



(Registration No: EC 32308)

**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT**

Financial statements on combined results of the Group for the quarter end of Q1FY2016 as at 30 June 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)(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 2015**  
**(Expressed in Hong Kong thousand dollars)**

	Three Months Ended 30.06.2015		
	FY2016	FY2015	Change
	HK\$'000	HK\$'000	%
<b>Turnover</b>	23,844	21,511	11
Cost of sales	(9,056)	(11,949)	(24)
<b>Gross profit</b>	14,788	9,562	55
Other net income	-	60	NM
Other expenses	(222)	-	NM
Distribution expenses	(4,093)	(4,086)	(4)
Administrative expenses	(3,923)	(3,807)	3
Finance costs	(386)	(543)	(29)
<b>Profit from ordinary activities before taxation</b>	6,164	1,186	420
Income tax	(1,114)	(338)	230
<b>Net profit for the quarter</b>	5,050	848	496
<b>Attributable to:</b>			
Equity holders of the Company	2,308	69	3,245
Non-controlling interest	2,742	779	252
<b>Net profit for the quarter</b>	5,050	848	496

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 2015**  
**(Expressed in Hong Kong thousand dollars)**

	Three Months Ended 30.06.2015		
	FY2016	FY2015	Change
	HK\$'000	HK\$'000	%
<b>Net profit for the quarter</b>	5,050	848	496
<b>Other comprehensive income/(loss)</b>			
Exchange differences on translating foreign operations, net of nil tax	102	125	NM
<b>Total comprehensive income for the quarter</b>	5,152	973	429
<b>Attributable to:</b>			
Equity holders of the Company	2,410	194	1,142
Non-controlling interest	2,742	779	252
<b>Total comprehensive income for the quarter</b>	5,152	973	429

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 2015**  
**(Expressed in Hong Kong thousand dollars)**

	The Group		The Company	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	As at 30/06/2015	As at 31/03/2015	As at 30/06/2015	As at 31/03/2015
<b>Non-current assets</b>				
Interests in subsidiaries	-	-	66,435	66,435
Property, plant and equipment	47,262	47,876	-	-
Intangible assets	52,636	52,595	-	-
Long term prepayment	1,556	1,589	-	-
Land use right	6,967	6,651	-	-
	108,421	108,711	66,435	66,435
<b>Current assets</b>				
Inventories	22,235	21,976	-	-
Trade receivables	52,698	53,417	-	-
Prepayments, deposits and other receivables	19,608	12,419	36,371	-
Amounts due from subsidiaries	-	-	328	1,193
Cash and cash equivalents	69,928	39,081	898	299
	164,469	126,893	37,597	1,492
<b>Current liabilities</b>				
Trade and other payables	29,980	28,432	2,843	2,462
Short term loan	22,246	25,249	-	-
Tax payable	70	46	-	-
Amount due to subsidiary	-	-	170	135
	52,296	53,727	3,013	2,597
<b>Net current assets/(liabilities)</b>	112,173	73,166	34,584	(1,105)
<b>Non-current liabilities</b>				
Dividend payable	70,414	71,928	-	-
<b>Net assets/(liabilities)</b>	150,180	109,949	101,019	65,330
<b>Equity</b>				
Share capital	125,988	123,988	125,988	123,988
Reserves	(9,310)	(44,799)	(24,969)	(58,658)
<b>Total equity attributable to equity holders of the Company</b>	116,678	79,189	101,019	65,330
Non-controlling interest	33,502	30,760	-	-
<b>Total equity</b>	150,180	109,949	101,019	65,330

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

Amount repayable in one year or less, or on demand

As at 30/06/2015 In HK\$'000		As at 31/03/2015 In HK\$'000	
Secured	Unsecured	Secured	Unsecured
22,246	-	25,249	-

Amount repayable after one year

As at 30/06/2015 In HK\$'000		As at 31/03/2015 In HK\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

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 2015**  
**(Expressed in Hong Kong thousand dollars)**

