MEGA MEDICAL TECHNOLOGY LIMITED
美加醫學科技有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 876)

(I) INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015; AND (II) CHANGE OF ADDRESS OF COMPANY'S WEBSITE

(I) INTERIM RESULTS ANNOUNCEMENT

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		Six months ended	
		30.6.2015	30.6.2014
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Turnover	*3*	**167,255**	174,588
Cost of goods sold		**(137,295)**	(137,998)
Gross profit		**29,960**	36,590
Other income		**153**	4,168
Selling and distribution costs		**(16,004)**	(6,283)
Administrative expense		**(43,808)**	(45,779)
Other expenses		**(429)**	(5,878)
Gain on disposal of subsidiaries		—	52,033
Impairment loss recognised in respect of property, plant and equipment		—	(36,375)
Changes in fair value of investment properties		—	164
Finance costs		**(162)**	(196)
Share of profit of an associate		—	3,331
(Loss) profit before taxation	*4*	**(30,290)**	1,775
Taxation	*5*	**(1,322)**	(2,777)
Loss for the period		**(31,612)**	(1,002)

	Note	Six months ended 30.6.2015 HK$'000 (unaudited)	30.6.2014 HK$'000 (unaudited)
Other comprehensive income (expense)			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operation:			
Exchange differences arising during the period		**1,633**	(9,412)
Reclassification of exchange differences upon disposal of subsidiaries		**—**	(28,049)
Total comprehensive expense for the period		**(29,979)**	(38,463)
(Loss) profit for the period attributable to:			
— Owners of the Company		**(22,955)**	10,296
— Non-controlling interests		**(8,657)**	(11,298)
		(31,612)	(1,002)
Total comprehensive expense attributable to:			
Owners of the Company		**(21,944)**	(26,187)
Non-controlling interests		**(8,035)**	(12,276)
		(29,979)	(38,463)
			(adjusted)
(Loss) earnings per share — Basic	*7*	**(0.70) HK cents**	0.40 HK cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Notes	**30.6.2015** **HK$'000** **(unaudited)**	31.12.2014 *HK$'000* (audited)
Non-current assets			
Investment properties		**184,560**	183,554
Property, plant and equipment		**9,028**	2,233
Prepaid lease payments		**8,409**	8,519
Goodwill		**354,917**	—
		556,914	194,306
Current assets			
Inventories		**15,589**	4,716
Trade and other receivables	*8*	**92,387**	142,872
Amount due from a director		**26,159**	5,600
Taxation recoverable		**13,114**	9,043
Bank balances and cash		**64,430**	28,009
		211,679	190,240
Current liabilities			
Trade and other payables	*9*	**82,086**	164,271
Loans from a shareholder		**7,787**	1,800
Amount due to non-controlling shareholder of a subsidiary		**45,946**	2,571
Amount due to a related company		**50,000**	—
Taxation payable		**10,426**	2,758
Bank loans		**1,413**	1,637
		197,658	173,037
Net current assets		**14,021**	17,203
Net assets		**570,935**	211,509
Capital and reserves			
Share capital		**4,783**	3,845
Reserves		**503,985**	136,982
Equity attributable to owners of the Company		**508,768**	140,827
Non-controlling interests		**62,167**	70,682
		570,935	211,509

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. BASIS OF PREPARATION

The 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 of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair value.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014 except for the following accounting policies which are adopted by the Group during the current interim period as they become applicable to the Group.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to directors and employees of the Group

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in share options reserve.

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

When the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated profits.

Share options granted to consultants

Share options issued in exchange for goods or services are measured at the fair value of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRS	Annual improvements to HKFRSs 2010-2012 cycle
Amendments to HKFRS	Annual improvements to HKFRSs 2011-2013 cycle

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts and/or disclosures reported in the condensed consolidated financial statements.

