



朗力福®

Longlife Group Holdings Limited

朗力福集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8037

2011/12

INTERIM REPORT

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “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 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 Longlife Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

UNAUDITED INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Longlife Group Holdings Limited (the “Company”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and six months ended 31 March 2012 together with the comparative unaudited figures for the corresponding periods ended 31 March 2011, prepared in accordance with Hong Kong Financial Reporting Standards and generally accepted accounting principles in Hong Kong, as follows. The unaudited consolidated results have not been audited by the Company’s auditors but have been reviewed by the Company’s audit committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

| | Notes | Three months ended 31 March | | Six months ended 31 March | |
|--|-------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | 2012 (Unaudited) HK\$'000 | 2011 (Unaudited) HK\$'000 | 2012 (Unaudited) HK\$'000 | 2011 (Unaudited) HK\$'000 |
| Turnover | 3 | 18,581 | 26,366 | 59,707 | 44,702 |
| Cost of sales | | (16,935) | (10,473) | (33,883) | (20,536) |
| Gross profit | | 1,646 | 15,893 | 25,824 | 24,166 |
| Other income | | 193 | 606 | 336 | 662 |
| Administrative expenses | | (7,392) | (5,362) | (10,949) | (8,755) |
| Selling and distribution expenses | | (8,431) | (6,937) | (13,450) | (12,670) |
| Other expenses | | (138) | (257) | (174) | (288) |
| Finance costs | 4 | (751) | (2,256) | (2,513) | (2,629) |
| Profit/(Loss) before tax | 5 | (14,873) | 1,687 | (926) | 486 |
| Income tax expense | 6 | (18) | (1,207) | (63) | (1,236) |
| Profit/(Loss) for the period | | (14,891) | 480 | (989) | (750) |
| Other comprehensive income: | | | | | |
| Exchange difference arising on translation of foreign operations | | 48 | 541 | 215 | 981 |
| Total comprehensive income for the period | | (14,843) | 1,021 | (774) | 231 |
| Profit/(Loss) attributable to: | | | | | |
| Equity holders of the Company | | (14,723) | 586 | (379) | (649) |
| Non-controlling interests | | (168) | (106) | (610) | (101) |
| | | (14,891) | 480 | (989) | (750) |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | | Three months ended 31 March | | Six months ended 31 March | |
|--|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | 2012 (Unaudited) HK\$'000 | 2011 (Unaudited) HK\$'000 | 2012 (Unaudited) HK\$'000 | 2011 (Unaudited) HK\$'000 |
| Total comprehensive income attributable to : | | | | | |
| Equity holders of the Company | | (14,675) | 1,074 | (178) | 209 |
| Non-controlling interests | | (168) | (53) | (596) | 22 |
| | | (14,843) | 1,021 | (774) | 231 |
| Dividend | 7 | – | – | – | – |
| Earnings/(Loss) per share (HK cents) | 8 | | | | |
| – Basic | | (1.53) | 0.06 | (0.04) | (0.07) |
| – Diluted | | N/A | N/A | N/A | N/A |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | At 31 March 2012 (Unaudited) HK\$'000 | At 30 September 2011 (Audited) HK\$'000 |
|---|--------------|---|---|
| | <i>Notes</i> | | |
| NON-CURRENT ASSETS | | | |
| Goodwill | | – | – |
| Property, plant and equipment | | 27,964 | 28,986 |
| Prepaid lease payments | | 7,608 | 7,014 |
| | | 35,572 | 36,000 |
| CURRENT ASSETS | | | |
| Prepaid lease payments | | 794 | 178 |
| Financial assets at fair value through profit or loss | | 79,004 | 38,798 |
| Inventories | | 29,260 | 46,435 |
| Trade and bills receivables | 9 | 25,736 | 19,199 |
| Prepayments and other receivables | | 18,972 | 30,154 |
| Tax recoverable | | 110 | – |
| Bank balances and cash | | 19,096 | 25,065 |
| | | 172,972 | 159,829 |
| CURRENT LIABILITIES | | | |
| Trade and bills payables | 10 | 14,526 | 22,699 |
| Other payables and accruals | 11 | 71,265 | 52,358 |
| Bank and other borrowings | | 22,341 | 22,210 |
| Amount due to a non-controlling shareholder | 12 | 619 | 774 |
| Tax payable | | – | 59 |
| | | 108,751 | 98,100 |

| | <i>Notes</i> | At 31 March 2012 (Unaudited) HK\$'000 | At 30 September 2011 (Audited) HK\$'000 |
|---|--------------|--|--|
| NET CURRENT ASSETS | | 64,221 | 61,729 |
| NET ASSETS | | 99,793 | 97,729 |
| CAPITAL AND RESERVES | | | |
| Share capital | 13 | 96,008 | 96,008 |
| Reserves | | 1,976 | (684) |
| Equity attributable to equity holders of the Company | | 97,984 | 95,324 |
| Non-controlling interests | | 1,809 | 2,405 |
| TOTAL EQUITY | | 99,793 | 97,729 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 March 2012

