



Hong Kong Life Sciences and Technologies Group Limited

香港生命科學技術集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 8085



FIRST QUARTERLY REPORT
2016/17

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**”) of Hong Kong Life Sciences and Technologies Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

FIRST QUARTERLY RESULTS

The board of Directors (the "Board") hereby submits the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months ended 30 June 2016, together with the unaudited comparative figures for the corresponding period in 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2016

		Three months ended 30 June	
		2016 Unaudited HK\$'000	2015 Unaudited HK\$'000
	Notes		
CONTINUING OPERATIONS			
Revenue	4	20,677	7,270
Cost of sales		(13,034)	(552)
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Gross profit		7,643	6,718
(Loss)/gain on disposal of held-for-trading investments		(1,476)	6,462
Fair value change on held-for-trading investments		–	147
Other revenue and net income	4	10	368
Administrative and other operating expenses		(11,008)	(11,391)
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(Loss)/profit before tax	5	(4,831)	2,304
Income tax	6	–	(3,426)
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Loss for the period from continuing operations		(4,831)	(1,122)
DISCONTINUED OPERATION			
Loss for the period from the discontinued operation	7	–	(5,669)
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Loss for the period		(4,831)	(6,791)
Other comprehensive expense:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		(997)	303
Release of translation reserve upon disposal of a subsidiary		–	40
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Total comprehensive expense for the period		(5,828)	(6,448)

	Three months ended	
	30 June	
<i>Notes</i>	2016	2015
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Loss for the period attributable to:		
— owners of the Company	(3,126)	(6,149)
— non-controlling interests	(1,705)	(642)
	(4,831)	(6,791)
Total comprehensive expense for the period attributable to:		
— owners of the Company	(4,123)	(5,806)
— non-controlling interests	(1,705)	(642)
	(5,828)	(6,448)
Loss per share:		
From continuing and discontinued operations	9	
Basic and diluted (HK cents)	(0.07)	(0.16)
From continuing operations		
Basic and diluted (HK cents)	(0.07)	(0.01)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 30 October 2000 as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands and its shares are listed on GEM of the Stock Exchange since 7 March 2002.

The Company is an investment holding company. During the reporting period, the Group is principally engaged in (i) anti-aging and stem cell technology businesses; (ii) trading business; (iii) money lending business; and (iv) securities investment. On 19 June 2015, the Group had discontinued its hotel operations and their results were therefore classified as the discontinued operation.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited consolidated financial statements have been prepared in accordance with the disclosure requirements of the GEM Listing Rules.

The principal accounting policies used in the preparation of these unaudited consolidated financial statements are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 March 2016 except in relation to the new and revised Hong Kong Financial Reporting Standards, ("HKFRSs", which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants that are adopted for the first time for the current period's financial information. The adoption of these new and revised HKFRSs has no significant effect on these financial statements.

The Group has not applied the new HKFRSs that have been issued but are not yet effective.

3. SEGMENT INFORMATION

The Group's operating segment information is based on the internal reports that are regularly reviewed by the chief operating decision maker, chief executive officer of the Company, for the purposes of resources allocation and performance assessment of the Group.

During the period, the Group's operating and reportable segments under HKFRs 8 are as follows:

- (i) anti-aging and stem cell technology businesses;
- (ii) trading business;
- (iii) money lending business; and
- (iv) securities investment.

Information regarding the above segments for the three months ended 30 June 2016 and 2015 are as follows:

(a) Segment revenues and results

For the three months ended 30 June 2016	Continuing Operations					Discontinued Operation	
	Anti-aging & stem cell technology businesses	Trading business	Money lending business	Securities investment	Total	Hotel operations	Total
	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000
Revenue from external customers	868	13,347	6,462	-	20,677	-	20,677
Segment results	(4,269)	(924)	6,311	(1,476)	(358)	-	(358)
Unallocated corporate income					-	-	-
Unallocated corporate expenses					(4,473)	-	(4,473)
(Loss) before tax					(4,831)	-	(4,831)

For the three months ended 30 June 2015	Continuing Operations					Discontinued Operation	
	Anti-aging & stem cell technology businesses	Trading business	Money lending business	Securities investment	Total	Hotel operations	Total
	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000
Revenue from external customers	2,702	-	4,238	330	7,270	1,429	8,699
Segment results	(3,384)	(1,575)	3,973	6,939	5,953	(5,669)	284
Unallocated corporate income					366	-	366
Unallocated corporate expenses					(4,015)	-	(4,015)
Profit/(loss) before tax					2,304	(5,669)	(3,365)

