EVERGRANDE HEALTH INDUSTRY GROUP

EVERGRANDE HEALTH INDUSTRY GROUP LIMITED

恒大健康產業集團有限公司

(a company incorporated in Hong Kong with limited liability)

(Stock code: 708)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

FINANCIAL SUMMARY

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Revenue		
Health Management Revenue	**2,363,995**	1,141,456
New Energy Vehicle Business Revenue	**284,407**	—
Total revenue	**2,648,402**	1,141,456
Gross profit	**611,037**	550,676
Net (loss)/profit	**(1,984,188)**	200,295

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June **2019** **(Unaudited)** ***RMB'000***	2018 (Unaudited) *RMB'000*
Revenue	*4*	**2,648,402**	1,141,456
Cost of sales	*5*	**(2,037,365)**	(590,780)
Gross profit		**611,037**	550,676
Other income		**2,149**	60
Other (losses)/gains	*5*	**(245,547)**	541
Selling and marketing expenses	*5*	**(344,375)**	(58,225)
Administrative expenses	*5*	**(1,254,180)**	(91,382)
Net impairment losses on financial assets		**(2,234)**	(973)
Operating (loss)/profit		**(1,233,150)**	400,697
Finance income	*6*	**56,113**	18,954
Finance costs	*6*	**(721,426)**	(25,839)
Finance expense — net		**(665,313)**	(6,885)
Share of net loss of associates and joint ventures accounted for using the equity method		**(5,177)**	—
(Loss)/profit before income tax		**(1,903,640)**	393,812
Income tax expenses	*7*	**(80,548)**	(193,517)
(Loss)/profit for the period		**(1,984,188)**	200,295
Other comprehensive loss			
(Items that may be reclassified to profit or loss)			
Currency translation differences		**(13,461)**	(2,080)
Total comprehensive (loss)/income for the period		**(1,997,649)**	198,215

	Note	Six months ended 30 June **2019** **(Unaudited)** ***RMB'000***	2018 (Unaudited) *RMB'000*
(Loss)/profit attributable to:			
Owners of the Company		**(1,527,417)**	199,292
Non-controlling interests		**(456,771)**	1,003
(Loss)/profit for the period		**(1,984,188)**	200,295
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(1,479,782)**	197,212
Non-controlling interests		**(517,867)**	1,003
Total comprehensive (loss)/income for the period		**(1,997,649)**	198,215
(Loss)/earnings per share for (loss)/profit attributable to owners of the Company			
(expressed in RMB cents per share)	*9*		
— Basic and diluted (loss)/earnings per share		**(17.678)**	2.307

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 30 June 2019 (Unaudited) *RMB'000*	As at 31 December 2018 (Audited) *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**8,235,533**	1,534,925
Intangible assets		**6,958,470**	5,199
Land use rights		**—**	590,743
Right-of-use assets		**1,566,910**	—
Goodwill		**6,193,274**	—
Prepayments		**1,559,560**	183,644
Investments accounted for using the equity method		**1,098,794**	—
Financial assets at fair value through profit or loss		**4,449,271**	3,979,937
Deferred income tax assets		**37,135**	34,472
		30,098,947	6,328,920
Current assets			
Inventories		**528,398**	34,619
Trade and other receivables	*10*	**4,368,604**	507,137
Contract assets		**19,251**	9,942
Prepayments	*11*	**788,556**	1,024,442
Properties under development		**15,202,613**	11,170,539
Completed properties held for sales		**1,186,202**	1,169,672
Restricted cash		**809,630**	367,825
Cash and cash equivalents		**16,828,869**	1,570,014
		39,732,123	15,854,190
Total assets		**69,831,070**	22,183,110
EQUITY			
Share capital		**250,936**	250,936
Reserves		**(1,241,357)**	101,536
Accumulated losses		**(2,542,357)**	(1,014,940)
		(3,532,778)	(662,468)
Non-controlling interests		**6,292,698**	—
Total equity/(deficit)		**2,759,920**	(662,468)

	Note	As at 30 June 2019 (Unaudited) RMB'000	As at 31 December 2018 (Audited) RMB'000
LIABILITIES			
Non-current liabilities			
Deferred income		**1,648,140**	—
Borrowings		**38,206,742**	11,248,425
Finance leases		**—**	45,307
Lease liabilities		**130,362**	—
Deferred income tax liabilities		**1,648,509**	—
		41,633,753	11,293,732
Current liabilities			
Trade and other payables	*12*	**17,358,650**	7,330,851
Contract liabilities		**173,632**	99,284
Provisions		**17,472**	—
Borrowings		**7,279,163**	3,613,900
Finance leases		**—**	8,705
Lease liabilities		**158,356**	—
Current income tax liabilities		**450,124**	499,106
		25,437,397	11,551,846
Total liabilities		**67,071,150**	22,845,578
Total equity/(deficit) and liabilities		**69,831,070**	22,183,110

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Evergrande Health Industry Group Limited (the "Company") and its subsidiaries (together, the "Group") is engaged in technology research and development, production and sales of new energy vehicles in the People's Republic of China (the "PRC") and in other countries (collectively, the "New Energy Vehicle Segment"), as well as the "Internet+" community health management, international hospitals, and elderly care and rehabilitation (collectively, the "Health Management Segment") in the PRC.

