LONG JI TAI HE HOLDING LIMITED
隆 基 泰 和 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1281)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

The board (the "Board") of directors (the "Directors") of Long Ji Tai He Holding Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015 (the "Period") together with selected explanatory notes and the comparative figures for the corresponding period in 2014 as follows:

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2015 — unaudited

(Expressed in Renminbi ("RMB"))

	Note	Six months ended 30 June 2015 RMB'000 (unaudited)	2014 RMB'000 (audited)
Continuing operations:			
Revenue	*4*	**22,870**	33,563
Cost of sales		**(16,421)**	(21,636)
Gross profit		**6,449**	11,927
Selling and distribution expenses		**(557)**	(491)
Administrative expenses		**(3,830)**	(3,831)
Profit from operations		**2,062**	7,605
Finance income		**9**	12
Finance costs	*5(a)*	**(257)**	(2,958)
Profit before taxation	*5*	**1,814**	4,659
Income tax	*6*	**(704)**	(652)
Profit for the period from continuing operations		**1,110**	4,007
Discontinued operation:			
Loss from discontinued operation, net of tax	*7*	**(1,622)**	(37,915)
Loss for the period		**(512)**	(33,908)

		Six months ended 30 June	
		2015	2014
	Note	***RMB'000***	*RMB'000*
		(unaudited)	(audited)
Attributable to:			
Equity shareholders of the Company		**(512)**	(33,908)
Loss for the period		**(512)**	(33,908)
Earnings/(losses) per share (*RMB*)	*8*		
Basic			
Continuing operations		**0.0018**	0.0067
Discontinued operation		**(0.0027)**	(0.0630)
		(0.0009)	(0.0563)
Diluted			
Continuing operations		**0.0018**	0.0066
Discontinued operation		**(0.0027)**	(0.0624)
		(0.0009)	(0.0558)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015 — unaudited

(Expressed in RMB)

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Loss for the period	**(512)**	(33,908)
Other comprehensive income for the period (after tax and reclassification adjustments):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**(17)**	522
Other comprehensive income for the period	**(17)**	522
Total comprehensive income for the period	**(529)**	(33,386)
Attributable to:		
Equity shareholders of the Company	**(529)**	(33,386)
Total comprehensive income for the period	**(529)**	(33,386)

Consolidated Statement of Financial Position

At 30 June 2015 — unaudited

(Expressed in RMB)

	Note	At 30 June 2015 *RMB'000* (unaudited)	At 31 December 2014 *RMB'000* (audited)
Non-current assets			
Lease prepayments		**6,253**	6,331
Property, plant and equipment		**12,674**	12,830
Total non-current assets		**18,927**	19,161
Current assets			
Lease prepayments		**154**	154
Inventories		**13,971**	18,260
Trade and other receivables, deposits and prepayments	*9*	**53,141**	51,395
Cash and cash equivalents		**5,414**	6,290
		72,680	76,099
Assets of a disposal group classified as held for distribution	*10*	**—**	676,445
Total current assets		**72,680**	752,544
Total assets		**91,607**	771,705
Current liabilities			
Bank loans		**—**	78,000
Receipts in advance		**6,355**	13,646
Trade and other payables	*11*	**20,301**	47,125
Current taxation		**7,978**	7,924
		34,634	146,695
Liabilities of a disposal group classified as held for distribution	*10*	**—**	359,570
Total current liabilities		**34,634**	506,265
Net current assets		**38,046**	246,279
Total assets less current liabilities		**56,973**	265,440
NET ASSETS		**56,973**	265,440
Equity			
Share capital	*12*	**4,943**	4,900
Reserves		**52,030**	260,540
Total equity attributable to equity shareholders of the Company		**56,973**	265,440
TOTAL EQUITY		**56,973**	265,440

Notes to the Unaudited Interim Financial Information

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

Long Ji Tai He Holding Limited (the "Company", formerly known as "Kai Shi China Holdings Company Limited") was incorporated in the Cayman Islands on 4 January 2011 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 January 2012.

On 22 November 2014, Mr. Kai Chenglian ("Mr. Kai") and Yi Ming Jia Lin Holdings Company Limited ("Yi Ming Jia Lin"), which was wholly owned by Mr. Kai (collectively the "Vendors"), Longevity Investment Holding Limited ("Longevity") and Mr. Wei Shaojun ("Mr. Wei"), the sole shareholder of Longevity, entered into an agreement (the "Share Sale Agreement") relating to the sale of 450,900,000 shares of the Company held by the Vendors at a price of HK$0.8568 per share. Pursuant to the terms of the Share Sale Agreement, the Company was required, among other things, to carry out an asset reorganisation (the "Asset Reorganisation"), to effect a distribution in specie of shares of a wholly-owned subsidiary of the Company, Kai Shi Holdings Company Limited ("KSH") (the "Distribution In Specie"). The transactions contemplated under the Share Sale Agreement (the "Transactions") were approved by the independent shareholders of the Company at an extraordinary general meeting of the Company held on 16 January 2015 and completion of the Share Sale Agreement took place on 23 January 2015. For details, please refer to the joint announcement of the Company, the Vendors and Longevity dated 5 December 2014 and the circular of the Company dated 24 December 2014.

