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CORPORATE INFORMATION

BOARD OF DIRECTORS

The Board of Directors as now constituted is listed below:

Executive Director

Mr. Wang Jia Jun (*Chief Executive Officer*)

Non-Executive Director

Dr. Xiao Zhixin

Independent Non-Executive Directors

Mr. Wong Hon Kit

Dr. Liu Yongping

Mr. Ho Man

AUTHORISED REPRESENTATIVES

Mr. Wang Jia Jun

Mr. Tam Sze Kin

COMPANY SECRETARY

Mr. Tam Sze Kin

AUDIT COMMITTEE

Mr. Wong Hon Kit (*Chairman*)

Dr. Liu Yongping

Mr. Ho Man

REMUNERATION COMMITTEE

Mr. Wong Hon Kit (*Chairman*)

Dr. Liu Yongping

Mr. Ho Man

Mr. Wang Jia Jun

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Mr. Wang Jia Jun (*Chairman*)

Mr. Wong Hon Kit

Dr. Liu Yongping

Mr. Ho Man

REGISTERED OFFICE

Second Floor

Century Yard, Cricket Square

P.O. Box 902

Grand Cayman

KY1-1103

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1801, 18/F., Tower 1
The Gateway, Harbour City
25 Canton Road, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Services (Cayman Islands) Limited
Second Floor
Century Yard, Cricket Square
P.O. Box 902
Grand Cayman
KY1-1103
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Yangchun Dongmen sub-branch, PRC
China Construction Bank Corporation
Meizhou Wuhua Station branch, PRC
Industrial and Commercial Bank of China Limited
Wuchun City sub-branch, PRC
Bank of Communications Co., Limited
Hong Kong Branch

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong

STOCK CODE

401

WEBSITE

www.wanjia-gp.com

FINANCIAL HIGHLIGHTS

- Revenue for the Period was approximately HK\$70.281 million (2020: approximately HK\$51.136 million), representing an increase of approximately 37.44% as compared with the corresponding period in 2020. The increase was driven by the increase in revenue from the Hemodialysis Business.
- Profit for the Period from operations attributable to owners of the Company was approximately HK\$0.414 million (2020: loss approximately HK\$3.931 million).
- The Group had total cash and cash equivalents of approximately HK\$9.506 million as at 30 September 2021 (31 March 2021: approximately HK\$25.009 million).
- The basic and diluted earnings per share was approximately HK\$0.07 cents (2020: Basic and diluted loss per share of approximately HK\$0.70 cents (restated)).
- The Board does not recommend the payment of an interim dividend (2020: Nil).

INTERIM RESULTS

The board of directors (the “**Board**”, and the members of the Board, the “**Directors**”) of Wanjia Group Holdings Limited (the “**Company**”) is pleased to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2021 (the “**Period**”), with the unaudited comparative figures for the corresponding period in 2020 as follows:

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Six months ended 30 September	
		2021	2020
		HK\$'000	HK\$'000
	Notes	(Unaudited)	(Unaudited)
Revenue	4 & 5	70,281	51,136
Cost of sales		(42,768)	(35,349)
Gross profit		27,513	15,787
Other revenue and income		85	475
Selling and distribution expenses		(13,455)	(8,945)
Administrative expenses		(12,450)	(10,226)
Profit/(loss) from operations	6	1,693	(2,909)
Finance costs	7	(662)	(665)
Profit/(loss) before taxation		1,031	(3,574)
Taxation	8	(563)	(328)
Profit/(loss) for the period attributable to owners of the Company		468	(3,902)
Other comprehensive income for the period, net of tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translating foreign operations		3,535	8,405
Total comprehensive income for the period		4,003	4,503

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
Notes	(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to:		
Owners of the Company	414	(3,931)
Non-controlling interests	<u>54</u>	<u>29</u>
	<u>468</u>	<u>(3,902)</u>
Total comprehensive income/(loss) for the period attributable to:		
Owners of the Company	3,911	4,552
Non-controlling interests	<u>92</u>	<u>(49)</u>
	<u>4,003</u>	<u>4,503</u>
		(Restated)
Earnings/(loss) per share attributable to owners of the Company		
– Basic and diluted		
<i>(HK cents per share)</i>	9	<u>0.07</u>
		<u>(0.70)</u>

Condensed Consolidated Statement of Financial Position

		At 30 September 2021 HK\$'000 (Unaudited)	At 31 March 2021 HK\$'000 (Audited)
	Notes		
Non-current assets			
Property, plant and equipment	10	42,731	39,444
Right-of-use asset		19,799	20,660
Goodwill		98,149	96,500
Deposit paid for property, plant and equipment		168	471
		<u>160,847</u>	<u>157,075</u>
Current assets			
Inventories		11,687	9,587
Trade and other receivables and deposits	11	45,659	31,826
Cash and cash equivalents		9,506	25,099
		<u>66,852</u>	<u>66,512</u>
Total current assets		<u>66,852</u>	<u>66,512</u>
Total assets		<u><u>227,699</u></u>	<u><u>223,587</u></u>
Capital and reserves			
Share capital	12	28,011	28,011
Reserves		145,253	141,298
		<u>173,264</u>	<u>169,309</u>
Equity attributable to owners of the Company		<u>173,264</u>	<u>169,309</u>
Non-controlling interests		<u>1,858</u>	<u>1,766</u>
Total equity		<u>175,122</u>	<u>171,075</u>

