



SINO LIFE

SINO-LIFE GROUP LIMITED 中國生命集團有限公司

Incorporated in the Cayman Islands with limited liability
Stock Code: 8296



Third Quarterly Report 2010



Live Life to
the Fullest

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Sino-Life Group Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, include particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement in this report misleading.



- Turnover increased by approximately 52.9% to RMB50.9 million (2009: approximately RMB33.3 million)
- Gross profit rose by approximately 53.8% to approximately RMB38.0 million (2009: approximately RMB24.7 million)
- Profit attributable to shareholders decreased by approximately 38.2% to approximately RMB6.8 million (2009: approximately RMB11.0 million)
- Earnings per share achieved RMB0.99 cents (2009: RMB2.37 cents)

Condensed Consolidated Quarterly Results for the nine months ended 30 September 2010 (Unaudited)

The board of Directors (the "Board") is pleased to present the unaudited condensed consolidated results of the Group for the three months and the nine months ended 30 September 2010 together with the comparative unaudited figures for the corresponding periods in 2009, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2010 RMB'000 (unaudited)	2009 RMB'000 (unaudited)	2010 RMB'000 (unaudited)	2009 RMB'000 (unaudited)
Turnover	3	20,109	10,796	50,939	33,336
Cost of sales		(4,761)	(3,077)	(12,865)	(8,598)
Gross profit		15,348	7,719	38,074	24,738
Other revenue		67	65	4,520	1,382
Other net gain		5,245	2,862	4,413	4,827
Selling expenses		(5,566)	(3,032)	(14,798)	(8,383)
Administrative expenses		(8,510)	(2,843)	(20,804)	(8,112)
Other operating expenses		(1)	(1)	(78)	(265)
Finance costs		(45)	(181)	(204)	(638)
Profit before taxation		6,538	4,589	11,123	13,549
Income tax expense	4	(1,273)	(564)	(4,308)	(2,586)
Profit for the period		5,265	4,025	6,815	10,963
Other comprehensive income/(loss) for the period, net of tax		(3,586)	(65)	(4,563)	218
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,679	3,960	2,252	11,181
Profit attributable to:					
Owners of the Company		5,265	4,025	6,815	10,963
Minority interests		–	–	–	–
		5,265	4,025	6,815	10,963
Total comprehensive income attributable to:					
Owners of the Company		1,679	3,960	2,252	11,181
Minority interests		–	–	–	–
		1,679	3,960	2,252	11,181
Earnings per share					
Basic	6	0.71 cents	RMB0.87 cents	0.99 cents	RMB2.37 cents

COMBINED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company												
	Share capital	Share premium	Merger reserve	Statutory reserve	Share-based compensation reserve	Statutory surplus reserve	Properties revaluation reserve	Foreign currency translation reserve	Convertible bonds equity reserve	Accumulated losses	Total	Minority interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2009 (audited)	366	39,624	(16,261)	225	-	515	325	2,912	496	(19,040)	9,162	-	9,162
Comprehensive income													
Profit for the period	-	-	-	-	-	-	-	-	-	10,963	10,963	-	10,963
Other comprehensive income/(loss)													
Deficit on revaluation of land and buildings held for own use	-	-	-	-	-	-	(89)	-	-	-	(89)	-	(89)
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	307	-	-	307	-	307
Total other comprehensive income/(loss)	-	-	-	-	-	-	(89)	307	-	-	218	-	218
Total comprehensive income	-	-	-	-	-	-	(89)	307	-	10,963	11,181	-	11,181
Transactions with owners													
Conversion of the convertible bonds	62	17,279	-	-	-	-	-	-	(496)	-	16,845	-	16,845
Capitalisation issue	43,049	(43,049)	-	-	-	-	-	-	-	-	-	-	-
Issue of new shares	15,229	69,566	-	-	-	-	-	-	-	-	84,795	-	84,795
Profit appropriation to reserve	-	-	-	-	-	259	-	-	-	(259)	-	-	-
Total transactions with owners	58,340	43,796	-	-	-	259	-	-	-	(259)	101,640	-	101,640
At 30 September 2009 (unaudited)	58,706	83,420	(16,261)	225	-	774	236	3,219	-	(8,336)	121,983	-	121,983
At 1 January 2010 (audited)	58,706	82,204	(16,261)	225	-	838	851	1,947	-	(6,900)	121,610	-	121,610
Comprehensive income													
Profit for the period	-	-	-	-	-	-	-	-	-	6,815	6,815	-	6,815
Other comprehensive income/(loss)													
Surplus on revaluation of land and buildings held for own use	-	-	-	-	-	-	890	-	-	-	890	-	890
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	(5,453)	-	-	(5,453)	-	(5,453)
Total other comprehensive income/(loss)	-	-	-	-	-	-	890	(5,453)	-	-	(4,563)	-	(4,563)
Total comprehensive income/(loss)	-	-	-	-	-	-	890	(5,453)	-	6,815	2,252	-	2,252
Transactions with owners													
Shares issued upon placing of new shares	10,512	147,241	-	-	-	-	-	-	-	-	157,753	-	157,753
Issuing expenses	-	(9,485)	-	-	-	-	-	-	-	-	(9,485)	-	(9,485)
Incorporation of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	20	20
Profit appropriation to reserve	-	-	-	-	-	302	-	-	-	(302)	-	-	-
Equity-settled share-based transactions	-	-	-	-	3,583	-	-	-	-	-	3,583	-	3,583
Total transactions with owners	10,512	137,756	-	-	3,583	302	-	-	-	(302)	151,851	-	151,871
At 30 September 2010 (unaudited)	69,218	219,960	(16,261)	225	3,583	1,140	1,741	(3,506)	-	(387)	275,713	20	275,733