3. TURNOVER AND SEGMENT INFORMATION

The Group's operating activities are currently attributable to two operating segments focusing on the manufacture of and trading in dental prosthetics and manufacture of and trading in electronic components. These operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conformed to HKFRSs, that are regularly reviewed by the executive directors of the Company (the "Executive Directors") (being the chief operating decision maker of the Company). The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. The details of operating and reportable segments of the Group are as follows:

- Manufacture of and trading in dental prosthetics — manufacture of and trading in dental prosthetics in the People's Republic of China (the "PRC")

- Manufacture of and trading in electronic components — manufacture of and trading in electronic components in the PRC and Hong Kong

The operation of manufacture of and trading in dental prosthetics was introduced to the Group during the current interim period.

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

Segment revenues and results

	Manufacture of and trading in dental prosthetics *HK$'000*	**Manufacture of and trading in electronic components** *HK$'000*	**Total** *HK$'000*
For the six months ended 30 June 2015 (unaudited)			
TURNOVER			
External sales	**23,352**	**143,903**	**167,255**
RESULTS			
Segment results	**6,673**	**(28,063)**	**(21,390)**
Unallocated income			**153**
Unallocated expenses			**(8,891)**
Finance costs			**(162)**
Loss before taxation			**(30,290)**

	Manufacture of and trading in electronic components
	HK$'000
For the six months ended 30 June 2014 (unaudited)	
TURNOVER	
External sales	174,588
RESULTS	
Segment results	(48,409)
Unallocated income	4,168
Unallocated expenses	(9,152)
Finance costs	(196)
Gain on disposal of subsidiaries	52,033
Share of profit of an associate	3,331
Profit before taxation	1,775

Segment results represents the (loss) incurred/profit earned by each segment without allocation of central administration costs and other income/expenses, finance costs, gain on disposal of subsidiaries and share of profit of an associate. This is the measure reported to the Executive Directors for the purposes of resource allocation and performance assessment.

4. (LOSS) PROFIT BEFORE TAXATION

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
(Loss) profit before taxation has been arrived at after charging (crediting):		
Amortisation of prepaid lease payments	**110**	109
Depreciation of property, plant and equipment	**608**	10,570
Share option expenses (included in other expense)	**193**	—
Write-off of property, plant and equipment (included in other expense)	**236**	—
Gain on disposal of property, plant and equipment (included in other income)	—	(604)
Interest on bank deposits	**(3)**	(181)
Net exchange gain (included in other income)	**(104)**	(2,271)

5. TAXATION

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax:		
Hong Kong Profits Tax	**659**	261
PRC Enterprise Income Tax	**663**	2,456
	1,322	2,717
Deferred tax charge	**—**	60
	1,322	2,777

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

The Hong Kong Inland Revenue Department ("IRD") has been conducting a tax audit to the Group for the years of assessment back from 2004/05 since 2011. In 2012, the IRD issued additional assessments for the years from 2004/05 to 2006/07 demand for an aggregate of approximately HK$18,375,000 (the "2012 Assessments") to one of the Company's subsidiaries in connection with the pricing policy of its intergroup transactions of the trading and manufacturing operations in these years.

In 2012, the Group lodged objections to the IRD against the 2012 Assessments and had made partial payments in aggregate of HK$9,100,000 with respect of the years of assessment 2004/05 and 2005/06 to the IRD temporarily (part of which was in the form of tax reserve certificate). The directors of the Company proposed to the IRD to adjust the pricing of the intercompany transactions, thus, the assessable profits of its subsidiaries in Hong Kong and the PRC will be adjusted based on the proposal in these years (the "Proposal"). In the opinion of the directors of the Company, it should be a valid case to pursue, and the Group had made further provisions of HK$11,276,000 (together with related potential tax penalty which was charged as administration expense) for the years of assessment from 2004/05 to 2010/11 during the year ended 31 December 2012.

In 2013, the Group paid tax of HK$9,275,000 with respect to the years of assessment 2006/07 on the 2012 Assessments and paid a late payment surcharge of approximately HK$464,000 which had been charged as administrative expense. Further to the discussions with the IRD, the directors of the Company had revised its Proposal to further adjust the pricing of the intercompany transaction and the assessable profits of its subsidiaries in Hong Kong and the PRC in order to expedite the settlement with the IRD (the "Revised Proposal"). Based on the Revised Proposal, the Group had made further tax provisions of HK$19,886,000 (together with related tax potential penalty which was charged as administrative expense) for the years of assessment from 2004/2005 to 2012/2013 during the year ended 31 December 2013.