		At 30 September 2021 HK\$'000 (Unaudited)	At 31 March 2021 HK\$'000 (Audited)
	Notes		
Current liabilities			
Trade and other payables	13	20,268	20,832
Lease liabilities		2,683	2,528
Amount due to a director	14	5,900	7,050
Amount due to a shareholder	14	3,100	1,200
Tax payables		1,720	1,306
		<u>33,671</u>	<u>32,916</u>
Non-current liabilities			
Lease liabilities		<u>18,906</u>	<u>19,596</u>
		<u>18,906</u>	<u>19,596</u>
Total equity and liabilities		<u><u>227,699</u></u>	<u><u>223,587</u></u>
Net current assets		<u><u>33,181</u></u>	<u><u>33,596</u></u>
Total assets less current liabilities		<u><u>194,028</u></u>	<u><u>190,671</u></u>

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company										Non-controlling interests	Total
	Share capital	Share premium	Other reserve	Share option reserve	Contribution reserve	Translation reserve	Statutory reserve	Accumulated loss	Sub-total			
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
At 1 April 2020 (Audited)	28,011	60,299	(2,878)	3,944	866,811	(10,897)	18,157	(806,662)	156,785	1,550	158,335	
(Loss)/profit for the period	-	-	-	-	-	-	-	(3,931)	(3,931)	29	(3,902)	
Other comprehensive income/ (loss) for the period	-	-	-	-	-	8,483	-	-	8,483	(78)	8,405	
Total comprehensive income/ (loss) for the period	-	-	-	-	-	8,483	-	(3,931)	4,552	(49)	4,503	
Equity-settled share-based payments	-	-	-	1,419	-	-	-	-	1,419	-	1,419	
At 30 September 2020 (Unaudited)	28,011	60,299	(2,878)	5,363	866,811	(2,414)	18,157	(810,593)	162,756	1,501	164,257	
	Attributable to owners of the Company											
	Share capital	Share premium	Other reserve	Share option reserve	Contribution reserve	Translation reserve	Statutory reserve	Accumulated loss	Sub-total	Non-controlling interests	Total	
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
At 1 April 2021	28,011	60,299	(2,878)	5,671	866,811	4,436	19,476	(812,517)	169,309	1,766	171,075	
Profit for the period	-	-	-	-	-	-	-	414	414	54	468	
Other comprehensive income for the period	-	-	-	-	-	3,497	-	-	3,497	38	3,535	
Total comprehensive income for the period	-	-	-	-	-	3,497	-	414	3,911	92	4,003	
Share-based payment	-	-	-	44	-	-	-	-	44	-	44	
At 30 September 2021 (Unaudited)	28,011	60,299	(2,878)	5,715	866,811	7,933	19,476	(812,103)	173,264	1,858	175,122	

Notes:

(a) Other reserve

The other reserve represented the difference between the Company's shares of nominal value of the paid-up capital of subsidiaries acquired over the Company's cost of acquisition of the subsidiaries under common control upon the reorganisation and deemed acquisition of a subsidiary's equity interest.

(b) Share option reserve

The reserve represents the fair value of the actual or estimated number of unexercised share options grants to eligible persons, including any full-time and part-time employee, director, consultant or advisor of the Company and its subsidiaries recognised in accordance with the share option scheme.

(c) **Contribution reserve**

Capitalisation of the outstanding amount of approximately HK\$866,811,000 due from Timely Hero Enterprises Limited (“**Timely Hero**”) to Hua Xia Healthcare Holdings Limited (“**Hua Xia**”) on 3 September 2013 in consideration of (i) the allotment and issue 1 share of US\$1 in the share capital of Timely Hero to Luxuriant Expand Global Investment Limited (“**Luxuriant Expand**”), credited as fully paid up, at the direction of Hua Xia; and (ii) the allotment and issue of a total of 100 shares of US\$1 each in the share capital of Luxuriant Expand, all credited as fully paid up, to Hua Xia in consideration of its receipt of 1 share in Timely Hero at the direction of Hua Xia. Details of the reorganisation were set out in the paragraph headed “The Reorganisation” in the section headed “Corporate history, development and Reorganisation” in the prospectus dated 30 September 2013.

(d) **Translation reserve**

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 3.

(e) **Statutory reserve**

As stipulated by the relevant laws and regulations of the PRC, the subsidiaries of the Company establishing in the PRC shall set aside 10% of its net profit after taxation for the statutory surplus reserve fund (except where the reserve balances has reached 50% of the subsidiaries’ paid up capital). The reserve fund can only be used, upon approval by the Board of Directors and by the relevant authority, to offset accumulated losses or increase capital.

(f) **Distributable reserves**

Pursuant to applicable statutory provisions of the Cayman Islands, the Company did not have reserves available for distribution to the Shareholders as at 30 September 2021.

Condensed Consolidated Statement of Cash Flows

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash (used in) operating activities	(9,504)	(10,090)
Net cash (used in) investing activities	(5,202)	(3,591)
Net cash (used in)/generated from financing activities	<u>(1,452)</u>	<u>235</u>
Net decrease in cash and cash equivalents	(16,158)	(13,446)
Cash and cash equivalents at 1 April	25,099	24,801
Effect of foreign currency exchange rate changes on cash and cash equivalents	<u>565</u>	<u>5,914</u>
Cash and cash equivalents at 30 September	<u><u>9,506</u></u>	<u><u>17,269</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Corporate information

The Company was incorporated as an exempted Company with limited liabilities in the Cayman Islands on 9 July 2012. The Company's immediate holding company and ultimate holding company is Power King Investment Development Limited. The registered office of the Company is located at Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands and the principal place of business of the Company is located at Suite 1801, 18/F., Tower 1, The Gateway, Harbour City, 25 Canton Road, Kowloon, Hong Kong.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 11 October 2013. The principal activity of the Company is investment holdings. The Group is principally engaged in pharmaceutical wholesale and distribution business and hemodialysis treatment and consultancy service business in the People's Republic of China (the "**PRC**").

