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## **LIFE HEALTHCARE GROUP LIMITED**

**蓮和醫療健康集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 928)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

#### **INTERIM RESULTS**

The board (the “Board”) of directors (the “Director(s)”) of Life Healthcare Group Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2022, together with comparative figures for the corresponding period in 2021, which have been reviewed by the Company’s audit committee (the “Audit Committee”) as follows:

#### **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 September 2022*

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2022</b>	<b>2021</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Continuing operations</b>			
Revenue	4	<b>56,407</b>	87,492
Cost of sales and services		<b>(51,352)</b>	(78,679)
		<hr/>	<hr/>
Gross profit		<b>5,055</b>	8,813
		<hr/>	<hr/>
Other income and gains		<b>1,131</b>	16
Selling and distribution costs		<b>(974)</b>	(29)
Administrative and other expenses		<b>(6,504)</b>	(10,017)
Share of results of associates		–	(2,502)
Finance costs	5	<b>(49)</b>	(13)
		<hr/>	<hr/>
Operating loss		<b>(1,341)</b>	(3,732)
		<hr/>	<hr/>

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2022</b>	2021
	<i>Notes</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
Loss before taxation	6	<b>(1,341)</b>	(3,732)
Income tax	7	–	(858)
		<u>          </u>	<u>          </u>
Loss for the period		<b>(1,341)</b>	(4,590)
		<u>          </u>	<u>          </u>
Loss for the period attributable to			
Owners of the Company		<b>(1,262)</b>	(4,585)
Non-controlling interests		<b>(79)</b>	(5)
		<u>          </u>	<u>          </u>
		<b>(1,341)</b>	(4,590)
		<u>          </u>	<u>          </u>
Other comprehensive (expense) income that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translations		<b>(26,391)</b>	3,468
Share of foreign currency reserve of associates		–	(25)
		<u>          </u>	<u>          </u>
		<b>(26,391)</b>	3,443
		<u>          </u>	<u>          </u>
Total comprehensive expense for the period		<b>(27,732)</b>	(1,147)
		<u>          </u>	<u>          </u>
Total comprehensive expense for the period attributable to:			
Owners of the Company		<b>(27,449)</b>	(1,058)
Non-controlling interests		<b>(283)</b>	(89)
		<u>          </u>	<u>          </u>
		<b>(27,732)</b>	(1,147)
		<u>          </u>	<u>          </u>
Loss per share			
– (expressed in HK cents per share)	8		
– Basic and diluted		<b>(0.09)</b>	(0.36)
		<u>          </u>	<u>          </u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 September 2022*

		Unaudited 30 September 2022 <i>HK\$'000</i>	Audited 31 March 2022 <i>HK\$'000</i>
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		20,826	401
Right-of-use assets		5,264	419
Interest in associate		–	67,814
Equity investment at fair value through other comprehensive income		1,899	37,258
		27,989	105,892
<b>Current assets</b>			
Inventories		35,662	10
Loan receivables	9	6,000	–
Loan interest receivables	9	48	–
Trade and other receivables	10	112,612	159,636
Cash and cash equivalents		112,152	37,402
		266,474	197,048
<b>Current liabilities</b>			
Trade and other payables	11	23,384	34,890
Lease liabilities		1,940	249
Tax payable		3,774	4,244
		29,098	39,383
<b>Net current assets</b>		237,376	157,665
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		265,365	263,557
<b>Non-current liabilities</b>			
Lease liabilities		3,348	173
		3,348	173
<b>NET ASSETS</b>		262,017	263,384
<b>Capital and reserves</b>			
Share capital	12	77,101	64,251
Reserves		184,098	198,032
		261,199	262,283
<b>Equity attributable to owners of the Company</b>		261,199	262,283
Non-controlling interests		818	1,101
<b>TOTAL EQUITY</b>		262,017	263,384

# NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2022*

## 1 GENERAL

Life Healthcare Group Limited (the “Company”) is a company incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law of the Cayman Islands on 12 March 2001 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as of 29 April 2002. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and the principal place of business of the Company in Hong Kong is Suite 6307–08, 63rd floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (the “Group”) are principally engaged in healthcare products and services business and money lending business.