During the current interim period, the Group has made further tax payments upon receiving the additional amount from the IRD. Up to the date of these condensed consolidated financial statements, the negotiations for tax assessments were not yet concluded and the Group is still in the process of negotiating with the IRD in respect of the Revised Proposal. The directors of the Company are of the view that the Revised Proposal would be accepted by the IRD, thus, no additional tax provision in respect of the prior years' assessments was made in the current interim period.

In the event where the Revised Proposal is accepted by the IRD, final settlement of the tax audit in respect of the 2012 Assessments could be less than the amount aforementioned, the excess balance should be refundable to the Group. On the other hand, the tax recoverable including the tax reserve certificate purchased by the Group would be charged to profit or loss, if the IRD disagrees with the above mentioned basis and the Group failed the objection.

The provision for PRC Enterprise Income Tax ("EIT") is based on the estimated taxable income for PRC taxation purpose at the rate of taxation applicable for the period. Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

6. DIVIDENDS

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Dividends recognised as distribution during the period:		
— Special dividend of 30 June 2014: 30 HK cents per ordinary share	—	96,158
— Special dividend, by way of a distribution in specie of shares of Wing Lee Property Investments Limited ("Wing Lee Property") *(note)*	—	70,694
	—	166,852

Note: On 8 April 2014, the board of directors of the Company declared a conditional special dividend by way of a distribution in respect of the shares of Wing Lee Property (Wing Lee Property was a former associate of the Company) held by the Company in proportion of 0.2048 share for every one share held by the shareholders of the Company. On 9 June 2014, a total of 65,649,879 shares of Wing Lee Property, representing approximately 17% of the then entire issue share capital of Wing Lee Property were distributed to the owners of the Company, whose names appear on the register of members of the Company at the close of business on 26 May 2014, pursuant to the fulfillment of all conditions to this distribution.

No dividends were paid, declared or proposed during the current interim period. The directors of the Company have determined that no dividend will be paid in respect of the current interim period.

7. (LOSS) EARNINGS PER SHARE

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

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
(Loss) earnings		
(Loss) profit for the period attributable to owners of the Company for the purpose of basic (loss) earnings per share	**(22,955)**	10,296

Number of shares		
	30.6.2015	30.6.2014
	(unaudited)	(unaudited and adjusted)
Number of ordinary shares for the purpose of basic (loss) earnings per share	**3,270,958,412**	2,564,207,032

No dilutive loss per share is presented for the current period as the share options granted during the period are not exercisable and there are no dilutive potential ordinary shares during the period. No dilutive earnings per share was presented for the six month ended 30 June 2014 as there were no dilutive potential ordinary shares during the period.

8. TRADE AND OTHER RECEIVABLES

At 30 June 2015, included in trade and other receivables were trade receivables of HK$85,557,000 (31 December 2014: HK$68,249,000). Payment terms with customers are mainly on credit. Invoices are normally payable within 30 to 90 days after issuance, except for certain well-established customers, where the terms are extended to 120 days.

The following is an aged analysis of trade receivables, presented based on invoice dates (also approximates to revenue recognition date) at the end of the reporting period:

	30.6.2015 ***HK$'000*** **(unaudited)**	31.12.2014 *HK$'000* (audited)
0-90 days	**79,011**	67,553
91-180 days	**6,546**	696
	85,557	68,249

9. TRADE AND OTHER PAYABLES

	30.6.2015 ***HK$'000*** **(unaudited)**	31.12.2014 *HK$'000* (audited)
Trade payables	**30,686**	4,991
Accrued expenses	**5,973**	12,768
Accrued staff salary and bonus	**12,773**	7,606
Other tax payables	**10,236**	3,150
Tax penalty	**17,500**	17,500
Consideration payable for acquisition of subsidiaries *(Note)*	**—**	109,130
Payable for acquisition of property, plant and equipment	**3,387**	3,385
Interest payable	**—**	1,969
Other payables	**1,531**	3,772
	82,086	164,271

Note: The consideration payable for acquisition of subsidiaries has been partially settled during the current period and the remaining balance of HK$43,380,000 was extended as a loan and presented as an amount due to non-controlling shareholder of a subsidiary at 30 June 2015.