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars ("**HK\$**"), which is the functional currency of the Company, and the functional currency of most of its subsidiaries is Renminbi ("**RMB**"). The directors of the Company considered that it is more appropriate to present the condensed consolidated financial statements in HK\$ as the shares of the Company are listed on the Main Board of the Stock Exchange. All values are rounded to nearest thousands (**HK\$'000**) unless otherwise stated.

2. Basis of preparation and principal accounting policies

The unaudited condensed consolidated interim financial statements (the “**Interim Financial Statements**”) have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (the “**Interpretations**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the Listing Rules of the Stock Exchange (the “**Listing Rules**”). The Interim Financial Statements have been prepared under the historical cost convention except for certain financial instruments (including derivative financial instruments) and investment properties, which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Other than the changes in accounting policies resulting from application of amendment to HKFRSs, in preparing these Interim Financial Statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimate uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2021.

3. Significant Accounting Policies

In the current interim period, the Group has applied the amendments to references to the Conceptual Framework in HKFRS and the following amendment to HKFRSs issued by HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 9, HKAS 39,
HKFRS 7 and HKFRS 4

Interest Rate Benchmark Reform – Phase 2
(amendments)

The adoption of the above amendments to standards does not have any significant impact to the results and financial position of the Group.

4. Revenue

The principal activities of the Group are pharmaceutical wholesale and distribution business and provides hemodialysis treatment and consultancy service in the PRC and the revenue from contract with customers recognised at a point in time.

5. Segment information

Information reported internally to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group organised into two operating divisions: (a) pharmaceutical wholesale and distribution business and (b) hemodialysis treatment and consultancy service business in the PRC. These divisions are the bases on which the Group reports its segment information.

Information regarding the Group's reportable segments is presented below.

	Pharmaceutical wholesale and distribution business HK\$'000	Hemodialysis treatment and consultancy service business HK\$'000	Consolidated HK\$'000
<i>Six months ended 30 September 2021 (Unaudited)</i>			
Revenue			
Revenue from external customers	<u>25,895</u>	<u>44,386</u>	<u>70,281</u>
Results			
Segment results	<u>(378)</u>	<u>6,374</u>	5,996
Unallocated corporate income and expenses, net			<u>(4,303)</u>
Profit from operations			1,693
Finance costs			<u>(662)</u>
Profit before taxation			1,031
Taxation			<u>(563)</u>
Profit for the period			<u>468</u>

	Pharmaceutical wholesale and distribution business HK\$'000	Hemodialysis treatment and consultancy service business HK\$'000	Consolidated HK\$'000
<i>Six months ended 30 September 2020 (Unaudited)</i>			
Revenue			
Revenue from external customers	31,116	20,020	51,136
Results			
Segment results	(66)	3,626	3,560
Unallocated corporate income and expenses, net			(6,469)
Loss from operations			(2,909)
Finance costs			(665)
Loss before taxation			(3,574)
Taxation			(328)
Loss for the period			(3,902)

Note:

No inter-segment sales under pharmaceutical wholesales and distribution business and hemodialysis treatment and consultancy service business for the Period (2020: Nil). Inter-segment sales are charged at arm's length and fully eliminated under consolidation.

Segment assets and liabilities

	Pharmaceutical wholesale and distribution business HK\$'000	Hemodialysis treatment and consultancy service business HK\$'000	Consolidated HK\$'000
As at 30 September 2021 (Unaudited)			
Assets			
Segment assets	23,778	102,939	126,717
Goodwill		98,149	98,149
Unallocated corporate assets			2,833
Consolidated total assets			227,699
Liabilities			
Segment liabilities	7,593	32,329	39,922
Amount due to a director			5,900
Amount due to a shareholder			3,100
Unallocated corporate liabilities			3,655
Consolidated total liabilities			52,577
As at 31 March 2021 (Audited)			
Assets			
Segment assets	35,985	87,479	123,464
Goodwill	–	96,500	96,500
Unallocated corporate assets			3,623
Consolidated total assets			223,587
Liabilities			
Segment liabilities	7,242	26,113	33,355
Amounts due to directors			7,050
Amount due to a shareholder			1,200
Unallocated corporate liabilities			10,907
Consolidated total liabilities			52,512

6. Profit/(loss) from operations

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit/(loss) from operations has been arrived at after charging:		
Depreciation of property, plant and equipment	2,586	1,618
Depreciation of right-of-use assets	1,650	1,491
Expense relating to short-term lease	115	83
Cost of inventories sold	42,768	35,349
Staff costs (including directors' remuneration)	10,495	7,447

7. Finance costs

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on:		
– Lease liabilities	662	665
	662	665

8. Taxation

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current – the PRC		
Charge for the period	563	328
Total tax charge for the period	563	328

The Group was not subject to any taxation under the jurisdiction of the Cayman Islands and British Virgin Islands during the Period (2020: Nil).

No provision for Hong Kong profits tax had been provided as the Group had no estimated assessable profit arising in Hong Kong during the Period (2020: Nil).

The Group's subsidiaries in the PRC were subject to Enterprise Income Tax at the rate of 25% based on the estimated assessable profit during the Period (2020: 25%).

9. Earnings/loss per share

The calculation of basic earnings per share for the Period was based on the profit attributable to owners of the Company of approximately HK\$414,000 (2020: approximately HK\$3,931,000 for the basic loss per share) and on the ordinary share of 560,222,136 shares (2020: ordinary shares of 560,222,136).

There were no diluted potential shares in existence during the Period (2020: Nil).

10. Property, plant and equipment

During the Period, the Group purchased property, plant and equipment with a total cost of approximately HK\$4,129,133 (2020: approximately HK\$3,706,000).