Pursuant to the Asset Reorganisation, the Company, among other things, reorganised its subsidiaries into two sub-groups, the KSH Group and the Remaining Group (comprising the Company and its subsidiaries other than those under the KSH). The KSH Group, comprising KSH and its subsidiaries, is engaged in property development business (the "Distributed Business"). The Remaining Group is engaged in the business of provision of construction and engineering services and manufacture, processing and sales of doors and windows in the PRC (the "Retained Business").

Upon completion of the Share Sale Agreement, Longevity became the registered shareholder of 450,900,000 shares of the Company, representing approximately 74.90% of the issued share capital of the Company. Mr. Wei, the sole shareholder of Longevity, has become the ultimate controlling party of the Company upon completion of the Share Sale Agreement.

The KSH Group, having a net asset value of RMB212,179,000 as at 26 January 2015, was distributed to the shareholders whose names appeared on the register of members of the Company on 22 January 2015 by way of Distribution in Specie. Following the completion of the Distribution in Specie, the principal subsidiaries of the Company are engaged in the Retained Business.

An offer was subsequently made by China International Capital Corporation Hong Kong Securities Limited ("CICCHKS") on behalf of Longevity to acquire all the issued shares in the Company (other than those already owned or agreed to be acquired by Longevity and parties acting in concert with it) at a price of HK$0.8568 per share and to cancel all outstanding options which have been granted by the Company in accordance with the pre-IPO share option scheme ("Pre-IPO Share Option Scheme") of the Company on 24 June 2011 at a price of HK$0.1368 per share option (the "Listco Offers").

The Listco Offers were closed on 26 February 2015 with valid acceptances of a total 76,080,000 shares representing approximately 12.52% of the total issued share capital of the Company. Upon the completion of the Listco Offers, Longevity held 526,980,000 shares of the Company, representing approximately 86.75% of the issued share capital of the Company. There has been no acceptance received in respect of the option offer. All the outstanding options (save for the options held by Mr. Kai and his spouse, which were excluded from the Listco Offers) subject to the option offer were exercised in full on 16 February 2015 and 5,440,000 new shares were issued accordingly.

By a special resolution passed at an extraordinary general meeting of the Company held on 26 March 2015, the English name of the Company was changed from "Kai Shi China Holdings Company Limited" to "Long Ji Tai He Holding Limited" and 隆基泰和控股有限公司 was adopted as its new Chinese name to replace 開世中國控股有限公司.

On 23 April 2015, Longevity entered into a placing agreement with CICCHKS, pursuant to which CICCHKS agreed to place on a fully underwritten basis 94,107,488 shares of the Company held by Longevity to independent places at a price of HK$0.8568 per share. Completion of the placing took place on 28 April 2015. Immediately after the completion of the placing, Longevity is interested in 432,872,512 shares of the Company, representing approximately 71.26% of the issued share capital of the Company.

2 BASIS OF PREPARATION

The interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with International Accounting Standard ("IAS") 34, *Interim financial Reporting*, issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 31 August 2015.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of these changes in accounting policies are set out in note 3.

The preparation of an interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2014 annual financial statements. The condensed consolidated interim financial information and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

The interim financial information is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

3 CHANGES IN ACCOUNTING POLICIES

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

- *Annual Improvements to IFRSs 2010–2012 Cycle*
- *Annual Improvements to IFRSs 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 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines (products and services). 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 three reportable segments. No operating segments have been aggregated to form the following reportable segments.

Continuing operations:

— Provision of construction and engineering services; and

— Sales of doors and windows

Discontinued operation:

— Property development

No geographic information is shown as substantially all assets, liabilities, turnover and profit from the operations of the Group are derived from activities in the People's Republic of China ("the PRC").

(a) Information about profit or loss, assets and liabilities

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 six months ended 30 June 2015 is set out below.

	Continuing operations			**Discontinued operation**	
	Provision of construction and engineering services *RMB'000*	**Sales of doors and windows** *RMB'000*	**Sub-total** *RMB'000*	**Property development** *RMB'000*	**Total** *RMB'000*
For the six months ended 30 June 2015					
Revenue from external customers	**1,005**	**21,865**	**22,870**	**—**	**22,870**
Inter-segment revenue	**—**	**—**	**—**	**—**	**—**
Reportable segment revenue	**1,005**	**21,865**	**22,870**	**—**	**22,870**
Reportable segment (loss)/profit	**(524)**	**1,634**	**1,110**	**(1,622)**	**(512)**
As at 30 June 2015					
Reportable segment assets	**23,567**	**86,487**	**110,054**	**—**	**110,054**
Reportable segment liabilities	**11,193**	**35,888**	**47,081**	**—**	**47,081**

	Continuing operations			Discontinued operation	
	Provision of construction and engineering services *RMB'000*	Sales of doors and windows *RMB'000*	Sub-total *RMB'000*	Property development *RMB'000*	Total *RMB'000*
For the six months ended 30 June 2014					
Revenue from external customers	12,445	21,118	33,563	13,504	47,067
Inter-segment revenue	—	—	—	—	—
Reportable segment revenue	12,445	21,118	33,563	13,504	47,067
Reportable segment profit/(loss)	4,799	(812)	3,987	(37,915)	(33,928)
As at 31 December 2014					
Reportable segment assets	98,949	171,194	270,143	693,733	963,876
Reportable segment liabilities	85,125	125,978	211,103	511,353	722,456

The measure used for reporting segment profit is "profit after tax".

