

AID
LIFE SCIENCE

AID Life Science Holdings Limited
滙友生命科學控股有限公司*

3rd Quarterly Report 2018
For the nine months ended 30 September

* For identification purpose only

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This report, for which the directors of 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 for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement in this report misleading.

ABOUT AID LIFE SCIENCE HOLDINGS LIMITED

AID Life Science Holdings Limited (the “Company” and, together with its subsidiaries, the “Group”) is a strategic investment group listed on GEM (stock code: 8088).

The Group is principally engaged in the business of strategic investment.

MANAGEMENT DISCUSSION AND ANALYSIS

During the nine months under review, the Group continued to operate its strategic investment and asset management businesses. As part of the strategic investment business, the Group continued to monitor and strive to maximise the value of its strategic investments including, among others, (i) the development and operations of mobile/online games and mobile game distribution and publishing platform through its subsidiaries, Complete Star Limited and its subsidiary and Honestway Global Group Limited (“HGGL”) and its subsidiaries; (ii) in Korea in the Korean pop music production and artist management business; (iii) in Japan in the online platform for private lodging in Japan business; (iv) in the United States of America for the businesses of robotics, pioneering autonomous mobility and a consumer focused website built around user-generated content about popular culture; (v) in the People’s Republic of China in the development and operation of electric vehicle charging pile facility; (vi) in the movie distribution, artist management, cinema operations and HMV retail business through its shareholding in HMV Digital China Group Limited (stock code: 8078) (“HMV Digit China”); and (vii) the development in advanced personal molecular diagnostic services for cancer evaluation and cure through its subsidiary, GeneSort Ltd.

DISPOSAL OF AID PARTNERS ASSET MANAGEMENT LIMITED (“AIDPAML”)

On 8 January 2018, the Group entered into a sale and purchase agreement with an independent third party (the “Purchaser”), pursuant to which the Group has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire issued capital of AIDPAML, a wholly-owned subsidiary of the Group, for a cash consideration of approximately HK\$5.9 million. AIDPAML is principally engaged in provision of investment advisory and asset management services. The disposal of AIDPAML was completed on 5 September 2018. A gain on the disposal of AIDPAML of approximately HK\$5.7 million was recognised in profit or loss for the nine months ended 30 September 2018.

FINANCIAL REVIEW

Revenue for the nine months under review decreased to HK\$9.0 million from HK\$23.6 million for the corresponding period last year, while total operating expenses (being selling and distribution expenses, administrative expenses and other operating expenses) for the nine months under review decreased to HK\$80.0 million from HK\$115.5 million for the corresponding period last year.

Fair value loss on financial assets at fair value through profit or loss of HK\$27.6 million was recognised for the nine months under review, while fair value loss of HK\$57.3 million was recognised for the corresponding period last year. The decrease in fair value loss was mainly attributable to the unrealised fair value gain of HK\$82.8 million recognised as a result of fair value change of a financial asset at fair value through profit or loss during the nine months under review.



Other net income for the nine months under review decreased to HK\$11.0 million from HK\$45.7 million for the corresponding period last year, which was mainly due to a gain on deemed disposal of interest in an associate of HK\$31.8 million was recognised for the corresponding period last year, while no such gain was recognised for the nine months under review.

Finance costs for the nine months under review increased to HK\$10.6 million from HK\$9.9 million for the corresponding period of last year, mainly represent the effective interest expense of the convertible bonds with principal amount of HK\$140 million.

Subsequent to the reclassification of interest in an associate to an investment on 28 June 2017, fair value loss on reclassification of interest in an associate to financial assets at fair value through profit or loss of HK\$286.9 million and share of results of associates of HK\$2.3 million were recognised in profit or loss in the corresponding period last year, whereas no such fair value loss and share of results of associates for the nine months under review.

As a result, the Group reported a loss attributable to owners of the Company for the nine months under review of HK\$93.6 million as compared to HK\$393.4 million for the corresponding period last year.

The Group will continue to (i) seize good opportunities from the potential fast growing specialised industry of health technology; (ii) monitor and maximise the value of our investments; and (iii) seek for potential strategic investment and divestment opportunities with the objective to enhance the return to its shareholders.