The presentation currency of the unaudited condensed consolidated financial statements is Hong Kong dollars (“HK\$”). For the convenience of the unaudited condensed consolidated financial statements users, the results and financial position of the Company and its subsidiaries are presented in HK\$ as the Company’s shares are listed on the Stock Exchange. All values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

## 2 BASIS OF PREPARATION

The unaudited condensed consolidated 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”), as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

These unaudited condensed consolidated financial statements should be read in conjunction with the 2022 annual financial statements. The accounting policies used in the unaudited condensed consolidated interim financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2022.

## 3 ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2022. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current period and prior years.

## 4 REVENUE AND SEGMENT INFORMATION

HKFRS 8 “Operating segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers (“CODM”) in order to allocate resources to the segment and to assess its performance. Relevant information was reported to the executive directors of the Company, being the CODM, for the purposes of resource allocation and assessment of segment performance focusing on types of goods or services delivered or provided.

The Group is engaged in the following two operating segments for its operations, each of which represents an operating and reportable segment of the Group under HKFRS 8.

1. Healthcare products and services business
2. Money lending business

The following is an analysis of the Group's revenue and results by reportable and operating segments:

**For the six months ended 30 September 2022 (Unaudited)**

	<b>Healthcare products and services business <i>HK\$'000</i></b>	<b>Money lending business <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
Turnover			
External sales	<u>56,359</u>	<u>48</u>	<u>56,407</u>
Segment profit (loss)	633	(348)	285
Other income and gains			9
Unallocated expenses			<u>(1,635)</u>
Loss before taxation			<u>(1,341)</u>

**For the six months ended 30 September 2021 (Unaudited)**

	<b>Healthcare products and services business <i>HK\$'000</i></b>	<b>Money lending business <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
Turnover			
External sales	<u>86,737</u>	<u>755</u>	<u>87,492</u>
Segment profit (loss)	3,814	(1,368)	2,446
Interest revenue			4
Other income and gains			5
Unallocated expenses			(3,685)
Share of result of associates			<u>(2,502)</u>
Loss before taxation			<u>(3,732)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies.

## Disaggregation of revenue from contracts with customers:

### *Geographical markets*

The following is an analysis of geographical locations of the Group's revenue from external customers:

	Unaudited	
	For the six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
The PRC	29,366	86,737
Hong Kong	27,041	755
	<u>56,407</u>	<u>87,492</u>

### *Timing of revenue recognition*

For both current and previous interim periods ended 30 September 2022 and 2021, all revenues from healthcare products and services were recognised at a point in time.

### **Segment profit/(loss)**

Segment profit (loss) represents the profit (loss) resulted in each segment without allocation of other income and gain and unallocated corporate expenses. This is the measure for reporting to the Group's CODM for the purpose of resource allocation and performance assessment.

### **Segment assets and liabilities**

Amounts of segment assets and liabilities of the Group are not reviewed by the Group's CODM or otherwise regularly provided to the CODM, accordingly, segment assets and liabilities are not presented.

## 5 FINANCE COSTS

	Unaudited	
	For the six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
Interest on lease liabilities	<u>49</u>	<u>13</u>

## 6 LOSS BEFORE TAXATION

The Group's loss before taxation is arrived at after charging:

	Unaudited	
	For the six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
Cost of inventories recognised as expenses	50,973	78,235
Depreciation of property, plant and equipment	512	365
Depreciation of right-of-use assets	297	425
Employee benefit expenses (including directors' remuneration):		
Salaries, bonuses and other allowances	2,637	3,426
Retirement benefit scheme contributions (defined contribution scheme)	39	30
	<u>2,676</u>	<u>3,456</u>

## 7 INCOME TAX

	Unaudited	
	Six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
Taxation attributable to the Company and its subsidiaries:		
Current tax		
Hong Kong Profits Tax	–	863
PRC Enterprise Income Tax (“EIT”)		
– Current year	–	–
– Overprovision in prior year	–	(5)
	<u>–</u>	<u>858</u>

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and BVI for both interim periods.

For both current and previous interim periods ended 30 September 2022 and 2021, Hong Kong Profits Tax is calculated under two-tier profits tax system under first HK\$2 millions of estimated assessable profits is taxed at a rate of 8.25% and remaining estimated assessable profits is taxed at 16.5%. The Group should elect one of the Hong Kong subsidiaries to apply the two-tier profits tax rate.