The Company is incorporated in Hong Kong as a limited liability company under the Hong Kong Companies Ordinance. The address of its registered office is 23rd Floor, China Evergrande Centre, 38 Gloucester Road, Wan Chai, Hong Kong.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's deposit receipts listed on the Taiwan Stock Exchange was delisted in June 2019.

The condensed consolidated interim financial information is presented in Renminbi ("RMB") thousands, unless otherwise stated.

Key event for the current reporting period

During the six months ended 30 June 2019, the Group acquired a total of 68% equity interest in National Energy Vehicle Sweden AB ("NEVS").

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2019 ("Interim Financial Information") has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

The Interim Financial Information does not include all the notes of the type normally included in an annual financial report. Accordingly, the Interim Financial Information is to be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2018 and any public announcements made by the Group during the interim reporting period.

The financial information relating to the year ended 31 December 2018 that is included in the condensed consolidated interim financial information for the six months ended 30 June 2019 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2018 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

Except as described below, the accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2018, as described in those annual consolidated financial statements.

(a) Amended standards adopted by the Group

The following amendments to standards are mandatory for the Group's financial year beginning on 1 January 2019 for the Group:

HKFRS 16	Leases
HK(IFRIC) 23	Uncertainty over Income Tax Treatments
HKAS 28 (Amendment)	Long-term investment in an Associate or Joint Venture
HKFRS 9 (Amendment)	Prepayment Features with Negative Compensation
HKAS 19 (Amendment)	Plan Amendment, Curtailment or Settlement
Annual Improvements to HKFRSs 2015–2017 cycle	

The adoption of the above new and amended standards did not have any material impact on the Interim Financial Information except for the impact of adoption of HKFRS 16 set out in note 3.1 below.

(b) Impact of standards issued but not yet applied by the entity

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2019 and have not been early adopted:

		Effective for annual periods beginning on or after
HKAS 1 and HKAS 8 (Amendment)	Definition of material	1 January 2020
HKFRS 3 (Amendment)	Definition of a business	1 January 2020
HKFRS 17	Insurance Contracts	1 January 2021
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture	To be determined

The impact of new standards and amendments to standards above is still under assessment by the Group.

3 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 16 Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 January 2019 in note 3.1 below. And the new accounting policies adopted for new energy vehicle business.

The Group has adopted HKFRS 16 from its mandatory adoption date of 1 January 2019. The Group has applied the simplified transition approach and has not restated comparative amounts for the 2018 reporting period. Right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

3.1 Adjustments recognised on adoption of HKFRS 16

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average leasee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 8.39%.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of HKFRS 16 are only applied after that date. The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

	2019
	RMB'000
Operating lease commitments disclosed as at 31 December 2018	**58,762**
Discounted using the lessee's incremental borrowing rate of the date of initial application	**52,167**
Add: finance lease liabilities recognised as at 31 December 2018	**54,012**
Less: short-term leases and low-value leases recognised on a straight-line basis as expense	**(1,000)**
Lease liability recognised as at 1 January 2019	**105,179**

Of which are:

Current lease liabilities	**30,092**
Non-current lease liabilities	**75,087**

Under the simplified transition approach, the associated right-of-use assets were measured at the amount equal to the lease liabilities on adoption, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets mainly relate to the following types of assets:

	30 June 2019	1 January 2019
	RMB'000	*RMB'000*
Properties	**136,830**	156,139
Equipments	**222,414**	—
Land use rights	**1,207,666**	590,743
Total right-of use assets	**1,566,910**	746,882

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- right-of-use assets — increase by RMB156,139,000 of properties and RMB590,743,000 of land use rights
- land use rights — decrease by RMB590,743,000
- property, plant and equipment — decrease by RMB36,667,000
- lease liabilities — increase by RMB105,179,000
- finance lease liabilities — decrease by RMB54,012,000

No significant impact on the Group's net profit after tax for the six months ending 30 June 2019 as a result of adoption of HKFRS 16.

(i) ***Impact on segment disclosures and earnings per share***

	Decrease of segment result *RMB'000*	Increase of segment assets *RMB'000*	Increase of segment liabilities *RMB'000*
Properties, equipments and land use rights	4,765	100,164	104,594

Earnings per share decreased by RMB0.04 cents per share for the six months to 30 June 2019 as a result of the adoption of HKFRS 16.

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC) 4 *Determining whether an Arrangement contains a Lease.*

3.2 The Group's leasing activities and how these are accounted for

The Group leases offices for both short-term and long-term contracts. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of properties were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets consist of properties, equipments and land use rights.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

3.3 New accounting policies adopted for new energy vehicle business

(a) *Intangible assets*

Separately acquired intangible assets are shown at historical cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Intangible assets have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of intangible assets over their estimated useful lives.

(i) *Patent, proprietary technology and franchise right*

Purchased patents, proprietary technology and franchise right are initially recorded at actual cost and are amortised on a straight-line basis over their estimated useful lives of 5 to 18 years.

(ii) *Computer software*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives of 2 to 10 years.

(iii) *Research and development costs*

Research costs are expensed as incurred. An intangible asset arising from development expenditure on the Group's proprietary brands project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indication of impairment arises during a financial period.

