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LIFE HEALTHCARE GROUP LIMITED

蓮和醫療健康集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 928)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

INTERIM RESULTS

The board (the “Board”) of directors (the “Director(s)”) of Life Healthcare Group Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2023, together with comparative figures for the corresponding period in 2022, which have been reviewed and agreed by the Company’s audit committee (the “Audit Committee”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2023

		Unaudited	
		Six months ended	
		30 September	
		2023	2022
	<i>Notes</i>	HK\$'000	HK\$'000
Continuing operations			
Revenue	4	83,427	56,407
Cost of sales and services		(71,405)	(51,352)
Gross profit		12,022	5,055
Other income and gains		3	1,131
Selling and distribution costs		(148)	(974)
Administrative and other expenses		(9,095)	(6,504)
Share of results of associates		–	–
Finance costs	5	(92)	(49)
Operating profit/(loss)		2,690	(1,341)

		Unaudited	
		Six months ended	
		30 September	
		2023	2022
	<i>Notes</i>	HK\$'000	HK\$'000
Profit/(loss) before taxation	6	2,690	(1,341)
Income tax	7	(1,727)	–
		<hr/>	<hr/>
Profit/(loss) for the period		963	(1,341)
		<hr/>	<hr/>
Profit/(loss) for the period attributable to			
Owners of the Company		1,693	(1,262)
Non-controlling interests		(730)	(79)
		<hr/>	<hr/>
		963	(1,341)
		<hr/>	<hr/>
Other comprehensive expense that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translations		(1,690)	(26,391)
Share of foreign currency reserve of associates		–	–
		<hr/>	<hr/>
		(1,690)	(26,391)
		<hr/>	<hr/>
Total comprehensive expense for the period		(727)	(27,732)
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive expense for the period attributable to:			
Owners of the Company		(1,279)	(27,449)
Non-controlling interests		552	(283)
		<hr/>	<hr/>
		(727)	(27,732)
		<hr/> <hr/>	<hr/> <hr/>
Profit/(loss) per share			
– Basic and diluted (expressed in HK cents per share)	9	0.11	(0.09)
		<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

		Unaudited 30 September 2023 <i>HK\$'000</i>	Audited 31 March 2023 <i>HK\$'000</i>
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		14,841	17,750
Right-of-use assets		–	–
Interest in associate		1,911	2,003
Equity investment at fair value through other comprehensive income		237	248
		16,989	20,001
Current assets			
Inventories		94,572	–
Loan and interest receivables	<i>10</i>	–	3,442
Trade and other receivables	<i>11</i>	178,808	223,040
Cash and cash equivalents		301	17,786
		273,681	244,268
Current liabilities			
Trade and other payables	<i>12</i>	44,718	19,626
Lease liabilities		1,807	1,765
Borrowings		2,500	2,500
Tax payable		6,492	4,921
		55,517	28,812
Net current assets		218,164	215,456
TOTAL ASSETS LESS CURRENT LIABILITIES		235,153	235,457
Non-current liabilities			
Lease liabilities		1,548	2,462
		1,548	2,462
NET ASSETS		233,605	232,995
Capital and reserves			
Share capital	<i>13</i>	77,101	77,101
Reserves		160,406	160,404
Equity attributable to owners of the Company		237,507	237,505
Non-controlling interests		(3,902)	(4,510)
TOTAL EQUITY		233,605	232,995

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

1 GENERAL

Life Healthcare Group Limited (the “Company”) is a company incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law of the Cayman Islands on 12 March 2001 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as of 29 April 2002. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and the principal place of business of the Company in Hong Kong is Suite 2001, 20th Floor, Two ChinaChem Exchange Square, 338 King’s Road, North Point, Hong Kong.

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

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

2 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

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

These unaudited condensed consolidated financial statements should be read in conjunction with the 2023 annual financial statements. The accounting policies used in the unaudited condensed consolidated interim financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2023.

3 ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2023. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current period and prior years.

4 REVENUE AND SEGMENT INFORMATION

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

For the six months ended 30 September 2023, the Group is engaged in the following three operating segments for its operations, each of which represents an operating and reportable segment of the Group under HKFRS 8.

