

**LOGLIFE GROUP HOLDINGS LTD:
COME TASTE THE FINANCIAL BENEFITS
OF SNAKE OIL AND SNAKE GALL BLADDER!**

It is very clear, on scanning the Placing Prospectus of Longlife Group Holdings Ltd (Code: 8037) of June 1, 2004, that the reason for its listing on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd was a matter of necessity rather than choice.

The Company, clearly, was getting over its proverbial head with regard to debt.

Longlife Group pitched its story on The GEM when it Placed 125 million, 10-cent Shares at a Premium of 40 cents per Share.

The Placing was taken up by 199 professional institutions, one is told, which applied for 1.64 times the number of Shares on Offer.

One wonders whether or not the Placees read the Prospectus of Longlife Group, very carefully, because, had these professional institutions taken note of certain statements, contained in the Prospectus, it is questionable as to whether or not the *'professional institutions'* could have justified their investments in this Company.

Page 119 of the Prospectus, for instance, makes these statements, under the general heading of **'INDEBTEDNESS'**:

'Borrowings

'As at the close of business on 31st March, 2004, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the Group had total borrowings of RMB46.80 million (approximately HK\$44.2 million), which comprised short term bank borrowings.

'Amount due to Directors

'As at 31st March, 2004, the Group had an amount due to Directors of approximately HK\$1.5 million which was unsecured, interest-free and was settled before the Latest Practicable Date ...

'Debt Securities

'As at 31st March, 2004, the Group had exchangeable bonds with an aggregate principal value of HK\$10.0 million, being the CIAM (CITIC International Assets Management Ltd) Convertible Bond. The CIAM Convertible Bond bears interest at the rate of 12% per annum and such interest is payable in cash on the maturity date. The bondholder has the right to exchange the CIAM Convertible Bond into shares of the Company at the exchange rate of 70% of the Placing Price... '.

Then, at Page 120 of the Prospectus, one reads:

'Borrowings and banking facilities

'As at 31st March, 2004, the Company did not have any available banking facilities or outstanding indebtedness other than the short term bank loans of approximately RMB46.8 million (equivalent to approximately HK\$44.2 million).'

These statements are quite something for a new IPO (Initial Public Offer) to make public and appear to tell the Company's story, requiring little left to the imagination.

Longlife Group is a Company, which, literally, is a snake-oil producer, among other things.

It makes no bones (excuse the pun) about its principal activities, which are stated, clearly, at Page 57 of the Prospectus in the following terms:

'The Group is engaged in the manufacture, research, development and distribution of health related products in the PRC (the People's Republic of China) under its own brandname, most of which contain natural ingredients such as tortoise, snake, pearl, placenta, glossy-ganoderma, ginseng, aloe vera, etc. or their parts in different forms and medium to suit different requirements and circumstances. Such ingredients may be packaged or dissolved in different forms. For example, some natural ingredients are contained in capsule and sack form or in wine and sold as branded nutrient products, while some may be contained in cream, shampoo or toothpaste and sold as branded body care products.'

This ... [CLICK TO ORDER FULL ARTICLE](#)

There will be no TARGET on Friday, October 22, 2004 due to Chung Yeung Holiday.

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not

guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.