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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2012

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 announcement 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 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 the information contained in this announcement 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 announcement misleading.

FINAL RESULTS

The board (the "Board") of directors (the "Directors") of Longlife Group Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 30 September 2012, together with the comparative figures in 2011, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2012

	Notes	**2012** *HK$'000*	2011 *HK$'000* (Restated)
Continuing operations			
Turnover	6	**101,354**	26,452
Cost of sales		**(55,754)**	(26,569)
Gross profit/(loss)		**45,600**	(117)
Other (loss)/income	7	**(8,761)**	3,230
Administrative expenses		**(24,819)**	(19,662)
Selling and distribution expenses		**(23,804)**	(21,399)
Other expenses		**–**	(3,074)
Finance costs	8	**(2,989)**	(1,872)
Loss before tax	9	**(14,773)**	(42,894)
Income tax expense	10	**(86)**	(112)
Loss from continuing operations		**(14,859)**	(43,006)
Discontinued operation			
Loss from discontinued operation, net of tax	9, 14	**(7,919)**	(3,034)
Loss for the year		**(22,778)**	(46,040)
Other comprehensive income			
Exchange differences on translation of foreign operations		**10**	1,097
Total comprehensive loss for the year		**(22,768)**	(44,943)
Loss attributable to:			
Equity holders of the Company		**(20,698)**	(43,555)
Non-controlling interests		**(2,080)**	(2,485)
		(22,778)	(46,040)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(20,681)**	(42,624)
Non-controlling interests		**(2,087)**	(2,319)
		(22,768)	(44,943)
Dividends	11	**–**	–
Loss per share (HK cents)	12		
– basic		**(2.14)**	(4.54)
– diluted		**N/A**	N/A
Loss per share – continuing operations (HK cents)			
– basic		**(1.53)**	(4.48)
– diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2012

	Notes	**2012** **HK$'000**	2011 HK$'000
NON-CURRENT ASSETS			
Goodwill		**–**	–
Property, plant and equipment		**14,150**	28,986
Prepaid lease payments		**4,557**	7,014
		18,707	36,000
CURRENT ASSETS			
Prepaid lease payments		**121**	178
Financial assets		**66,713**	38,798
Inventories		**44,273**	46,435
Trade and bills receivables	13	**11,791**	19,199
Prepayments and other receivables		**10,219**	30,154
Tax recoverable		**6**	–
Bank balances and cash		**38,277**	25,065
Assets held for sale	14	**818**	–
		172,218	159,829
CURRENT LIABILITIES			
Trade and bills payables	15	**8,623**	22,699
Other payables and accruals		**63,259**	52,358
Bank and other borrowings		**12,228**	22,210
Tax payable		**–**	59
Amounts due to a non-controlling shareholder		**–**	774
		84,110	98,100
NET CURRENT ASSETS		**88,108**	61,729
NET ASSETS		**106,815**	97,729
CAPITAL AND RESERVES			
Share capital		**115,208**	96,008
Reserves		**(8,711)**	(684)
Equity attributable to equity holders of the Company		**106,497**	95,324
Non-controlling interests		**318**	2,405
TOTAL EQUITY		**106,815**	97,729

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2012

	Attributable to equity holders of the Company										
	Share capital	Share premium	Share options reserve	Special reserve	Statutory surplus reserve fund	Statutory enterprise expansion fund	Exchange reserve	Accumulated losses	Total	Non-controlling interests	Total Equity
	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	96,008	79,168	8,574	22,443	15,479	3,098	28,376	(111,153)	141,993	4,724	146,717
Total comprehensive loss for the year	–	–	–	–	–	–	931	(43,555)	(42,624)	(2,319)	(44,943)
Disposal of a subsidiary	–	–	–	–	–	–	(4,045)	–	(4,045)	–	(4,045)
At 30 September 2011 and 1 October 2011	96,008	79,168	8,574	22,443	15,479	3,098	25,262	(154,708)	95,324	2,405	97,729
Total comprehensive loss for the year	–	–	–	–	–	–	17	(20,698)	(20,681)	(2,087)	(22,768)
Share-based compensation	–	–	2,838	–	–	–	–	–	2,838	–	2,838
Issue of ordinary shares by placing	19,200	10,560	–	–	–	–	–	–	29,760	–	29,760
Less: Shares issue expenses on placing	–	(744)	–	–	–	–	–	–	(744)	–	(744)
At 30 September 2012	115,208	88,984	11,412	22,443	15,479	3,098	25,279	(175,406)	106,497	318	106,815

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 subsidiaries of the Company 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 the 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2012

1. GENERAL INFORMATION

Longlife Group Holdings Limited (the "Company") was incorporated and registered as an exempted company in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 5 June 2003. The shares of the Company are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 17 June 2004. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is Suite 7602A, Level 76, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"). Other than those subsidiaries established in the PRC whose functional currency is Renminbi ("RMB"), the functional currency of the Company and its subsidiaries are HK$. The reason for selecting HK$ as its presentation currency is because the Company is a public company listed on the GEM of the Stock Exchange, where most of the investors are located in Hong Kong.