(b) Geographical information

The Group operates in the People's Republic of China (excluding Hong Kong) ("PRC") and Hong Kong. The following is an analysis of the revenue from external customers by location of operation:

	Revenue by geographical markets for the three months ended 30 June	
	2016 Unaudited HK\$'000	2015 Unaudited HK\$'000
Hong Kong	6,462	7,203
PRC	14,215	1,496
	20,677	8,699

4. REVENUE, OTHER REVENUE AND NET INCOME

	Three months ended 30 June	
	2016 Unaudited HK\$'000	2015 Unaudited HK\$'000
Continuing operations		
Revenue		
Anti-aging and stem cell technology businesses	868	2,702
Trading business	13,347	–
Money lending business	6,462	4,238
Dividend income from securities investment	–	330
	20,677	7,270
Other revenue and net income		
Interest income	1	2
Loan interest income	–	366
Sundry income	9	–
	10	368

5. (LOSS)/PROFIT BEFORE TAX

The (loss)/profit before tax has been arrived after charging:

	Three months ended 30 June	
	2016 Unaudited HK\$'000	2015 Unaudited HK\$'000
Continuing operations		
Staff costs (including Directors' emoluments)		
— salaries and allowance	2,777	3,261
— contributions to defined contributions retirement benefits schemes	61	117
	2,838	3,378
Depreciation of property, plant and equipment	1,685	2,158
Operating lease rentals in respect of rented premises	2,583	2,290
Share-based payments to consultants	—	1,575

6. INCOME TAX

	Three months ended 30 June	
	2016 Unaudited HK\$'000	2015 Unaudited HK\$'000
Continuing operations		
Current tax		
— Hong Kong	—	3,426
— PRC enterprise income tax	—	—
	—	3,426

Hong Kong profit tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits for the period.

PRC enterprise income tax on the profits arising in the PRC has been provided on the estimated assessable profits at the rates prevailing in the PRC.

No deferred tax has been recognized for the period due to the temporary differences which will result in a liability to be payable in the foreseeable future are immaterial.

7. DISCONTINUED OPERATION

On 15 June 2015, the Group agreed to dispose of 婺源縣黎里天禧酒店有限公司 (Wuyuan County Wuli Tianxi Hotel Company Limited*) ("Tianxi Hotel") to the purchaser for a consideration of RMB5 million. All the conditions of the disposal have been fulfilled and the completion of the disposal took place on 19 June 2015. Upon completion, the Group had discontinued its hotel operations and their results were therefore classified as the discontinued operation. Details of the disposal of Tianxi Hotel were disclosed in the Company's announcement dated 15 June 2015.

The results of the discontinued operation for the three months ended 30 June 2015 are summarized as follows:

	Three months ended 30 June 2015 Unaudited HK\$'000
Turnover	1,429
Cost of sales	(243)
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Gross profit	1,186
Other revenue and other net income	13
Administrative and other operating expenses	(2,773)
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Loss before tax	(1,574)
Income tax	–
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Loss for the period	(1,574)
Loss on disposal of a subsidiary	(4,095)
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Loss for the period from the discontinued operation	(5,669)

Loss before tax from the discontinued operation has been arrived at after charging:

	Three month ended 30 June 2015 Unaudited HK\$'000
Staff costs	1,353
Depreciation of property, plant and equipment	506
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* For identification only

Cash flows from the discontinued operation

	Three month ended 30 June 2015 Unaudited HK\$'000
Operating activities	(487)
Investing activities	(21)
Financing activities	—
Net cash outflows	(508)

8. DIVIDEND

The Board does not recommend the payment of any interim dividend for the three months ended 30 June 2016 (2015: Nil).

9. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Three months ended 30 June	
	2016 HK\$'000	2015 HK\$'000
Loss for the period attributable to the owners of the Company		
— from continuing operations	3,126	480
— from discontinued operation	—	5,669
— from continuing and discontinued operations	3,126	6,149
Weighted average number of ordinary shares for the purpose of basic loss per share	4,740,332,805	3,950,332,805

For the period ended 30 June 2016, the Company did not have any dilutive potential ordinary shares. For the period ended 30 June 2015, the diluted loss per share has not been disclosed as the potential shares arising from the exercise of the Company's share options would decrease the loss per share for the periods and is regarded as anti-dilutive.