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

	30.6.2015 *HK$'000* (unaudited)	31.12.2014 *HK$'000* (audited)
0-90 days	**30,396**	4,991
91-180 days	**290**	—
	30,686	4,991

MANAGEMENT DISCUSSION AND ANALYSIS

Results Highlights

For the six months period ended 30 June 2015 (the "Period"), the Company and its subsidiaries (together the "Group") recorded turnover of approximately HK$167,255,000, representing a decrease of 4.20% from HK$174,588,000 of the corresponding period last year. The gross profit margin decreased to 17.91% (corresponding period of 2014: 20.96%). During the Period, the Group recorded loss before taxation of approximately HK$30,290,000 (corresponding period of 2014: profit before taxation of HK$1,775,000), and loss for the Period of approximately HK$31,612,000 (corresponding period of 2014: HK$1,002,000), while consolidated loss attributable to the Company's owners was approximately HK$22,955,000 (corresponding period of 2014: profit of HK$10,296,000). Basic loss per share for the Period were HK$0.70 cents (corresponding period of 2014: earnings of HK$0.40 cents (adjusted)).

Financial and Market Review

Electronic Manufacturing Services Business (the "EMS Business")

As the demand for electronic products remains weak due to the slack global economy, the Group continues to operate under challenging conditions.

During the Period, as a result of the Russian and European currency plummeted and the US dollar remained strong, our Korean and Japanese high-end consumer electronic brand customers saw a significant decline in demand in the Russia and Europe markets. This created a domino effect with a dramatic reduction in demand for our products and our customers also requested major price cut, thus affecting our profit margin.

In the meantime, our customers continue to face intensive price competition from the manufacturers of consumer electronic branded customers in the PRC, which continues to adversely affect our Group's sales performance.

As global trends and technology change rapidly in the home entertainment electronics industry, the technological trends in electronic products continue to move towards thin and light products coupled with clean aesthetics. This translates to increased use of wireless technology as it becomes more established and fully applicable in the next generation of mobile phones without the requirement of cable connection, while bluetooth has replaced as the connection for audiovisual products. These revolutionary technological changes will continue to make demands for traditional connector products decrease drastically.

It is expected that connector product varieties will continue to decrease due to decline in demand. Many of our current connector product line-up continues to be phased out and as a result, orders from our customers have also decreased. It is expected that in the imminent future, new technology will make connector components redundant for a majority of products.

As our connector products profit margins are low due to the market price competition, quick changes in technological trends will be detrimental to the EMS Business. As such, the Group will continue to review the Group's product mix and customer portfolio and will phase out certain customers and product lines that are not profitable.

The Group has successfully completed the subcontracting of our manufacturing processes in 2014, which has achieved an expected outcome in 2015.

The Group completed the acquisition (the "Common Glory Acquisition") of, among others, 70% equity interests in Common Glory Global Limited ("Common Glory") on 31 December 2014. Common Glory is an investment holding company of certain subsidiaries, one of which is principally engaged in the business of manufacture and sales of electrical components, including electronic wire, PC connecting wire, power plug cable and other hardware accessories. The following is a summary of the financial results of the subsidiary engaging in the EMS business from the completion of the Common Glory Acquisition to the end of June 2015 being consolidated into the Group's condensed consolidated statement of profit and loss and other comprehensive income for the Period:

	HK$'000
Turnover	14,673
Gross Profit	1,194
Loss after Tax	109

As a result of the deteriorating business environment with reducing sales orders, notwithstanding the contribution from the Common Glory Acquisition in the EMS Business during the Period, the turnover of the Group's EMS Business decreased by 17.58% to HK$143,903,000 from HK$174,588,000 of the corresponding period last year. Likewise, as sub-contracting business involves lower gross profit margins, the gross profit margin of the Group's EMS Business significantly decreased to 13.04% during the Period, compared to 20.96% of the corresponding period last year. However, the Group managed to cut down its segment loss of the EMS Business to HK$28,063,000 from HK$48,409,000 of the corresponding period last year, which was mainly attributable to no impairment loss being recognised in respect of the Group's property, plant and equipment due to cessation of certain production lines for the Period (corresponding period of 2014: HK$36,375,000).