The principle activity of the Company is investment holding. The principal activities of its subsidiaries are manufacture, research and development and distribution of consumer cosmetic, health related products, health supplement wine, dental materials and equipment in the PRC, trading of synthetic rubber and trading of securities in Hong Kong.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss ("FVTPL") which have been measured at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

3. GOING CONCERN CONVENTION

In preparing the consolidated financial statements, the directors of the Company (the "Directors") have given careful consideration to the liquidity of the Group as the Group has sustained operating losses for 5 consecutive years and incurred loss of approximately HK$22,778,000 for the year (2011: HK$46,040,00).

In order to improve the situation, the Directors have adopted the following measures with a view to maintaining the Group's existence as a going concern and improving the Group's overall financial and cash flow position during the year:

(a) the Group continues to implement measures to tighten cost controls over various operating expenses and to improve the Group's operating results and positive cash flow operation.

(b) the Group allotted and issued a total of 192,000,000 new shares through Placing to independent third parties at the placing price of HK$0.155 each.

In the opinion of the Directors, as the measures described above accomplished the expected results, the Directors are satisfied that the Group is able to have sufficient working capital to meet in full its financial obligations as they fall due in the foreseeable future and be able to return to a commercially viable concern. Accordingly, the Directors considered that it is appropriate to prepare the consolidated financial statements on a going concern basis.

4. ADOPTION OF NEW AND REVISED HKFRSs

In the current year, the Group has adopted the following new and revised HKFRSs issued by the HKICPA, which are or have become effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010, as appropriate
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates
HKFRS 7 (Amendments)	Financial instruments: Disclosure – Transfers of Financial Assets
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement

The adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early adopted the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRS 1 (Amendments)	First-time Adoption of Hong Kong Financial Standards – Government Loans[3]
HKFRS 7 (Amendments)	Disclosures Offsetting Financial Assets and Financial Liabilities[3]
	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[5]
HKFRS 9	Financial Instruments[5]
HKFRS 10	Consolidated Financial Statements[3]
HKFRS 11	Joint Arrangements[3]
HKFRS 12	Disclosure of Interests in Other Entities[3]

HKFRS 13	Fair Value Measurement[3]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[2]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[1]
HKAS 19 (Revised)	Employee benefits[3]
HKAS 27 (Revised)	Separate Financial Statements[3]
HKAS 28 (Revised)	Investments in Associates and Joint Ventures[3]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[4]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[3]

1 Effective for annual periods beginning on or after 1 January 2012.

2 Effective for annual periods beginning on or after 1 July 2012.

3 Effective for annual periods beginning on or after 1 January 2013.

4 Effective for annual periods beginning on or after 1 January 2014.

5 Effective for annual periods beginning on or after 1 January 2015.

The Directors anticipate that the adoption of these new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements of the Group.

5. 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, trading of synthetic rubber and trading of securities in Hong Kong.

Segment information in respect of business segments is presented as below:

Consolidated income statement

For the year ended 30 September 2012

	Manufacturing and sales of consumer cosmetics *HK$'000*	Manufacturing and sales of health related products *HK$'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$'000*	Trading of synthetic rubber *HK$'000*	Continuing operations *HK$'000*	Discontinued operation *HK$'000*	Total *HK$'000*
Turnover	39,640	17,113	1,116	3,398	6,702	33,385	101,354	8,755	110,109
Segment results	3,387	(2,920)	(262)	303	(4,132)	7	(3,617)	(797)	(4,414)
Other income							2,039	1,115	3,154
Impairment							-	(7,431)	(7,431)
Unallocated corporate expenses							(10,206)	-	(10,206)
Finance costs							(2,989)	(806)	(3,795)
Loss before tax							(14,773)	(7,919)	(22,692)
Income tax expenses							(86)	-	(86)
Loss for the year							(14,859)	(7,919)	(22,778)

For the year ended 30 September 2011 (Restated)

	Manufacturing and sales of consumer cosmetics *HK$'000*	Manufacturing and sales of health related products *HK$'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$'000*	Trading of synthetic rubber *HK$'000*	Continuing operations *HK$'000*	Discontinued operation *HK$'000*	Total *HK$'000*
Turnover	35,293	16,674	916	700	(27,131)	-	26,452	18,565	45,017
Segment results	385	(7,754)	(112)	(165)	(27,147)	-	(34,793)	(1,323)	(36,116)
Other income							3,230	3	3,233
Unallocated corporate expenses							(9,459)	-	(9,459)
Finance costs							(1,872)	(1,381)	(3,253)
Loss before tax							(42,894)	(2,701)	(45,595)
Income tax expenses							(112)	(333)	(445)
Loss for the year							(43,006)	(3,034)	(46,040)