| | Attributable to equity holders of the Company | | | | | | | | | | Total equity |
|---|---|---------------|----------------------|----------------------|--------------------------------|-------------------------------------|------------------|--------------------|----------|---------------------------|--------------|
| | Share capital | Share premium | Share option reserve | Special reserve | Statutory surplus reserve fund | Statutory enterprise expansion fund | Exchange reserve | Accumulated losses | Total | Non-controlling interests | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 (Note 1) | HK\$'000 (Note 2) | HK\$'000 (Note 3) | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 October 2010 (Audited) | 96,008 | 79,168 | 8,574 | 22,443 | 15,479 | 3,098 | 28,376 | (111,153) | 141,993 | 4,724 | 146,717 |
| Loss for the period | - | - | - | - | - | - | - | (649) | (649) | (101) | (750) |
| Other comprehensive income | | | | | | | | | | | |
| Exchange differences arising on translation of foreign operations | - | - | - | - | - | - | 858 | - | 858 | 123 | 981 |
| Total comprehensive income for the period | - | - | - | - | - | - | 858 | (649) | 209 | 22 | 231 |
| At 31 March 2011 (Unaudited) | 96,008 | 79,168 | 8,574 | 22,443 | 15,479 | 3,098 | 29,234 | (111,802) | 142,202 | 4,746 | 146,948 |
| At 1 October 2011 (Audited) | 96,008 | 79,168 | 8,574 | 22,443 | 15,479 | 3,098 | 25,262 | (154,708) | 95,324 | 2,405 | 97,729 |
| Loss for the period | - | - | - | - | - | - | - | (379) | (379) | (610) | (989) |
| Other comprehensive income | | | | | | | | | | | |
| Exchange differences arising on translation of foreign operations | - | - | - | - | - | - | 201 | - | 201 | 14 | 215 |
| Total comprehensive income for the period | - | - | - | - | - | - | 201 | (379) | (178) | (596) | (774) |
| Share option scheme: | | | | | | | | | | | |
| - value of service | - | - | 2,838 | - | - | - | - | - | 2,838 | - | 2,838 |
| At 31 March 2012 (Unaudited) | 96,008 | 79,168 | 11,412 | 22,443 | 15,479 | 3,098 | 25,463 | (155,087) | 97,984 | 1,809 | 99,793 |

Notes:

1. Special reserve represents the difference between the paid-up capital and share premium of the subsidiary acquired and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation.
2. Pursuant to the Articles of Association of certain subsidiaries of the Company in the People's Republic of China (the "PRC"), those subsidiaries should transfer not less than 10% of net profit to the statutory surplus reserve fund, while the rest of the Company's subsidiaries in the PRC can make appropriation of net profit to the statutory surplus reserve fund on a discretionary basis.

The statutory surplus reserve fund can be used to make up for previous year's losses, expand the existing operations or convert into additional capital of those PRC subsidiaries.

3. Pursuant to the Articles of Association of certain subsidiaries of the Company in PRC, those subsidiaries can make appropriation of net profit to the statutory enterprise expansion fund on a discretionary basis.

The statutory enterprise expansion fund can be used to expand the capital of those subsidiaries by means of capitalisation.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Six months ended 31 March | |
|--|---------------------------------|---------------------------------|
| | 2012 (Unaudited) HK\$'000 | 2011 (Unaudited) HK\$'000 |
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | 5,221 | (13,039) |
| NET CASH OUTFLOW FROM INVESTING ACTIVITIES | (1,742) | (2,719) |
| NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES | (9,663) | 3,377 |
| DECREASE IN CASH AND CASH EQUIVALENTS | (6,184) | (12,381) |
| Cash and cash equivalents at beginning of period | 25,065 | 88,443 |
| Effect of foreign exchange rate changes | 215 | 858 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 19,096 | 76,920 |

Notes:

1. Basis of preparation and principal accounting policies

Basis of preparation

The condensed interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The principal accounting policies adopted in the interim financial statements are consistent with those set out in the annual financial statements for the year ended 30 September 2011. The financial statements are unaudited but have been reviewed by the Company’s audit committee.

Adoption of new and revised Hong Kong Financial Reporting Standard (HKFRSs)

The following new standards and amendments to standards are adopted by the Group for the current financial period:

HKAS 24 (revised), “Related party disclosures”, issued in November 2009, is mandatory for periods beginning on or after 1 January 2011. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The amendment does not have any financial impact on the Group.

Amendment to HKAS 34 “Interim financial reporting”, issued in May 2010 is effective for annual periods beginning on or after 1 January 2011. It emphasises the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures.

HKFRS 7 (Amendment) ‘Disclosures – Transfers of financial assets’ introduces new disclosure requirement on transfers of financial assets. Disclosure is required by class of asset of the nature, carrying amount and a description of the risks and rewards of financial assets that have been transferred to another party yet remain on the entity’s consolidated statement of financial position. The gain or loss on the transferred assets and any retained interest in those assets must be given. In addition, other disclosures must enable users to understand the amount of any associated liabilities, and the relationship between the financial assets and associated liabilities. The disclosures must be presented by type of ongoing involvement. For example, the retained exposure could be presented by type of financial instrument (such as guarantees, call or put options), or by type of transfer (such as factoring of receivables, securitisations or securities lending). The amendment only results in additional disclosures.

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 October 2011 and have not been early adopted:

- i) HKFRS 9, 'Financial Instruments' which will be effective on 1 January 2013 but is proposed to be postponed to 1 January 2015. The first part of HKFRS 9 was issued in November 2009 and will replace those parts of HKAS 39 relating to the classification and measurement of financial assets. In November 2010, a further pronouncement was published to address financial liabilities and derecognition. Key features are as follows:

Classification and Measurement

Financial assets are required to be classified into one of the following measurement categories:

(1) those to be measured subsequently at fair value or (2) those to be measured subsequently at amortised cost. Classification is to be made on transition, and subsequently on initial recognition.