Lending Business

In August 2014, the Group commenced its lending business in Hong Kong to diversify the Group's income source. However, in view of the on-going uncertainty surrounding the Hong Kong lending market and the higher associated market and credit risks during the Period, the Group has exercised more stringent credit control and as such, the Directors have been cautious in new lending activities during the Period and decided to dispose of the lending business.

Investment in Properties Business

Through the Common Glory Acquisition, the Group owned the Investment Properties which comprise (i) the land which is located in Chuan Hu Industrial District, 24 He Ping Road, Qinghu Community, Longhua Street, Longhua New Zone, Shenzhen, the PRC with a site area of approximately 6,841.81 sq.m.; and (ii) various buildings, including factories, offices, living quarters and ancillary facilities erected thereon. The related land use right has been granted for a term of 50 years expiring on 4 March 2049 for industrial use but with re-development potential.

Subsequent to the end of the reporting period, on 24 July 2015, in order to realize the value of the Investment Properties at a reasonable price, the Group entered into an agreement (the "Disposal") to dispose, among others, of all of the equity interests of a subsidiary of the Group owning the Investment Properties at a consideration of RMB 158,000,000 (equivalent to approximately HK$197,500,000). The related details of the agreement and other details relating to the Disposal are set out in the announcement of the Company dated 24 July 2015. As at the date of this interim results announcement, the Disposal has not yet been completed.

Dental Prosthetics Business

Through the completion of the acquisition (the "On Growth Acquisition") of, among others, 100% equity interests in On Growth Global Development Limited ("On Growth") on 15 May 2015, the Group commenced to engage in the dental prosthetics business, including the sale (both overseas and domestic) and production of dental prosthetics, including crowns and bridges, removable full and partial dentures, implants and full-cast restorations.

The following is a summary of the financial results of On Growth and its subsidiaries engaging in the Dental Prosthetics Business from the completion of the On Growth Acquisition to the end of June 2015 being consolidated into the Group's condensed consolidated statement of profit and loss and other comprehensive income for the Period:

	HK$'000
Turnover	23,352
Gross Profit	11,195
Profit after Tax	5,140

Liquidity and Financial Resources

The Group's financial position is sound with healthy working capital management and strong operational cash flow. As at 30 June 2015, the Group's total equity amounted to HK$570,935,000, representing an increase of 169.93% compared with that as at 31 December 2014. As at 30 June 2015, the Group's bank balances and cash totaled HK$64,430,000 (31 December 2014: HK$28,009,000). The current ratio(1) of the Group as at 30 June 2015 was 1.07 (31 December 2014: 1.10).

Taking the above figures into account, together with the expected cash inflow arising from the Disposal as well as its strong operational cash flows arising from the Dental Prosthetics Business, the management is confident that the Group will have adequate resources to settle its outstanding debts and to finance its daily operational and capital expenditures.

Capital Structure

During the Period, to settle the consideration for the On Growth Acquisition, the Company on 15 May 2015 issued and allotted a total of 750,000,000 consideration and placing shares of the Company. After such issuance and allotment, the number of issued shares of the Company was increased to 3,826,207,031 as at 30 June 2015.

As at 30 June 2015, the borrowings of the Group totaled HK$105,146,000 (31 December 2014: HK$6,008,000), comprising into HK$103,733,000 (the "Loan") (31 December 2014: HK$4,371,000) due to Mr. Wen Jialong, a former Director and shareholder of the Company, and his associates and bank loans of HK$1,413,000 (31 December 2014: HK$1,637,000). The gearing ratio(2) of the Group was 6.66% (31 December 2014: the Group maintained a net cash position of HK$22,001,000).