(b) *Government grants*

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants are deducted in reporting the related expenses, when appropriate.

Government grants relating to property, plant and equipment and intangible assets are charged against carrying amount of related assets or recognised as deferred income. If it is recognised as deferred income, it will credit to the relevant assets when it is ready for use and included in profit or loss over the useful life of related assets.

4 SEGMENT INFORMATION

The chief operating decision-maker ("CODM") of the Group has been identified as the executive directors of the Company who are responsible for reviewing the Group's internal reporting in order to assess the performance and allocate resources. Management has determined the operating segments based on these reports. The Group is organised into two segments:

Health Management:	"Internet+" community health management, international hospitals, elderly care and rehabilitation, medical cosmetology, anti-ageing and sales of health and living projects in the PRC.
New Energy Vehicle:	Technology research and development, production and sales of new energy vehicles in the PRC and in other countries.

Management has identified the reportable segments based on the Group's business model and assesses the performance of the operating segments based on profit before tax. Corporate expenses, investment income, finance income and costs and income tax expense are not included in segment results.

(a) Revenue by type

Revenue represents the net amounts received and receivable from customers during the period. An analysis of the Group's revenue by type for the period is as follows:

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Health Management:		
Sales of health and living projects (a)	**2,354,875**	1,138,192
Income from medical cosmetology and health management (b)	**9,120**	3,264
	2,363,995	1,141,456
New Energy Vehicle:		
Sales of lithium batteries (a)	**253,145**	—
Provision of technical services (b)	**28,282**	—
Sales of vehicle components (a)	**2,980**	—
	284,407	—
	2,648,402	1,141,456

(a) Revenue generated from the sales of health and living projects, lithium batteries and vehicle components are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the assets.

(b) Revenue generated from medical cosmetology and health management and provision of technical services are recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

(b) Segment revenue and results

The segment results and other segment items included in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2019 and 2018 are as follows:

	Six months ended 30 June 2019			
	Health Management *RMB'000*	**New Energy Vehicle** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Segment revenue and revenue from external customers	**2,363,995**	**284,407**	**—**	**2,648,402**
Finance costs — net	**(49,300)**	**(587,566)**	**(28,447)**	**(665,313)**
Share of net loss of associates and joint ventures accounted for using the equity method	**(1)**	**(5,176)**	**—**	**(5,177)**
Segment results	**136,717**	**(1,963,421)**	**(76,936)**	**(1,903,640)**
Loss before income tax				**(1,903,640)**
Income tax expenses				**(80,548)**
Loss for the period				**(1,984,188)**
Other segment item:				
Depreciation and amortisation	**66,342**	**293,548**	**—**	**359,890**

	Six months ended 30 June 2018			
	Health Management *RMB'000*	New Energy Vehicle *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Segment revenue and revenue from external customers	1,141,456	—	—	1,141,456
Finance costs — net	(3,908)	—	(2,977)	(6,885)
Segment results	401,292	—	(7,480)	393,812
Profit before income tax				393,812
Income tax expenses				(193,517)
Profit for the period				200,295
Other segment item:				
Depreciation and amortisation	(10,038)	—	—	(10,038)

The segment assets and segment liabilities as at 30 June 2019 and 31 December 2018 are as follows:

	Health Management *RMB'000*	**New Energy Vehicle** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
As at 30 June 2019				
Segment assets	24,055,191	45,738,744	37,135	69,831,070
Segment liabilities	22,352,572	44,268,454	450,124	67,071,150
Capital expenditure	787,583	14,204,578	—	14,992,161
As at 31 December 2018				
Segment assets	17,401,152	4,747,486	34,472	22,183,110
Segment liabilities	16,089,993	6,256,479	499,106	22,845,578
Capital expenditure	749,989	474,760	—	1,224,749

5 OPERATING PROFIT

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Cost of health and living projects and new energy vehicle goods sold	**1,970,376**	569,235
Employee benefit expenses	**505,997**	58,933
Employee benefit expenditure (including directors' emoluments)	**589,089**	138,744
Less: capitalised in properties under development and construction in progress	**(83,092)**	(79,811)
Advertising and promotion expenses	**180,942**	34,723
Research and development expenses	**282,726**	—
Tax and other levies	**34,144**	19,180
Depreciation of property, plant and equipment	**185,635**	6,944
Consulting fees	**46,570**	6,244
Net exchange loss	**277,540**	2,043
Amortisation of right-of-use assets	**36,945**	—
Amortisation of land use rights	**—**	2,335
Amortisation of intangible assets	**137,310**	759

6 FINANCE EXPENSE — NET

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Finance income		
— Interest income	**56,113**	18,954
Finance costs		
— Interest expense on borrowings	**(1,317,780)**	(216,583)
— Interest expense on leases	**(12,414)**	(2,603)
— Other finance costs	**(65,668)**	(12,956)
	(1,395,862)	(232,142)
Interest capitalised	**674,436**	206,303
Finance costs	**(721,426)**	(25,839)
Finance expense — net	**(665,313)**	(6,885)

7 INCOME TAX EXPENSES

The amount of income tax expenses charged to the condensed consolidated interim financial information represents:

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Current income tax:		
— PRC corporate income tax	**91,504**	85,753
— PRC land appreciation tax	**46,090**	119,818
	137,594	205,571
Deferred income tax:		
— PRC corporate income tax	**(57,046)**	(12,054)
	80,548	193,517

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2019 and 30 June 2018.