(b) Reconciliations of reportable segment profit or loss

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Reportable segment loss	**(512)**	(33,928)
Elimination of inter-segment profits	**—**	20
Elimination of discontinued operation	**1,622**	37,915
Consolidated profit for the period from continuing operations	**1,110**	4,007

5 PROFIT BEFORE TAXATION

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

	Six months ended 30 June			
	2015		2014	
	Continuing operations	**Discontinued operation**	Continuing operations	Discontinued operation
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
	(unaudited)	**(unaudited)**	(audited)	(audited)
(a) Finance costs:				
Interest on borrowings	**256**	**—**	2,955	472
Less: Interest expense capitalised into properties under development	**—**	**—**	—	(472)
	256	**—**	2,955	—
Other finance costs	**1**	**1**	3	12
Total finance costs	**257**	**1**	2,958	12
(b) Staff costs				
Salaries, wages and other benefits	**2,380**	**304**	2,268	2,536
Contributions to defined contribution retirement plans	**348**	**61**	300	203
Equity-settled share-based payment expenses	**167**	**995**	80	448
	2,895	**1,360**	2,648	3,187
(c) Other items				
Amortisation of lease prepayments	**78**	**—**	78	—
Depreciation	**285**	**—**	327	1,063
Auditors' remuneration	**300**	**—**	—	450
Write-down of completed properties held for sale	**—**	**—**	—	18,500

6 INCOME TAX

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Continuing operations		
Current tax		
PRC Corporate Income Tax ("CIT")	**704**	652
	704	652
Discontinued operation:		
Current tax		
PRC CIT	**—**	—
PRC Land Appreciation Tax ("LAT")	**—**	894
Deferred tax		
Origination and reversal of temporary differences relating to CIT	**—**	(12,343)
Origination and reversal of temporary differences relating to LAT	**—**	(12,213)
	—	(23,662)

(i) Effective from 1 January 2008, the PRC's statutory income tax rate is 25%.

(ii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in these jurisdictions.

No provision for Hong Kong Profits Tax was made as the Group's Hong Kong subsidiaries did not earn any income subject to Hong Kong Profits Tax during the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

(iii) PRC LAT is levied on properties developed by a subsidiary operating the Distributed Business in the PRC for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use right, borrowing costs and all qualified property development expenditures. LAT paid is deductible expenses for PRC income tax purposes.

A subsidiary of the Group operating the Distributed Business was subject to LAT which is calculated based on 5% to 8% of their revenue in accordance with the authorised tax valuation method approved by the local tax bureau.

The Directors are of the opinion that the authorised tax valuation method is one of the allowable taxation methods in the PRC and the respective local tax bureaus are the competent tax authorities to approve the authorised tax valuation method in charging CIT and LAT to the corresponding PRC subsidiary of the Group, and the risk of being challenged by the State Tax Bureau or any tax bureau of higher authority is remote.

(iv) The PRC CIT Law and its implementation rules impose a withholding tax at 10%, unless reduced by a tax treaty or arrangement, for dividends distributed by PRC-resident enterprises to their non-PRC-resident corporate investors for profits earned since 1 January 2008. Under the Sino-Hong Kong Double Tax Arrangement, a qualified Hong Kong tax resident is entitled to a reduced withholding tax rate of 5% if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interest of the PRC enterprise directly.

7 DISCONTINUED OPERATION

As described in note 1 to this interim financial information, the KSH Group was distributed to the shareholders of the Company on 26 January 2015. The KSH Group is engaged in the Distributed Business, which results are presented herein as discontinued operation. The results of the Distributed Business for the period ended 30 June 2014 and 2015 are set out below.

(a) Results of discontinued operation

		Six months ended 30 June	
		2015	2014
	Note	***RMB'000***	*RMB'000*
		(unaudited)	(audited)
Revenue	*4(a)*	**—**	13,504
Cost of sales		**—**	(23,623)
Selling and distribution expenses		**(269)**	(1,712)
Administrative expenses		**(1,352)**	(5,443)
Decrease in fair value of investment properties		**—**	(44,300)
Finance income		**—**	9
Finance costs		**(1)**	(12)
Loss before taxation		**(1,622)**	(61,577)
Income tax	*6*	**—**	23,662
Loss from discontinued operation, net of tax		**(1,622)**	(37,915)

(b) Cash flows generated from/(used in) discontinued operation

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Net cash generated from/(used in) operating activities	**4,097**	(23,534)
Net cash generated from financing activities	**1,192**	73,242
Net increase in cash and cash equivalents of the discontinued operation	**5,289**	49,708

(c) The assets and liabilities of the Distributed Business as at 26 January 2015 are set out below.

	RMB'000 (unaudited)
Property, plant and equipment	3,658
Investment properties	180,639
Properties under development	148,120
Completed properties held for sale	306,546
Trade and other receivables, deposits and prepayments	35,118
Cash and cash equivalents	7,660
Total assets	681,741
Receipts in advance	6,834
Trade and other payables	330,794
Current taxation	109,837
Deferred tax liabilities	22,097
Total liabilities	469,562
Net assets	212,179

8 EARNINGS/(LOSSES) PER SHARE

(a) Basic earnings/(losses) per share

The calculation of basic earnings/(losses) per share is based on the profit attributable to ordinary equity shareholders of the Company from continuing operations and discontinued operation of RMB1,110,000 (six months ended 30 June 2014: profit of RMB4,007,000) and loss of RMB1,622,000 (six months ended 30 June 2014: loss of RMB37,915,000) respectively and the weighted average number of 606,027,403 (six months ended 30 June 2014: 602,000,000) ordinary shares in issue during the six months ended 30 June 2015.