The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

A financial instrument is subsequently measured at amortised cost only if it is a debt instrument, and the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and the asset's contractual cash flows represent only unleveraged payments of principal and interest. All other debt instruments are to be measured at fair value through profit or loss.

All equity instruments are to be measured subsequently at fair value. Equity instrument that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than consolidated statement of comprehensive income. Once elected to be recognised through other comprehensive income, there will be no reclassification of fair value gains and losses to consolidated statement of comprehensive income. Dividends are to be presented in consolidated statement of comprehensive income as long as they represent a return on investment.

Financial Liabilities and Derecognition

Except for the two substantial changes described below, the classification and measurement requirements of financial liabilities have been basically carried forward with little amendments from HKAS 39. For the derecognition principles, they are consistent with that of HKAS 39.

The requirements related to the fair value option for financial liabilities were changed to address own credit risk. It requires the amount of change in fair value attributable to changes in the credit risk of the liability be presented in other comprehensive income. The remaining amount of the total gain or loss is included in consolidated statement of comprehensive income. If this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in consolidated statement of comprehensive income. The determination of whether there will be a mismatch will need to be made at initial recognition of individual liabilities and will not be re-assessed. Amounts presented in other comprehensive income are not subsequently reclassified to consolidated statement of comprehensive income but may be transferred within equity.

The standard eliminates the exception from fair value measurement contained in HKAS 39 for derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument.

- ii) HKFRS 10 “Consolidated financial statements” is effective for annual periods beginning on or after 1 January 2013. It replaces all of the guidance on control and consolidation in HKAS 27, “Consolidated and separate financial statements”, and HK(SIC)-12, “Consolidation – special purpose entities”. HKAS 27 is renamed ‘Separate financial statements’, and it continues to be a standard dealing solely with separate financial statements. The existing guidance for separate financial statements is unchanged.

The revised definition of control under HKFRS 10 focuses on the need to have both power and variable returns before control is present. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. The determination of power is based on current facts and circumstances and is continuously assessed. The fact that control is intended to be temporary does not obviate the requirement to consolidate any investee under the control of the investor. Voting rights or contractual rights may be evidence of power, or a combination of the two may give an investor power. Power does not have to be exercised. HKFRS 10 includes guidance on ‘de facto’ control, participating and protective rights and agent/principal relationships.

- iii) HKFRS 13 “Fair value measurements” is effective for annual periods beginning on or after 1 January 2013. It explains how to measure fair value and aims to enhance fair value disclosures. It does not say when to measure fair value or require additional fair value measurements. It does not apply to transactions within the scope of HKFRS 2, “Share-based payment”, or HKFRS 17, “Leases”, or to certain other measurements that are required by other standards and are similar to, but are not, fair value (for example, value in use in HKAS 36, ‘Impairment of assets’).

The Group is in the process of making an assessment of what the impacts of the above new standards are expected to be in their respective period of initial application.

2. Segment Information

The Group engaged in the manufacture, research and development and distribution of consumer cosmetic, health related products, capsules products, health supplement wine, dental materials and equipment in the PRC and trading of securities in Hong Kong.

Condensed consolidated income statement (Unaudited)

For the six months ended 31 March 2012

| | Manufacturing and sales of consumer cosmetics HK\$'000 | Manufacturing and sales of health related products HK\$'000 | Manufacturing and sales of capsules products HK\$'000 | Manufacturing and sales of health supplement wine HK\$'000 | Manufacturing and sales of dental materials and equipment HK\$'000 | Trading of financial asset at fair value through profit or loss HK\$'000 | Consolidated HK\$'000 |
|--------------------------------|--|---|---|---|---|---|--------------------------|
| Turnover | 20,787 | 12,231 | 8,818 | 905 | 1,741 | 15,225 | 59,707 |
| Segment results | (3,707) | (2,979) | (1,273) | (141) | 63 | 15,026 | 6,989 |
| Other income | | | | | | | 336 |
| Unallocated corporate expenses | | | | | | | (5,738) |
| Finance costs | | | | | | | (2,513) |
| Income tax expense | | | | | | | (63) |
| Loss for the period | | | | | | | (989) |

For the six months ended 31 March 2011

| | Manufacturing and sales of consumer cosmetics HK\$'000 | Manufacturing and sales of health related products HK\$'000 | Manufacturing and sales of capsules products HK\$'000 | Manufacturing and sales of health supplement wine HK\$'000 | Manufacturing and sales of dental materials and equipment HK\$'000 | Trading of financial asset at fair value through profit or loss HK\$'000 | Consolidated HK\$'000 |
|--------------------------------|--|---|---|---|---|---|--------------------------|
| Turnover | 18,488 | 12,054 | 10,166 | 520 | 350 | 3,124 | 44,702 |
| Segment results | 355 | 82 | 260 | 4 | (38) | 3,123 | 3,786 |
| Other income | | | | | | | 662 |
| Unallocated corporate expenses | | | | | | | (1,333) |
| Finance costs | | | | | | | (2,629) |
| Income tax expense | | | | | | | (1,236) |
| Loss for the period | | | | | | | (750) |

Condensed consolidated statement of financial position (Unaudited)