PRC corporate income tax is calculated at 25% of the estimated assessable profit for the six months ended 30 June 2019 and 30 June 2018.

The income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate of 25% on the estimated assessable profits for both periods, based on the existing legislation, interpretations and practices in respect thereof.

For the subsidiaries which obtained the Certificate of High-Tech Corporation, according to the Corporation Income Tax Law of the PRC, they are entitled to enjoy a preferential corporate income tax rate and of the income tax provision of in respect of operations in the PRC of 15%.

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible including land use rights and all property development expenditures.

8 DIVIDENDS

The directors do not recommend the payment of an interim dividend for the period (six months ended 30 June 2018: RMB: nil).

9 (LOSS)/EARNINGS PER SHARE

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

	Six months ended 30 June	
	2019	2018
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share (thousands)	**8,640,000**	8,640,000
Basic and diluted (loss)/earnings per share (RMB cents per share) (a)	**(17.678)**	2.307

(a) As there was no dilutive potential ordinary shares for the six months ended 30 June 2019 and 30 June 2018, diluted (loss)/earnings per share equals basic (loss)/earnings per share.

10 TRADE AND OTHER RECEIVABLES

	30 June 2019	31 December 2018
	RMB'000	*RMB'000*
Trade receivables *(note (a))*		
— third parties	**789,801**	225,585
Less: allowance for doubtful debts	**(1,688)**	(760)
	788,113	224,825
Other receivables		
— third parties	**3,512,870**	284,907
— related parties	**76,078**	1,168
	3,588,948	286,075
Less: allowance for doubtful debts	**(8,457)**	(3,763)
	3,580,491	282,312
	4,368,604	507,137

(a) Trade receivables mainly arose from sale of health and living projects and lithium batteries. Proceeds are to be received in accordance with the terms of the related sales and purchase agreements. The following is an aging analysis of trade receivables based on the invoice date:

	30 June 2019	31 December 2018
	RMB'000	*RMB'000*
Within 90 days	**638,203**	175,076
Over 91 days and within 180 days	**102,300**	49,986
Over 180 days and within 365 days	**49,298**	523
	789,801	225,585

11 PREPAYMENTS

	30 June 2019	31 December 2018
	RMB'000	*RMB'000*
Prepayments (a)		
— Land use rights	**1,881,316**	1,044,721
— Property, plant and equipment	**332,542**	163,365
— Others	**134,258**	—
	2,348,116	1,208,086
Less: non-current portion:		
— Land use rights	**(1,205,121)**	(20,279)
— Property, plant and equipment	**(332,542)**	(163,365)
— Others	**(21,897)**	—
	(1,559,560)	(183,644)
Current portion	**788,556**	1,024,442

(a) Amounts mainly represented the prepayments to third parties for acquisition of land use rights for health and living projects, and production plant and property, plant and equipment.

12 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	30 June 2019 *RMB'000*	31 December 2018 *RMB'000*
Trade payables to *(note (a))*:		
— third parties	**10,157,139**	5,299,958
Other payables to:		
— third parties	**2,418,158**	1,056,409
— related parties	**3,492,815**	605,925
Staff welfare benefit payable	**95,965**	12,609
Other taxes payable	**115,912**	119,054
Interest payable to:		
— third parties	**147,321**	13,998
— related parties	**931,340**	222,898
	7,201,511	2,030,893
Total trade and other payables	**17,358,650**	7,330,851
Contract liabilities from:		
— sale of health and living projects	**96,458**	75,216
— other customers	**77,174**	24,068
Total contract liabilities	**173,632**	99,284

(a) The aging analysis of trade payables based on the invoice date at the reporting date:

	30 June 2019 *RMB'000*	31 December 2018 *RMB'000*
Within 90 days	**8,621,963**	5,118,229
Over 91 days and within 180 days	**1,016,208**	58,644
Over 180 days and within 365 days	**518,968**	123,085
	10,157,139	5,299,958

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The principal business activities of Evergrande Health Industry Group Limited (the "**Company**") and its subsidiaries (the "**Group**") include "Internet+" community health management, international hospitals, elderly care and rehabilitation (collectively, the "**Health Management Segment**"), as well as the investment in high technology new energy vehicle manufacture (collectively, the "**New Energy Vehicle Segment**").

Health Management Segment

The Group proactively implements the national strategy of "Healthy China". Adhering to its corporate vision of "enhancing the healthy living standards for the general public", and centering on the healthcare needs of the general public, the Group has created a membership mechanism on all-round healthy life for all-aged populations, and established a multi-level hierarchical medical, all-aged health care, high-precision health management and diversified elderly care system, thereby enhancing the healthy living standards for the general public.