Consolidated statement of financial position

As at 30 September 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	Trading of synthetic rubber HK$'000	Continuing operations HK$'000	Discontinued operation HK$'000	Total HK$'000
Assets										
Segment assets	**43,177**	**30,277**	**–**	**2,288**	**1,056**	**67,099**	**15,468**	**159,365**	**818**	**160,183**
Unallocated corporate assets								**30,742**	**–**	**30,742**
Total assets								**190,107**	**818**	**190,925**
Liabilities										
Segment liabilities	**34,333**	**17,784**	**–**	**1,340**	**799**	**14,515**	**461**	**69,232**	**–**	**69,232**
Unallocated corporate liabilities								**14,878**	**–**	**14,878**
Total liabilities								**84,110**	**–**	**84,110**

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	Trading of synthetic rubber HK$'000	Continuing operations HK$'000	Discontinued operation HK$'000	Total HK$'000
Assets										
Segment assets	43,143	36,156	29,869	1,666	1,152	50,703	–	162,689	–	162,689
Unallocated corporate assets								33,140	–	33,140
Total assets								195,829	–	195,829
Liabilities										
Segment liabilities	45,468	29,876	11,237	1,402	790	–	–	88,773	–	88,773
Unallocated corporate liabilities								9,327	–	9,327
Total liabilities								98,100	–	98,100

Other segment information

For the year ended 30 September 2012

	Manufacturing and sales of consumer cosmetics *HK$'000*	Manufacturing and sales of health related products *HK$'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$'000*	Trading of synthetic rubber *HK$'000*	Others *HK$'000*	Continuing operations *HK$'000*	Discontinued operation *HK$'000*	Total *HK$'000*
Capital expenditures	**431**	**289**	**22**	**-**	**-**	**-**	**-**	**742**	**49**	**791**
Amortisation of prepaid lease payments	**70**	**47**	**4**	**-**	**-**	**-**	**-**	**121**	**33**	**154**
Depreciation of property, plant and equipment	**686**	**456**	**35**	**16**	**-**	**-**	**288**	**1,481**	**664**	**2,145**
Impairment loss of obsolete stocks	**183**	**123**	**10**	**-**	**-**	**-**	**-**	**316**	**-**	**316**
Gain on disposal of property, plant and equipment	**(44)**	**(30)**	**(2)**	**-**	**-**	**-**	**-**	**(76)**	**-**	**(76)**

For the year ended 30 September 2011 (Restated)

	Manufacturing and sales of consumer cosmetics *HK$'000*	Manufacturing and sales of health related products *HK$'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$'000*	Trading of synthetic rubber *HK$'000*	Others *HK$'000*	Continuing operations *HK$'000*	Discontinued operation *HK$'000*	Total *HK$'000*
Capital expenditures	378	284	14	–	–	–	1,612	2,288	338	2,626
Amortisation of prepaid lease payments	275	45	2	–	–	–	–	322	65	387
Depreciation of property, plant and equipment	1,043	437	21	15	–	–	296	1,812	1,615	3,427
Impairment loss of obsolete stocks	1,664	1,248	59	–	–	–	–	2,971	–	2,971
Loss on disposal of a subsidiary	–	–	–	–	–	–	113	113	–	113
Loss on disposal of property, plant and equipment	186	140	7	–	–	–	2,183	2,516	–	2,516
Allowance for bad and doubtful debts	2,477	1,858	88	–	–	–	–	4,423	2,116	6,539

Information about major customers

Revenue from a single customer in the reporting period contributing over 10% of the total sales of the Group is as follows:

	2012 *HK$'000*	2011 *HK$'000*
Customer A	**14,999**	13,537
Customer B	**11,866**	10,999

6. TURNOVER

Turnover represents the amounts received and receivable from sales of goods less sales tax and discounts, if any, and loss on and dividend income from financial assets at FVTPL during the year.

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Sales	**94,652**	53,583
Gain/(loss) on financial assets at FVTPL	**6,695**	(27,228)
Dividend income	**7**	97
	101,354	26,452
Discontinued operation		
Sales	**8,755**	18,565

7. OTHER (LOSS)/INCOME

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Loss on financial assets at FVTPL	**(10,800)**	–
Interest income	**67**	198
Rental income	**428**	532
Gain on disposal of property, plant and equipment	**76**	–
Sundry income	**1,468**	2,500
	(8,761)	3,230
Discontinued operation		
Interest income	**2**	1
Sundry income	**42**	2
	44	3

8. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Interest expenses:		
– bank borrowings wholly repayable within five years	**974**	896
– other borrowings wholly repayable within five years	**2,015**	937
– discounted bills interest	**–**	39
	2,989	1,872
Discontinued operation		
Interest expenses:		
– bank borrowings wholly repayable within five years	**806**	509
– other borrowings wholly repayable within five years	**–**	501
– discounted bills interest	**–**	371
	806	1,381