(b) Diluted earnings/(losses) per share

The calculation of diluted earnings/(losses) per share is based on the profit attributable to ordinary equity shareholders of the Company from continuing operations and discontinued operation of RMB1,110,000 (six months ended 30 June 2014: profit of RMB4,007,000) and loss of RMB1,622,000 (six months ended 30 June 2014: loss of RMB37,915,000) respectively and the weighted average number of 609,301,192 (six months ended 30 June 2014:608,128,814) ordinary shares in issue during the six months ended 30 June 2015.

9 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables, deposits and prepayments), based on the invoice date (or date of revenue recognition, if earlier) and net of allowance for doubtful debts, is as follows:

	At 30 June 2015	At 31 December 2014
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 1 year (inclusive)	**38,336**	34,310
Over 1 year	**56**	1,656
Trade debtors, net of allowance for doubtful debts	**38,392**	35,966
Deposits, prepayment and other receivables	**14,749**	10,022
Gross amount due from customers for contract work	**—**	5,407
	53,141	51,395

Trade debtors are due within 90 days from the date of billing. Debtors with balances that are more than 4 months past due are requested to settle all outstanding balances before any further credit is granted.

10 ASSETS AND LIABILITIES OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR DISTRIBUTION

As described in note 1 to this interim financial information, on 26 January 2015, the KSH Group was distributed to the shareholders whose names appeared on the register of members of the Company on 22 January 2015. The KSH Group is engaged in the Distributed Business, which results are presented herein as discontinued operation. The assets and liabilities of the Distributed Business as at 31 December 2014 are set out below.

	At 31 December 2014
	RMB'000
	(audited)
Property, plant and equipment	3,658
Investment properties	180,639
Properties under development	148,120
Completed properties held for sale	306,546
Trade and other receivables, deposits and prepayments	35,111
Cash and cash equivalents	2,371
Assets of a disposal group classified as held for distribution	676,445
Receipts in advance	5,533
Trade and other payables *(Note)*	222,103
Current taxation	109,837
Deferred tax liabilities	22,097
Liabilities of a disposal group classified as held for distribution	359,570
Net assets of a disposal group classified as held for distribution	316,875

Note: The balance of trade and other payables presented above does not include amount due to the Remaining Group of RMB104,865,000, which was settled by Mr. Kai on behalf of the KSH Group upon completion of the Transactions in January 2015. The amount due to the Remaining Group were eliminated against the corresponding amount of receivables of the Remaining Group in the comparative figures of the consolidated statement of financial position presented in this interim financial statements. The corresponding amount due to Mr. Kai as a result of the settlement was included in trade and other payables of the KSH Group on 26 January 2015 (the date of Distribution in Specie) as presented in note 7(c).

11 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2015 *RMB'000* **(unaudited)**	At 31 December 2014 *RMB'000* (audited)
Within 1 month	**3,181**	7,344
Over 1 month but within 1 year	**4,945**	5,113
Over 1 year	**509**	821
Total creditors	**8,635**	13,278
Other payables and accruals	**10,056**	8,847
Amount due to related parties	**1,610**	25,000
	20,301	47,125

The amounts due to related parties were unsecured, interest-free and had no fixed terms of repayment.

12 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividend

During the six months ended 30 June 2015, the Company has not declared any dividend (for the six months ended 30 June 2014: Nil) to the equity shareholders of the Company.

(b) Share capital

(i) *Authorised and issued share capital*

	At 30 June 2015		At 31 December 2014	
	No. of shares *'000*	**Amount** *HK$'000*	No. of shares *'000*	Amount *HK$'000*
Authorised:				
Shares	**2,000,000**	**20,000**	2,000,000	20,000

Shares, issued and fully paid:

	At 30 June 2015		At 31 December 2014	
	No. of shares	**Amount**	No. of shares	Amount
	HK$	***HK$***	*HK$*	*HK$*
At 1 January	**602,000,000**	**6,020,000**	602,000,000	6,020,000
Shares issued for exercise of share options	**5,440,000**	**54,400**	—	—
At 31 December	**607,440,000**	**6,074,400**	602,000,000	6,020,000

As at 30 June 2015, the Company had issued share capital of HK$6,074,400 (31 December 2014: HK$6,020,000), which was equivalent to RMB4,943,000 (31 December 2014: RMB4,900,000).

13 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 14 July 2015, Hebei Meijia Business Management Company Limited , a subsidiary of the Group, acquired 100% equity interests in Baoding Sheng Chen City Construction Management Company Limited ("Baoding Sheng Chen"), a company controlled by Mr. Wei, for a consideration of RMB7,873,000. Baoding Sheng Chen and its subsidiaries had recently entered into an agreement with Baoding People's Government for a development project ("Donghu Project") in Baoding, the PRC.

