 June 2014 (at 31 March 2014: 1,760,729,764) .

The calculation of net asset value per share of the Group is based on the Group's net asset value of HK\$104,424,000 (at 31 March 2014: HK\$102,210,000) and 1,771,256,080 ordinary shares in issue at 30 June 2014 (at 31 March 2013: 1,760,729,764) .

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 Q1FY2015, the Group recorded a turnover of approximately HK\$21.5 million comparing with HK\$15.6 million in Q1FY2014. Majority of the revenue was generated by the Group's 55% interest NutryFarm (Chengdu) Biomedicine Limited ("NFC").

Other net income/ (loss)

The Group recorded no material other net income/ (loss) in Q1FY2015 and Q1FY2014. It only recorded as interest income and exchange gains.

Operating expenses

In Q1FY2015, the Group reported distribution expenses of approximately HK\$4.1 million as compared to HK\$0.8 million in Q1FY2014; administrative expenses of approximately HK\$3.8 million in Q1FY2015 as compared to approximately HK\$3.0 million in Q1FY2014.

HK\$3.3 million increase of distribution expenses is mainly because that HK\$1.5 million related to the expenses to be honored to have Mrs. Hai Qing, one of the most famous Chinese movie stars, on board as its brand ambassador and HK\$1.8 million advertisement expenses. HK\$0.8 million increase of administrative expenses is mainly due to the increased transportation expenses, registration expenses etc. for launching new products.

Finance costs

The Group recorded HK\$0.5 million finance cost in Q1FY2015. It represents the interest paid for bank loan and the finance lease in this quarter.

Income tax

The Group recorded HK\$0.3 million of income tax in Q1FY2015, 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\$69,000 in Q1FY2015 comparing with HK\$1.1 million in Q1FY2014.

Balance sheet

Property, plant and equipment

Property, plant and equipment decreased by HK\$0.7 million as at 30 June 2014 comparing with HK\$48.7 million as at 31 March 2014. It is mainly due to the depreciation charged in this quarter.

Intangible assets

Intangible assets decreased by HK\$0.4 million from HK\$55.4 million as at 31 March 2014 to HK\$55.0 million as at 30 June 2014. The decrease of HK\$0.4 million is due to the amortization of intangible assets in Q1FY2015.

Intangible assets of HK\$55.0 million as at 30 June 2014 included HK\$45.2 million of goodwill arising from the acquisition of NFC and HK\$9.8 million intangible assets related to the customer relationship, software and technology held by the Group.

Land use right

The Group recorded HK\$7.0 million land use right as at 30 June 2014. It is held by NFC for its factory and office areas.

Inventories

The Group recorded HK\$17.6 million inventories as at 30 June 2014. It mainly represents the finished goods, working in progress and raw materials held by NFC and have no material fluctuation comparing with 31 March 2014.

Trade receivables

The Group recorded HK\$52.4 million trade receivables as at 30 June 2014. It mainly comes from NFC related to the normal course of business and has no material fluctuation with 31 March 2014.

Prepayments, deposits and other receivables

The Group recorded HK\$20.7 million prepayments, deposits and other receivables as at 30 June 2014 and has no significant changes with 31 March 2014.

Trade and other payables

Trade and other payables amounted to HK\$36.1 million as at 30 June 2014 as compared to HK\$36.2 million as at 31 March 2014. The HK\$0.1 million decrease was mainly due to settlement of liabilities.

Short term loan

Group recorded HK\$26.4 million short term loan as at 30 June 2014, which is HK\$0.2 million decrease comparing HK\$26.6 million as at 31 March 2014. This loan is secured by land use right and office areas held by NFC.

Obligations under a finance lease

The amount of HK\$0.3 million of obligations under short-term and long-term finance lease as at 30 June 2014 have no material fluctuations comparing with obligations under short-term and long-term finance lease as at 31 March 2014.

Long term payable

HK\$69.5 million long term payable as at 30 June 2014 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\$1.3 million from operating activities in Q1FY2015 compared with a net cash outflow of HK\$11.2 million in Q1FY2014 because that NFC improved the collective period of debtors in Q1FY2015.

The Group recorded no cash flow from investing activities in Q1FY2015. The Group recorded HK\$8.9 million cash outflow in Q1FY2014, which represents the payment to the vendor of NFC as NFC realized guaranteed profit from 1 April 2012 to 31 March 2013.

The Group recorded HK\$1.2 million net cash inflow from financing activities in Q1FY2015 compared to a net cash outflow of HK\$9.8 million in Q1FY2014 due to i) the Group issued 10,526,316 common shares as at 11 June 2014 and ii) NFC repaid HK\$9.8 million bank loan in Q1FY2014.

As at 30 June 2014, the Group remained in a cash balance position of HK\$35.0 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.

During the quarter under review, NFC launched a series of strategic marketing campaigns by shooting the advertisements with its image ambassador Hai Qing; cooperate with one of the top 3 China advertisement channels—Focus Media, to display NFC's advertisements on Focus Media's screens; and promoting NFC's products on local print media. These brand building and network establishment activities will bring long term returns to the company. Their result have already shown, that the company's sales growth about 37% in Q1 FY2015. The management will continuously review the returns of above mentioned marketing campaigns to bring the best benefits to its shareholders.

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/recommendeded, a statement to that effect.

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

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

Not applicable.

14. 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).

Not applicable.

15. Negative assurance confirmation on interim financial results under Rule 705(5):

We, Luk Chung Po Terence and Gao Xiang Nong Paul, being directors of the Company do hereby confirm on behalf of the Board of Directors that to the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors which may render the interim financial statements to be false or misleading in any material aspect.

By Order of the Board

Luk Chung Po, Terence
Chairman
14 August 2014

Gao Xiang Nong, Paul
Executive director