As at 31 March 2012

| | Manufacturing and sales of consumer cosmetics HK\$'000 | Manufacturing and sales of health related products HK\$'000 | Manufacturing and sales of capsules products HK\$'000 | Manufacturing and sales of health supplement wine HK\$'000 | Manufacturing and sales of dental materials and equipment HK\$'000 | Trading of financial assets at fair value through profit or loss HK\$'000 | Consolidated HK\$'000 |
|-----------------------------------|--|---|---|---|---|--|--------------------------|
| Assets | | | | | | | |
| Segment assets | 49,476 | 29,976 | 30,795 | 2,207 | 1,093 | 84,093 | 197,640 |
| Unallocated corporate assets | | | | | | | 10,904 |
| Total assets | | | | | | | 208,544 |
| Liabilities | | | | | | | |
| Segment liabilities | 47,982 | 29,141 | 14,464 | 2,106 | 434 | 9,794 | 103,921 |
| Unallocated corporate liabilities | | | | | | | 4,830 |
| Total liabilities | | | | | | | 108,751 |

Condensed consolidated statement of financial position (Audited)

As at 30 September 2011

| | Manufacturing and sales of consumer cosmetics HK\$'000 | Manufacturing and sales of health related products HK\$'000 | Manufacturing and sales of capsules products HK\$'000 | Manufacturing and sales of health supplement wine HK\$'000 | Manufacturing and sales of dental materials and equipment HK\$'000 | Trading of financial assets at fair value through profit or loss HK\$'000 | Consolidated HK\$'000 |
|-----------------------------------|--|---|---|---|---|--|--------------------------|
| Assets | | | | | | | |
| Segment assets | 43,143 | 36,156 | 29,869 | 1,666 | 1,152 | 50,703 | 162,689 |
| Unallocated corporate assets | | | | | | | 33,140 |
| Total assets | | | | | | | 195,829 |
| Liabilities | | | | | | | |
| Segment liabilities | 45,468 | 29,876 | 11,237 | 1,402 | 790 | – | 88,773 |
| Unallocated corporate liabilities | | | | | | | 9,327 |
| Total liabilities | | | | | | | 98,100 |

Other information (Unaudited)

For the six months ended 31 March 2012

| | Manufacturing and sales of consumer cosmetics HK\$'000 | Manufacturing and sales of health related products HK\$'000 | Manufacturing and sales of capsules products HK\$'000 | Manufacturing and sales of health supplement wine HK\$'000 | Manufacturing and sales of dental materials and equipment HK\$'000 | Unallocated corporate HK\$'000 | Consolidated HK\$'000 |
|--|--|---|---|---|---|--------------------------------------|--------------------------|
| Capital expenditures | 192 | 122 | 37 | 9 | – | – | 360 |
| Depreciation of property, plant and equipment | 459 | 239 | 668 | 18 | 25 | 145 | 1,554 |

For the six months ended 31 March 2011

| | Manufacturing and sales of consumer cosmetics HK\$'000 | Manufacturing and sales of health related products HK\$'000 | Manufacturing and sales of capsules products HK\$'000 | Manufacturing and sales of health supplement wine HK\$'000 | Manufacturing and sales of dental materials and equipment HK\$'000 | Unallocated corporate HK\$'000 | Consolidated HK\$'000 |
|--|--|---|---|---|---|--------------------------------------|--------------------------|
| Capital expenditures | 41 | 30 | 56 | 1 | – | 1,223 | 1,351 |
| Depreciation of property, plant and equipment | 575 | 262 | 770 | 11 | 47 | 9 | 1,674 |

3. Turnover

Turnover represents the amounts received and receivable from sales of goods less sales tax and discounts, if any, and income from trading of financial assets at fair value through profit or loss during the period.

4. Finance costs

| | Three months ended 31 March | | Six months ended 31 March | |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 2012 (Unaudited) HK\$'000 | 2011 (Unaudited) HK\$'000 | 2012 (Unaudited) HK\$'000 | 2011 (Unaudited) HK\$'000 |
| Interest on: | | | | |
| Bank borrowings wholly repayable within five years | 720 | 809 | 1,165 | 1,182 |
| Other borrowings wholly repayable within five years | 31 | 1,408 | 1,270 | 1,408 |
| Discounted bills interest | – | 39 | 78 | 39 |
| | 751 | 2,256 | 2,513 | 2,629 |

5. Profit/(Loss) before tax

| | Three months ended 31 March | | Six months ended 31 March | |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 2012 (Unaudited) HK\$'000 | 2011 (Unaudited) HK\$'000 | 2012 (Unaudited) HK\$'000 | 2011 (Unaudited) HK\$'000 |
| Profit/(Loss) before tax has been arrived at after charging: | | | | |
| Cost of inventories recognised as an expense | 16,935 | 10,473 | 33,883 | 20,536 |
| Depreciation of property, plant and equipment | 643 | 777 | 1,554 | 1,674 |

6. Income tax expense

| | Three months ended 31 March | | Six months ended 31 March | |
|-----------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 2012 (Unaudited) HK\$'000 | 2011 (Unaudited) HK\$'000 | 2012 (Unaudited) HK\$'000 | 2011 (Unaudited) HK\$'000 |
| The amount comprises: | | | | |
| Hong Kong profits tax | | | | |
| – current period | – | – | – | – |
| Taxation arising in the PRC | | | | |
| – current period | 18 | 1,207 | 63 | 1,236 |
| | 18 | 1,207 | 63 | 1,236 |

The Company and its subsidiaries have no assessable profits arising in Hong Kong for the six months ended 31 March 2012 and 2011.