Under the Law of PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards. Income tax represents PRC Enterprise Income Tax provided based on the assessable profit of PRC subsidiaries.

## 8 LOSS PER SHARE

### Loss per share

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

#### *Weighted average number of ordinary shares*

	Unaudited Six months ended 30 September	
	2022 '000	2021 '000
Weighted average number of ordinary shares at 30 September	<u>1,408,610</u>	<u>1,285,025</u>

### *Loss*

	Unaudited Six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000
Loss for the period attributable to the owners of the Company	<u>(1,262)</u>	<u>(4,585)</u>

## 9 LOAN RECEIVABLES AND LOAN INTEREST RECEIVABLES

	Unaudited At 30 September 2022 HK\$'000	Audited At 31 March 2022 HK\$'000
Unsecured loan receivables	<u>6,000</u>	<u>–</u>

At 30 September 2022, loans to third parties of HK\$6,000,000 (31 March 2022: Nil) bear interest at 5% per annum and are repayable within six months from the date of drawing and thus classified as current assets. The loan receivables are due for settlement at the date specified in the respective loan agreement.

As at 30 September 2022, loan receivables of HK\$6,000,000 and interest receivables of HK\$48,000 arising from the same third party (31 March 2022: Nil) are unsecured.



The ageing analysis of loan receivables presented based on the loans draw down date at the end of the reporting periods is as follows:

	<b>Unaudited</b> At <b>30 September</b> <b>2022</b> <i>HK\$'000</i>	Audited At 31 March 2022 <i>HK\$'000</i>
Within 90 days	<u>6,000</u>	<u>–</u>
	<u><b>6,000</b></u>	<u><b>–</b></u>

#### **Loan interest receivables**

Loan interest receivables represented interest accrued on the loan receivables not yet due according to the terms of the relevant loan agreement. The ageing analysis of loan interest receivables presented based on the loans draw down date at the end of the reporting periods is as follows:

	<b>Unaudited</b> At <b>30 September</b> <b>2022</b> <i>HK\$'000</i>	Audited At 31 March 2022 <i>HK\$'000</i>
Within 90 days	<u>48</u>	<u>–</u>

### **10 TRADE AND OTHER RECEIVABLES**

	<b>Unaudited</b> At <b>30 September</b> <b>2022</b> <i>HK\$'000</i>	Audited At 31 March 2022 <i>HK\$'000</i>
Trade receivables	24,881	24,358
Less: allowance for trade receivables	<u>(124)</u>	<u>(139)</u>
	<u>24,757</u>	<u>24,219</u>
Prepayments and deposits	76,602	132,778
Less: allowance for prepayments and deposits	<u>(4,202)</u>	<u>(6,781)</u>
	<u>72,400</u>	<u>125,997</u>
Other receivables	<u>15,455</u>	<u>9,420</u>
	<u><b>112,612</b></u>	<u><b>159,636</b></u>

For receivables from healthcare products and services, the Group allows a credit period ranging from 0-365 days.

The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period:

	<b>Unaudited</b> At <b>30 September</b> <b>2022</b> <i>HK\$'000</i>	Audited At 31 March 2022 <i>HK\$'000</i>
Within 90 days	23,940	3,317
91–180 days	–	–
181–365 days	817	20,902
	<u>24,757</u>	<u>24,219</u>

## 11 TRADE AND OTHER PAYABLES

	<b>Unaudited</b> At <b>30 September</b> <b>2022</b> <i>HK\$'000</i>	Audited At 31 March 2022 <i>HK\$'000</i>
Trade payables	2,127	5,009
Accruals and other payables	21,257	29,881
	<u>23,384</u>	<u>34,890</u>

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	<b>Unaudited</b> At <b>30 September</b> <b>2022</b> <i>HK\$'000</i>	Audited At 31 March 2022 <i>HK\$'000</i>
Within 90 days	5	3,698
91–180 days	–	6
181 days to 1 year	–	–
Over 1 year	2,122	1,305
	<u>2,127</u>	<u>5,009</u>

The credit period granted by suppliers is normally within 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