CHANGE OF CONTROLLING SHAREHOLDER

On 22 November 2014, Mr. Kai Chenglian ("Mr. Kai") and Yi Ming Jia Lin Holdings Company Limited ("Yi Ming Jia Lin") (collectively, the "Vendors"), Longevity Investment Holding Limited ("Longevity") and Mr. Wei Shaojun ("Mr. Wei") entered into a share sale agreement (the "Share Sale Agreement"), pursuant to which the Vendors have conditionally agreed to sell and procure the sale of, and Longevity has conditionally agreed to purchase, the sale shares (the "Sale Shares"), being 450,900,000 Shares, representing approximately 74.90% of the then entire issued share capital of the Company as at the date of the Share Sale Agreement, at an aggregate consideration of HK$386,331,120 (equivalent to HK$0.8568 per Sale Share). The Share Sale Agreement is conditional upon, among other things, the completion of the proposed asset reorganisation of the Group (the "Asset Reorganisation").

Pursuant to the Asset Reorganisation, the Company, among other things, reorganised its subsidiaries into two subgroups, the KSH Group and the Remaining Group (each as defined below). The KSH Group, comprising Kai Shi Holdings Company Limited ("KSH") and its subsidiaries, is engaged in the property development business (the "Distributed Business"). The Remaining Group, comprising the Company and its subsidiaries other than those under the KSH, is engaged in the business of provision of construction and engineering services and manufacture, processing and sales of doors and windows in the PRC. The Asset Reorganisation, involving reorganisation of the Distributed Businesses under the KSH Group, is necessary to give effect to the distribution in specie (the "Distribution In Specie") of the shares of Kai Shi Holdings Company Limited (the "KSH Shares").

The Distribution In Specie was approved by the independent Shareholders of the Company at an extraordinary general meeting of the Company held on 16 January 2015. Completion of the Share Sale Agreement (the "Share Sale Completion") and the Distribution In Specie took place on 23 January 2015 and 26 January 2015, respectively. The KSH Group was then distributed to the then Shareholders by way of Distribution in Specie. Mr. Wei, the sole shareholder of Longevity, has become the ultimate controlling shareholder of the Company upon the completion of the Share Sale Agreement.

Subsequent to the Share Sale Completion, CICCHKS, on behalf of Longevity and pursuant to Rule 26.1 of the Code on Takeovers and Mergers (the "Takeovers Code"), made the offer (the "Listco Offers"), which was unconditional mandatory cash offers to acquire all the issued ordinary shares of the Company (the "Shares") (other than those already owned or agreed to be acquired by Longevity and parties acting in concert with it) at a price of HK$0.8568 per share and to cancel all outstanding options (the "Options") which have been granted by the Company at a price of HK$0.1368 per Option. The Listco Offers were closed on 26 February 2015. Upon the close of the Listco Offers, Longevity and parties acting in concert with it were interested in, hold, control or direct an aggregate of 526,980,000 Shares, representing approximately 86.75% of the entire issued share capital of the Company as at the closing date of the Listco Offers. Another offer was made by Kingston Securities Limited on behalf of Yi Ming Jia Lin to acquire all the issued shares of KSH (other than those already owned by Yi Ming Jia Lin and parties acting in concert with it), which was also closed on 26 February 2015.

On 23 April 2015, Longevity entered into a placing agreement with CICCHKS, pursuant to which 94,107,488 Shares held by Longevity have been placed to the independent placees at HK$0.8568 per share (the "Placement"). The Placement was closed on 28 April 2015. Subsequently, Longevity has held 432,872,512 Shares, representing approximately 71.26% of the issued share capital of the Company. The general public held a total of 174,567,488 Shares, representing approximately 28.74% of the issued share capital of the Company. The public float of the Company has been restored to more than 25% of the issued share capital of the Company since then.

BUSINESS REVIEW

Upon the completion of the Distribution in Specie on 26 January 2015, the Group is principally engaged in the construction and engineering business and the doors and windows business in the PRC (the "Continuing Operations"), and property development in Dalian, the PRC, undertaken by the Group (the "Discontinued Operation") has been distributed to the shareholders whose names appeared on the register of members of the Company on 22 January 2015 of the Company.

The Group's turnover of Continuing Operations for the Period was RMB22,870 thousand (the same period of 2014: RMB33,563 thousand). The Group recorded a loss of RMB512 thousand for the Period (the same period of 2014: loss of RMB33,908 thousand), comprising a profit from Continuing Operations of RMB1,110 thousand (the same period of 2014: RMB4,007 thousand) and a loss from Discontinued Operation of RMB1,622 thousand (the same period of 2014: loss of RMB37,915 thousand).

Doors and windows

The Doors and Windows Business of the Group in the PRC has been carried out by Lion Tianjin Window and Door Co., Ltd. (萊恩(天津)門窗有限公司) ("Lion Tianjin"), an indirect wholly-owned subsidiary of the Company. Lion Tianjin is a Taiwan, Hong Kong and Macao owned enterprise and was established in the PRC in 2004. Lion Tianjin possesses "Construction Enterprise Qualification Certificate — Metal Doors and Windows Engineering Projects (First Class)" (建築業企業資質證書—門窗工程專業承包一級資質) and "Construction Enterprise Qualification Certificate — Curtail Wall (Third Class)" (建築業企業資質證書—幕牆三級資質) qualifications. The registered capital of Lion Tianjin is USD2.88 million.