Taxation arising in the PRC is calculated at the rates prevailing in the relevant jurisdiction.

Pursuant to the relevant law and regulations in the PRC, certain subsidiaries of the Company in the PRC are exempted from PRC Enterprise Income Tax for two years starting from the first profit making year in which profits exceed any carried forward tax losses followed by a 50% tax relief for PRC Enterprise Income Tax for the following three years.

7. Dividend

No dividend was paid or proposed during the six months ended 31 March 2012 nor has any dividend been proposed since the end of the reporting period (2011: nil).

8. Earnings/(Loss) per share

The calculation of basic earnings/(loss) per share attributable to the equity holders of the Company is based on the following data:

| | Three months ended 31 March | | Six months ended 31 March | |
|--|--|---------------------------------|--|---------------------------------|
| | 2012 (Unaudited) HK\$'000 | 2011 (Unaudited) HK\$'000 | 2012 (Unaudited) HK\$'000 | 2011 (Unaudited) HK\$'000 |
| Earnings/(Loss) | | | | |
| Profit/(Loss) for the period attributable to equity holders of the Company | (14,723) | 586 | (379) | (649) |

| | Three months ended 31 March | | Six months ended 31 March | |
|---|--|-----------------------------|--------------------------------------|-----------------------------|
| | 2012 (Unaudited) '000 | 2011 (Unaudited) '000 | 2012 (Unaudited) '000 | 2011 (Unaudited) '000 |
| Number of shares | | | | |
| Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share | 960,080 | 960,080 | 960,080 | 960,080 |

Diluted loss per share

No diluted loss per share have been presented for the three months and six months ended 31 March 2012 and 2011 as there was no dilutive potential ordinary share for these periods.

9. Trade and bills receivables

| | 31 March 2012 (Unaudited) HK\$'000 | 30 September 2011 (Audited) HK\$'000 |
|--|---|---|
| Trade and bills receivables | 55,296 | 48,585 |
| Less: Allowance for bad and doubtful debts | (29,560) | (29,386) |
| | 25,736 | 19,199 |

The Group has a policy of allowing an average credit period of 90 days to its trade customers. The following is an ageing analysis of trade and bills receivables net of allowance at the end of reporting period:

| | 31 March 2012 (Unaudited) HK\$'000 | 30 September 2011 (Audited) HK\$'000 |
|----------------|---|---|
| 0 – 90 days | 17,305 | 11,045 |
| 91 – 180 days | 8,431 | 3,391 |
| 181 – 365 days | – | 4,753 |
| Over 365 days | – | 10 |
| | 25,736 | 19,199 |

Ageing analysis of trade receivables past due but not impaired:

| | 31 March 2012 (Unaudited) HK\$'000 | 30 September 2011 (Audited) HK\$'000 |
|----------------|---|---|
| 91 – 180 days | 8,431 | 3,391 |
| 181 – 365 days | – | 4,753 |
| Over 365 days | – | 10 |
| | 8,431 | 8,154 |

10. Trade and bills payables

The following is an ageing analysis of trade and bills payables at the end of reporting period:

| | 31 March 2012 (Unaudited) HK\$'000 | 30 September 2011 (Audited) HK\$'000 |
|----------------|---|---|
| 0 – 90 days | 5,511 | 12,151 |
| 91 – 180 days | 1,947 | 745 |
| 181 – 365 days | 3,601 | 472 |
| Over 365 days | 3,467 | 9,331 |
| | 14,526 | 22,699 |

11. Other payables and accruals

| | | 31 March 2012 (Unaudited) HK\$'000 | 30 September 2011 (Audited) HK\$'000 |
|---|-------|---|---|
| | Notes | | |
| Salary and wages payable | | 1,509 | 1,920 |
| Receipt in advance | | 9,220 | 6,417 |
| Accruals and others | | 12,398 | 9,320 |
| Margin payable for investment in financial assets | | 9,794 | – |
| Provision for value-added tax, business tax and other government duties | | 14,839 | 13,710 |
| Amount due to an ex-director, Mr. Yang Honggen | (a) | 16,707 | 16,508 |
| Advance from independent third parties | (b) | 6,798 | 4,483 |
| | | 71,265 | 52,358 |

(a) The amount is unsecured, bearing interest at 6.903% per annum (30 September 2011: 6.903% per annum) and has no fixed term of repayment.

(b) The advances were made by virtue of the relation with Mr. Yang Honggen, for general working capital of the Company.

12. Amount due to a non-controlling shareholder

The amount is unsecured, interest-free and repayable on demand.

13. Share capital

| | Number of shares '000 | Amount HK\$'000 |
|----------------------------------|-----------------------------|--------------------|
| Authorized: | | |
| Ordinary shares of HK\$0.10 each | | |
| At beginning and end of period | 2,000,000 | 200,000 |
| Issued and fully paid: | | |
| Ordinary shares of HK\$0.10 each | | |
| At beginning and end of period | 960,080 | 96,008 |

14. Operating lease commitments

At the end of reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises, warehouses and staff quarters which fall due as follows:

| | 31 March 2012 (Unaudited) HK\$'000 | 30 September 2011 (Audited) HK\$'000 |
|---------------------------------------|---|---|
| Within one year | 1,595 | 1,538 |
| In the second to fifth year inclusive | 641 | 1,054 |
| | 2,236 | 2,592 |

Leases are negotiated and rentals are fixed for terms of 1 year to 3 years (30 September 2011: 1 year to 3 years).