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2010

1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability under the Companies Law (2004 Revision) of the Cayman Islands and acts as an investment holding company. Its shares are listed on the GEM of the Stock Exchange on 9 September 2009. The principal activities of its principal subsidiaries are provision of funeral services.

The unaudited condensed consolidated third quarterly financial statements are presented in Renminbi (“RMB”), rounded up to the nearest thousand, except when otherwise indicated, as majority of the Group’s transactions are denominated in RMB.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements has been prepared in accordance with the applicable disclosure provisions of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) and Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The accounting policies and basis of preparation used in the preparation of the unaudited condensed consolidated financial statements for the nine months ended 30 September 2010 are consistent with those adopted in preparing the audited financial statements of the Group for the year ended 31 December 2009, except for the adoption of all the new and revised HKFRSs, amendments and interpretations of HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2010. The adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

The Group has not early adopted the new standards, amendments or interpretations that have been issued but are not yet effective. The Directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

3. TURNOVER AND SEGMENTAL INFORMATION

The amount of each significant category of revenue recognised in turnover for the nine months ended 30 September 2010 (“the Periods”) is as follows:

	Nine months ended 30 September	
	2010 RMB'000 (Unaudited)	2009 RMB'000 (Unaudited)
Funeral services provided in funeral parlours and funeral services centres under the Group's management	28,178	17,150
Cremation services	10,638	8,168
Funeral arrangement services	10,689	8,018
Cemetery services	1,434	–
	50,939	33,336

Business information

The Group's revenue and contribution to profit from operating activities for the nine months ended 30 September 2010 were mainly derived from funeral operation. Accordingly, no business segmental analysis is required.

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers.

	Revenues from external customers Nine months ended 30 September	
	2010 RMB'000 (Unaudited)	2009 RMB'000 (Unaudited)
Taiwan	10,689	8,018
The PRC	40,250	25,318
	50,939	33,336

4. INCOME TAX

- (i) Chongqing Xibao Funeral Technology Company Limited and Chongqing Xizhou Funeral Service Company Limited, which are subsidiaries of the Company operating in the PRC, are subject to enterprise income tax rate of 25% (2009: 25%) in accordance with the Law of the People's Republic of China on Enterprises Income Tax (中華人民共和國企業所得稅法).
- (ii) Bau Shan Life Science Technology Co., Ltd., which is a direct subsidiary of the Company, is subject to enterprise income tax rate of 25% in accordance with the Income Tax Act and other relevant laws in Taiwan.
- (iii) No provision for Taiwan enterprise income tax has been made for Bau De Funeral Services Holdings Co., Ltd., which is an indirect subsidiary of the Company, as such subsidiary sustained losses during the Periods.
- (iv) The Group is not subject to any taxation under the jurisdiction of the Cayman Islands and the British Virgin Islands during the Periods.
- (v) Provision for Hong Kong profits tax is not made as the Group did not derive any assessable profits in Hong Kong during the Periods.