11. Trade and other receivables and deposits

Payment terms with customers from the pharmaceutical wholesale and distribution business and hemodialysis treatment and consultancy service business are mainly on credit. Invoices are normally payable from 30 to 90 days of issuance. The following is an aged analysis of trade receivables based on invoice date at the end of the reporting period:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
0 to 90 days	23,935	13,340
91 to 180 days	4,888	1,888
181 to 365 days	1,580	3,245
Over 365 days	7,430	6,298
	37,833	24,771
Less: Allowance for credit losses	(9,835)	(9,835)
	27,998	14,936

12. Share capital

	30 September 2021 HK\$'000	31 March 2021 HK\$'000
<i>Authorised:</i>		
1,000,000,000 ordinary shares of HK\$0.05 per share	<u>50,000</u>	<u>50,000</u>
<i>Issued and fully paid:</i>		
560,222,136 ordinary shares of HK\$0.05 per share	<u>28,011</u>	<u>28,011</u>

13. Trade and other payables

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Trade payables (<i>Note a</i>)	15,273	8,428
Accruals and other payables (<i>Note b</i>)	4,580	12,014
Contract liabilities	<u>415</u>	<u>390</u>
	<u>20,268</u>	<u>20,832</u>

Note a:

The credit period on purchases of certain goods is ranged from 30 to 90 days. The following is an aged analysis of trade payables based on invoice date at the end of the reporting period:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
0 to 90 days	9,688	3,218
91 to 180 days	1,046	556
181 to 365 days	370	499
Over 365 days	<u>4,169</u>	<u>4,155</u>
	<u>15,273</u>	<u>8,428</u>

Note b:

Included in accruals and other payables mainly represented amount due to a connected person who is the brother of Ms. Yung Ka Lai of HK\$Nil (2020: HK\$6,200,000) which is unsecured, interest free and repayable on demand.

14. Amounts due to a director and a shareholder

Amounts due to a director and a shareholder are unsecured, interest free and repayable on demand.

15. Dividend

The Board does not recommend the payment of an interim dividend for the Period (2020: Nil).

16. Related party/connected parties transaction

During the reporting period, other than those transactions and balances detailed elsewhere in the Interim Financial Statements, the Group had the following significant transactions with related parties which, in the opinion of the Directors, were carried out on normal commercial terms and in the ordinary course of the Group's business:

a) Key management personnel

Remuneration for key management personnel, including amount paid to the Directors and other members of key management during the period were as follows:

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries, allowances and benefits in kind	1,230	1,383
Provident fund contributions	27	27
Total compensation paid to key management personnel	<u>1,257</u>	<u>1,410</u>

b) Transaction

During the reporting period, the Group had the following transactions with related parties:

Name of related parties and nature of transactions	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Expense relating to short-term lease with Mr. Wang Jia Jun	90	90
Finance cost of lease liabilities to the mother of Ms. Yung Ka Lai and the mother-in-law of Mr. Wang Jia Jun	–	19
	<u> </u>	<u> </u>

The Group had entered into a number of transactions with connected parties which, upon the listing of shares on the Stock Exchange, became connected persons of the Company under the Listing Rules. These transactions are continuing transactions exempt from the independent shareholder's approval requirements under the Listing Rules.

17. Comparative figures

The comparative figure of the loss per share attributable to owners of the Company has been restated to conform with the current Period's presentation.

18. Approval of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements were approved and authorised for issue by the Board on 22 November 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company is an investment holding company and the Group is principally engaged in the pharmaceutical wholesale and distribution business and the hemodialysis treatment and consultancy service business in the PRC.

Pharmaceutical wholesale and distribution business (the “Wholesale Business”)

The Group has a broad customer base through our distribution network in Fujian Province in the PRC. The Group distributes pharmaceutical products to our customers located principally in the Fujian Province. Our customers can be categorized into three types namely hospitals and healthcare institutions and end customers such as companies operating pharmaceutical retail chain stores, independent pharmacies, and outpatient departments of community hospitals, healthcare service stations and clinics.

In the early part of 2020, the medical reform policy further controlled the pharmaceutical costs in public hospitals in Fujian Province which reduced the overall size of the pharmaceutical distribution business in public hospitals. In addition, the distribution policy broke the original rules that essential medicines in public hospitals in Fujian Province were only distributed by 10 wholesale companies, thereby causing material adverse impact in the operation and its overall performance of the Group in pharmaceutical wholesale and distribution business. Revenue was affected by the outbreak of Covid-19, demand for pharmaceutical products from our customers were adversely affected by the uncertainty and downward pressure surrounding the business environment. During the Period, the revenue generated from this segment was approximately HK\$25.895 million (2020: approximately HK\$31.116 million), representing a decrease of approximately 16.78%. Loss of approximately HK\$0.378 million (2020: approximately HK\$0.066 million) from this segment was recorded.

Hemodialysis treatment and consultancy service business (the “Hemodialysis Business”)

In respect of the Hemodialysis Business, the Group currently operates several hemodialysis treatment centers under co-operations contracts and self-operated hemodialysis treatment centers spread across the Guangdong, Shangdong and Fujian Provinces, PRC. On 13 March 2020, the Group signed a 10 years service contract with Zhuhai Jiulong Hospital Company Limited* (珠海九龍醫院有限公司) for providing hemodialysis treatment and consultancy service business. The Group has recorded a substantial increase of revenue from the Hemodialysis Business during the Period. The increase was mainly attributable to the increased number of patients treated in our treatment centres and strengthening demand for our services. During the Period, the revenue generated from this segment was approximately HK\$44.386 million (2020: approximately HK\$20.020 million), representing an increase of approximately 121.71%. Gain of approximately HK\$6.374 million (2020: approximately HK\$3.626 million) from this segment was recorded.