15. Pledge of assets

At the end of the reporting period, the following assets were pledged by the Group to secure banking facilities:

| | 31 March 2012 (Unaudited) HK\$'000 | 30 September 2011 (Audited) HK\$'000 |
|--|---|---|
| Property, plant and equipment | 14,714 | 14,627 |
| Prepaid lease payments | 7,099 | 7,058 |
| Financial assets | 79,004 | 38,798 |
| Cash held in margin accounts with stock brokers included in "Prepayments and other receivables" | 5,000 | 11,906 |
| | 105,817 | 72,389 |

16. Related party and connected transactions

(a) *Outstanding balances with related parties*

- (i) As at 31 March 2012, a secured bank borrowing amounting to approximately HK\$12,337,000 (30 September 2011: HK\$12,264,000) was guaranteed by the Chief Executive Officer and an ex-director of the Company, Mr. Yang Shunfeng.
- (ii) As at 31 March 2012, unsecured other borrowing amounting to approximately HK\$6,982,000 (30 September 2011: HK\$6,941,000) was borrowed from a non-controlling shareholder bearing interest at 9.01% p.a.

(b) *Transactions with related parties*

Details of the transactions with related parties during the period:

On 15 November 2010, the Company and Capital VC Limited have jointly entered into a tenancy agreement for the lease of office premises. Under the agreement, the Company shared 50% of the rent on a cost basis.

The Company confirms that the joint tenancy agreement as disclosed above falls under the definition of continuing connected transactions in Chapter 20 of the GEM Listing Rules and that it should be exempted from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Note: Capital VC Limited is substantial shareholder of the Company.

(c) *Compensation of key management personnel*

The remuneration of Directors and other members of key management during the period was as follows:

| | Three months ended 31 March | | Six months ended 31 March | |
|---------------------|--|---------------------------------|--|---------------------------------|
| | 2012 (Unaudited) HK\$'000 | 2011 (Unaudited) HK\$'000 | 2012 (Unaudited) HK\$'000 | 2011 (Unaudited) HK\$'000 |
| Short-term benefits | 480 | 769 | 944 | 1,549 |

The remuneration of Directors and key executives is determined by the Remuneration Committee with regard to the individual performance and market trends.

17. Contingent liabilities

The Company and Capital VC Limited have jointly entered into a tenancy agreement for the lease of office premises for a term of three years from 5 July 2010 to 4 July 2013. As at 31 March 2012, the maximum rental liabilities of the Company due to default of rental payment of Capital VC Limited would be approximately HK\$1,757,000 (30 September 2011: HK\$2,460,000).

18. Subsequent event

In April 2012, the manufacturing and production licence of Zhejiang Xinda Zhongshan Capsules Company Limited, an indirectly owned subsidiary of the Company, was revoked by the relevant authorities in the PRC (the "Event"). PRC lawyers have been engaged to conduct independent and impartial investigation on the Event, prepare relevant legal advice to ascertain and assess the potential legal consequences and liabilities, if any, on the Company and exercise possible relevant legal rights of the Company. Other relevant professionals have been engaged to assess the impact of the Event on the business operation and financial position of the Company. Please refer to an announcement of the Company dated 9 May 2012 for more details.

BUSINESS REVIEW

During the period under review, the PRC was still facing high inflationary pressure. The turnover of the Group's consumer products business slightly improved, compared to the same period in last year, which was due to the increase in the Group's investment in both new products development and new sales channels expansion after the completion of the business model transformation.

Regarding the Group's business of financial assets investment, which benefited from the recovery of global investment market, the result from trading of financial assets at fair value through profit or loss greatly improved in the current period as compared to the performance in the corresponding period of last year.

Revenue

For the six months ended 31 March 2012 ("Period 2012"), the Group recorded an unaudited turnover of approximately HK\$59,707,000. As compared to the turnover of approximately HK\$44,702,000 for the six months ended 31 March 2011 ("Period 2011"), the Group's turnover increased by 33.6%. Excluding the profit of trading of financial asset at fair value through profit or loss of approximately HK\$15,225,000 (Period 2011: approximately HK\$3,124,000), the Group's turnover in relation to the PRC operations increased by 7%, from approximately HK\$41,578,000 for Period 2011 to approximately HK\$44,482,000 for Period 2012. The increase in sales for the Group's PRC operations was resulted from new products launched in the market and the increase in the distribution channels.

The performance of the Group's financial assets investments improved in the current period and changed from profit of approximately HK\$3,124,000 in period to profit of approximately HK\$15,225,000 in Period 2012.

Gross profit

The gross profit increased from approximately HK\$24,166,000 for Period 2011 to approximately HK\$25,824,000 for Period 2012. Excluding the profit of trading of financial asset at fair value through profit or loss of approximately HK\$15,225,000 (Period 2011: approximately HK\$3,124,000), the Group's gross profit in relation to the PRC operations decreased by 49.6% from approximately HK\$21,042,000 for Period 2011 to approximately HK\$10,599,000 for Period 2012. As resulted from the impact of fierce competition with other manufacturers and the rise of operating costs due to inflation, the extent of decrease in gross profit of the Group's PRC operations was significantly higher than that of turnover.

The profit of the Group's financial assets investment of approximately HK\$15,225,000 directly contributed to the Group's gross profit, resulting in the overall gross profit of approximately HK\$25,824,000 for Period 2012. Similarly, the overall gross profit of approximately HK\$24,166,000 for the six months ended 31 March 2011 represented the gross profit of consumer business of approximately HK\$21,042,000 and the trading profit of financial assets of approximately HK\$3,124,000.