9. LOSS BEFORE TAX

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Loss before tax has been arrived at after (crediting)/charging:		
Continuing operations		
Directors' emoluments	**2,046**	2,142
Other staff costs	**5,382**	6,458
Retirement benefits scheme contributions (excluding directors' remuneration)	**1,527**	1,175
Total staff costs	**8,955**	9,775
Allowance for bad and doubtful debts (included in administrative expenses)	**241**	4,423
Amortisation of prepaid lease payments	**121**	322
Auditor's remuneration	**420**	420
Cost of inventories recognised as an expense	**55,754**	26,569
Depreciation of property, plant and equipment	**1,481**	1,812
Dividend income	**(7)**	(97)
(Gain)/loss on disposal of property, plant and equipment	**(76)**	2,516
Impairment loss of obsolete stocks (included in cost of sales)	**316**	2,971
Loss on disposal of a subsidiary	**–**	113
Net exchange loss	**–**	5

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Discontinued operation		
Other staff costs	**926**	2,483
Retirement benefits scheme contributions (excluding directors' remuneration)	**199**	314
Total staff costs	**1,125**	2,797
Allowance for bad and doubtful debts (included in administrative expenses)	**–**	2,116
Amortisation of prepaid lease payments	**33**	65
Cost of inventories recognised as an expense	**7,918**	14,555
Depreciation of property, plant and equipment	**664**	1,615

10. INCOME TAX EXPENSE

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
The amount comprises:		
Taxation arising in the PRC		
Current year	**86**	112
Discontinued operation		
The amount comprises:		
Taxation arising in the PRC		
Under provision in prior years	**–**	333

The Company and its subsidiaries have no assessable profits arising in Hong Kong for the year and previous year.

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, subsidiary of the Company in the PRC, Zhejiang Xinda Zhongshan Capsules Company Limited is exempted from PRC Enterprise Income Tax for two years starting from the first profit making year in which profits exceed any tax losses brought forward followed by a 50% tax reduction relief for PRC Enterprise Income Tax for the following three years.

11. DIVIDENDS

No dividend was paid or proposed during the year ended 30 September 2012, nor has any dividend been proposed since the end of the reporting period (2011: nil).

12. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

For continuing and discontinued operations

	2012	2011
Loss attributable to the equity holders of the Company (HK$'000)	**(20,698)**	(43,555)
Weighted average number of ordinary shares in issue ('000)	**968,998**	960,080
Basic loss per share (HK cents)	**(2.14)**	(4.54)

For continuing operations

	2012	2011 (Restated)
Loss attributable to the equity holders of the Company (HK$'000)	**(20,698)**	(43,555)
Add: Loss attributable to the equity holders of the Company from discontinued operations (HK$'000)	**5,839**	549
Loss attributable to the equity holders of the Company from continuing operations (HK$'000)	**(14,859)**	(43,006)
Weighted average number of ordinary shares in issue ('000)	**968,998**	960,080
Basic loss per share (HK cents)	**(1.53)**	(4.48)

For discontinued operation

Basic loss per share for the discontinued operation is HK0.60 cent (2011: HK0.06 cent) per share based on the loss attributable to shareholders of the Company from the discontinued operation of approximately HK$5,839,000 (2011: HK$549,000).

No diluted loss per share has been presented for the years ended 30 September 2012 and 2011 as there was no dilutive potential ordinary share outstanding during the year and the exercise price of the Company's outstanding share options was higher than the average market price for the Company's share during the year.

13. TRADE AND BILLS RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade and bills receivables	**30,158**	48,585
Less: Allowance for bad and doubtful debts	**(18,367)**	(29,386)
	11,791	19,199

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

	2012	2011
	HK$'000	*HK$'000*
0 – 90 days	**6,290**	11,045
91 – 180 days	**3,166**	3,391
181 – 365 days	**2,320**	4,753
Over 365 days	**15**	10
	11,791	19,199

Ageing analysis of trade receivables past due but not impaired:

	2012	2011
	HK$'000	*HK$'000*
91 – 180 days	**3,166**	3,391
181 – 365 days	**2,320**	4,753
Over 365 days	**15**	10
	5,501	8,154

Trade receivables that were past due but not impaired relate to customers that have a good repayment record with the Group. Based on past experience, the Directors believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. The movement in the allowance for bad and doubtful debts is as follows:

	2012	2011
	HK$'000	*HK$'000*
Balance at beginning of the reporting period	**29,386**	21,392
Exchange realignment	**(86)**	1,455
Write back of allowance for bad and doubtful debts	**–**	(897)
Allowance for bad and doubtful debts recognised	**–**	7,436
Transfer to assets held for sale	**(10,933)**	–
Balance at end of the reporting period	**18,367**	29,386

The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. At the end of the reporting period, included in the allowance for doubtful debts were individually impaired trade receivables with an aggregate balance of approximately HK$18,367,000 (2011: HK$29,386,000).