## 12 SHARE CAPITAL

	Number of shares '000	HK\$'000
Authorised:		
Ordinary shares of HK\$0.05 each at 31 March 2021 (audited), 31 March 2022 (audited) and 30 September 2022 (unaudited)	<u>10,000,000</u>	<u>500,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.05 each at 31 March 2021 and 31 March 2022 (audited)	1,285,025	64,251
Issue of shares on placement ( <i>Note</i> )	<u>257,000</u>	<u>12,850</u>
Ordinary shares of HK\$0.05 each at 30 September 2022 (unaudited)	<u>1,542,025</u>	<u>77,101</u>

*Note:* On 14 June 2022, the Company entered into a placing agreement with a placing agent in respect of the placement of 257,000,000 ordinary shares of HK\$0.05 each to independent investors at a price of HK\$0.105 per share. The placement was completed on 5 July 2022 and the premium on the issue of shares, amounting to approximately HK\$13,515,000, after net of share issue expenses of approximately HK\$620,000, was credited to the Company's share premium account.

## 13 CAPITAL COMMITMENT

At the end of the reporting period, the Group did not have any capital commitment.

## 14 PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

The Group has no significant contingent liabilities and pledge of assets at the end of the reporting period.

## **FINANCIAL RESULTS**

### **Turnover**

For the six months ended 30 September 2022, the Group recorded a turnover of approximately HK\$56.41 million (six months ended 30 September 2021: HK\$87.49 million), representing a decrease of approximately HK\$31.08 million as compared with the corresponding period last year. Such decrease in turnover was primarily attributable to the decrease in revenue generated from the healthcare products and services segment. The Group's overall gross profit margin was 8.96% (six months ended 30 September 2021: 10.07%). During the six months ended 30 September 2022 and 2021, the Group's overall gross profit was primarily attributable to the healthcare products and services and money lending segments.

### **Loss for the interim period**

The Group's loss for the six months ended 30 September 2022 was approximately HK\$1.34 million (six months ended 30 September 2021: HK\$4.59 million), representing a decrease of approximately HK\$3.25 million as compared with the previous interim period. The decrease in loss was principally attributable to the decrease in administrative and other expenses which was more than offset the decrease in revenue resulted from implementation of COVID-19 pandemic control and restrictions measures and the overall economic downturn in PRC and the Group no longer shared the loss of associates after full impairment was made.

## **BUSINESS REVIEW AND PROSPECTS**

### **Healthcare products and services business**

Over the years, the Group has built up its experience in the operation of and understanding in the business environment of the healthcare industry in PRC. Amongst the principal businesses of the Group, the healthcare business became the largest contributor to the Group's revenue. Due to the continuous effect of COVID-19 pandemic, the revenue of the Group has dropped by approximately 35.5% to HK\$56.41 million as compared to same period of last year.

The Group's genetic testing business and other health products and services business are complimentary to each other and create synergy for the Group's healthcare businesses as a whole. The customers and business partners of these businesses are local governments, national institutions and organizations, hospitals and doctors and other overlapping customers, the Company can expand its sales network and cross-sell products in all its businesses, thereby achieving economies of scale and enrich customer structure.

Looking forward, the Group intends to enlarge and diversify the healthcare products and services, make efforts to extend the product supply, and develop international business, to facilitate more comprehensive services to its customers.

For the six months ended 30 September 2022, this segment recorded a turnover of HK\$56.36 million (six months ended 30 September 2021: HK\$86.74 million) and a profit in segment result of HK\$0.63 million during the six months ended 30 September 2022 (six months ended 30 September 2021: profit HK\$3.81 million). The decrease in segment profit was primarily attributable to the reduction in revenue generated from healthcare services business during the Review Period.

### **Money lending business**

During the six months ended 30 September 2022, money lending business recorded a turnover of interest income of HK\$0.05 million (six months ended 30 September 2021: HK\$0.76 million). Gross profit is 100% for both periods since no cost of finance were required under the money lending business. The source of funding is primarily from share capital which is a definite advantage for this business. The segment result covers internal cost allocation from central management and administrative costs.

Leverage on the existing clients portfolio and referrals by customers and business associates, the Group has access to new customers and opportunities in money lending business which the Group will capture prudently going forward.