Outlook and Prospects

As the Covid-19 pandemic has been kept under control in the PRC, all the Group’s business has been basically resumed normal operations since April 2020. However, the Group will continue to assess the impact of Covid-19 on the Group’s operations and financial performance, closely monitor the Group’s exposure to the risks and uncertainties in connection with Covid-19 on an ongoing basis, and will strengthen the cost savings initiatives in view of the challenging conditions. There is still an uncertainty about the impact of the Covid-19 on the economy in the PRC, with believe that the post pandemic, economy will return to normal and relevant financial indicators will recover gradually. The Group holds a positive and optimistic attitude about the prospects of the healthcare industry in the PRC. The Group will centralise its resources in developing the Hemodialysis Business. The Group will look to further develop its Hemodialysis Business through organic growth and acquisitions.

Looking forward, the Group will focus on developing such segment through establishment of new self-operated centers and provide hemodialysis consultancy service to hospitals in the PRC so as to expand its operating scale and further penetrate in the market. For this purpose, a business development team has been set up and has performed initial feasibility studies on the market potential in various cities or regions in the PRC.

* English translations of official Chinese names are for identification purpose only.

The Group believes that the demand for hemodialysis services in the PRC market is still far from being met and has great potential for development. Based on the Group's experience and strength in the medical field, the further exploration and expansion from our existing businesses to the continuously rising hemodialysis sector will become the driving force for building our further influence in the market and create better return to the shareholders.

The Group will continue to pay attention to different investment opportunities, identify appropriate businesses and projects for shareholders, and increase shareholders returns.

Interim Dividend

The Board has resolved not declare any interim dividend for the Period (2020: Nil).

FINANCIAL REVIEW

Revenue

For the Period, the revenue of the Group was approximately HK\$70.281 million (2020: approximately HK\$51.136 million), representing an increase of approximately HK\$19.145 million or approximately 37.44% when compared with the same period in 2020. The increase was driven by the increase in revenue from the Hemodialysis Business.

For the Period, the Group's revenue from the Wholesale Business was approximately HK\$25.895 million (2020: approximately HK\$31.116 million), representing a drop of approximately HK\$5.221 million or approximately 16.78% when compared with the same period in 2020. The decline was mainly due to the slowdown in demand of pharmaceutical products from customers in the Fujian Province.

For the Period, the Group's revenue from the Hemodialysis Business was approximately HK\$44.386 million (2020: approximately HK\$20.020 million), representing a significant increase of approximately HK\$24.366 million or approximately 121.71% when compared with the same period in 2020. The increase was mainly attributable to the increase in number of patients treated in our hemodialysis treatment centres.

Gross Profit Margin

For the Period and the same period in 2020, the Group's gross profit margins were approximately 39.15% and approximately 30.87% respectively. The increase was mainly attributable to the better profit margin from the Hemodialysis Business.

Other Revenue and Income

For the Period, the Group's other revenue and income was approximately HK\$0.085 million (2020: approximately HK\$0.475 million), representing a decrease of approximately HK\$0.390 million when compared with the same period in 2020. The decrease was mainly due to the no government grants during the Period.

Selling and Distribution Costs

For the Period, the Group's selling and distribution costs were approximately HK\$13.455 million (2020: approximately HK\$8.945 million), representing an increase of approximately HK\$4.510 million or approximately 50.42% when compared with the same period in 2020. The increase was mainly due to the increase of marketing and promotional expenses in relation to the rise of the Hemodialysis Business.

Administrative Expenses

For the Period, the Group's administrative expenses were approximately HK\$12.450 million (2020: approximately HK\$10.226 million), representing an increase of approximately HK\$2.224 million or approximately 21.75% when compared with the same period in 2020. The increase was mainly due to the increase of operating expenses such as wages and salaries, and overhead costs in relation to the rise of the Hemodialysis Business.

Finance Costs

For the Period, the Group's finance costs were approximately HK\$0.662 million (2020: approximately HK\$0.665 million), representing a slight decrease of approximately HK\$0.003 million when compared with the same period in 2020.

Taxation

During the Period, the Group's taxation expenses were approximately HK\$0.563 million (2020: approximately HK\$0.328 million), due to an provision of income tax expenses for the Hemodialysis Business.

Net Profit/Loss

As a result of the foregoing, the Group's net profit attributable to the owner of the Company was approximately HK\$0.414 million for the Period (2020: loss approximately HK\$3.931 million).

Total Comprehensive Income

For the Period, the Group's total comprehensive income attributable to the owners of the Company was approximately HK\$3.911 million (2020: approximately HK\$4.552 million), representing a decrease of approximately 14.08% when compared with the same period in 2020. The decrease was mainly attributable to the less fluctuation in exchange rate of RMB against HK\$ during the Period.

Capital Expenditure

The Group's capital expenditure requirements mainly relate to additions of its property, plant and equipments for the operation of hemodialysis treatment centres. The Group spent approximately HK\$4.129 million (2020: approximately HK\$3.706 million) on property, plant and equipment during the Period.

Use of Proceeds of Equity Fund Raising Activities

Date of announcement	Fund raising activity	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds
23 August 2019	Subscription of 155,617,260 pre-consolidation Shares at HK\$0.054 per pre-consolidation Share under general mandate, which was completed 12 September 2019	Approximately HK\$8 million	To use the net proceeds as general working capital of the Group	Fully utilised as intended at 31 March 2020
6 December 2019	Issue of 373,481,424 consolidated rights Shares at HK\$0.192 per rights Share under the rights issue, which was completed 24 February 2020	Approximately HK\$68 million	(i) HK\$60 million will be used for repayment of a secured loan; (ii) HK\$3 million will be used for repayment of the unsecured loan; and (iii) the remaining balance of HK\$5 million will be used for general working capital of the Group	Fully utilised as intended at 30 September 2020

Liquidity and Financial Resources

The Group had total cash and cash equivalents of approximately HK\$9.506 million as at 30 September 2021 (31 March 2021: approximately HK\$25.099 million). The decrease in cash balance was mainly due to repayment of shareholder and director loan and equipment purchase for the operation of the Hemodialysis Business.