During the six months ended 30 June 2019 (the "**Period**"), the Group continued to uphold the innovative services concept of integrating medical insurance with health management, medical care and elderly care. It provided, among others, medical, healthcare, health management and elderly care services through a membership platform. It developed and formulated an all-rounded and all-aged healthcare service standard, and proceeded with the innovative development of Evergrande Elderly Care Valley. During the Period, Evergrande Elderly Care Valley took root in 15 livable cities across China. The Group also continued its in-depth exchanges and cooperation with foreign and domestic healthcare resources including Brigham and Women's Hospital (being one of the main teaching hospitals of Harvard Medical School) in the United States, which comprehensively enhanced the healthcare services standards at Boao Evergrande International Hospital, the only affiliated hospital of Brigham and Women's Hospital in China. The Group also improved its multi-level hierarchical medical system, which integrated resources from well-known 3A hospitals across different areas, with Evergrande International Hospital on the top and Evergrande Rehabilitation Hospital as well as the community medical system at the end.

New Energy Vehicle Segment

The automotive industry, at present, is under the window period of industrial transformation, providing unprecedented opportunities for new entrants. Through a series of measures of "New Four Modernizations" on the automotive industry, namely motorization, networking, intelligent modernization and sharing, the PRC government has shown that the automotive industry has entered the key strategic opportunity period which enables China to become a powerful automotive country through the golden opportunities arising from industrial transformation. Such policies have already been elevated to the level of "national strategies". Driven by policies and market conditions, the new energy vehicle market has grown rapidly, and the market potential is huge. In 2018, the sales volume of vehicles in China reached 28.08 million, accounting for approximately 31% of the global sales. The global sales volume of new energy vehicles exceeded 2.00 million, of which the sales volume in China accounted for more than 53% of the global ones and reached 1.256 million, representing an annual growth of 61.7%.

Financial Review

During the Period, the Group's revenue amounted to RMB2,648.40 million, which increased by 132.02% as compared to the revenue of RMB1,141.46 million for the first half of 2018. The revenue was mainly attributable to the revenue generated in the Health Management Segment.

The significant increase in revenue of the Health Management Segment during the Period was mainly due to the increase in revenue from Evergrande Elderly Care Valley ("**Elderly Care Valley**") of 106.90% to RMB2,354.88 million from RMB1,138.19 million in the corresponding period of 2018. In the first half of 2019, revenue from medical cosmetology and health management increased by 179.75% to RMB9.12 million from RMB3.26 million in the corresponding period of 2018, mainly attributable to the growth in business volume in this area.

During the Period, the Group's gross profit amounted to RMB611.04 million, representing an increase of 10.96% from RMB550.68 million in the corresponding period of 2018, mainly due to the increase in the business volume of health and living projects and thus the increase in total profit arising from the increase in total income. Gross profit margin decreased to 23.07% during the Period from 48.24% in the corresponding period of 2018, mainly due to the decrease in gross profit margin of the income of new health and living projects of different locations. In addition, there was an increase in the cost of the Health Management Segment, which mainly comprised of the costs of health and living projects, labor costs of hospitals, equipment depreciation and medicine costs.

The Group's other gains amounted to RMB0.54 million in the corresponding period of 2018. The Group's other losses for the first half of 2019 recorded a loss of RMB245.55 million due to exchange rate changes.

Selling and marketing expenses increased by 491.41% to RMB344.38 million during the Period from RMB58.23 million for the corresponding period of 2018 mainly due to the increase in marketing expenses for Evergrande Elderly Care Valley projects and the year-on-year increase in sales commissions.

Administrative expenses increased by 1,272.49% to RMB1,254.18 million during the Period from RMB91.38 million in the corresponding period of 2018. Labor cost, depreciation and amortization, research and development cost of new energy vehicle was incurred during the Period after a series of acquisition. Also, there was an increase in salary of health management business with the expansion of health business scale.

Finance expense — net increased to RMB665.31 million during the Period from RMB6.89 million in the corresponding period of 2018, mainly due to the increase in interest expenses arising from an increase in borrowings.

Income tax expenses decreased by 58.38% to RMB80.55 million during the Period from RMB193.52 million in the corresponding period of 2018, mainly due to the decrease in gross profit margin of Evergrande Elderly Care Valley projects.

Profit attributable to shareholders of the Company dropped to a loss of RMB1,527.42 million during the Period from a profit of RMB199.29 million in the corresponding period of 2018.

Business Review

Health Management Segment

Business Review for Evergrande Elderly Care Valley

In response to the rapid growth of the aging population and the demand for higher healthy living standards of community residents, the Group has developed and formulated the first all-rounded and all-age healthcare service standard in China and innovatively developed Evergrande Elderly Care Valley.

Evergrande Elderly Care Valley creates a new high-quality comprehensive healthy living and care mode. Evergrande Health has initiated the innovative concept of integrating medical insurance with preventative, medical and health care services as a one-stop shop and built a membership platform. Through integrating the world-class elderly care and wellness living, medical and commercial insurance and other resources, Evergrande Elderly Care Valley provides its members with full life-cycle and all-rounded living and care services.

Evergrande Elderly Care Valley starts a new chapter in all-rounded health care regime for all-aged populations. Embracing people of all age groups, Evergrande Elderly Care Valley pioneers four major gardens, namely, YiYang (Keep fit), ChangLe (Cheerfulness), KangYi (Health) and Qinzi (Parent-child), which provide equipment, facilities and all-rounded all-aged healthcare services such as tourism, learning, meditation, music, cheer, diet, beauty, living, healthcare and nursing, and creates a new healthy life of "one family with three generations, living in two apartments". As of 30 June 2019, health preserving exhibition and experience centers were up and running in, among others, Xi'an, Zhengzhou, Yangzhong, Xiangtan and Nanjing, while active preparation was being made for the construction of these centers in five cities such as Shenfu, Wuzhou, Hohhot, Cangzhou and Xianning.