### **BOARD OF DIRECTORS**

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Yuan Limin, Mr. Pang Zhen, Mr. Man Wai Lun and Mr. Huang Zhifang, and three independent non-executive Directors, namely Mr. Chan Man Kiu, Dr Wang Bruce Xianliang and Dr. Zhao Shawn Xiaohong.

The Board has approved the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2022. The Board considers that the said financial statements have been prepared in conformity with the generally accepted accounting standards in Hong Kong and the amounts reflected are based on the best estimates and reasonable, informed and prudent judgment of the Board with an appropriate consideration of materiality.

### **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2022, the Group employed 14 employees excluding Directors (30 September 2021: 16). The Group remunerates its employees based on their performance, working experience and prevailing market standards. Employee benefits include medical insurance coverage, mandatory provident fund for Hong Kong employees, state-managed retirement benefits scheme for PRC employees and share option scheme.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

As at 30 September 2022, the Group had bank balances and cash of approximately HK\$112.15 million (31 March 2022: approximately HK\$37.40 million). The Group mainly relies upon internally generated funds and proceeds from fund raising activities to finance its operations and expansion. The Group had no borrowing as at 30 September 2022.

No gearing ratio was calculated as the Group had no debt as at 30 September 2022 (30 September 2021: 0).

During the period under review, the Group did not use any financial instruments for hedging purposes.

## **TREASURY POLICIES**

The Group seeks to generate profits in its core businesses through the efficient employment of treasury activities. Treasury activities, if and when undertaken by the Group, aims to enhance the return on surplus cash and to assist those core businesses to run smoothly. Efficient management of surplus cash is achieved by conducting short-term treasury activities when opportunities arise.

All subsidiaries shall comply with the Group's treasury objective and policy. The Group has designated subsidiaries to carry out certain short-term treasury activities including securities investment, fund investment and money lending activities, which formed one of the Group's principal activities to broaden the Group's revenue base and achieve better shareholders' return. The securities investment activities, fund investment activities and money lending activities will only be conducted after having considered the actual working capital needs of the Group. Both the treasury activities and the investment policy are subject to review from time to time.

As the deposit rate offered by licensed banks in Hong Kong is low, the Group will continue its ordinary course of business to use its surplus cash to conduct treasury activities if and when opportunities arise.

## **MATERIAL ACQUISITION AND DISPOSAL**

On 29 June 2022, the vendor, a wholly-owned subsidiary of the Company, entered into the disposal agreement with the purchaser pursuant to which the vendor agreed to sell, and the purchaser agreed to acquire, the 15% equity interest in Beijing Life Healthcare Zhongcheng Medical Technologies Co., Ltd.\* (北京蓮和眾成醫療科技有限公司) held by the Vendor for a consideration of RMB30,000,000. For details, please refer to the Company's announcement dated 29 June 2022.

Shareholders of 億雲力蓮合(北京)健康管理有限公司 (Yiyunli Life Healthcare (Beijing) Health Management Co., Ltd.\*) and 山東蓮合耀奇醫療器械有限公司 (Shandong Life Healthcare Yaoqi Medical Equipment Co., Ltd.\*), which the Group holds 25% equity interest in each of them, have resolved to dissolve and deregistrate them in view of the outbreak of COVID-19 in the PRC which resulted in them unable to implement their business plans in accordance with the planned timeline. For details, please refer to the Company's announcement dated 30 September 2022.

\* *For identification purpose only*

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 14 June 2022, the Company conducted a placing of 257,000,000 new ordinary shares of HK\$0.05 each (“Placing Share”) at a price of HK\$0.105 each to Mr. Weng Ren who is an individual investor to raise a gross proceeds of approximately HK\$26.99 million (the “Placing”). The Placing Shares were issued under the relevant general mandate granted to the Directors at the annual general meeting of the Company held on 31 August 2021. The closing price per share of the Company on the Stock Exchange on 14 June 2022 was HK\$0.121. The net price per Placing Share was approximately HK\$0.103. Completion of the Placing took place on 5 July 2022. For further details of the Placing, please refer to the announcements of the Company dated 14 June 2022 and 5 July 2022.

## **PLEDGE OF ASSETS**

During the six months ended 30 September 2022, the Group had no charge on assets.

## **CONTINGENT LIABILITIES**

As at 30 September 2022, the Group had no significant contingent liabilities.