1. Healthcare products and services business
2. Money lending business
3. Sales of liquor business

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

For the six months ended 30 September 2023 (Unaudited)

	Healthcare products and services business <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Sales of liquor business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Turnover				
External sales	<u>41,265</u>	<u>31</u>	<u>42,131</u>	<u>83,427</u>
Segment profit/(loss)	391	(94)	11,496	11,793
Other income and gains				3
Unallocated expenses				<u>(9,106)</u>
Profit before taxation				2,690
Income tax				<u>(1,727)</u>
Profit for the period				<u>963</u>

For the six months ended 30 September 2022 (Unaudited)

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

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

Disaggregation of revenue from contracts with customers:

Geographical markets

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

	Unaudited	
	For the six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
The PRC	42,125	29,366
Hong Kong	41,302	27,041
	<hr/>	<hr/>
	83,427	56,407
	<hr/>	<hr/>

Timing of revenue recognition

For both current and previous interim periods ended 30 September 2023 and 2022, all revenues from healthcare products and services and sales of liquor were recognised at a point in time.

Segment profit/(loss)

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

Segment assets and liabilities

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

5 FINANCE COSTS

	Unaudited	
	For the six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
Interest on lease liabilities	92	49
	<hr/>	<hr/>

6 PROFIT/(LOSS) BEFORE TAXATION

The Group's profit/(loss) before taxation is arrived at after charging:

	Unaudited For the six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
Cost of inventories recognised as expenses	71,405	50,973
Depreciation of property, plant and equipment	2,120	512
Depreciation of right-of-use assets	–	297
Employee benefit expenses (including directors' remuneration):		
Salaries, bonuses and other allowances	4,191	2,637
Retirement benefit scheme contributions (defined contribution scheme)	93	39
	<u>4,284</u>	<u>2,676</u>

7 INCOME TAX

	Unaudited Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
Taxation attributable to the Company and its subsidiaries:		
Current tax		
Hong Kong Profits Tax	3	–
PRC Enterprise Income Tax (“EIT”)		
– Current year	1,724	–
– Overprovision in prior year	–	–
	<u>1,727</u>	<u>–</u>

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

For both current and previous interim periods ended 30 September 2023 and 2022, Hong Kong Profits Tax is calculated under two-tier profits tax system under first HK\$2 millions of estimated assessable profits is taxed at a rate of 8.25% and remaining estimated assessable profits is taxed at 16.5%. The Group should elect one of the Hong Kong subsidiaries to apply the two-tier profits tax rate.

Under the Law of PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards, except for a subsidiary which is eligible for the tax rate of 15% in Hainan Province, the PRC. Income tax represents PRC Enterprise Income Tax provided based on the assessable profit of PRC subsidiaries.

8 DIVIDENDS

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

9 PROFIT/(LOSS) PER SHARE

Profit/(loss) per share

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

Weighted average number of ordinary shares

	Unaudited Six months ended 30 September	
	2023 '000	2022 '000
Weighted average number of ordinary shares at 30 September	<u>1,542,025</u>	<u>1,408,610</u>

Profit/(loss)

	Unaudited Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000
Profit/(loss) for the period attributable to the owners of the Company	<u>1,693</u>	<u>(1,262)</u>

10 LOAN RECEIVABLES AND LOAN INTEREST RECEIVABLES

	Unaudited At 30 September 2023 HK\$'000	Audited At 31 March 2023 HK\$'000
Unsecured loan receivables	<u>–</u>	<u>3,400</u>

At 30 September 2023, loans to third parties of HK\$Nil (31 March 2023: HK\$3,400,000) bear interest at 5% per annum and are repayable within six months from the date of drawing and thus classified as current assets. The loan receivables are due for settlement at the date specified in the respective loan agreement.

As at 30 September 2023, loan receivables of HK\$Nil (31 March 2023: HK\$3,400,000) and interest receivables of HK\$Nil (31 March 2023: HK\$42,000) arising from the same third party are unsecured.