Evergrande Elderly Care Valley creates a new high-precision and multi-dimensional health management mechanism. Evergrande International Hospital seeks to keep pace with international standards and the world's cutting-edge technology, such as those adopted in Brigham and Women's Hospital to establish a lifetime health tracking management system for all members to carry out genetic test, risk assessment, preventive intervention, hierarchical diagnosis and treatment, intelligent monitoring, dietary therapy and other multi-dimensional scientific life management.

Evergrande Elderly Care Valley creates a new comprehensive multi-level health care mode for the elderly. Evergrande Elderly Care Valley consolidates international cutting-edge elderly care and wellness living model, providing the seniors with a diversified geriatric care service model including a "Trinity" of home care, community care and institutional care. We have also cooperated with a well-known elderly care service operator in Japan, to jointly operate the first nursing home of the Company, namely Xi'an Evergrande Nursing Home (西安恒大養老院). The preparation work for the operation of the center is now in full swing.

Evergrande Elderly Care Valley creates a new whole life cycle high-availability health insurance system. Integrating domestic and overseas high-quality insurance resources, Evergrande Elderly Care Valley has established a high-level insurance system for all-aged groups, customizing exclusive insurance for the aged under 100 years old, thus realizing green service channel with hundreds of excellent top 3A hospitals in China.

As of 30 June 2019, Evergrande Health established Evergrande Elderly Care Valley in 15 livable cities such as Sanya, Ocean Flower Island, Xi'an, Zhengzhou, Zhenjiang, Xiangtan, Nanjing, Yuntaishan, Chongqing, Shenyang, Wuzhou, Hohhot, Cangzhou, Xianning and Liu'an.

Business Review for Medical Service Business

As regards hospitals, the Group cooperated top-tier tier medical institutions around the world to establish a high-end medical care system, and developed the multi-level hierarchical medical system, with high-end international hospitals at the top and domestic high-quality 3A hospitals and Henghe Hospital as the basis.

Invested by the Group and under the collaborative guidance of Brigham and Women's Hospital in the United States, Boao Evergrande International Hospital — the only affiliated hospital of Brigham and Women's Hospital in China, gathered outstanding worldwide medical experts and consolidated resources such as technology, equipment and the latest medicament to establish the complete Brigham system, building an international advanced health care service system. Ever since its commencement of operation, the hospital has upheld its patient-oriented philosophy by developing the multidisciplinary diagnosis and treatment service (MDT), comprehensively upgrading department set up and medical equipment, and launching medical services such as surgery, radiotherapy, chemotherapy and rehabilitation as well as secondary medical services. Taking advantage of the pilot zone and the Boao Public Bonded Drug Warehouse (博鰲公共保税藥倉), advanced imported drugs were introduced. As of now, the green channel for 3A hospitals has been established, enabling remote consultation and referral procedures to be effected between Evergrande Elderly Care Valley and Boao Evergrande International Hospital, establishing the service standards thereof. Remote consultation has been implemented at Xiangtan Experience Center.

Sanya Evergrande Obstetrics and Gynecology Hospital is a women's hospital specialized in gynecology and assisted reproduction and obstetrics with featured services such as rehabilitation and postpartum care centers. Currently, the construction of the hospital will be completed soon.

In respect of medications, the Group has established strategic cooperation with more than ten internationally renowned pharmaceutical and medical equipment companies such as AstraZeneca in the United Kingdom, Novartis in Switzerland and Gilead in the United States. Supported by Boao Public Bonded Drug Warehouse, international new drugs could be introduced from overseas originator drug manufacturer to Boao Evergrande International Hospital through all-rounded channels. At present, the Group is actively sourcing advanced research, medicine, teaching and corporate resources from both international and domestic markets. The Group is also exploring, optimizing and integrating resources from various industries within Evergrande Group, so as to gradually build up a think tank platform for international cooperation, research and transformation.

New Energy Vehicle Segment

Automobile Manufacturing Business

During the Period, the Group made various investments including investment in 68% equity interest in NEVS (a non-wholly-owned subsidiary of the Company) and 58.07% equity interest in Shanghai CENAT New Energy Company Limited (上海卡耐新能源有限公司) ("**CENAT New Energy**"), and the formation of a joint venture owned by NEVS as to 65% and owned by Koenigsegg Automotive AB ("**Koenigsegg**"), a top-tier supercar company, as to 35% in Sweden. On 29 June 2019, the NEVS 93 model of Evergrande New Energy Automotive Group has rolled off the production line.

Power Battery Business

Through its investments in the controlling stake in CENAT New Energy, the Group is able to strengthen its efforts in the research and development field of world-leading power battery technologies. CENAT New Energy, being one of the leading enterprises in the industry focusing on ternary pouch type power battery, was co-founded by China Automotive Technology Research Center Co., Ltd.* (中國汽車技術研究中心有限公司), an institution directly under the State-owned Assets Supervision and Administration Commission of the State Council, and ENAX, Inc. in Japan, with technology originating from Kazunori Ozawa, known as the "Father of Lithium Battery", and his research and development team.