14. DISCONTINUED OPERATION/ASSETS HELD FOR SALE

At the end of April 2012, the Company first became aware of an announcement issued by the State Food and Drug Administration ("SFDA") of the PRC, accusing that Zhejiang Xinda Zhongshan Capsules Company Limited ("ZS Capsules"), an indirectly owned subsidiary of the Company, has committed serious misconduct. As a result, the PRC Drug Administration has directed Zhejiang Food and Drug Administration ("ZJFDA") to revoke the manufacturing and production licence of ZS Capsules in accordance with the statutory procedures, and relevant individuals are under criminal investigation by the relevant authorities.

Pursuant to a sale and purchase agreement dated 14 December 2012, the Group disposed of its 61.11% shares in ZS Capsules for an aggregate consideration of HK$500,000.

The results of the discontinued operation included in the consolidated statement of comprehensive income are set out below:

	2012	2011
	HK$'000	*HK$'000*
Loss for the year from discontinued operation		
Revenue	**9,870**	18,568
Expenses	**(17,789)**	(21,269)
Loss before tax	**(7,919)**	(2,701)
Income tax expense	**–**	(333)
Loss for the year	**(7,919)**	(3,034)
Loss attributable to:		
Equity holders of the Company	**(5,839)**	(549)
Non-controlling interests	**(2,080)**	(2,485)
Cash flows from discontinued operation		
Net cash (used in)/from operating activities	**(901)**	373
Net cash used in investing activities	**(49)**	(338)
Net cash (used in)/from financing activities	**(806)**	1,593
Net cash flows	**(1,756)**	1,628

The major classes of assets and liabilities classified as assets held for sale as at 30 September 2012 which have been presented separately in the consolidated statement of financial position, are as follows:

	2012	2011
	HK$'000	*HK$'000*
Property, plant and equipment	**13,148**	11,116
Prepaid lease payment	**2,339**	2,479
Inventories	**342**	1,684
Trade receivables	**12,587**	9,600
Deposits, prepayments and other receivables	**4,445**	2,399
Tax recoverable	**35**	35
Bank balances and cash	**256**	2,012
Total assets classified as held for sale	**33,152**	29,325
Trade payables	**(4,787)**	(4,460)
Other payables and accruals	**(9,584)**	(6,812)
Bank borrowings	**(2,812)**	(2,821)
Amount due to a minority shareholder	**(614)**	(774)
Other unsecured loans	**(7,106)**	(7,125)
Total liabilities associated with assets classified as held for sale	**(24,903)**	(21,992)
Net assets classified as held for sale	**8,249**	
Less: impairment	**(7,431)**	
Assets held for sale	**818**	

15. TRADE AND BILLS PAYABLES

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

	2012	2011
	HK$'000	*HK$'000*
0 – 90 days	**5,664**	12,151
91 – 180 days	**35**	745
181 – 365 days	**191**	472
Over 365 days	**2,733**	9,331
	8,623	22,699

16. PLEDGE OF ASSETS

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

	2012	2011
	HK$'000	*HK$'000*
Property, plant and equipment	**5,945**	14,627
Prepaid lease payments	**4,678**	7,058
Financial assets	**66,713**	38,798
Cash held in margin accounts with stock brokers included in "Prepayments and other receivables"	**386**	11,906
	77,722	72,389

17. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the current year's presentation.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The Company's independent auditor has qualified the Group's consolidated financial statement for the year ended 30 September 2012, an extract of which is as follows:

Basis for qualified opinion

Limitation of scope on the loss from discontinued operation

Included in the consolidated statement of comprehensive income for the year ended 30 September 2012 was a loss from discontinued operation of HK$7,919,000. This was related to a subsidiary, ZS Capsules, currently classified as assets held for sale. ZS Capsules has ceased operations due to the revocation of its manufacturing and production licence by ZJFDA during the year. The relevant authorities have also seized control of the related books and records of ZS Capsules. We were unable to obtain sufficient appropriate audit evidence we consider necessary in order to assess the accuracy of the loss from discontinued operation. There were no practical alternative audit procedures that we could perform to satisfy ourselves as to the accuracy of the amount. Any adjustment to the loss from the discontinued operation found to be necessary would affect the Group's loss for the year then ended and related notes and disclosures to the consolidated financial statements.

Qualified opinion arising from limitation of audit scope

In our opinion, except for the possible effects of the limitation of audit scope described in the "Basis for qualified opinion" paragraph, the consolidated financial statements give a true and fair view of the state of the Group's affairs as at 30 September 2012 and of its loss and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the fiscal year of 2011/12 ("FY 2011/12"), the Group's transformation of consumer goods businesses into a wholesale and distribution model has been matured, which resulted in effective cost control and expansion in sales. The turnover of consumer goods businesses for FY 2011/12 increased by 14.4% to approximately HK$61.3 million as compared to that for the fiscal year of 2010/11 ("FY 2010/11"), and gross margin increased from 50.4% for the FY 2010/11 to 62.8% for FY 2011/12.