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

	Unaudited	Audited
	At	At
	30 September	31 March
	2023	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
181 to 365 days	—	3,400
	<u>—</u>	<u>3,400</u>
	<u>—</u>	<u>3,400</u>

Loan interest receivables

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

	Unaudited	Audited
	At	At
	30 September	31 March
	2023	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 90 days	—	42
	<u>—</u>	<u>42</u>

11 TRADE AND OTHER RECEIVABLES

	Unaudited	Audited
	At	At
	30 September	31 March
	2023	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	109,267	118,305
Less: allowance for trade receivables	(927)	(972)
	<u>108,340</u>	<u>117,333</u>
Prepayments and deposits	81,180	119,184
Less: allowance for prepayments and deposits	(16,937)	(17,628)
	<u>64,243</u>	<u>101,556</u>
Other receivables	6,225	4,151
	<u>178,808</u>	<u>223,040</u>

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

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

	Unaudited At 30 September 2023 <i>HK\$'000</i>	Audited At 31 March 2023 <i>HK\$'000</i>
Within 90 days	73,477	–
91–180 days	–	110,208
181–365 days	34,863	7,125
	<u>108,340</u>	<u>117,333</u>

12 TRADE AND OTHER PAYABLES

	Unaudited At 30 September 2023 <i>HK\$'000</i>	Audited At 31 March 2023 <i>HK\$'000</i>
Trade payables	15,104	2,079
Accruals and other payables	29,614	17,547
	<u>44,718</u>	<u>19,626</u>

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

	Unaudited At 30 September 2023 <i>HK\$'000</i>	Audited At 31 March 2023 <i>HK\$'000</i>
Within 90 days	13,120	–
91–180 days	–	–
181 days to 1 year	5	–
Over 1 year	1,979	2,079
	<u>15,104</u>	<u>2,079</u>

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

13 SHARE CAPITAL

	Number of shares '000	HK\$'000
Authorised:		
Ordinary shares of HK\$0.05 each at 31 March 2022 (audited), 31 March 2023 (audited) and 30 September 2023 (unaudited)	<u>10,000,000</u>	<u>500,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.05 each at 31 March 2022 (audited)	1,285,025	64,251
Issue of shares on placement (<i>Note</i>)	<u>257,000</u>	<u>12,850</u>
Ordinary shares of HK\$0.05 each at 31 March 2023 (audited) and 30 September 2023 (unaudited)	<u>1,542,025</u>	<u>77,101</u>

Note:

- (1) On 14 June 2022, the Company entered into a placing agreement with a placing agent in respect of the placement of 257,000,000 ordinary shares of HK\$0.05 each to independent investors at a price of HK\$0.105 per share. The placement was completed on 5 July 2022 and the premium on the issue of shares, amounting to approximately HK\$13,515,000, after net of share issue expenses of approximately HK\$620,000, was credited to the Company's share premium account.
- (2) Please also refer to the section headed "EVENTS AFTER THE REPORTING PERIOD" for change in the share capital of the Company.

14 CAPITAL COMMITMENT

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

15 PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

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

FINANCIAL RESULTS

Turnover

For the six months ended 30 September 2023, the Group recorded a turnover of approximately HK\$83.43 million (six months ended 30 September 2022: HK\$56.41 million), representing an increase of approximately HK\$27.02 million, or 47.9% as compared with the corresponding period last year. Such increase in turnover was primarily attributable to the increase in revenue generated from the new sales of liquor segment. The Group's overall gross profit margin was 14.41% (six months ended 30 September 2022: 8.96%). During the six months ended 30 September 2023, the Group's overall gross profit was primarily attributable to the healthcare products and services, money lending and sales of liquor segments (six months ended 30 September 2022: the healthcare products and services and money lending segments).

Profit/(loss) for the interim period

The Group's profit for the six months ended 30 September 2023 was approximately HK\$0.96 million (six months ended 30 September 2022: loss of HK\$1.34 million). The profit was principally attributable to the new sales of liquor segment, which generated a segment profit of approximately HK\$11.50 million and was more than offset the decrease in segment profit generated from healthcare products and services following a drop in its revenue and the increase in administrative and other expenses.