The Group recorded total current assets of approximately HK\$66.852 million as at 30 September 2021 (31 March 2021: approximately HK\$66.512 million) and total current liabilities of approximately HK\$33.671 million as at 30 September 2021 (31 March 2021: approximately HK\$32.916 million). The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was approximately 1.985 as at 30 September 2021 (31 March 2021: approximately 2.021).

Contingent Liabilities

As at 30 September 2021, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group (31 March 2021: Nil).

Financing and Treasury Policies

The Group continues to adopt prudent financing and treasury policies. All the Group's financing and treasury activities are centrally managed and controlled. Implementation of the Group's related policies is made under collective but extensive considerations on liquidity risk, financing cost and exchange rate risk.

Foreign Exchange Risk

Almost all transactions of the Group are denominated in Renminbi and Hong Kong dollars and most of the bank deposits are being kept in Renminbi and Hong Kong dollars to minimise exposure to foreign exchange risk. As the fiscal policy of the Central Government of the PRC in relation to Renminbi is relatively stable throughout the Period, the Directors believe that the potential foreign exchange exposure to the Group is limited. Therefore, the Group had not implemented any formal hedging or other alternative policies to deal with such exposure during the Period.

Market Risks

PRC government policy

The Group is concerned about external regulatory compliance and environmental changes, which may have an impact on the Group's business operations such as government policies change in pricing models, and a management team is responsible for timely collection, interpretation and promotion of external regulatory requirements. The Group's management, together with the business line, will also discuss changes in the external environment, assess the impact of regulatory requirements on the Group's business, and develop targeted countermeasures to maintain business stability. The Group's compliance team will provide professional advice on the latest regulatory requirements and conduct compliance reviews on the compliance of existing regulations.

Material Acquisitions and Disposals

The Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures during the Period.

Capital Commitments

Capital commitments at each of the end of the reporting date contracted but not provided for in the consolidated financial statements were as follows:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Commitments for the construction contract for leasehold improvement	<u><u>1,085</u></u>	<u><u>1,245</u></u>

Employee Information

As at 30 September 2021, the Group had 177 (31 March 2021: 178) full time employees. During the six months ended 30 September 2021, the staff costs, including Directors' remuneration, totalled approximately HK\$10.495 million (2020: approximately HK\$7.447 million). Share options and bonuses are also available to the Group's employees at the discretion of the Board and depending upon the financial performance of the Group.

Change of Director

Ms. Yung Ka Lai has tendered her resignation as an executive Director of the Company with effect from 15 October 2021 so as to allow her to carry out other business commitments. Following her resignation, Dr. Xiao Zhixin (“**Dr. Xiao**”) has been appointed as a non-executive Director with effect from 15 October 2021. Dr. Xiao will bring valuable insights of healthcare business in the PRC to the Group and he will be able to give advice on the best practice for the Group’s Hemodialysis Business.

For more details, please refer to the announcement of the Company dated 15 October 2021.

Significant Events after the Reporting Period

There was no significant event took place subsequent to the end of the reporting period.

OTHER INFORMATION

Directors’ And Chief Executive’s Interests In Shares, Underlying Shares And Debentures Of The Company And Its Associated Corporations

Disclosure of Interests

(a) Directors’ interest and short position in the securities of the Company

As at 30 September 2021, the interests and short positions of the directors and chief executive of the Company in the shares of the Company (“**Shares**”), underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“**SFO**”)) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Appendix 10 to the Listing Rules, were as follows:

Long position in Shares and underlying Shares of the Company

Name of Director	Nature of interests	Total interests in ordinary Shares	Total interests in underlying Shares	Aggregate interests (Note 3)	Approximate percentage of issued Shares
Mr. Wang Jia Jun ("Mr. Wang") (Note 1)	Interest of spouse	156,862,198	2,500,000	163,155,611	29.12%
	Beneficial owner	–	3,793,413		
Ms. Yung Ka Lai ("Ms. Yung") (Note 1)	Corporate interest	156,862,198	–	163,155,611	29.12%
	Beneficial owner		2,500,000		
	Interest of spouse	–	3,793,413		
Mr. Wong Hon Kit ("Mr. Wong") (Note 2)	Beneficial owner	–	140,419	140,419	0.03%
Dr. Liu Yongping ("Dr. Liu") (Note 2)	Beneficial owner	–	140,419	140,419	0.03%
Mr. Ho Man ("Mr. Ho") (Note 2)	Beneficial owner	–	140,419	140,419	0.03%

Notes:

- Mr. Wang is the beneficial owner of 3,793,413 share options. Mr. Wang (being the spouse of Ms. Yung) is deemed to be interested in 2,500,000 share options owned by Ms. Yung. Power King Investment Development Limited ("Power King"), a company wholly-owned by Ms. Yung, owns a total of 156,862,198 Shares. Each of Ms. Yung and Mr. Wang is, therefore, deemed to be interested in the 3,793,413 and 2,500,000 share options respectively and the 156,862,198 Shares held by Power King, under the SFO.
- Mr. Wong, Dr. Liu and Mr. Ho are interested in share options which can be exercised to subscribe 140,419 Shares, 140,419 Shares and 140,419 Shares, respectively.
- The share consolidation and rights issue became effective on 20 January 2020 and 24 February 2020 respectively.