At present, CENAT New Energy has four major production bases located in Shanghai, Jiangxi, Guangxi and Jiangsu. After acquiring a controlling stake in CENAT New Energy, the Group will expeditiously expand the production scale of CENAT New Energy to meet the huge market demand.

Power Technology Business

In the first half of 2019, the Group successfully acquired 81.41% equity interest in TeT Drive Technology Co. Ltd. (湖北泰特機電有限公司) ("**TeT**"). TeT owns the entire shareholding of e-Traction in the Netherlands, and is equipped with internationally advanced in-wheel motor technologies. On 30 May of the same year, NEVS acquired the entire shareholding of Protean Holdings Corp. ("**Protean**") in the United Kingdom, which further consolidated the Company's control of in-wheel motor technologies. This indicates that the Group has completed yet another significant deployment in the new energy vehicle field, further linking up the entire industry chain.

At present, the Group has invested in the construction of five bases in Guangzhou, Shanghai, Shenyang, Zhengzhou and Guiyang, among which the research and development and production base for new energy vehicles will become a production base for automobiles of Evergrande New Energy Automobile in the future. The research and development and production base for motors will be built into one that can accommodate the production of motors and electronic control systems for automobiles. The Group intends to invest in the construction of three major new energy vehicles basses in Shenyang, including a research and development and production bases for automobiles for Evergrande New Energy Automobile in Hunnan District, a research and development and production base for in-wheel motors in Tiexi District, and a super factory for power battery in Tiexi District.

Corporate Milestones in the First Half of 2019

1 The Group successfully expanded its new energy vehicle business through its investments in NEVS, CENAT New Energy, TeT and Protean, and the formation of a joint venture with Koenigsegg. The NEVS 93 production line of Evergrande New Energy Automotive Group was also launched.

2 On 22 March 2019, the Group released its annual results announcement for the financial year ended 31 December 2018. A number of core financial indicators for the Group achieved substantial growth, with membership spending amount increasing by 139% year on year and turnover of the Group increasing by 136% year on year.

3 Nanjing Evergrande Elderly Care Valley and Xiangtan Evergrande Elderly Care Valley memberships were officially launched and well-received by the market, indicating the distinct advantages of the Group's membership system.

4 The Group and Guangzhou University of Traditional Chinese Medicine also entered into a strategic cooperation agreement to expand the Chinese medicine business and further improve the all-aged health care system.

Outlook

Health Management Segment

Outlook for Evergrande Elderly Care Valley

The Group will further integrate world-class resources on medical treatment, elderly care and wellness living, and commercial insurance. Through the membership service platform, the Group aims to provide members with equipment, facilities and all-rounded all-aged healthcare services such as tourism, learning, meditation, music, cheer, diet, beauty, living, healthcare and nursing, so as to cover the entire treatment cycle from pre-pregnancy, infants to centenarians, to create a new way of healthy living of "one family with three generations, living in two departments".

The Group plans to expand its operations into over 50 livable wellness areas in the coming 3 years so as to provide services for members of the Group.

For health care, the Company will gradually open four exhibition and experience centers of the four major gardens of Elderly Care Valley in Xiangtan, Shenfu, Nanjing and Yuntaishan for members in the second half of 2019, facilitating the full implementation of the all-aged health care system.

In relation to health management, the Group will further integrate high quality domestic and foreign health management resources, draw on the experience of and introduce international advanced management, diagnosis and treatment service model of chronic diseases and comprehensively enhance the operational capacity of Elderly Care Valley. With the establishment of Evergrande Elderly Care Valley spanning across China and facilitation of the optimization and implementation of high-precision health management services, the Group builds a leading brand specializing in the provision of domestic professional health management services.

For elderly care, the Group will establish Evergrande Elderly Care Valley across China and integrate domestic and foreign elderly care resources regarding health care and rehabilitation, and set up a diversified elderly care product system including standardized elderly care apartments, day care centers and elderly homes, building a benchmark brand offering diversified elderly care services. At present, the Company takes Xi'an Evergrande Nursing Home (西安恒大養老院) as a pilot center in order to promote institutional elderly care services across China. It also focuses on the Evergrande community in China and advances the pilot implementation of home care and community care services for the elderly.

In the future, the Group will cooperate with financial, tourism, internet and other fields to recruit more members and provide health services for more people.

Outlook for Medical Service Business

In the second half of 2019, Boao Evergrande International Hospital will progressively commence the multiple organ chemoradiotherapy services, adopt the multidisciplinary diagnosis and treatment model to provide treatments for cancer diseases, and establish regional pathological diagnosis centers, testing centers, imaging diagnosis centers and clinical research centers; set up Boao Evergrande International Online Hospital to provide patients across China and members of Evergrande Elderly Care Valley with online diagnosis and treatment services; accelerate the preparation of proton heavy ion medical center establishment, which may possibly become the first proton medical center in Southern China upon completion; schedule to introduce the 4th generation "da Vinci" surgical robotic system, which is expected to be put into operation in the second half of 2019; and leverage on the pilot zone to continue to integrate international quality medical resources and build a high standard integrated medical research and transfer platform.