The Group had no particular seasonal pattern of borrowing and all of the Group's borrowings comprised current portion (within 1 year). The Loan, denominated in RMB and HK$, is non-secured, unguaranteed and interest free. Approximately HK$61,402,000 of the Loan has been settled subsequent to the Period and the HK$4,353,000 of the Loan is repayable on demand with the remaining balance (HK$37,978,000) being repayable by 24 October 2015. The bank loan, denominated in RMB, carried fixed interest rates of 7.62% (31 December 2014: 7.62%) per annum.

Group Structure

During the Period, the Company acquired the entire issued share capital of On Growth, which in turn holds the entire issued share capital of a Hong Kong incorporated company, Royal Dental Laboratory Limited, which in turn holds the entire issued share capital of a PRC incorporated company, Shenzhen Jinyouran Technology Limited, which in turn holds 50% equity interest of another PRC incorporated company, Shenzhen United Dental Technology Limited.

Apart from the above, there has been no material change in the structure of the Group during the Period.

Notes:

(1) Current Ratio = Current Assets ÷ Current Liabilities

(2) Gearing Ratio = Net Debt ÷ Total Capital

Net Debt = Total Borrowing – Bank Balances and Cash

Total Capital = Net Debt + Total Equity

Charge on Assets

There was no charge on assets of the Group as at 30 June 2015 and 31 December 2014.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's functional currency is HK$ with most of the sales transactions settled in RMB, HK$, US$ and EUR while purchases were transacted in RMB, HK$ and US$.

The fluctuation of between HK$ and other currencies did not materially affect the costs and operations of the Group for the Period and the Group did not foresee significant risk in exchange rate fluctuation. Currently, the Group had not entered into any financial instruments for hedging purposes.

Employees and Emolument Policy

The Group employed 1,005 employees in total as at 30 June 2015 (31 December 2014: 160) in Hong Kong and the PRC. The Group implemented its remuneration policy, bonus and share option schemes based on the performance of the Group and its employees. The Group provided benefits such as social insurance and pensions to ensure competitiveness.

In addition, the Group had also adopted a share option scheme as a long term incentive to the Directors and eligible employees. The emolument policy for the Directors and senior management of the Group is set up by the Company's Remuneration Committee, having regard to the Group's performance, individual performance and comparable market conditions.

Interim Dividend

The board of Directors (the "Board") did not recommend the payment of an interim dividend for the Period (six months ended 30 June 2014: special dividend of 30 HK cents per share and special dividend by way of a distribution in specie of shares of Wing Lee Property).

Future Prospects

While the Group has been endeavoring to pursue the existing EMS Business, there continues to be intense price competition that will continue amongst PRC brand name manufacturers of consumer electronic products and our customers. Sales and market share of our customers is expected to continue to decline which will detrimentally affect the Group's sales performance. Going forward, it is expected that the Group's EMS Business sales will be significantly reduced in the second half of the financial year.

Currently, there remains certain buildings and land of the Group's Heyuan factory that is left idle. The Group will consider disposing of the aforementioned in the near future should a suitable opportunity arise. In order to push forward and remain competitive, the Group will continue its investment in research and development in new connector products for use in different applications to explore different markets and customers.

In view of the weakening performance and reshuffling of the Group's EMS business, the Group has been actively exploring business diversification opportunities in order to enhance the long-term growth potential of the Group. Through the On Growth Acquisition, the Group can diversify into the denture business in the PRC and overseas markets.

The Group is optimistic about the long-term outlook of the dental prosthetics market in the PRC, particularly in view of the rising living standard causing surge in sugar consumption by the citizens and thereby faster dental decay among the general public and the increasing awareness of cosmetics, which together are expected to induce augmenting demand for dental prosthesis. In addition, the dental prosthetics industry on a global scale has been growing positively over the past few years and such trend is likely to continue.