Save as disclosed above, as at 30 September 2021, the Directors of the Company were not aware of any other person (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

(b) Substantial shareholders' interests and short positions in shares and underlying shares

As at 30 September 2021, other than the interests of a director or chief executive of the Company as disclosed under the heading "Directors' and chief executive's interest in shares, underlying shares and debentures of the Company and its associated corporations" above, the following persons (not being a director or the chief executive officer of the Company) have an interest or a short position in Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO:

Name	Nature of interests	Number of Shares (Long position)	Approximate percentage of total issued Shares
Power King (Note 1)	Beneficial owner	156,862,198	28.00%
Expert Wealth Investments Limited	Interest in controlled corporation (Note 2)	156,862,198	28.00%
Grand Harbour Finance Limited	Interest in controlled corporation (Note 2)	156,862,198	28.00%
Ng Kwok Fai	Beneficial owner of controlled corporation (Note 2)	156,862,198	28.00%

Note 1: Power King is interested in 156,862,198 Shares. The issued share capital of Power King is wholly-owned by Ms. Yung. Mr. Wang is deemed to be interested in the Shares in which Power King is interested in under the SFO.

Note 2: Based on the notifications filed to the Company on 24 April 2020, 156,862,198 Shares owned by Power King were pledged to Grand Harbour Finance Limited. Grand Harbour Finance Limited is wholly owned by Expert Wealth Investments Limited and Mr. Ng Kwok Fai is the controlling shareholder. As all these companies were deemed or taken to be interested in all the security in 156,862,198 Shares by virtue of the SFO, and therefore Expert Wealth Investments Limited and Mr. Ng Kwok Fai were deemed to have approximately 28.00% of interest in the Company as at 30 September 2021. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquires, Grand Harbour Finance Limited and its ultimate owner(s) are independent from and not connected with the Company and its connected persons (as defined in the Listing Rule).

Save as disclosed above, none of the Directors nor their spouses or children under 18 years of age were granted or had exercised any rights to subscribe for any securities of the Company or any of its associated corporations.

SHARE OPTIONS GRANTED TO DIRECTORS AND EMPLOYEES

Particulars of the Company's share option scheme are set out in the Share Option Scheme section.

During the period ended 30 September 2021, details of share options granted to the Directors and employees under the Share Option Scheme of the Company were as follows:

	Date of grant	Exercisable period	Exercise price HK\$	No. of share options outstanding as at 1 April 2021	No. of share options exercised/ cancelled/ lapsed during the six months ended 30 September 2021	No. of share options outstanding as at 30 September 2021	Approximate percentage of the underlying shares for the share options outstanding in the issued Shares
Directors							
Mr. Wang	26 October 2018 24 April 2020	26 October 2018-26 October 2028 24 April 2020 – 24 April 2030	0.668 0.190	1,293,413 2,500,000	– –	1,293,413 2,500,000	0.23% 0.45%
Ms. Yung	24 April 2020	24 April 2020 – 24 April 2030	0.190	2,500,000	–	2,500,000	0.45%
Mr. Wong	26 October 2018 24 April 2020	26 October 2018-26 October 2028 24 April 2020 – 24 April 2030	0.668 0.190	40,419 100,000	– –	40,419 100,000	0.01% 0.02%
Dr. Liu	26 October 2018 24 April 2020	26 October 2018-26 October 2028 24 April 2020 – 24 April 2030	0.668 0.190	40,419 100,000	– –	40,419 100,000	0.01% 0.02%
Mr. Ho	26 October 2018 24 April 2020	26 October 2018-26 October 2028 24 April 2020 – 24 April 2030	0.668 0.190	40,419 100,000	– –	40,419 100,000	0.01% 0.02%
Total				6,714,670	–	6,714,670	
Employees	26 October 2018 24 April 2020	26 October 2018-26 October 2028 24 April 2020 – 24 April 2030	0.668 0.190	11,689,222 13,370,000 ^(Note)	– (1,170,000)	11,689,222 12,200,000	2.09% 2.18%
Total				25,059,222	(1,170,000)	23,889,222	
Grand total				31,773,892	(1,170,000)	30,603,892	

Note:

Among the 3,900,000 share options granted to the employees of the Company's subsidiaries in the PRC, these share options are exercisable in the following manner:

- (i) up to 30% of the share options granted to each grantee shall be exercisable on or after 24 April 2020 to 23 April 2021;
- (ii) up to further 30% of the share options granted to each grantee shall be exercisable on or after 24 April 2021 to 23 April 2022; and
- (iii) all the remaining 40% of the share options granted to each grantee shall be exercisable on or after 24 April 2022 to 23 April 2023, and in each case, not later than 24 April 2030.

DIRECTORS' RIGHTS TO ACQUIRE SECURITIES

Apart from as disclosed under the heading “Directors’ and chief executive’s interests in shares, underlying shares and debentures” above, at no time since incorporation of the Company were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

On 24 September 2013, the Company adopted a share option scheme (the “**Share Option Scheme**”) whereby the Board can grant options for the subscription of our shares to the employees, managerial staff and senior employees and those other persons that the Board considers that they will contribute or have contributed to the Group (the “**Participants**”) as described in the Share Option Scheme in order to serve as compliment and to reciprocate their contribution to the Group. The maximum number of shares that can be issued according to the Share Option Scheme was 64,840,530 shares, which was equivalent to 10% of the issued capital of the Company after completion of the Listing on the Stock Exchange. The number of options that may be granted pursuant to the terms of the Share Option Scheme shall not exceed 10% of the issued shares immediately after the completion of the Listing. Unless otherwise approved by the shareholders of the Company in general meeting, the number of shares that may be granted to a Participant under the options shall not exceed 1% within any 12-month period (other than those granted to the substantial shareholders (as defined

in the Listing Rules) of the Company or the independent non-executive Directors or any of their respective associates (as defined in the Listing Rules)), or the total number of shares that may be granted under the options to the substantial shareholders of the Company or the independent non-executive Directors or any of their respective associates shall not exceed 0.1% of the shares in issue of the Company from time to time. There is no minimum period that the options must be held before they become exercisable, and the options granted shall be exercised within the period decided by the Board; however no options shall be exercised 10 years after they have been granted. The exercise price of the option shall be the higher of (a) the closing price of the shares on the daily quotation sheet of the Stock Exchange on the date of grant; (b) the average closing price of the shares on the daily quotation sheet of the Stock Exchange for the five trading days immediately preceding the date of grant; and (c) nominal value of the share. Each grantee shall pay a consideration of HK\$1.00 at the time the option is granted. The Share Option Scheme shall take effect from the date it is adopted and shall remain effective within a period of 10 years from that date.