The products of doors and windows of Lion Tianjin are for domestic sales and are tailor-made in terms of size and materials for the customers of Lion Tianjin. Lion Tianjin has more than 50 customers. Most of the customers are independent real estate developers and construction companies in the PRC. Amongst these customers, some of them, such as a listed company in Hong Kong, have entered into strategic partnership agreements with Lion Tianjin where these customers have agreed to engage Lion Tianjin to provide the relevant products to them on a long term basis. Meanwhile, although some other customers, such as some large property developers and conglomerates state-owned enterprises, did not enter into strategic partnership agreement with Lion Tianjin, these customers have procured doors and windows from Lion Tianjin on a recurring basis whereas other customers may be one-off customers due to the fact that they may only have one property project on hand. The principal products of Lion

Tianjin are energy-saving aluminum alloy doors and windows, uPVC doors and windows and curtain wall whilst the principal raw materials required for the production of doors and windows are glasses, aluminum alloy and plastic steel.

Construction and engineering business

The construction and engineering business of the Group in the PRC has been carried out by Dalian Kai Shi Construction and Engineering Co., Ltd (大連開世建設工程有限公司) ("Kai Shi Construction & Engineering"), an indirect wholly-owned subsidiary of the Company. Kai Shi Construction & Engineering is a company established in the PRC in 2010 and the registered capital of Kai Shi Construction & Engineering is RMB6 million. Kai Shi Construction & Engineering has obtained the Earthwork Engineering Qualification (土石方工程專業資質), the qualification as general contractor of housing construction projects (房屋建築施工總承包資質), the qualification as general contractor of municipal public projects (市政公用工程施工總承包資質), the qualification as professional contractor of electromechanical equipment installation (機電設備安裝專業承包資質) and the qualification as professional contractor of construction waterproofing (建築防水工程專業承包資質).

MARKET OUTLOOK

In 2015, the global economy is still filled with uncertainties and complexities. The economy in the PRC is also confronted with greater downward pressure. In the first half of the year, the government in the PRC launched in succession measures for the all-rounded stabilisation of growth, implemented the easy fiscal policy and proactive monetary policy, and increased the investment in the infrastructure in order to cope with the economic downward pressure. In particular, the Political Bureau of CPC Central Committee considered and passed the "Coordinated Development Plan for Beijing-Tianjin-Hebei" (京津冀協同發展規劃綱要) in April 2015, in which the "Coordinated Development Plan for Beijing-Tianjin-Hebei" is regarded as the national development strategy. It is expected that the direct investment will reach RMB42 trillion in the next six years, which will trigger the indirect investment in terms of quadrillions and bring about tremendous growth opportunities for economic development in the region.

In January 2015, subsequent to Longevity's acquisition of the Company's controlling stake, Mr. Wei and the operator for new-type urbanization in the Capital Economic Circle and the leading enterprise of the coordinated development for Beijing-Tianjin-Hebei — the Longjitaihe Industry Co., Ltd. (隆基泰和實業有限公司) (together with its subsidiaries, the "Longjitaihe Group") under Mr. Wei's control have kept on evaluating different approaches to expand the Group's business and source of income.

On 14 July 2015, Hebei Meijia Business Management Company Limited (河北美佳商業管理有限公司) ("Hebei Meijia"), an indirect wholly-owned subsidiary of the Company signed a share transfer agreement with Baoding Sheng Qian City Construction and Investment Co., Ltd. (保定盛乾城市建設投資有限公司) ("Baoding Sheng Qian") held by Mr. Wei, the Chairman, Executive Director and controlling shareholder of the Company, to acquire 100% equity of Baoding Sheng Chen City Construction and Investment Co., Ltd. ("Baoding Sheng Chen"). Baoding Sheng Chen has a development right in the overall development project of Baoding Donghu Cultural Center (the

"Baoding Donghu Project"), the content of which includes the reconstruction of villages inside the city, the public construction investment, and the land grade A development as well as consolidation. This project located at the key commencement area of Baiyangdian Science and Technology City, aims to be the reception room of cities in south of Beijing integrated with eco-culture, laid-back business atmosphere, financial service and technological innovation where industries are mutually promoted and developed in a harmonious way. The project is also planned to be developed into a platform for the development and undertaking external industry resources such as science and technology, innovation, finance and service of Beijing and Tianjin. With the coordinated development of Beijing, Tianjin and Hebei as a national strategy, Baoding has become the non-capital functional diversion center of Beijing and the core undertaking place for the transfer of industries in Beijing and Tianjin with its unique advantages in geography, transportation, industry and resource. Baoding Donghu Project is located at the core area of "East and North Expansion" of Baoding City, therefore it is also a key commencement area of Baiyangdian Science and Technology City. Baiyangdian Science and Technology City is committed to be a new modern city of scientific and technological industry with integrated functions of research and development, industry development and city service in areas of Beijing, Tianjin and Hebei, and will be a domestic leading growth pole with international influence as well as coordination and innovation consciousness, and it will also lead and support the development of Beijing and Tianjin. Therefore, the Board is of the opinion that the acquisition will consolidate the Group's asset base, expand the Group's scope of business, and increase the Group's source of income, which is favorable to the Group's development.

Furthermore, following the further implementation of the coordinated development strategy of Beijing, Tianjin and Hebei and the on-going substantiation of the industry outward relocation policy in Beijing, the Group will, under the support of Mr. Wei, the controlling shareholder of the Company, and the Longjitaihe Group under his control and taking advantages of the Longjitaihe Group in industries and resources generated from the coordinated development of Beijing, Tianjin and Hebei to seize the favorable and potential opportunities arising from the industrial development of information technology, trade logistics, financial back-office, healthcare and pension, cultural creation and leisure tourism due to the outward relocation policy of Beijing, Tianjin and Hebei industries to capture more opportunities in line with the Group's business, and increase the Group's scope of business and source of income. By virtue of expanding the Group's scope of business and the support from the Longjitaihe Group, the Directors are optimistic about the Group's prospects.