## **FOREIGN EXCHANGE EXPOSURE**

The Group recognises most of its revenue and incurs most of the expenditures in RMB or HK\$. The Directors consider that the Group’s foreign currency exchange risk is insignificant as the majority of the Group’s transactions are denominated in functional currency of each individual group entity. The Group currently does not have a foreign currency hedging policy. However, the Group’s management will continue to monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

## **AUDIT COMMITTEE**

The Audit Committee comprises three independent non-executive Directors. The primary duties of the Audit Committee are, amongst other matters, to communicate with the management of the Company; and review the accounting principles and practices, internal control system, risk management system, interim and annual results of the Group. The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2022 have not been audited, but have been reviewed by the Audit Committee.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

For the six months ended 30 September 2022, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities.

## **INTERIM DIVIDEND**

The Board did not recommend the payment of an interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: nil).

## CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) during the six months ended 30 September 2022, except for the following deviation:

- (a) Code provision F.2.2 of the CG Code provides interpretation that the chairman of the board of directors should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting. The Company’s management should ensure the external auditor attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors’ report, the accounting policies and auditor independence.

Mr. Liu Xinghua (“Mr. Liu”), the then chairman of the Audit Committee did not attend the annual general meeting of the Company held on 12 October 2022 (the “2022 AGM”) as he had another engagement. The partner of the external auditor, ZHONGHUI ANDA CPA Limited, did not attend the 2022 AGM due to physical discomfort. All members, other than Mr. Liu of the Board attended the 2022 AGM. The Company considers that the members of the Board who attended the 2022 AGM were able to sufficiently answer questions from shareholders at the 2022 AGM.

- (b) The Company’s auditing process for the year ended 31 March 2022 (“FY2022”) had been adversely affected due to the implementation of the COVID-19 pandemic prevention and control quarantine measures and restrictions in mainland China. The auditor of the Company required additional time for conducting its audit work which resulted in the Company’s failure to:
- (i) publish the audited annual results of the Group for FY2022 (the “2022 Audited Annual Results”) on or before 30 June 2022 in accordance with Rules 13.49(1) and 13.49(2) of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”);
  - (ii) despatch the FY2022 annual report not less than 21 days before the date of its annual general meeting and in any event not more than four months after the end of the financial year to which they relate, i.e. on or before 31 July 2022, pursuant to Rule 13.46(2)(a) of the Listing Rules; and
  - (iii) lay its audited financial statements before its members at its annual general meeting (“AGM”) within a period of six months after the end of the financial year of the Company, i.e. on or before 30 September 2022, pursuant to Rule 13.46(2)(b) of the Listing Rules because the earliest possible time for the Company to give notice to its shareholders to hold its AGM according to its articles of association is 12 October 2022.



The Company has rectified the above failures as follows:

- (i) The Company has made applications to the Stock Exchange of Hong Kong Limited (“Stock Exchange”) for waiver from the strict compliance with Rule 13.46(2)(a) and Rule 13.46(2)(b) of the Listing Rules. Such waivers were granted by the Stock Exchange; and
- (ii) The Company has published the 2022 Audited Annual Results, despatched the FY2022 annual report to its shareholders and held its AGM on 31 August 2022, 9 September 2022 and 12 October 2022 respectively.

## **COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 of the Listing Rules as its own code of conduct regarding directors’ transactions in the Company’s securities. Following specific enquiries by the Company, all Directors confirmed that they have complied with the Model Code during the six months ended 30 September 2022.

## **PUBLICATION OF FINANCIAL INFORMATION**

This results announcement is published on the respective websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.lifehealthcare.com](http://www.lifehealthcare.com)). The Group’s interim report for the six months ended 30 September 2022 will be despatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board  
**LIFE HEALTHCARE GROUP LIMITED**  
**Yuan Limin**  
*Chief Executive Officer and Executive Director*

Hong Kong, 28 November 2022

*As at the date of this announcement, the Board comprises:*

*Executive Directors:*

Mr. Yuan Limin (*Chief Executive Officer*)  
Mr. Pang Zhen  
Mr. Man Wai Lun  
Mr. Huang Zhifang

*Independent Non-Executive Directors:*

Mr. Chan Man Kiu  
Dr. Wang Bruce Xianliang  
Dr. Zhao Shawn Xiaohong