RESULTS

The board (the "Board") of directors (the "Director(s)") of the Company announces the unaudited consolidated results of the Group for the nine months and three months ended 30 September 2018, together with the comparative unaudited figures of the corresponding periods in 2017, as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months and three months ended 30 September 2018

	Notes	Unaudited Nine months ended 30 September		Unaudited Three months ended 30 September	
		2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Revenue	3	9,029	23,583	2,190	7,446
Cost of sales		(4,377)	(15,666)	(1,048)	(5,161)
Gross profit		4,652	7,917	1,142	2,285
Fair value (loss)/gain on financial assets at fair value through profit or loss		(27,600)	(57,267)	30,291	(77,043)
Loss on disposal of financial assets at fair value through profit or loss		(2,171)	–	(60)	–
Gain on disposal of subsidiaries	8	5,732	30,934	5,732	–
(Loss)/gain on reclassification of interest in an associate to an investment		–	(286,925)	–	7,295
Other net income	3	10,981	45,745	3,559	8,328
Selling and distribution expenses		(405)	(3,034)	(114)	(744)
Administrative expenses		(74,608)	(112,511)	(22,566)	(39,626)
Impairment of intangible assets		(1,940)	(17,658)	(1,940)	–
Other operating expenses		(5,000)	–	(5,000)	–
(Loss)/profit from operations		(90,359)	(392,799)	11,044	(99,505)
Finance costs		(10,641)	(9,937)	(3,734)	(3,731)
Share of results of associates, net of tax		–	(2,313)	–	(10,365)
(Loss)/profit before taxation		(101,000)	(405,049)	7,310	(113,601)
Taxation credit	4	1,472	5,312	227	668
(Loss)/profit for the period		(99,528)	(399,737)	7,537	(112,933)
Attributable to:					
Owners of the Company		(93,555)	(393,412)	10,223	(111,929)
Non-controlling interests		(5,973)	(6,325)	(2,686)	(1,004)
(Loss)/profit for the period		(99,528)	(399,737)	7,537	(112,933)
(Loss)/earnings per share attributable to owners of the Company for the period	5	HK cents	HK cents	HK cents	HK cents
Basic		(0.87)	(4.05)	0.09	(1.06)
Diluted		N/A	N/A	N/A	N/A

UNAUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the nine months and three months ended 30 September 2018

	Unaudited Nine months ended 30 September 2018		Unaudited Three months ended 30 September 2018	
	HK\$'000	2017 HK\$'000	HK\$'000	2017 HK\$'000
(Loss)/profit for the period	(99,528)	(399,737)	7,537	(112,933)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(2,654)	3,116	(1,847)	1,252
Share of other comprehensive income of an associate	-	297	-	(59)
Reclassification to profit or loss on derecognition of interest in an associate	-	899	-	59
Other comprehensive income for the period, net of tax	(2,654)	4,312	(1,847)	1,252
Total comprehensive income for the period, before and net of tax	(102,182)	(395,425)	5,690	(111,681)
Attributable to:				
Owners of the Company	(96,172)	(389,047)	8,415	(110,617)
Non-controlling interests	(6,010)	(6,378)	(2,725)	(1,064)
Total comprehensive income for the period, before and net of tax	(102,182)	(395,425)	5,690	(111,681)

NOTES TO THE UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 21 February 2000 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and, its principal place of business is 22/F, New World Tower II, 18 Queen's Road Central, Central, Hong Kong. The Company's shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 17 April 2000. The Company and its subsidiaries are together referred to as the "Group" hereinafter.

The Company acts as the holding company of the Group. The Group is principally engaged in the business of strategic investment.

The unaudited consolidated financial information has been prepared in accordance with International Financial Reporting Standards ("IFRSs") which collective term includes all applicable individual International Financial Reporting Standards and Interpretations approved by the International Accounting Standards Board (the "IASB") and all applicable individual International Accounting Standards and Interpretations as originated by the Board of the International Accounting Standards Committee and adopted by IASB. The unaudited consolidated financial information also complies with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("GEM Listing Rules").

The unaudited consolidated financial information has been prepared under historical cost convention except for certain financial instruments classified as financial assets at fair value through profit or loss, which are measured at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the unaudited consolidated financial information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the unaudited consolidated financial information, are consistent with those set out in the Company's annual audited consolidated financial statements for the year ended 31 December 2017 ("2017 Annual Report").