Results for the period

Although performance of the Group's PRC operations was unsatisfactory and the gross profit in relation to the PRC operations for Period 2012 decreased by HK\$10,443,000 as compared to Period 2011, the Group's overall financial performance only slightly affected. The loss for the period changed from approximately HK\$750,000 for Period 2011 to approximately HK\$989,000 for Period 2012. Only insignificant change in the Group's overall financial performance was principally attributable to the profit from trading of financial assets at fair value through profit or loss of approximately HK\$15,225,000 (Period 2011: approximately HK\$3,124,000).

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent policy for its financial resources management. The Group had cash and cash equivalents of approximately HK\$19,096,000 as at 31 March 2012 (30 September 2011: approximately HK\$25,065,000). Included in prepayments and other receivables was cash held in securities accounts of approximately HK\$5,000,000 (30 September 2011: approximately HK\$11,906,000).

The Group generally finances its operations with internally generated cash flows and banking facilities. As at 31 March 2012, the Group had bank and other borrowings of approximately HK\$22,341,000 (30 September 2011: approximately HK\$22,210,000). The interest of such bank and other borrowings usually accrue at fixed rates.

Details of assets pledged by the Group to secure banking facilities are set out in note 15 to the condensed consolidated financial statements.

The gearing ratio (defined as total borrowings (including amount due to a non-controlling shareholder) to total assets) of the Group as at 31 March 2012 and 30 September 2011 were approximately 11.0% and approximately 11.7% respectively.

SIGNIFICANT INVESTMENT

Save as disclosed in this report, the Company does not have any significant investment during the six months ended 31 March 2012.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 March 2012 (2011: nil).

CURRENCY AND INTEREST RATE STRUCTURE

The Group had limited exposure to foreign exchange rate and interest rate fluctuation as most of its transactions, including borrowings, were mainly conducted in RMB and the exchange rates and interest rates of RMB were relatively stable throughout the six months ended 31 March 2012.

CONTINGENT LIABILITIES

The Company and Capital VC Limited have jointly entered into a tenancy agreement for the lease of office premises for a term of three years from 5 July 2010 to 4 July 2013. As at 31 March 2012, the maximum rental liabilities of the Company due to default of rental payment of Capital VC Limited would be HK\$1,757,000.

FUTURE OUTLOOK

Continuing to deepen the implementation of the business model of “asset minimization, focus on operation and full services” is still the primary objective of the Group regarding its consumer products business.

In connection with the Group’s financial asset investments, as the US Federal Open Market Committee anticipating that interest rates would remain low through at least late 2014, and the Chinese Government may be less hawkish to further tighten the current macro policy in the near term, the Directors are optimistic to the worldwide investment market but will adopt cautious measures in handling the Group’s financial assets investments.

The Directors believe the above measures will contribute to realize the Group’s objective to maintain its profitability and enhance shareholders’ value for the long run.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2012, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Future Ordinance (“SFO”)) which require notification to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive is taken or deemed to have under such provision of the SFO) or which are required pursuant to section 352 of the SFO or which are required, pursuant to rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Exchange were as follows:

Long positions in the ordinary shares in the Company

| Name | Capacity | Number of ordinary shares | % to total issued share capital of the Company |
|------------------------|--------------------------------------|---------------------------|--|
| Director | | | |
| Cheung Hung | Beneficial owner and family interest | 8,500,000 | 0.89% |
| Chief executive | | | |
| Yang Shunfeng | Beneficial owner | 250,000 | 0.03% |

Long positions in underlying shares of the Company***Share options granted***

| Name of director | Date of grant | Exercisable period | Subscription price per share | Aggregate long positions in underlying shares of the Company | Approximate percentage interest in the Company's issued share capital |
|------------------|---------------|------------------------------|------------------------------|--|---|
| Cheung Hung | 9 April 2010 | 9 April 2010 to 8 April 2020 | HK\$0.355 | 5,000,000 | 0.52% |
| Wang Zhixin | 9 April 2010 | 9 April 2010 to 8 April 2020 | HK\$0.355 | 5,000,000 | 0.52% |

Save as disclosed above, none of the Directors nor the chief executives of the Company had, as at 31 March 2012, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the SFO) which require notification to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such director is taken or deemed to have under such provision of the SFO) or which are required pursuant to Section 352 of the SFO, or which are required pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Exchange.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2012, according to the register kept by the Company pursuant to section 336 of SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, save as disclosed in the paragraph headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES" in this report, the following person had an interest or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, was directly or indirectly interested in 5% or more of the voting power at general meetings of the Company:

Long positions in shares and underlying shares of the Company

| Name of shareholder | Capacity | Number of ordinary shares | Number of underlying shares under equity derivatives | Total | % of shares in issue |
|--|--|------------------------------|--|------------|-------------------------|
| Capital VC Limited (Note 1) | Beneficial owner/through controlled corporation | 88,910,000 | 500,000 | 89,410,000 | 9.31% |
| Avant Capital Management (HK) Limited | Beneficial owner | 60,220,000 | – | – | 6.27% |
| See Ching Chuen (Note 2) | Beneficial owner/through controlled corporation | 58,550,000 | – | – | 6.10% |

Notes:

- 68,520,000 of these shares were held by CNI Capital Limited, a company controlled by Capital VC Limited.
- 48,550,000 of these shares were held by CITIC Capital Group Limited, a company controlled by See Ching Chuen.