10 CHANGES IN SHAREHOLDERS' EQUITY

Attributable to the owners of the Company

	Attributable to the owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Special reserve	Share options reserve	Translation reserve	Accumulated losses	Total		
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2015	158,013	524,799	(39,998)	1,575	799	(343,895)	301,293	(36,976)	264,317
Loss for the period	-	-	-	-	-	(6,149)	(6,149)	(642)	(6,791)
Release of translation reserve upon disposal of a subsidiary	-	-	-	-	40	-	40	-	40
Exchange differences arising on translation of foreign operations	-	-	-	-	303	-	303	-	303
Total comprehensive expense for the period	-	-	-	-	343	(6,149)	(5,806)	(642)	(6,448)
Recognition of equity-settled share-based payments	-	-	-	1,575	-	-	1,575	-	1,575
At 30 June 2015	158,013	524,799	(39,998)	3,150	1,142	(350,044)	297,062	(37,618)	259,444
At 1 April 2016	189,613	593,160	(39,998)	-	(2,171)	(379,764)	360,840	(42,245)	318,595
Loss for the period	-	-	-	-	-	(3,126)	(3,126)	(1,705)	(4,831)
Exchange differences arising on translation of foreign operations	-	-	-	-	(997)	-	(997)	-	(997)
Total comprehensive expense for the period	-	-	-	-	(997)	(3,126)	(4,123)	(1,705)	(5,828)
At 30 June 2016	189,613	593,160	(39,998)	-	(3,168)	(382,890)	356,717	(43,950)	312,767

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Continuing operations

Anti-Aging and Stem Cell Technology Businesses

For the three months ended 30 June 2016 (the “**Period**”), the Group recorded a revenue from the anti-aging and stem cell technology businesses of approximately HK\$868,000 (2015: HK\$2,702,000) and recorded a segmental loss of approximately HK\$4,269,000 (2015: HK\$3,384,000).

159 Anti-Aging Center

The Group has successfully completed the acquisition of 51% of equity interests of 159 Regenerative Medicine Group (H.K.) Limited and its subsidiaries (collectively, “**159 Group**”) in 2012, 159 Group was granted a licence for the user right of stem cell technology. During the Period under review, the revenue from 159 Group was approximately HK\$Nil (2015: HK\$2,600,000). The Group continued to face the keen competition and high operating costs and the revenue was significantly affected by weak demand for the stem cell technology service of 159 Group. The Group has imposed tight costs control to the operations, with a view to minimising costs to cope with the changing business environment.

Other Anti-Aging and Stem Cell Technology Businesses

During the Period under review, the revenue from the distribution of life sciences and biomedical products in Hong Kong was HK\$Nil (2015: HK\$35,000) and the revenue from the health check and beauty service in the PRC was approximately HK\$868,000 (2015: HK\$67,000).

Reference was made to the Company’s announcement dated 28 March 2013, the Company further acquired certain exclusive licences on the patents. On 18 March 2016, the Group entered into the technology development agreement (the “**Technology Development Agreement**”) with 厚樸生物科技(蘇州)有限公司 (Hope Bio-tech (Suzhou) Co., Ltd.*) for research and development of two patents. In order to produce commercially viable products, more research effort and investment have to be made to develop and improve the patents. Through entering into the Technology Development Agreement, the Group may be able to improve the patents and is likely to benefit from improving its product mix. If commercially feasible, the Group may also expand its anti-aging and stem cell technology businesses into the PRC.

Trading Business

The Group recorded a revenue from the trading business for the Period of approximately HK\$13,347,000 (2015: HK\$Nil) and recorded a segmental loss of approximately HK\$924,000 (2015: HK\$1,575,000). The Group will continue to attempt to broaden the customer base and diversify our trading products to increase its revenue stream and improve the financial performance.

Money Lending Business

During the Period under review, the Group recorded a revenue from money lending business of approximately HK\$6,462,000 (2015: HK\$4,238,000) and recorded a segmental gain before tax of approximately HK\$6,311,000 (2015: HK\$3,973,000). The average interest rate charged by the Group was approximately 13% per annum. Customers included individual and corporation providing secured and unsecured loans. The credit terms of outstanding loans granted by the Group to the customers ranged from six months to one year. In view of significant demand in the market, the Group intends to maintain the loan portfolio with a prudent manner in order to generate a healthy cash flow and steady returns.

Securities Investment

As at 30 June 2016, the Company did not hold any held-for-trading investments. During the Period under review, the realized loss on disposal of Hong Kong listed securities was approximately HK\$1,476,000 (2015: gain of HK\$6,462,000) and the fair value change on held-for-trading investments was HK\$Nil (2015: unrealized gain of HK\$147,000). The Board will continue to monitor the market conditions and its performance.