	<b>Three Months Ended 30.06.2015</b>	
	<b>Q1FY2016</b>	<b>Q1FY2015</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Operating activities</b>		
Profit from ordinary activities before taxation	6,164	1,186
Adjustments for:		
Amortisation of intangible assets	350	332
Depreciation	614	628
<b>Operating profit before changes in working capital</b>	<b>7,128</b>	<b>2,146</b>
<b>Changes in working capital</b>		
Increase in inventories	(259)	(87)
Decrease/(increase) in trade receivables	719	(129)
(Increase)/decrease in prepayments, deposits and other receivables	(3,756)	1,065
Increase/(decrease) in trade and other payables	1,524	(1,248)
<b>Cash generated from/(used in) operations</b>	<b>5,356</b>	<b>1,747</b>
Tax paid	(1,114)	(338)
Interest paid	(386)	(97)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>3,856</b>	<b>1,312</b>
<b>Investing activities</b>		
Advance to customers and suppliers	(6,479)	-
<b>Net cash outflow from investing activities</b>	<b>(6,479)</b>	<b>-</b>
<b>Financing activities</b>		
Proceeds from issuance of new shares	36,371	1,241
Repayment of borrowings	(3,003)	-
<b>Net cash (outflow)/inflow from financing activities</b>	<b>33,368</b>	<b>1,241</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>30,745</b>	<b>2,553</b>
Cash and cash equivalents at beginning of the quarter	39,081	32,338
Effect of foreign exchange rate changes	102	125
Cash and cash equivalents at end of the quarter	<b>69,928</b>	<b>35,016</b>

**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	Contributed Surplus	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	HK\$'000
<b>At 1 April 2015</b>	123,988	-	268,107	2,034	-	(314,940)	79,189	30,760	109,949
Share consolidation	(119,560)	119,560	-	-	-	-	-	-	-
Issuance of shares	2,000	-	34,371	-	-	-	36,371	-	36,371
Currency translation difference	-	-	-	(1,292)	-	-	-	-	(1,292)
Other comprehensive income/(loss) for the quarter	-	-	-	102	-	-	102	-	102
Net profit for the quarter	-	-	-	-	-	2,308	2,308	2,742	5,050
<b>At 30 June 2015</b>	6,428	119,560	302,478	844	-	(312,632)	116,678	33,502	150,180

The Group	Share Capital	Contributed Surplus	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	HK\$'000
<b>At 1 April 2014</b>	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
<b>At 30 June 2014</b>	123,988	123,988	268,138	1,042	3,368	(319,363)	77,173	27,251	104,424

The Company	Share Capital	Contributed Surplus	Share Premium	Equity-settled Share-based Transaction Reserve	Accumulated Losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 April 2015</b>	123,988	-	268,107	-	(326,765)	65,330
Share consolidation	(119,560)	119,560	-	-	-	-
Issuance of shares	2,000	-	34,371	-	-	36,371
Net profit/(loss) for the quarter	-	-	-	-	(682)	(682)
<b>At 30 June 2015</b>	6,428	-	302,478	-	(327,447)	101,019

The Company	Share Capital	Contributed Surplus	Share Premium	Share-based Payment Reserve	Retained Earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 April 2014</b>	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)
<b>At 30 June 2014</b>	123,988	-	268,138	3,368	(326,371)	69,123

- 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 Q1FY2016, the Group made share consolidation on 8 June 2015 to consolidate every 40 shares into one new share and to change par value from HK\$0.07 to HK\$0.10. As a result, the Company has 44,281,402 shares after the consolidation. In addition, on 24 June 2015, the Company completed a share placement to issue 20,000,000 and the Company has 64,281,402 outstanding shares after share placement.

During Q1FY2015, 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.

- 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 (31 March 2014: 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.**

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.**

	<b>Q1FY2016</b>	<b>Q1FY2015</b>
	HK cents	HK cents
(a) Based on the weighted average number of ordinary shares in issue; and	5.06	0.16
(b) On a fully diluted basis	5.06	0.16

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\$2,308,000 and the weighted average of 45,614,735 ordinary shares in issue, assuming the share consolidation effectively from the beginning of FY2016.

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 44,281,402 ordinary shares in issue, assuming the share consolidation happened at the beginning of FY2015.

Note 6(b) : Fully diluted profit/(loss) per share for Q1FY2016 and Q1FY2015 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 Q1FY2016 and Q1FY2015.

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.**

	<b>As at 30/06/2015</b>	<b>As at 31/03/2015</b>
	HK\$	HK\$
<b><u>The Company</u></b>		
Net asset value per ordinary share based on existing issued share capital	1.57	1.48
<b><u>The Group</u></b>		
Net asset value per ordinary share based on existing issued share capital	2.34	2.48

The calculation of net asset value per share of the Company is based on the Company's net asset value of positive HK\$101,019,000 (at 31 March 2015: HK\$65,330,000) and 64,281,402 ordinary shares in issue at 30 June 2015 (at 31 March 2015: 44,281,402), assuming the share consolidation effectively at the end of FY2015.