Save as disclosed above, the Company has not been notified of any other interests or short positions representing 5% or more of the issued share capital of the Company and recorded in the register required to be kept by the Company under section 336 of the SFO as at 31 March 2012.

RIGHTS TO ACQUIRE COMPANY'S SECURITIES

Other than as disclosed under the sections "SHARE OPTION SCHEME" and "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES" above, at no time during the six months ended 31 March 2012 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

On 26 May 2004, the Company approved and adopted a share option scheme (the “Scheme”) for the purpose of enabling the Group to grant share options to selected participants as incentives or rewards for their contribution to the Group.

Particulars of the movement of the options held by each of the Directors, substantial shareholder, the employees of the Company and its affiliates (other than the Directors and substantial shareholder) and other participants in aggregate granted under the Scheme during the six months ended 31 March 2012 were as follows:

| | | Option number | | | | | | | |
|---|----------------------|---------------------------------|-----------------------------------|-----------------------------------|--------------------------------|----------------------|-----------------------------|---------------------------|--|
| | Held at 1.10.2011 | Granted during the Period | Exercised during the Period | Cancelled during the Period | Lapsed during the Period | Held at 31.3.2012 | Exercise price (HK\$) | Exercise period | |
| <i>Date of grant: 9 September 2010</i> | | | | | | | | | |
| Directors | | | | | | | | | |
| – Cheung Hung | 5,000,000 | – | – | – | – | 5,000,000 | 0.355 | 9.4.2010 to 8.4.2020 | |
| – Wang Zhixin | 5,000,000 | – | – | – | – | 5,000,000 | 0.355 | 9.4.2010 to 8.4.2020 | |
| Substantial shareholder | | | | | | | | | |
| – Capital VC Limited | 500,000 | – | – | – | – | 500,000 | 0.355 | 9.4.2010 to 8.4.2020 | |
| Employees and service providers (in aggregate) | 39,500,000 | – | – | – | – | 39,500,000 | 0.355 | 9.4.2010 to 8.4.2020 | |
| <i>Date of grant: 22 March 2012</i> | | | | | | | | | |
| Employees and service providers (in aggregate) | 70,000,000 | – | – | – | – | 70,000,000 | 0.200 | 22.3.2012 to 21.3.2015 | |
| | 120,000,000 | – | – | – | – | 120,000,000 | | | |

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group had no material acquisitions and disposals of subsidiaries and associated companies for the six months ended 31 March 2012.

EMPLOYEES' REMUNERATION

As at 31 March 2012, the Group, directly and indirectly, had 569 employees which are mainly located in the PRC. The staff costs for the six months ended 31 March 2012 was approximately HK\$7,030,000.

The Group remunerates its employees based on their performance, work experience and the prevailing market price. Performance related bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance and medical coverage, training and a share option scheme.

The employees of the subsidiaries are members of retirement benefits scheme according to the statutory requirements. The relevant subsidiaries is required to make contributions to the defined contribution pension scheme based on certain percentage of the monthly salaries of their current employees to fund the benefits. The employees are entitled to retirement pension calculated with reference to their basic salaries on retirement and their length of service in accordance with the relevant government regulations.

In addition, pursuant to regulations stipulated by the PRC government, the PRC subsidiary started a defined contribution health care scheme. The employees currently under the defined contribution pension scheme are entitled to the health care scheme. Under this scheme, the PRC subsidiary and the relevant employees have to contribute certain percentage of the employees' salaries to the scheme.

DISCLOSURE OF INFORMATION ON DIRECTORS

There was no change of information on Directors during the six months ended 31 March 2012 which is required to be disclosed pursuant to rule 17.50 A (1) of the GEM Listing Rules.

COMPETING INTERESTS

None of the Directors or the management shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association ("Articles"), or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to exiting shareholders.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the requirements as set out in the GEM Listing Rules for the purposes of reviewing and supervising the financial reporting process and internal controls of the Group. The Audit Committee currently comprises all three independent non-executive Directors, namely, Mr. Chong Cha Hwa, Mr. Sham Chi Keung William and Mr. Yeung Chi Tit.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Company and discussed internal controls and financial reporting matters including review of the unaudited condensed consolidated results of the Company for the six months ended 31 March 2012.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Company also had made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transaction by Directors during the six months ended 31 March 2012.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 March 2012, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

CORPORATE GOVERNANCE

The Board considers that the Company has complied with the code provisions of Code on Corporate Governance Practices ("CG Code") set out in Appendix 15 to the GEM Listing Rules throughout the six months ended 31 March 2012, except for the following deviations:-

Code provision A.4.1 requires that non-executive directors should be appointed for a specific term and subject to re-election. Currently all independent non-executive Directors have no specific term of appointment but they are subject to retirement by rotation in accordance with the Articles. As such, the Company considers that sufficient measures have been taken to serve the purpose of this code provision.

By Order of the Board
Longlife Group Holdings Limited
Cheung Hung
Chairman

Hong Kong, 14 May 2012

Executive Directors as at date of this report:

Mr. Cheung Hung, Mr. Tian Zhenyong and Mr. Wang Zhixin

Independent Non-executive Directors as at date of this report:

Mr. Chong Cha Hwa, Mr. Sham Chi Keung William and Mr. Yeung Chi Tit