This consolidated financial information for the nine months ended 30 September 2018 is unaudited but has been reviewed by the audit committee of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

This unaudited consolidated financial information should be read in conjunction with the Company's 2017 Annual Report, which has been prepared in accordance with IFRSs. The principal accounting policies adopted to prepare this unaudited consolidated financial information are consistent with those adopted to prepare to the Company's 2017 Annual Report.

The IASB has issued a number of new or revised IFRSs which are first effective for accounting period beginning on 1 January 2018, save for the adoption of IFRS 9 disclosed below, the adoption of these amendments has no material impact on how the Group's financial performance and financial position for the current and prior periods have been prepared and presented.

Following adoption of IFRS 9, the Group's investments in equity securities previously classified as available-for-sale investments are now classified as financial assets at fair value through profit or loss, of which the fair value changes are recognised through profit or loss.

The Group has not early adopted the new or revised IFRSs which have been issued but not yet effective.

3. REVENUE AND OTHER NET INCOME

Revenue represents the (i) net receipts from sales of in-app purchases items, (ii) advertising income, (iii) game publishing service income, (iv) subscription fee income and (v) real-time video streaming income.

Other net income mainly comprises interest income and gain on deemed disposal of equity interest in an associate.

4. TAXATION CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the nine months and three months ended 30 September 2018 and 2017.

The Group's subsidiaries operating in the People's Republic of China ("PRC") are subject to PRC Enterprise Income Tax at the tax rate of 25%. One of the Group's major operating subsidiary, 上海威搜游科技有限公司 (Shanghai VSOYOU Technology Co., Ltd.* or "VSOYOU"), was established in the PRC and carries on business in the PRC as a software enterprise. This subsidiary has, pursuant to the relevant laws and regulations in the PRC, obtained exemption from PRC Enterprise Income Tax for two years starting from its first profit-making year, followed by a 50% reduction for the next three years (the "Tax Exemption"). This subsidiary which is currently entitled to the Tax Exemption from 1 January 2015 would continue to enjoy such treatments until the Tax Exemption period expires, but not beyond 31 December 2019.

Taxes on profits assessable elsewhere have been calculated at the rates prevailing in the relevant jurisdictions during the nine months and three months ended 30 September 2018 and 2017.

Deferred tax credit relating to the amortisation of intangible assets was recognised in profit or loss for the nine months and three months ended 30 September 2018 and 2017. No recognition of potential deferred tax assets relating to tax losses of the Group has been made as the recoverability of the potential tax assets is uncertain.

5. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic (loss)/earnings per share

	Unaudited Nine months ended 30 September		Unaudited Three months ended 30 September	
	2018	2017	2018	2017
(HK\$'000)				
Consolidated (loss)/profit attributable to owners of the Company	(93,555)	(393,412)	10,223	(111,929)
(Number)				
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	10,752,140,110	9,709,786,924	10,804,640,110	10,560,180,504
(HK cents)				
Basic (loss)/earnings per share	(0.87)	(4.05)	0.09	(1.06)

(b) Diluted (loss)/earnings per share

For the nine months and three months ended 30 September 2018 and 2017, the diluted (loss)/earnings per share would (reduce)/increase if the outstanding share options and convertible bonds were taken into account, as those financial instruments had an anti-dilutive effect and were hence ignored in the calculation of diluted (loss)/earnings per share.

6. MOVEMENTS IN RESERVES

	Convertible			Share-based			Investment revaluation reserve	Foreign exchange reserve	Other reserve	Statutory surplus reserve	Accumulated losses	Total	
	Share premium	Capital reduction reserve	bonds equity reserve	Capital reserve	Capital redemption reserve	compensation reserve							Remuneration share reserve
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
At 1 January 2018 (Audited)	756,387	702,955	1,921	2,112	601	62,165	7,820	(2,876)	(839)	(21,619)	5,163	(382,320)	1,131,470
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	(93,555)	(93,555)
Other comprehensive income:													
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(2,617)	-	-	-	(2,617)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(2,617)	-	-	(93,555)	(96,172)
Remuneration shares issued for consultancy service	5,871	-	-	-	-	-	1,020	-	-	-	-	-	6,891
Lapse of share options	-	-	-	-	-	(4,902)	-	-	-	-	-	4,902	-
Disposal of interests in subsidiaries without loss of control	-	-	-	-	-	-	-	-	-	821	-	-	821
At 30 September 2018 (Unaudited)	762,258	702,955	1,921	2,112	601	57,263	8,840	(2,876)	(3,456)	(20,798)	5,163	(470,973)	1,043,010