FINANCIAL REVIEW

During the Period under review, the Group's total revenue was approximately HK\$20,677,000 (2015: HK\$7,270,000) from continuing operations, representing an increase of approximately 184% as compared to last period. The significant increase in revenue was mainly derived from the trading business. The administrative and other operating expenses for the Period were approximately HK\$11,008,000 (2015: HK\$11,391,000).

The loss from continuing operations for the Period was approximately HK\$4,831,000 (2015: HK\$1,122,000). The increase in loss from continuing operations were mainly attributable to the held-for-trading investments incurred the realized loss of Hong Kong listed securities of approximately HK\$1,476,000 (2015: gain of HK\$6,462,000). The loss for the period attributable to owners of the Company was approximately HK\$3,126,000 (2015: HK\$6,149,000), such decrease in loss was due to the absence of a loss from the discontinued operation for the Period. The loss per share was 0.07 HK cents (2015: 0.16 HK cents).

PROSPECTS

The Group will continue to enhance the anti-aging and stem cell technology businesses. In this regard, the Board will constantly keep reviewing the Group's strategies and operations with a view to improve its business performance. In view of the growth potential in the PRC market, we intend to further develop our business in the PRC. We will continue to search and identify other products and service to broaden our revenue stream as well as explore other investment opportunities to expand and diversify our business portfolios.

On 26 April 2016, the Company entered into the non-legally binding letter of intent with Driving Force Limited (the "**Driving Force**"), in respect of a possible acquisition (the "**Possible Acquisition**"). Subject to the formal sale and purchase agreement which may be entered into in relation to the Possible Acquisition, Driving Force shall sell and the Company shall acquire the sale share, representing 100% of the issued share capital of Clear Ambition Global Limited (the "**Target Company**"). The Target Company is a company incorporated in Samoa and principally engaged in the business of investment holding. It holds 90% of the issued share capital of Cellvax SAS, a company incorporated in France on 19 June 2001. Cellvax SAS is a service company which provides complete preclinical innovating services allowing accelerating the drug development process for unmet needs related to severe human diseases, mainly in oncology and osteoarthritis fields. The consideration for the Possible Acquisition is subject to further negotiations and determination between Driving Force and the Company. As at the date of this report, the discussions were still in progress and no legally-binding agreement had been entered into in respect of the Possible Acquisition. Details of the Possible Acquisition were disclosed in the Company's announcement dated 26 April 2016.

MATERIAL EVENTS

(a) **Litigation and assignment agreement**

Reference was made to the announcement of the Company dated 27 May 2013 in relation to the Group, the vendor and the guarantors entered into the sale and purchase agreement for the sale and purchase (the "**Acquisition Agreement**") of the property located at Longgang District, Shenzhen (the "**Property**"). Under the Acquisition Agreement, the vendor agreed to handover the Property to the purchaser for use before 31 January 2014. The Group has paid the deposit to the vendor in accordance with the Acquisition Agreement but the vendor failed to handover the Property. The Group has lodged a civil litigation against the vendor and the guarantors on 7 April 2016 (the "**Litigation**") and applied for an order from the People's Court of Longgang District, Shenzhen Municipality of the PRC for, among other things, termination of the Acquisition Agreement and the supplemental agreement to the Acquisition Agreement, return of the refundable deposit in the sum of RMB23,520,000 and payment of damages in the sum of RMB8,490,720 (being the damages for the period from 1 February 2014 to 15 March 2016). The Group has instructed its PRC lawyers to handle the Litigation and deal with all legal matters in relation thereto.

On 22 June 2016, the Group entered into a creditor's rights assignment agreement ("**Assignment Agreement**") with Shenzhen Tennessee Technology Co., Ltd* (深圳市田納西科技有限公司, as the assignee) (the "**Assignee**") for the transfer of the creditor's rights, the rights against the Guarantors and all the other rights and interests vested in the purchaser under the Acquisition Agreement and the supplementary agreement to the Assignee ("**Sale Rights**") for a consideration of RMB11 million. The assignment of the Sale Rights is a good opportunity for the Group to reduce potential loss caused by the Litigation and transfer the relevant costs and risk out of the Group. The Directors, including the independent non-executive Directors, are of the view that the assignment under the Assignment Agreement is in the interests of the Company and the terms of the Assignment Agreement are fair and reasonable and on normal commercial terms and in the interests of the shareholders as a whole.

Details of the Litigation and Assignment Agreement were disclosed in the Company's announcements dated 4 May 2016 and 22 June 2016 respectively.