5. DIVIDENDS

The directors do not recommend payment of any dividend for the nine months ended 30 September 2010 (2009: HK\$Nil).

6. EARNINGS PER SHARE

The calculation of basis earnings per share is based on the profit for the period attributable to owners of the Company of approximately RMB6,815,000 (2009: RMB10,963,000) and the weighted average of 691,071,428 shares (2009: 462,664,835 shares) in issue during the Period.

Diluted earnings per share is equal to basic earning per share as there were no dilutive potential ordinary shares outstanding for the Periods.

Management Discussion and Analysis

BUSINESS REVIEW

During the period under review, the Group provided management services to Chongqing Jiang Nan Funeral Parlour (重慶市江南殯儀館), Chongqing Tian Fu Funeral Service Centre (重慶市天福治喪中心), Chongqing Zhong County Funeral Parlour (重慶市忠縣殯儀館), An Fu Funeral Service Centre (安福堂治喪中心) in Chongqing and Yibin Funeral Service Centre (四川省宜賓殯儀服務中心) in Sichuan Province, the PRC. The Group achieved a considerable 59.0% rise in turnover from its business in the PRC, while at the same time increased the market share in the funeral services market. Gross profit of its core funeral services business in the PRC remained at a high level at approximately 80.9%.

To fully capture the growing demand of quality one-stop services, the Group has continued to reinforce promotion and marketing activities to enhance public awareness of the funeral parlours managed by the Group and funeral services provided by the Group. Additionally, the Group has dedicated considerable efforts and resources to upgrade facilities, improve conditions, as well as recruit more professional staffs for existing funeral service centres/parlours, and also for the newly operated funeral parlour, An Fu Funeral Service Centre (安福堂治喪中心) in Chongqing, which has commenced business since March 2010. Also, the Group has entered into an agreement in relation to the management of the operations of a funeral parlour in Rongchang County, Chongqing, which is scheduled to commence on 31 December 2010.

The Group's success in extending its business operation from Chongqing and Sichuan Province to Zhejiang Province is another testimony to its proactive efforts towards business expansion. In April 2010, the Group entered into an agreement with three individuals to set up a joint venture for the establishment of a funeral service centre in Ningbo, Zhejiang Province. This joint venture is to establish a funeral service centre in Ningbo City for the provision of diverse funeral services, including transportation, refrigeration and storage of remains, mourning ceremonies, manufacturing and sales of funeral products, and a cemetery business.

In May 2010, the Group expanded its funerary business in Hong Kong by entering into a framework agreement to establish a Joint Venture ("JV") Company with five JV partners. This not only signifies an extension of the business of the Group beyond Mainland China and Taiwan, but also is a recognition of acceptance by the funeral industry related sectors in Hong Kong. Among the five partners of the JV Company, the Group is honoured to have the support of and to be joined by Dr George K N Ching and Ms Ina Ng, who play important roles in the Kowloon Funeral Parlour.

To support its expansion strategies, the Group has successfully completed a top-up placing, providing shares to strategic investors in April 2010. This placing has widened the shareholders' base and the share capital base of the Group, and, more importantly, has provided stronger capital support which should prove to be beneficial to the Group's development and scale of operation. The Group has placed 120,000,000 shares to strategic investors at a price of HK\$1.50 per placing share. The net proceeds of the capital raising exercise were approximately HK\$170,200,000.

OUTLOOK

Through the quality services and facilities it provided, the Directors expect the Company will be received high recognitions by the community which enables it to be affirmed as a brand of choice for customers. Going forward, the Group will maintain a 'people-oriented' commitment as its top priority in guiding its provision of funeral services from the heart and with loving care and concern as to the needs of customers. Aiming to become a leading five-star funeral service provider in the Greater China Region, the Group will continue its expansion of operations through entering into funeral service management agreements with funeral parlours and funeral service centres in major cities so as to widen its geographical presence and market share.

The Group will continue to actively explore and engage in opportunities that can help expand and further establish its business in Hong Kong.

Armed with solid industry expertise, a professional workforce and a strong brand, the Directors are confident that its expanding scale of operations will enable the Company to create long-term steady returns for its shareholders.