FINANCIAL ANALYSIS

Turnover

The turnover of the Group represents the income from sales of doors and windows and provision of construction and engineering services (net of turnover tax and other sales related taxes).

The income of the Group for the Period was approximately RMB22,870 thousand, decreased by RMB10,693 thousand or 31.9% as compared to approximately RMB33,563 thousand for the same period in 2014, mainly due to the decrease of income from construction and engineering business.

For the Period, income from sales of doors and windows and from construction and engineering business was approximately RMB21,865 thousand and RMB1,005 thousand, respectively.

Provision of construction and engineering services

For the Period, the revenue from provision of construction and engineering services decreased by RMB11,440 thousand or 91.9% from approximately RMB12,445 thousand for the same period in 2014 to approximately RMB1,005 thousand. For the Period, the focus of the Group has been transferred. The realized sales and secured contract have dropped in a certain degree as compared to the same period in 2014. At the same time, the Company expected that the sales would be expanded in the future with the development of new business.

Sales of doors and windows

For the Period, the income arising from the sales of doors and windows processing business was approximately RMB21,865 thousand, remain at a relatively stable level as compared to approximately RMB21,118 thousand for the same period in 2014.

Gross profit and gross profit margin

For the Period, the gross profit of the Group decreased by approximately RMB5,478 thousand or 45.9% from approximately RMB11,927 thousand for the same period in 2014 to approximately RMB6,449 thousand. The gross profit margin decreased from 35.5% for the same period of 2014 to 28.2% for the Period, mainly due to the significant decrease of the construction and engineering services business with higher gross profit.

Selling and distribution expenses

For the Period, the selling and distribution expenses of the Group increased by approximately RMB66 thousand from approximately RMB491 thousand for the same period in 2014 to approximately RMB557 thousand, basically kept at a stable level.

Administrative expenses

For the Period, the administrative expenses of the Group was approximately RMB3,830 thousand, keeping relatively stable as compared to approximately RMB3,831 thousand for the same period in 2014.

Net finance costs

For the Period, the net finance costs of the Group decreased approximately RMB2,698 thousand from approximately RMB2,946 thousand for the same period in 2014 to approximately RMB248 thousand. The decrease was mainly due to the repayment of the bank loans of RMB78,000 thousand in the first half of 2015, and the interest expenses correspondingly decreased as a result of the sufficient operation capital and no new bank loans was borrowed.

Income tax expenses

For the Period, the income tax expenses changed from RMB652 thousand for the same period in 2014 to approximately RMB704 thousand, keeping at a relatively stable level.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 30 June 2015, the cash and cash equivalents of the Group amounted to approximately RMB5,414 thousand (in which approximately 66.2% was denominated in RMB and approximately 33.8% was denominated in HKD), representing a decrease of approximately RMB876 thousand as compared to approximately RMB6,290 thousand as at 31 December 2014, which was mainly due to the corporate reorganization and the repayment of bank loans.

Total current assets and liquidity ratio

As at 30 June 2015, the total current asset of the Group was approximately RMB72,680 thousand, representing a decrease of approximately RMB3,419 thousand or approximately 4.5% as compared to approximately RMB76,099 thousand as at 31 December 2014. Such decrease was mainly due to the decrease of approximately RMB4,289 thousand of inventories. As at 30 June 2015, the liquidity ratio (total current assets/total current liabilities) of Continuing Operations was 2.1, representing a substantial increase as compared to 0.52 as at 31 December 2014, which was mainly due to the corporate reorganization and the repayment of bank loans of RMB78,000 thousand.

Bank borrowings and pledge of assets

As at 30 June 2015, the Group had no bank loans, and none of its assets had been pledged.

The following table sets out the calculation of the gearing ratio of the Group as at the date indicated:

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Bank loans	**—**	78,000
Less: Cash and cash equivalents	**(5,414)**	(6,290)
Net debt	**(5,414)**	71,710
Total equity	**56,973**	265,440
Total capital	**51,559**	337,150
Gearing ratio	**—**	21.3%

The gearing ratio (calculated by dividing net debt with total capital) of the Group decreased from 21.3% as at 31 December 2014 to 0 as at 30 June 2015, which was mainly due to the repayment of bank loans of RMB78,000 thousand in the Period.

Exchange risk

As the Group's principal activities are carried out in the PRC, the Group's transactions are mainly denominated in RMB, which is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must take place through the People's Bank of China or other institutions with authorization to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the rates of exchange quoted by the People's Bank of China that are determined largely by supply and demand.

The Group currently did not have a policy on foreign currency risk as it had minimal transactions denominated in foreign currencies in the Period and the impact of foreign currency risk on the Group's operation is minimal.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group did not have any material or contingent liabilities.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

As disclosed above, on 14 July 2015, Hebei Meijia, an indirect wholly-owned subsidiary of the Company, signed a share transfer agreement with Baoding Sheng Qian held by Mr. Wei to acquire 100% equity of Baoding Sheng Chen. Based on the calculation of the net assets of Baoding Sheng Chen on a consolidation basis, the consideration of the acquisition was RMB7,873.8 thousand. Baoding Sheng Chen is entitled to the development interests for the Baoding Donghu Project, the content of which includes the reconstruction of villages inside the city, the public construction investment, and the land grade A development as well as consolidation.