BUSINESS REVIEW AND PROSPECTS

Healthcare products and services business

Over the years, the Group has built up its experience in the operation of and understanding in the business environment of the healthcare industry in the PRC and, as such, the healthcare business became an important contributor to the Group's revenue. Due to the allocation of resources for the new business of the Group, the segment revenue of the healthcare business has dropped by approximately 26.8% to HK\$41.27 million as compared to same period of last year.

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

For the six months ended 30 September 2023, this segment recorded a turnover of HK\$41.27 million (six months ended 30 September 2022: HK\$56.36 million) and a profit in segment result of HK\$0.39 million during the six months ended 30 September 2023 (six months ended 30 September 2022: profit HK\$0.63 million). The decrease in segment profit was primarily attributable to the reduction in revenue generated from healthcare services business during the Review Period.

Money lending business

During the six months ended 30 September 2023, money lending business recorded a turnover of interest income of HK\$0.03 million (six months ended 30 September 2022: HK\$0.05 million). Gross profit is 100% for both periods since no cost of finance were required under the money lending business. The source of funding is primarily from share capital which is a definite advantage for this business. The segment result covers internal cost allocation from central management and administrative costs. However, the money lending business is competitive and challenging and the relevant compliance work is demanding.

The Group will leverage on the existing clients portfolio and referrals by customers and business associates to access to new customers and opportunities in money lending business.

Sales of liquor business

Reference is made to the announcements of the Company dated 11 August 2023, 13 September 2023, 21 September 2023 and 22 November 2023.

In order to create value and bring higher returns to the shareholders of the Company, the Board has been actively exploring new business opportunities suitable for the Company. During the period under review, the Company started to engage in the sales of liquor business to ride on the potential growth in demand for wine in the PRC associated with a higher living standard in the PRC. It is expected that this new business segment will help generate stable cashflows and will be a good opportunity for the Group to diversify its business and income streams which will ultimately improve the financial performance and profitability of the Group.

In September 2023, the Group obtained the exclusive sub-licence to use the trademark and brand of “Diwangchi” (帝王池) liquor in the PRC, and commenced the sales of Maotai-flavor liquor under the “Diwangchi” brand. For the six months ended 30 September 2023, this segment recorded a turnover of HK\$42.13 million and a segment profit of HK\$11.5 million during the six months ended 30 September 2023.

With consumption upgrading and the continued prosperity of the liquor market, the market for Maotai-flavor liquor has broad prospects. As a leader in the industry, the Maotai-flavor liquor under the “Diwangchi” brand is expected to gradually become one of the mainstream brands in the market with its excellent quality, exquisite brewing technology and exquisite packaging design.

In terms of quality, the Maotai-flavor liquor under the “Diwangchi” brand follows family secret brewing, adheres to the pure grain solid-state fermentation process, and maintains the typical style of “Diwangchi”. Its excellent quality and innovative marketing model have received widespread attention from the industry.

With its advantages of high quality, exquisite craftsmanship, innovative marketing and celebrity effect, the Maotai-flavor liquor under the “Diwangchi” brand is gradually emerging in the liquor market and is expected to become an important member of the industry in the future. In addition, the Group has huge reserve of aged Kunsha base wine which is the foundation of high-quality for production of the Maotai-flavor liquor under the “Diwangchi” brand, resulting in a strong foundation for the promotion and sales of the Maotai-flavor liquor under the “Diwangchi” brand. Therefore, sales of the Maotai-flavor liquor under the “Diwangchi” brand will become a significant part of the Group’s revenue.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Wang Mengyao, Mr. Liu Mingqing, Mr. Pang Zhen and Mr. Man Wai Lun, and three independent non-executive Directors, namely Mr. Gu Jianguo, Ms. Yang Xilin and Ms. Yan Ming.