(b) Proposed Refreshment of General Mandate to Allot and Issue Shares and Increase in Authorised Share Capital

Reference was made to the Company's circular dated 18 May 2016 (the "**Circular**"), the Company proposed (i) the refreshment of general mandate to allot and issue shares. At the date of the Circular, the total number of shares in issue was 4,740,332,805 shares. The refreshment of general mandate would allow the directors to allot and issue a maximum of 948,066,561 new shares, representing 20% of the issued share capital of the Company at the extraordinary general meeting held on 3 June 2016 (the "**EGM**"); and (ii) the proposed increase in the authorised share capital of the Company from HK\$200,000,000 (divided into 5,000,000,000 shares) to HK\$400,000,000 (divided into 10,000,000,000 shares) by creation of an additional 5,000,000,000 shares. The relevant resolutions in relation to the refreshment of general mandate to allot and issue shares and increase in authorised share capital were duly passed by the shareholders by way of poll at the EGM. Details of the proposed refreshment of general mandate to allot and issue shares and increase in authorised share capital were disclosed in the Circular and the Company's announcement dated 3 June 2016.

OTHER INFORMATION

Directors' and Chief Executive's Interests

As at 30 June 2016, the interests and short positions of the Directors and chief executives of the Company (the "**Chief Executives**") in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("**SFO**")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Long position in the ordinary shares of the Company ("Shares")

Name of Director	Capacity	Number of Shares Held	Percentage of Shares in issue <i>(Approximate)</i>
Mr. David Lin Kao Kun	Beneficial owner	848,506,333	17.90

Save as disclosed above, as at 30 June 2016, none of the Directors and the Chief Executives had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

Directors' Rights to Acquire Shares or Debentures

Other than the share option scheme, at no time during the reporting period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of share in, or debentures of, the Company or any other body corporate.

Share Option Scheme

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 4 August 2010 and the Stock Exchange granting approval of the listing of, and permission to deal in, the shares to be issued under the share option scheme (the **"Share Option Scheme"**) on 17 November 2010, the Company has adopted the Share Option Scheme to replace the expired share option scheme adopted on 1 February 2002. The principal terms of the Share Option Scheme were set out in the appendix to the circular of the Company dated 20 July 2010.

At the annual general meeting of the Company held on 7 August 2015 (the **"2015 AGM"**), the shareholders of the Company had approved the refreshment of the Share Option Scheme mandate limit in accordance with the Share Option Scheme and the GEM Listing Rules, thereby allowing the Company to grant share options for subscription of up to a total of 395,033,280 Shares, representing 10% Shares in issue as at the date of the 2015 AGM. No share options were granted, lapsed or exercised during the Period.

The purpose of the Share Option Scheme is to enable the Company to provide incentive to participants with the opportunity of participating in the growth of the Company by acquiring shares in the Company and may, in turn, assist in the attraction and retention of talents who have made contributions to the success of the Company.

Substantial Shareholders' Interests and Other Persons' Interests

As at 30 June 2016, the Directors were not aware of any other persons/entities (other than the Directors and the Chief Executives) who had interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO.

Purchase, Sale or Redemption of Shares

During the three months ended 30 June 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

Securities Transactions by Directors

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry, all Directors confirmed that they had complied with such code of conduct and the required standard of dealings throughout the three months ended 30 June 2016.

Competing Interests

As at 30 June 2016, none of the Directors nor any of their respective associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group.

Changes in Information of Director

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, changes in information of the Director are set out below:

Name of Director

Details of changes

Mr. Chui Kwong Kau
("Mr. Chui")

- with effect from 30 June 2016, Mr. Chui has retired as an executive director of China Energy Development Holdings Limited (stock code: 228)

Audit Committee

The Audit Committee has three members comprising three independent non-executive Directors, namely, Mr. Hung Yat Ming, Mr. Chan Yun Hing and Mr. Gui Qiangfang, with written terms of reference in compliance with the GEM Listing Rules. Mr. Hung Yat Ming is the chairman of the Audit Committee. These unaudited consolidated results for the Period have been reviewed by the Audit Committee.

By order of the Board

Hong Kong Life Sciences and Technologies Group Limited
Lu Zhiqiang

Executive Director and Chief Executive Officer

Hong Kong, 12 August 2016

As at the date of this report, the Board comprises (i) five executive Directors, namely, Mr. David Lin Kao Kun, Mr. Lu Zhiqiang, Mr. Chui Kwong Kau, Mr. Jiang Hongqing and Ms. Li Mei; (ii) one non-executive Director, namely Ms. Lam Kuo; and (iii) three independent non-executive Directors, namely Mr. Hung Yat Ming, Mr. Chan Yun Hing, and Mr. Gui Qiangfang.