Although the general performance of consumer goods business is satisfactory, an unforeseen event happened in April 2012. The SFDA issued an announcement accusing that ZS Capsules (a subsidiary of the Company classified as assets held for sale at as the year and date) has committed serious misconduct. The SFDA has directed ZJFDA to revoke the manufacturing and production licence of ZS Capsules in accordance with statutory procedures, and relevant individuals are under criminal investigation by the relevant authorities. The relevant authorities have also seized control of the financial statements and related books and records of ZS Capsules, which made our auditors unable to obtain sufficient information to perform the audit in respect of ZS Capsules. As a result, a qualified opinion arising from limitation of audit scope was issued on the Group's financial statements for the year ended 30 September 2012.

In view the revocation of the manufacturing and production licence of ZS Capsules, which may lead to unfavourable impact on the Group, including potential lawsuits, contingent liabilities, net cash outflow for maintaining the existence of ZS Capsules and overall negative image brought to the Group, the Group disposed of its stake in ZS Capsules on 14 December 2012. We believe the disposal is beneficial to the Group for its further development.

Owing to unstable atmosphere covering the investment market, the Group decided to allocate more resources on the consumer goods businesses and develop other business potentials. As such, investments in financial assets have been recorded as other revenue from 16 May 2012 onwards. The overall performance of the Group's financial assets investments improved and related loss generated reduced from approximately HK$27.2 million in FY 2010/11 to approximately HK$4.1 million in FY 2011/12.

The Board recognizes the importance of business expansion, whereby the Group is able to diversify business risk and bring the value generated from new business potentials to shareholders of the Company. In the July 2012, the Group launched a new business model – synthetic rubber trading, which brought turnover and gross profit of approximately HK$33.4 million and approximately HK$0.5 million during the last quarter of FY 2011/12.

FINANCIAL REVIEW

With the full-fledged implementation of the business model of "asset minimization, focus on operation and full services", the sales in the segments of the traditional consumer goods businesses increased in the period under review.

Since the Group classified its investment in ZS Capsules as assets held for sale as at the reporting date and disposed of it subsequent to the year end date on 14 December 2012, the turnover, cost of sales and various expenses of ZS Capsules for the last year were included in the loss from discontinued operation, net of tax in the consolidated statement of comprehensive income for the year ended 30 September 2012, as comparative figures.

As the Group has focused on the consumer products businesses in the PRC and been exploring new business opportunities, investment in financial assets was no longer considered as a principal business of the Group from 16 May 2012 onwards.

Turnover

Turnover of the Group for the year ended 30 September 2012 was approximately HK$101.4 million, principally representing those for the traditional consumer goods businesses of approximately HK$61.3 million, net gain derived in the Group's investments in financial assets of approximately HK$6.7 million and sales of synthetic rubber, a new business segment of the Group launched in the current year, of approximately HK$33.4 million. For the year ended 30 September 2011, the turnover of approximately HK$26.4 million substantially represented the sales of the traditional consumer goods of approximately HK$53.6 million and net loss on financial assets at FVTPL of HK$27.2 million.

The sales for traditional consumer goods businesses for the last year has been restated from approximately HK$72.1 million to HK$53.6 million, as the Group classified its investment in ZS Capsules as assets held for sale as at the reporting date as mentioned above and disposed of it subsequent to the year end date on 14 December 2012. The turnover of approximately HK$18.5 million generated by ZS Capsules in last year was included in the loss from discontinued operation, net of tax in the consolidated statement of comprehensive income for the year ended 30 September 2012, as comparative figures.

The increase in sales for traditional consumer goods businesses of approximately HK$7.7 million, or approximately 14.4%, was mainly attributable to the mature transformation of the Group's business model of "asset minimization, focus on operation and full services".

In connection with the Group's business of financial assets investment, as benefited from the easing of monetary policies adopted by major central banks worldwide, the global investment atmosphere has turned optimistic since the third quarter of 2012, especially after the announcement of Part 3 of Quantitative Easing by the Federal Reserve in September 2012. Accordingly, the performance of the Group's investment in financial assets improved as compared to that of last year. The loss on investment in financial assets decreased significantly from approximately HK$27.2 million for the last year to approximately HK$4.1 million for the current year.

As mentioned above, investment in financial assets was no longer considered as a principal business of the Group, and its result has been recorded as other revenue from 16 May 2012 onwards, to reflect the Group's focus on the consumer products businesses in the PRC and developing other potential businesses. The overall loss on investment in financial assets of approximately HK$4.1 million was disclosed as a gain under turnover of approximately HK$6.7 and a loss under other revenue of approximately HK$10.8 million.

During the last quarter of this fiscal year, the Group successfully launched a new business segment – synthetic rubber trading. Turnover of approximately HK$33.4 million was generated from this segment in the current year.

Gross profit

Gross profit for the year ended 30 September 2012 was approximately HK$45.6 million, representing those for traditional consumer goods businesses of approximately HK$38.4 million, synthetic rubber trading of approximately HK$0.5 million and gain of investments in financial assets of approximately HK$6.7 million.