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

During the Period, there was no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

COMPLIANCE WITH THE MODEL CODE FOR 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 set out in the Model Code. The Company has made specific enquiry with all Directors and all the Directors have confirmed their compliance with the required standards set out in the Model Code throughout the period ended 30 September 2021.

CORPORATE GOVERNANCE

The Company strived to maintain a high standard of corporate governance and complied with the Corporate Governance Code set out in Appendix 14 to the Listing Rules. To the knowledge of the Board, the Company had fully complied with the code provisions in the Corporate Governance Code for the Period except code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. After the former chairman resigned from the Company in 2014, there is no position of the chairman. The company did not have the chairman for the Period. The Board considered that the existing Board members were able to share the power and responsibilities of chairman among themselves for the Period.

Mr. Wang Jia Jun has been appointed as the Chief Executive Officer of the Company since 1 April 2020. The Company will, from time to time, review the effectiveness of the Group's corporate governance structure and consider whether any changes, including the establishment of the role of the chairman.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 24 September 2013 in compliance with written terms of reference in compliance with Rule 3.25 of the Listing Rules. The Remuneration Committee consists of one executive Director, namely Mr. Wang Jia Jun, and three independent non-executive Directors, namely Mr. Wong Hon Kit, Dr. Liu Yongping, Mr. Ho Man. Mr. Wong Hon Kit is the chairman of the Remuneration Committee.

The role and function of the Remuneration Committee include, but are not limited to, the determination of the specific remuneration package of all executive Directors, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and making recommendations to the Board of the remuneration of non-executive Directors. The Remuneration Committee considers factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

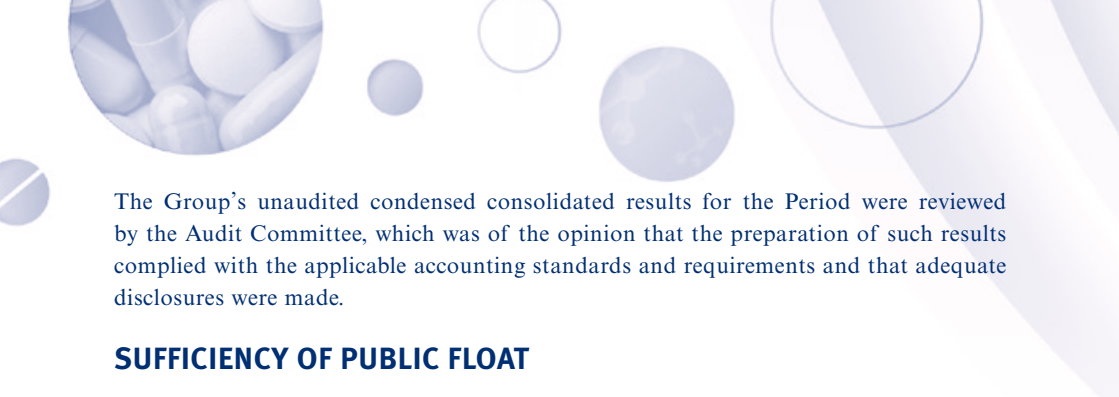
The Nomination and Corporate Governance Committee was established on 24 September 2013 in compliance with written terms of reference in compliance with paragraphs A.5.1 and D.3.1 of Appendix 14 to the Listing Rules. The Nomination and Corporate Governance Committee consists of one executive Director, namely Mr. Wang Jia Jun, and three independent non-executive Directors, namely Mr. Wong Hon Kit, Dr. Liu Yongping and Mr. Ho Man. Mr. Wang Jia Jun is the chairman of the Nomination and Corporate Governance Committee.

The primary duties of the Nomination and Corporate Governance Committee include, but are not limited to: (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and making recommendations to the Board regarding any proposed changes; (ii) identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of, individuals nominated for directorships; (iii) making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman of the Board and the chief executive officer of the Company; and (iv) keeping the effectiveness of the corporate governance and system of internal controls of the Group.

AUDIT COMMITTEE

The Audit Committee was established on 24 September 2013 in compliance with written terms of reference in compliance with Rules 3.21 of the Listing Rules. The Audit Committee consists of three independent non-executive Directors, namely Mr. Wong Hon Kit, Dr. Liu Yongping and Mr. Ho Man. Mr. Wong Hon Kit is the chairman of the Audit Committee.

The primary duties of the audit committee include, but are not limited to: (i) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standard; (ii) monitoring integrity of financial statements of the Company and the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports; (iii) reviewing the Company's financial controls, internal control and risk management systems; and (iv) reporting to the Board on the matters set out in the code provisions as stated in Appendix 14 to the Listing Rules.



The Group's unaudited condensed consolidated results for the Period were reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the Directors, the Company maintained adequate public float since the listing of the Shares on 11 October 2013.

PUBLICATION OF UNAUDITED INTERIM REPORT

The interim report is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wanjia-gp.com) respectively.

By order of the Board
Wanjia Group Holdings Limited
Wang Jia Jun
Chief Executive Officer and Executive Director

Hong Kong, 22 November 2021