FINANCIAL REVIEW

For the nine months ended 30 September 2010, the Group's turnover was approximately RMB50.9 million, representing an increase of 52.9% from approximately RMB33.3 million for the corresponding period of last year. The increase was mainly contributed by the revenue generated from the expanded operation in the PRC, which also increased by 59.0% for the nine months ended 30 September 2010.

Cost of sales for the nine months ended 30 September 2010 was approximately RMB12.9 million, representing a increase of approximately 50.0% compared with the corresponding period in 2009. The increase in cost of sales was mainly attributable to the increase in the cost of sales in the PRC subsidiaries resulting from the operations expansion in the PRC.

The other revenue and other net gain for the nine months ended 30 September 2010 were approximately RMB8.9 million compared with RMB6.2 million for the corresponding period in 2009. The rise was mainly due to an increase in commission income received as a result of the introduction of more cemeteries/cemetery services to the customers as part of the funeral services provided by the Group in the PRC and in Taiwan.

Selling expenses for the nine months ended 30 September 2010 increased by approximately 76.2% to approximately RMB14.8 million as compared with the corresponding period in 2009. The increase in the amount of selling expenses was mainly attributable to the Group's increased rental and management costs, which was a result of its expansion in the funeral parlour and funeral service centres management business in the PRC.

Administrative expenses increased by approximately 156.8% to approximately RMB20.8 million for the nine months ended 30 September 2010 as a result of (i) the increase in number of staff; (ii) an increase in depreciation and amortisation resulting from the increase in investment in properties, plants and equipments in the PRC; (iii) the expense recognition of the share-based payments arising from share options granted to employees and consultants; (iv) the preliminary expenditure for the commencement of the operation in Hong Kong; and (v) an increase in other administrative costs after the listing of the Company.

The profit attributable to the shareholders for the nine months ended 30 September 2010 was approximately RMB6.8 million compared with RMB11.0 million for the corresponding period of last year as a result of the overall effect from the above-mentioned factors.

The Group remained in a healthy and sound liquidity position as at 30 September 2010. The total bank balances and cash of the Group amounted to approximately RMB234.3 million. As at 30 September 2010, the Group had no other material capital commitments, material contracts or significant investment plans, except those disclosed in the listing document. It is the Group's policy to adopt a prudent financial management strategy and maintain a suitable level of liquidity facilities to meet operation requirements and acquisition opportunities. The Group's debt to equity ratio, defined as the Group's net debt divided by shareholders' fund, was nil.

CONTINGENT LIABILITIES

As at 30 September 2010, the Group did not have any significant contingent liabilities.

Corporate Governance and Other Information

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2010, the relevant interests and short positions of the Directors or chief executive in the shares (the "Shares"), underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571) ("SFO")), which will be required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of SFO) or required pursuant to section 352 of SFO, to be entered in the register referred to therein or required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange were as follows:

Aggregate long positions in the Shares

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company
Liu Tien-Tsai	Personal	306,540,000	41.28%

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

The register of substantial shareholders required to be kept under section 336 of Part XV of SFO showed that as at 30 September 2010, the Company was notified of the following substantial shareholders' interests, being 5% or more of the issued share capital of the Company. These interests were in addition to those disclosed above in respect of the Directors and chief executive:

Aggregate long positions in the Shares

Name of Shareholders	Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company
Yang YongSheng (<i>note 1</i>)	Personal	36,632,000	4.93%
	Family interest	5,152,000	0.69%
Yu WenPing (<i>note 1</i>)	Personal	5,152,000	0.69%
	Family interest	36,632,000	4.93%

Notes:

1. Yu WenPing, the spouse of Yang YongSheng, was deemed to be interested in all the interest of Yang YongSheng and vice versa.

COMPETING BUSINESS

As at 30 September 2010, none of the Directors, or any person, who was (or group of persons who together were) entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the Company and which was (or were) able, as a practical matter, to direct or influence the management of the Company or any of their respective associates (as defined under the GEM Listing Rules), had any interest in a business, which competed or might compete with the business of the Group.