In connection with the traditional consumer goods businesses, gross profit for the current year increased by approximately HK$11.4 million, or approximately 42.2%, when compared with the gross profit of approximately HK$27.0 million for the year ended 30 September 2011. Gross margin for the year ended 30 September 2012 was approximately 62.7%, an increase of approximately 12.3 percentage points when compared with the gross margin of approximately 50.4% for the year ended 30 September 2011. As the business model of "asset minimization, focus on operation and full services" have been fully implemented during the year ended 30 September 2012, inefficient sales networks have been substantially streamlined, which resulted in the reduction of cost of sales and increase in the gross margin.

Gross profit of synthetic rubber trading business of HK$0.5 million for the year ended 30 September 2012 was recorded.

Administrative expenses

Administrative expenses for the year ended 30 September 2012 amounted to approximately HK$24.8 million, representing an increase of approximately HK$5.1 million, or approximately 25.9%, when compared with approximately HK$19.7 million for the year ended 30 September 2011. The increase in administrative expenses was mainly due to the recognition of share-based payment for issuing of share options of approximately HK$2.8 million in the year ended 30 September 2012.

Selling and distribution expenses

Selling and distribution expenses for the year ended 30 September 2012 amounted to approximately HK$23.8 million, representing an increase of approximately HK$2.4 million, or approximately 11.2%, when compared with approximately HK$21.4 million for the year ended 30 September 2011. As substantial amounts of selling and distribution expenses were incurred in the traditional consumer businesses, the increase in the Group's selling expenses was in line with that in the Group's turnover for traditional consumer businesses, as mentioned above.

Discontinued operation

As the manufacturing and production of capsule products of ZS Capsules was revoked by the ZJFDA in April 2012, the revenue (including turnover and other revenue) generated by ZS Capsules decreased substantially from approximately HK$18.6 million in the last year to approximately HK$9.9 million during the current year, which increased its loss for the year significantly from approximately HK$3.0 million in the last year to approximately HK$7.9 million for the current year.

In the last quarter of this fiscal year, the Group classified ZS Capsules from a subsidiary to assets held for sale with carry value of approximately HK$0.8 million, and an impairment loss of approximately HK$7.4 million was recognized during the year. As the Group only held 61.11% of equity interest in ZS Capsules, the amount of net assets of ZS Capsules shared to the Group as at 30 September 2012 was approximately HK$0.5 million (i.e. HK$0.8 million x 61.11%). It is estimated that the Group will not realize any significant gain or loss from the disposal of the investment in ZS Capsules subsequent to the year end date of this fiscal year.

Loss for the year

Loss for the year ended 30 September 2012 was approximately HK$22.8 million, representing a decrease of approximately HK$23.2 million, when compared with loss of approximately HK$46.0 million for the year ended 30 September 2011. The significant improvement in the Group's results for the year was principally resulted from the decrease in loss of investment in financial assets by approximately HK$23.1 million.

Inventories

As a result of the maturity of the Group's business model of "asset minimization, focus on operation and full services", the level of inventories slightly decreased from approximately HK$46.4 million as at 30 September 2011 to approximately HK$44.3 million as at 30 September 2012.

Liquidity and financial resources

The Group had cash and bank balances of approximately HK$38.3 million and HK$25.1 million as at 30 September 2012 and 2011 respectively.

The increase in the Group's cash level is principally attributable to the net effect of investment in financial assets of approximately HK$13.4 million, deconsolidation of ZS Capsules which held cash and bank balances of approximately HK$2.0 million as at 30 September 2011 and net proceeds from a placing exercise in September 2012 of approximately HK$29.0 million.

The Group generally finances its operations with internally generated cash flows and banking facilities. As at 30 September 2012, the Group had bank borrowings of approximately HK$12.2 million (2011: approximately HK$15.1 million). As at 30 September 2011, the Group's unsecured other borrowings of approximately HK$7.1 million were made by ZS Capsules, which was classified as assets held for sale of the Group as at 30 September 2012. ZS Capsules also held bank borrowings of approximately HK$2.8 million as at 30 September 2011.

The gearing ratio (defined as total borrowings (including amount due to a non-controlling shareholder) to total assets) of the Group as at 30 September 2012 and 2011 were approximately 6.4% and approximately 11.7% respectively. Substantial decrease in the Group's gearing ratio is principally attributable to the placing exercise and deconsolidation of ZS Capsules, which held bank and other borrowings (including an amount due to a minority shareholder of approximately HK$0.8 million) totalling of approximately HK$10.7 million as at 30 September 2011, as mentioned above.

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 FY 2011/12.

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 30 September 2012, the maximum rental liabilities of the Company should there be any default of rental payment by Capital VC Limited would be HK$1,054,000 (2011: HK$2,460,000).

Capital commitments

The Group did not have any capital commitment as at 30 September 2012 and 2011.