The Board has approved the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2023. The Board considers that the said financial statements have been prepared in conformity with the generally accepted accounting standards in Hong Kong and the amounts reflected are based on the best estimates and reasonable, informed and prudent judgment of the Board with an appropriate consideration of materiality.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2023, the Group employed 31 employees excluding Directors (30 September 2022: 14). The Group remunerates its employees based on their performance, working experience and prevailing market standards. Employee benefits include medical insurance coverage, mandatory provident fund for Hong Kong employees, state-managed retirement benefits scheme for PRC employees and share option scheme.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2023, the Group had bank balances and cash of approximately HK\$0.3 million (31 March 2023: approximately HK\$17.8 million). The Group mainly relies upon internally generated funds and proceeds from fund raising activities to finance its operations and expansion. The Group had borrowings of HK\$2.5 million as at 30 September 2023 (31 March 2023: HK\$2.5 million).

Gearing ratio calculated as total borrowings divided by total equity was approximately 1.07% as at 30 September 2023 (31 March 2023: approximately 1.07%).

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

TREASURY POLICIES

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

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

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

There was no material acquisition or disposal of subsidiaries and associates by the Company during the six months ended 30 September 2023.

PLEDGE OF ASSETS

During the six months ended 30 September 2023, the Group had no charge on assets.

CONTINGENT LIABILITIES

As at 30 September 2023, the Group had no significant contingent liabilities.

FOREIGN EXCHANGE EXPOSURE

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

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors. The primary duties of the Audit Committee are, amongst other matters, to communicate with the management of the Company; and review the accounting principles and practices, internal control system, risk management system, interim and annual results of the Group. The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2023 have not been audited, but have been reviewed and agreed by the Audit Committee.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the six months ended 30 September 2023, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: nil).

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the six months ended 30 September 2023.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' transactions in the Company's securities. Following specific enquiries by the Company, all Directors confirmed that they have complied with the Model Code during the six months ended 30 September 2023.

EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcements of the Company dated 3 November 2023 and 29 November 2023. On 3 November 2023 (after trading hours), the Company entered into a placing agreement with Emperor Securities Limited to place up to 308,400,000 placing shares to the places at the placing price of HK\$0.06 per placing share subject to the terms and conditions therein. Completion of the placing took place on 29 November 2023. An aggregate of 160,480,000 placing shares were placed to four individual investors who are independent third parties at HK\$0.06 per placing share. The placing shares represent approximately 9.43% of the entire issued share capital of the Company as enlarged by the allotment and issue of the placing shares. The gross proceeds of the placing is approximately HK\$9.6 million and the net proceeds of the placing (after deducting placing commission and other relevant expenses) is approximately HK\$9.3 million. The Company intends to apply the net proceeds for the expansion or acquisition of channels for the sales of Maotai-flavour liquor under the "Diwangchi" brand in the PRC.

Reference is made to the announcement of the Company dated 13 November 2023. The principal place of business of the Company in Hong Kong has been changed to Suite 2001, 20/F, Two Chinachem Exchange Square, No.338 King's Road, North Point, Hong Kong with effect from 13 November 2023.

Reference is made to the announcement of the Company dated 22 November 2023. The shareholders of the Company have passed a special resolution to adopt the amended and restated articles of association of the Company in substitution for the then articles of association, and a special resolution to change the English name of the Company from "Life Healthcare Group Limited" to "King International Investment Limited" and its dual foreign name in Chinese from "蓮和醫療健康集團有限公司" to "帝王國際投資有限公司". Further announcement will be made in respect of the effective date of the change of name of the Company.

Reference is made to the announcement of the Company dated 29 November 2023. On 29 November 2023 (after trading hours), the Company and three individual subscribers entered into a subscription agreement pursuant to which the subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 147,920,000 new shares at the subscription price of HK\$0.065 per share. The allotment and issue of the subscription shares will be made under the general mandate granted to the directors of the Company at the annual general meeting held on 29 September 2023. Further announcement will be made by the Company in due course.

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is published on the respective websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.lifehealthcare.com). The Group's interim report for the six months ended 30 September 2023 will be despatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board
LIFE HEALTHCARE GROUP LIMITED
Wang Mengyao
Executive Director

Hong Kong, 30 November 2023

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

Executive Directors:

Mr. Wang Mengyao
Mr. Liu Mingqing
Mr. Pang Zhen
Mr. Man Wai Lun

Independent Non-Executive Directors:

Mr. Gu Jianguo
Ms. Yang Xilin
Ms. Yan Ming