After the On Growth Acquisition, the Group has formulated a number of growth strategies in the Dental Prosthetics Business, including enlarging its existing sales network in the PRC and foreign markets like the US, expanding its production capacity in the PRC and developing high-end new denture prosthetics products with beauty attributes. In order to develop the Dental Prosthetics Business, which in the view of the Company would become the most significant business segment of the Group with strongest growth potential, the Group would devote most of the Group's resources and efforts to this segment going forward.

In addition, on 20 August 2015, the Company and Shenzhen BGI Clinical Laboratories Center Limited) ("BGI Clinical") entered into a Cooperation Framework Agreement (the "Framework Agreement"), pursuant to which the parties agreed to cooperate in (i) developing the business of preservation of dental pulp stem cells; (ii) developing the genetic and metabolite testing services through the Company's sales channel in the PRC; and (iii) research and development on tooth preservation technologies, tooth regeneration technologies and products for a term of 3 years (the "Term Period") to 17 August 2018. Furthermore, on the same date, the Company and BGI Clinical entered into a specific cooperation agreement (the "Specific Cooperation Agreement"), pursuant to which the Company will engage BGI Clinical to provide preservation services and testing services to its end customers for the Term Period. BGI Clinical is a wholly-owned subsidiary of Shenzhen BGI Technology Limited, a leading genomics research institute which particularly focus on genetic sequencing and bioinformatics analysis. The entering into the Framework Agreement and the Specific Cooperation Agreement can be an important step forward for the Group to devote themselves to transforming the Group into a life science enterprise specializing in denture arena.

OTHER INFORMATION

Change of Company Name

Pursuant to a special resolution passed on 21 May 2015 and approved by the Registrar of Companies in Bermuda, with effect from 8 June 2015, the Company's name was changed from "Wing Tai Investment Holdings Limited" to "MEGA MEDICAL TECHNOLOGY LIMITED". The Chinese name of the Company was changed from "永泰投資控股有限公司" to "美加醫學科技有限公司".

Purchase, Sale or Redemption of the Company's Listed Securities

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

Model Code for Securities Transaction by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Securities by Directors of the Listed Issuers (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited. The Company has made specific enquiry of all the Directors regarding any non-compliance with the Model Code during the Period and all the Directors confirmed that they have fully complied with the relevant requirements set out in the Model Code during the Period.

Compliance with the Code on Corporate Governance Practices

Throughout the Period, save as disclosed below, the Company has complied with the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Listing Rules.

Code Provision A.2.1

There was a deviation from provision A.2.1 of the Code:

During the Period, Mr. Wen Jialong was both the Chairman and Chief Executive Officer ("CEO") of the Company until 21 May 2015. On 21 May 2015 and 29 June 2015, Mr. Wen Jialong resigned as CEO and Chairman of the Company, respectively. Mr. Wu Tianyu was appointed as the new CEO of the Company on 21 May 2015. The Board considers that vesting the roles of Chairman and CEO in the same person can facilitate the execution of the Company's business strategies and maximize the effectiveness of its operation. As other Board members are keeping abreast of the conduct, business activities and development of the Group and as the day-to-day business operations of the Group are delegated to the management, the Board considers that the structure of vesting the roles of Chairman and CEO in the same person will not impair the balance of power and authority. However, as a result of the On Growth Acquisition, the Board considers it necessary to vest the two roles in different persons in order to enhance the effectiveness of the Group's corporate governance structure.

Code Provision A.5.1

There was a deviation from provision A.5.1 of the Code:

Nomination Committee should be chaired by the Chairman of the Board or an independent non-executive director. Mr. Wu Tianyu, CEO and executive Director, was appointed as the Chairman of the Nomination Committee with effect from 30 June 2015.

Code Provision A.6.7

There was a deviation from provision A.6.7 of the Code:

Pursuant to provision A.6.7 of the Code, independent non-executive Directors and non-executive Directors should attend general meetings in order to develop a balanced view of the shareholders. Due to the various business commitments, not all the independent non-executive Directors and non-executive Directors of the Company attended the special general meetings of the Company held on 5 and 21 May and 8 June 2015 and the annual general meeting of the Company held on 26 June 2015. The Company will finalize and inform the dates of the general meetings as earliest as possible to make sure that all the independent non-executive Directors and non-executive Directors can attend the general meetings in future.