Operating lease commitments

	2012	2011
	HK$'000	*HK$'000*
Minimum lease payments under operating lease during the year in relation to office premises, warehouses and staff quarters	**2,095**	1,450

At the end of the 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:

	2012	2011
	HK$'000	*HK$'000*
Within one year	**1,319**	1,538
In the second to fifth year inclusive	**130**	1,054
	1,449	2,592

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

Employees' remuneration

As at 30 September 2012, the Group, directly and indirectly, had approximately 626 employees (2011: 513 (which excluded 87 employees recruited by ZS Capsules)). Total staff costs for the year ended 30 September 2012 was approximately HK$9.0 million (2011: approximately HK$9.8 million). Following the policy of cost control measures, the Group recruited more part-time sales and marketing staff to replace the full-time ones during the year. As such, the total staff costs decreased while the headcount increased during the year ended 30 September 2012.

The Group remunerates its employees based on their performance, experience and the prevailing market level. Performance related bonuses are also 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 of the Company in the PRC participate in a state-managed pension scheme operated by the PRC government. The relevant subsidiaries are required to make contributions to the defined contribution pension scheme in the PRC based on a certain percentage of the monthly salaries of their current employees to fund the benefits. Pursuant to the regulations stipulated by the PRC government, the PRC subsidiaries started a defined contribution health care scheme with effect from 1 July 2002. All the employees currently under the defined contribution pension scheme are entitled to the health care scheme. Under the scheme, the PRC subsidiaries and the relevant employees have to contribute a certain percentage of the employees' salaries to the scheme respectively.

Material acquisitions and disposal of subsidiaries and affiliated companies

The Group had no material acquisition or disposal of subsidiaries and affiliated companies during the year ended 30 September 2012.

Details of future plans for material investment or capital assets

Save as disclosed above, the Directors do not have any future plans for material investment or capital assets.

FUTURE OUTLOOK

Looking forward, it is expected that the operating environment of the domestic consumer business will continue to be tough, due to the impetus of inflation and the pressure of wages increment in China. In order to tackle the anticipated challenges and stay competitive, the Group will continue its policy of implementation of cost control measures.

With respect to the new business, commodity trading is a broad category where the players range from individual ranchers hedging feed prices right on through to large multi-national trading houses. For several decades, oil and its associated products, including synthetic rubber, have been the dominant source of energy for the globe and foreseeably the situation will remain at least in the next few decades, especially China will constantly play the role of net importer of the energy goods supported by its huge market and economy growth. The Group is dedicating to step into the energy-related commodity trading to generate the new input of future development in long term aspects.

Along with the completion of the re-engineering of the business model of the Group's domestic consumer goods business and the launch of new commodity trading business, we have optimistic outlook for our operations, and believe that the substantial efforts which we have exerted will result in rising revenues and an enhancement of shareholders' value in the long run.

Corporate Governance Practices

The Group recognises the importance of achieving and monitoring the high standard of corporate governance consistent with the need and requirements of its business and the best interest of all of its shareholders.

The Group is fully committed to doing so. It is with the objectives in mind that the Group has applied such principles and will comply with the individual code provisions. Throughout the year ended 30 September 2012, the Company has adopted and complied with the code provisions as set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 15 to the GEM Listing Rules, except for the deviations from code provision A.4.1 as explained below. The Board will continue to review regularly and take appropriate actions to comply with the Code.

Non-executive Directors

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive Directors are not appointed for specific terms. However, the yare subject to retirement by rotation in accordance with the Company's articles of association.

Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by the directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year ended 30 September 2012. Having made specific enquiry with all Directors, the Company confirmed that all Directors have complied with the code of conduct and the required standard of dealings concerning securities transactions by the Directors throughout the year ended 30 September 2012.

Audit Committee

The Company has an Audit Committee with written terms of reference in compliance with the requirements as set out in the GEM Listing Rules. The Committee is currently composed of three independent non-executive Directors, namely, Mr. Chong Cha Hwa, Mr. Sham Chi Keung, William and Mr. Yeung Chi Tit; and is chaired by Mr. Chong Cha Hwa.

The primary duties of the Committee are to review the Company's annual report, consolidated financial statements and audited annual results, half-yearly report and quarterly reports and to advise and comment thereon to the Board. The Committee is also responsible for reviewing and supervising the financial reporting process and internal control of the Group. In the course of doing so, the Committee has met the Company's management several times and the external auditor once during the year ended 30 September 2012. The Committee has reviewed the audited financial results of the Group for the year ended 30 September 2012.

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

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

Hong Kong, 19 December 2012

As at the date of this announcement, the executive directors of the Company are Mr. CHEUNG Hung (Chairman), Mr. WANG Zhixin and Mr. SEE Ching Chuen; and the independent non-executive directors of the Company are Mr. CHONG Cha Hwa, Mr. SHAM Chi Keung, William and Mr. YEUNG Chi Tit.

This announcement will remain on the "Latest Company Announcement" page of the GEM Website at www.hkgem.com for a minimum period of seven days from the day of its posting and on the website of the Company at www.longlife.com.hk.