The calculation of net asset value per share of the Group is based on the Group's net asset value of HK\$150,180,000 (at 31 March 2015: HK\$109,949,000) and 64,281,402 ordinary shares in issue at 30 June 2015 (at 31 March 2015: 44,281,402).



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 Q1FY2016, the Group recorded a turnover of approximately HK\$23.8 million comparing with HK\$21.5 million in Q1FY2015. Majority of the revenue was generated by the Group's 55% interest NutryFarm (Chengdu) Biomedicine Limited ("NFC"). Gross margin ratio in Q1FY2016 is 62.01%, which increased 39.52% comparing with 44.45% in Q1FY2015. This increase is mainly because NFC sold more self-manufactured products in Q1FY2016. It has high gross margin ratio than imported products, which is comprised of over 20% revenue in Q1FY2015.

##### Other net income/ (expenses)

The Group recorded no material other net income/ (expenses) in Q1FY2016 and Q1FY2015. It only recorded as interest income and exchange gains.

##### Operating expenses

In Q1FY2016, the Group reported distribution expenses of approximately HK\$4.1 million which is the same as Q1FY2015; administrative expenses of approximately HK\$3.9 million in Q1FY2016 as compared to approximately HK\$3.8 million in Q1FY2015 without any material fluctuation.

##### Finance costs

The Group recorded HK0.4 million finance cost in Q1FY2016. It represents the interest paid for bank loan in this quarter.

##### Income tax

The Group recorded HK\$1.1 million of income tax in Q1FY2016, 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\$2.3 million in Q1FY2016 comparing with HK\$0.1 million in Q1FY2015.

## **Balance sheet**

### Property, plant and equipment

Property, plant and equipment decreased by HK\$0.6 million as at 30 June 2015 comparing with HK\$47.9 million as at 31 March 2015. It is mainly due to the depreciation charged in this quarter.

### Intangible assets

The Group recorded intangible assets of HK\$52.6 million as at 30 June 2015 as the same as at 31 March 2015 without any significant fluctuation.

Intangible assets of HK\$52.6 million as at 30 June 2015 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 held by the Group.

### Land use right

The Group recorded HK\$7.0 million land use right as at 30 June 2015. It is held by NFC for its factory and office areas.

### Inventories

The Group recorded HK\$22.2 million inventories as at 30 June 2015 comparing HK\$22.0 million as at 31 March 2015 with no significant movement. It mainly represents the finished goods, working in progress and raw materials held by NFC.

### Trade receivables

The Group recorded HK\$52.7 million trade receivables as at 30 June 2015. It mainly comes from NFC related to the normal course of business and has no material fluctuation with 31 March 2015.

### Prepayments, deposits and other receivables

The Group recorded HK\$19.6 million prepayments, deposits and other receivables as at 30 June 2015 and increased HK\$7.2 million comparing with it as at 31 March 2015. It mainly represents the advance to the Group's business partner.

### Trade and other payables

Trade and other payables amounted to HK\$30.0 million as at 30 June 2015 as compared to HK\$28.4 million as at 31 March 2015. The HK\$1.6 million increase was mainly due to the payable to NFC's supplier to acquire more raw materials for further products manufacture.

### Short term loan

Group recorded HK\$22.2 million short term loan as at 30 June 2015, which is HK\$3.0 million decrease comparing HK\$25.2 million as at 31 March 2015. 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\$70.4 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\$3.9 million from operating activities in Q1FY2016 compared with a net cash inflow of HK\$1.3 million in Q1FY2015. The increase is mainly because that NFC improved the collective period of debtors and increased its gross margin in Q1FY2016.

The Group recorded a HK\$6.5 million cash outflow from investing activities in Q1FY2016, which was due to the advance to NFC's business partner.

The Group recorded HK\$33.4 million net cash inflow from financing activities in Q1FY2016 is due to the Group issued 20,000,000 common shares as at 12 June 2015.

As at 30 June 2015, the Group remained in a cash balance position of HK\$69.9 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 11% in Q1 FY2016 and gross profit increased 39.52% due to the diversify of products. 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/recommended, 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:**

To the best of the knowledge of the Directors, nothing has come to the attention of the Board which may render these interim financial results to be false or misleading.

**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):**

I, 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

**Gao Xiang Nong, Paul**  
**Chief Executive Officer and Executive Director**

**11 August 2015**