Code Provision E.1.2

There was a deviation from provision E.1.2 of the Code:

Pursuant to provision E.1.2 of the Code, the chairman of the Board, and the chairmen (or one of the members in case of the absence of chairmen) of the Audit Committee, Remuneration Committee and Nomination Committee should attend the annual general meeting to answer the questions (if any) raised by shareholders. Due to the various business commitments, the chairman of the Board and the members of the Audit Committee, Remuneration Committee and Nomination Committee have not attended the annual general meetings of the Company held on 26 June 2015. The Company will finalize and inform the date of the annual general meeting as earliest as possible to make sure that the chairman of the Board and the members of the various committees can attend the general meetings in future.

Audit Committee

The Audit Committee of the Company was established with written terms of reference in accordance with Appendix 14 to the Listing Rules. The existing Audit Committee comprises of one non-executive Director and three independent non-executive Directors, namely Dr. Loke Yu alias Loke Hoi Lam (chairman), Mr. Lam Kwok Cheong, Mr. Wu Jixian (appointed on 27 June 2015) and Mr. Song Qun (appointed on 27 June 2015). Mr. Zeng Zhaolin (retired on 26 June 2015) and Mr. Lung Chee Ming George (retired on 26 June 2015) were the members of the Audit Committee during the Period.

The Audit Committee met with the management on 28 August 2015 to review the accounting standards and practices adopted by the Group and to discuss matters regarding internal control and financial reporting including the review of the Group's interim results for the Period, before proposing them to the Board for approval. The Audit Committee has reviewed the results announcement and the interim report of the Company for the Period.

Remuneration Committee

The Company has established a Remuneration Committee with written terms of reference to consider for the remuneration for Directors and senior management of the Company and other related matters. The existing Remuneration Committee comprises Mr. Wu Jixian (Chairman) (appointed on 27 June 2015), Mr. Wu Tianyu (appointed on 30 June 2015) and Mr. Song Qun (appointed on 27 June 2015) . Mr. Lung Chee Ming George (retired on 26 June 2015) and Mr. Wen Jialong (resigned on 29 June 2015) were the members of the Remuneration Committee during the Period and Mr. Zeng Zhaolin (retired on 26 June 2015) was the chairman of the Remuneration Committee during the Period.

Nomination Committee

The Company has established a Nomination Committee with written terms of reference to consider for the appointment of new Director(s) of the Company and other related matters. The existing Nomination Committee comprises Mr. Wu Tianyu (Chairman) (appointed on 30 June 2015), Mr. Wu Jixian (appointed on 27 June 2015) and Mr. Song Qun (appointed on 27 June 2015). Mr. Zeng Zhaolin (retired on 26 June 2015) and Mr. Lung Chee Ming George (retired on 26 June 2015) were the members of the Remuneration Committee during the Period, and Mr. Wen Jialong (resigned on 29 June 2015) was the chairman of the Nomination Committee during the Period.

APPRECIATION

On behalf of the Board, I would like to extend my heartfelt gratitude to the full trust and enormous support of our shareholders, customers, banks, partners and employees, which set the Company on course for long-term success.

(II) CHANGE OF ADDRESS OF COMPANY'S WEBSITE

With effect from 1 September 2015, the address of the Company's website will be changed to www.megamedicaltech.com.

This announcement will be published on the website of the Stock Exchange of Hong Kong Limited at www.hkex.com.hk and on the Company's website at www.wingleeholdings.com.

By order of the Board
Mega Medical Technology Limited
Wu Tianyu
Executive Director

Hong Kong, 28 August 2015

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Wu Xiaolin and Mr. Wu Tianyu (Chief Executive Officer), three non-executive Directors, namely Mr. Chow Tak Hung, Mr. Lam Kwok Cheong and Dr. Jiang Feng and three independent non-executive Directors, namely Dr. Loke Yu alias Loke Hoi Lam, Mr. Wu Jixian and Mr. Song Qun.