SHARE OPTION SCHEME

Pursuant to the written resolutions of the shareholders of the Company dated 24 August 2009, a share option scheme ("Share Option Scheme") was approved and adopted. Details of the share options granted and remaining outstanding as at 30 September 2010 are as follows:

	Date of grant	Exercise price	Exercisable period	Option held at 1 January 2010	Option granted during the period	Options cancelled during the period	Options held at 30 September 2010
Directors of the Company or its subsidiaries (<i>Note</i>)	11 February 2010	HK\$1.18	11 August 2010 to 11 February 2020	–	6,420,000	(6,420,000)	–
Continuous contract employees	11 February 2010	HK\$1.18	11 August 2010 to 11 February 2020	–	11,680,000	–	11,680,000
Consultants	11 February 2010	HK\$1.18	11 August 2010 to 11 February 2020	–	41,900,000	–	41,900,000
				–	60,000,000	(6,420,000)	53,580,000

Note: Share options to subscribe for 1,600,000, 500,000, 500,000, 500,000, 500,000, 500,000 and 500,000 shares were granted to the Directors of the Company, Mr. Kim Eun Back, Mr. Niu Tse-Cheng, Mr. Zheng Yimin, Mr. Chai Chung Wai, Mr. Ching Clement Yat-biu, Mr. Lam Ying Hung Andy and Mr. Luo Xuegang respectively. Such share options have been cancelled.

Share options to subscribe for 320,000, 500,000 and 1,000,000 shares were granted to the directors of the subsidiaries of the Company, Ms. Pan Hsiu-Ying, Mr. Wang Zhengshun and Mr. Wang Shun Lang respectively. Such share options have been cancelled.

These options will expire ten years from the date of grant. As at 30 September 2010, (i) 3,828,000 of 53,580,000 options are exercisable in the same year of the date of grant, with 50% of such options exercisable at six months, and the remaining 50% of such options exercisable at the end of the year, from the date of grant, and (ii) 49,752,000 of 53,580,000 options are exercisable over five years from the date of grant, with 20% of such options exercisable at six months from the date of grant and the remaining 80% of such options divided into four equal batches, with each batch exercisable on the first calendar date of each of the following four years from the date of grant.

Save as disclosed above, as at 30 September 2010, none of the Directors, chief executives or substantial shareholders of the Company or their respective associates have been granted share options under the Share Option Scheme.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by Sun Hung Kai International Limited ("SHKI"), the Company's compliance adviser, neither SHKI nor its directors or employees or associates had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 30 September 2010.

Pursuant to the agreement dated 24 August 2009 entered into between SHKI and the Company, SHKI received and will receive fees for acting as the Company's compliance adviser.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the nine months ended 30 September 2010, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

CORPORATE GOVERNANCE

Save and except the following deviation from the code provision set out in the Code on Corporate Governance Practices as contained in Appendix 15 to the GEM Listing Rules (the "CCGP"), the Company had, during the period under review, complied with the CCGP.

Coder provisions set out in the CCGP	Reason for deviations
A.2 The Chairman and Chief Executive Officer of the Company were performed by the same individual.	<p>The Company's size is still relatively small and thus not justified in separating the role of Chairman and Chief Executive Officer.</p> <p>The Group has in place internal control system to perform the check and balance function.</p>

The Company is also in the progress of assessing the effect of the implementation of CCGP on the Company's operation. Save as disclosed, the Company has met the code provisions set out in the CCGP throughout the nine months ended 30 September 2010.

SECURITIES TRANSACTIONS BY DIRECTORS

During the period under review, the Company has adopted the standards set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding the Directors' securities transactions in securities of the Company. Having made specific enquiry to all Directors, the Company was not aware of any non-compliance with the required standards of dealings its code of conduct regarding securities transactions by Directors.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group. The audit committee comprises four independent non-executive Directors, namely Mr. Ching Clement Yat-biu (chairman of the audit committee), Mr. Chai Chung Wai, Mr. Lam Ying Hung Andy, Mr. Luo Xuegang.

The audit committee has reviewed the financial statements of the Group for the nine months ended 30 September 2010 pursuant to the relevant provisions contained in the CCGP and was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosure has been made in respect thereof.

By order of the Board
Sino-Life Group Limited
Liu Tien-Tsai
Chairman and Executive Director

Hong Kong, 10 November 2010

As at the date hereof, the Board comprises Mr. Liu Tien-Tsai and Mr. Kim Eun Back being executive Directors of the Company; Mr. Niu Tse-Cheng and Mr. Zheng Yimin being non-executive Directors of the Company; and Mr. Chai Chung Wai, Mr. Ching Clement Yat-biu, Mr. Lam Ying Hung Andy, Mr. Luo Xuegang being independent non-executive Directors of the Company.