For details, please refer to the connected transaction announcement of the Company dated 14 July 2015.

EMPLOYEES

As at 30 June 2015, the Group had 90 employees in various operating units located in the PRC, and the total staff costs for Continuing Operations for the Period amounted to RMB2,895 thousand. The decrease in number of employees and staff cost was mainly due to the corporate reorganization. In order to attract and retain high-caliber employees to ensure smooth operation and cater for the Group's constant expansion, the Group offers competitive remuneration packages, with reference to market conditions and individual qualifications and experience. Pursuant to the relevant labour rules and regulations in the PRC, the Group's subsidiaries in the PRC participate in defined contribution retirement benefit schemes (the "Schemes") organised by the PRC municipal government authorities whereby the Group is required to make contributions to the Schemes at the rate of 18% and 20% of the eligible employees. The Group has no other material obligation for the payment of pension benefits associated with the Schemes beyond the annual contributions described above.

USE OF PROCEEDS FROM IPO

Trading of shares in the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") commenced on 12 January 2012 and the Group raised net proceeds of approximately RMB81.0 million from the initial public offering (the "IPO Proceeds").

All the IPO Proceeds have been fully utilized as intended during the year ended 31 December 2014.

For further detail on the actual usage of the IPO Proceeds, please refer to the section headed "Use of Proceeds from IPO" in the 2014 annual report of the Company.

PRE-IPO SHARE OPTION SCHEME AND SHARE OPTION SCHEME

The Company adopted a Share Option Scheme on 22 November 2011. During the Period, no option under the Share Option Scheme had been granted by the Company. As the Listco Offers were made by CICCHKS, for and on behalf of Longevity to acquire all the issued Shares (other than those already owned or agreed to be acquired by Longevity and parties acting in concert with it) and for the cancellation of all outstanding Options which have been granted under the Pre-IPO Share Option Scheme in accordance with the Takeovers Code, all outstanding 11,140,000 Options have either been exercised or lapsed following the close of the Listco Offers during the Period. Therefore, as at 30 June 2015, there is no outstanding share options under the Pre-IPO Share Option Scheme. Save as disclosed above, no other share option was granted, exercised, lapsed or cancelled under the Pre-IPO Share Option Scheme during the Period.

DIVIDEND

The Board did not recommend the payment of an interim dividend in respect of the Period (for six months ended 30 June 2014: Nil).

EVENTS DURING THE PERIOD

Change of Principal Place of Business in Hong Kong

The principal place of business of the Company in Hong Kong has been changed to Unit 3606, 36/F, the Center, 99 Queen's Road Central, Hong Kong with effect from 10 April 2015.

Change of Company Name

The name of the Company has been approved to be changed from "Kai Shi China Holdings Company Limited 開世中國控股有限公司" to "Long Ji Tai He Holding Limited 隆基泰和控股有限公司" by the Company's Extraordinary General Meeting on 26 March 2015. The Certificate of Incorporation on Change of Company Name was issued by the Registrar of Companies in the Cayman Islands on 2 April 2015. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 28 April 2015 confirming the registration of the new name "Long Ji Tai He Holding Limited 隆基泰和控股有限公司" of the Company under the Companies Ordinance.

POST BALANCE SHEET EVENTS

Save as disclosed above regarding the non-adjusting events after the Period, no other important events affecting the Group requiring disclosure occurred between the balance sheet date and the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Save as disclosed below, the Company had complied with all the code provisions as set out in the Corporate Governance Code (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange for the Period.

According to the code provision A.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. According to the current organisation structure of the Company, Mr. Wei is both the chairman of the Board and the chief executive officer of the Company. In view of Mr. Wei's extensive experience in several businesses and his wealth of experience in management, the Board considers that vesting both the roles of chairman and chief executive in Mr. Wei is beneficial to the business prospects and management of the Company. Notwithstanding the above, the Board will review the current structure of the Company from time to time. When at the appropriate time and if candidate with suitable leadership, knowledge and experience can be identified within or outside the Group, the Company may make necessary changes and arrangements.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding the securities transactions of the Directors.

The Company has made specific enquiry to all Directors, and all Directors have confirmed that, during the Period, they had complied with the Model Code.

REVIEW OF INTERIM RESULTS

The interim consolidated financial statements is unaudited but has been reviewed by the auditors.

The audit committee of the Company ("Audit Committee") together with the management has also reviewed the Group's unaudited interim consolidated financial statements for the Period. The Audit Committee is of the opinion that such financial statements have complied with the applicable accounting standards, and the Stock Exchange and legal requirements, and that adequate disclosure has been made. The Audit Committee has also reviewed this interim results announcement and confirms that it is complete and accurate and complies with the Listing Rules.

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

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION

The interim results announcement of the Company for the Period is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ljth.hk) respectively. The 2015 interim report will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Long Ji Tai He Holding Limited
Wei Shaojun
Chairman

Hebei, the PRC, 31 August 2015

As at the date of this announcement, the executive directors of the Company are Mr. Wei Shaojun, Ms. Zhen Xiaojing, Ms. Zhao Hua and Mr. Li Hai Chao and the independent non-executive directors of the Company are Mr. Li Chun, Mr. Han Qinchun and Mr. Liu Da.