With construction commenced in 2017, Sanya Evergrande Obstetrics and Gynecology Hospital is expected to commence trial operation in the beginning of 2020, aiming to create the "Best Childbirth Location for All Seasons" and the "Most Beautiful Bay Resort Assisted Women's and Children's Hospital".

The Group will continuously perfect the multi-level hierarchical medical system by uniting the Henghe medical platform, high-quality 3A hospitals and community hospitals across China with the support from Evergrande International Hospital, and realize the one-stop services such as online medical service, two-way referral service and green channel.

In relation to medications, the Group will further rely on Boao Public Bonded Drug Warehouse and its pharmaceutical subsidiaries to strengthen cooperation with domestic and international quality medical resources and enrich its drug and medical equipment product warehouse. Meanwhile, it will introduce more high-quality medical and health products and set up an all-in-one supply chain platform integrating drug and medical equipment, health products, wellness living and elderly care, with Evergrande Elderly Care Valley across China being the focal point.

New Energy Vehicle Segment

Outlook for Automobile Manufacturing Business

Evergrande New Energy Automobile has completed the layout of the new energy vehicle industry chain. With its world-class core technology and unrivaled product quality, the Group strives to become a major and powerful new energy vehicle group in the world within 3–5 years.

Outlook for Power Battery Business

In the future, the Group will focus on accelerating the global layout of the new energy industry. Centering on the strategic orientation of "leading technology, first-class quality and most cost-efficient", it plans to set up several super factories with annual production capacity of 60GWh within 10 years, so as to master the upstream self-owned mineral resources and establish a complete industrial ecological chain covering battery materials, power lithium battery, solid state battery, hydrogen fuel cell, energy storage battery, wireless charging, power battery cascade recycling and utilization and other business segments.

Outlook for Power Technology Business

In addition to investing in and setting up five bases in Guangzhou, Shanghai, Shenyang, Zhengzhou and Guiyang, the Group will also enhance base expansion and complete the base layout. On the basis of the world-leading three-in-one system of centralized motor, the Group will continue to introduce professional talents, strengthen product research and development, application development, scientific planning of process flow and equipment selection, and accelerate the commercialization of in-wheel motors.

OTHER ANALYSIS

Capital Institutions, Liquidity and Financial Resources

The Group financed its operations by borrowings, shareholders' equity and cash generated from operations.

As at 30 June 2019, the Group had borrowings amounting to RMB45,486 million (31 December 2018: RMB14,862 million).

As at 30 June 2019, the Group's gearing ratio was 65.14% (31 December 2018: 67.00%). Gearing ratio was calculated as total borrowings over total assets.

Employee and Share Option Scheme

As at 30 June 2019, the Group had a total of 8,277 employees, and the staff with bachelors' degree or above accounted for approximately 74.4%. It incurred a total staff cost (including Directors' remuneration) of approximately RMB589.09 million during the period (for the six months ended 30 June 2018: RMB138.74 million).

Contingent Liabilities

As at 30 June 2019, the Company did not have significant contingent liabilities (as at 31 December 2018: Nil).

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2019 (for the six months ended 30 June 2018: Nil).

Interim Results Review

The condensed consolidated financial information of the Group has been reviewed by the audit committee of the Company, which comprises the three Independent Non-executive Directors of the Company.

The condensed consolidated financial information of the Group for the six months ended 30 June 2019 has been reviewed by PricewaterhouseCoopers in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company had complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30 June 2019, except as disclosed below.

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the period from 1 February 2019 to 30 June 2019, since the Company did not have any officer with the title of Chief Executive Officer, during such period, the overall responsibility of supervising and ensuring that the Group functions in line with the order of the Board in terms of day-to-day operation and execution was vested in the Board itself. Since Mr. Li Siquan acted as the Chief Executive Officer of the Company during the period between 1 January 2019 to 31 January 2019, during such period, the Company fully complied with the Code provision

Model Code for Securities Transactions

The Company had adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry to the Directors, all of them confirmed that they had complied with the required standard of dealings as set out in the Model Code throughout the period ended 30 June 2019.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

During the period ended 30 June 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND REPORTS OF THE COMPANY

The Company's interim results announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.health.evergrande.com. The interim report will be dispatched to the shareholders of the Company in due course and can be reviewed on the website of the Stock Exchange and the Company's website.

FORWARD LOOKING STATEMENTS

There can be no assurance that any forward-looking statements regarding the Group set out in this announcement or any of the matters set out therein are attainable, will actually occur or will be realised or are complete or accurate. Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and not to place undue reliance on the information disclosed herein. Any holder of securities or potential investor of the Company who is in doubt is advised to seek advice from professional advisors.

By Order of the Board
Evergrande Health Industry Group Limited
Shi Shouming
Chairman

Hong Kong, 23 August 2019

As at the date of this announcement, the executive Directors of the Company are Mr. SHI Shouming, Mr. PENG Jianjun and Mr. QIN Liyong; and the independent non-executive Directors of the Company are Mr. CHAU Shing Yim David, Mr. GUO Jianwen and Mr. XIE Wu.

* *For identification purpose only*