	Convertible			Share-based			Investment revaluation reserve	Foreign exchange reserve	Other reserve	Statutory surplus reserve	Accumulated losses	Total
	Share premium	Capital reduction reserve	bonds equity reserve	Capital reserve	Capital redemption reserve	compensation reserve						
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
At 1 January 2017 (Audited)	802,660	1,921	2,112	601	49,355	-	(962)	(4,902)	(21,619)	4,931	(88,554)	745,543
Loss for the period	-	-	-	-	-	-	-	-	-	-	(93,412)	(93,412)
Other comprehensive income:												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	3,169	-	-	-	3,169
Share of other comprehensive income of an associate	-	-	-	-	-	-	76	221	-	-	-	297
Reclassification to profit or loss on derecognition of interest in an associate	-	-	-	-	-	-	86	13	-	-	-	89
Total comprehensive income for the period	-	-	-	-	-	-	92	3,403	-	-	(93,412)	(89,917)
Share-based compensation	-	-	-	-	15,759	4,888	-	-	-	-	-	20,647
Issue of shares for consulting service	(1,657)	-	-	-	-	-	-	-	-	-	-	(1,657)
Issue of consideration shares for acquisition of subsidiaries	(44,616)	-	-	-	-	-	-	-	-	-	-	(44,616)
Lapse of share options	-	-	-	-	(2,747)	-	-	-	-	-	2,747	-
At 30 September 2017 (Unaudited)	756,387	1,921	2,112	601	62,367	4,888	-	(1,499)	(21,619)	4,931	(479,219)	330,870

7. DISPOSAL OF INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Disposal of First Champion Global Limited ("First Champion")

On 26 June 2018, the Group has entered into an investment agreement, pursuant to which the Group disposed of its entire equity interest in First Champion (the "Transaction"). The Transaction involves indirect partial disposal of 22.7% equity interest in a subsidiary without loss of control together with financial assets at fair value through profit or loss, both being held under First Champion (the "Disposal Group"), for an aggregate consideration US\$718,000 (equivalent to approximately HK\$5,600,000), which was satisfied by 46.3% interest in a limited partnership. It was provisionally accounted for as an equity transaction with non-controlling interests and summarised as follows:

	2018 HK\$'000
Carrying amounts of the Disposal Group disposed of:	
Net assets of First Champion	–
Net assets of 22.7% of equity interest in a subsidiary	4,779
Financial assets at fair value through profit or loss	–
	<hr/> 4,779
Total consideration	<hr/> 5,600
Gain on disposal of the Disposal Group within equity	<hr/> 821
Satisfied by:	
46.3% interest in a limited partnership	<hr/> 5,600

8. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Time Edge Group

On 26 April 2017, the Group disposed of its entire issued share capital of Time Edge Limited and its subsidiaries ("Time Edge Group") which owned the entire issued share capital of Mystery Apex Limited, to a wholly-owned subsidiary of HMV Digit China at a total consideration of HK\$50,000,000, which was satisfied by the issue of the convertible bond of HMV Digit China. The net assets of Time Edge Group at the date of disposal were as follows:

	2017 HK\$'000
Net assets of subsidiaries disposal of:	
Property, plant and equipment	38
Intangible assets	1,417
Goodwill	12,309
Trade and other receivables	10,135
Cash and cash equivalents	9,048
Trade and other payables	(2,642)
	<u>30,305</u>
Total consideration	<u>61,239</u>
Gain on disposal of subsidiaries included in profit or loss for the period	<u>30,934</u>
Consideration satisfied by:	
Convertible bond of HMV Digit China, at fair value	<u>61,239</u>
Net cash outflow arising on disposal:	
Cash and bank balances disposed of	<u>(9,048)</u>

(b) Disposal of AID Partners Asset Management Limited (“AIDPAML”)

On 5 September 2018, the Group disposed of its entire issued share capital of AIDPAML to an independent third party at a cash consideration of approximately HK\$5,937,000. The net assets of AIDPAML at the date of disposal were as follows:

	2018 HK\$'000
Net assets of a subsidiary disposed of:	
Property, plant and equipment	1
Trade and other receivables	8
Cash and cash equivalents	253
Trade and other payables	(57)
	205
Total consideration	5,937
Gain on disposal of a subsidiary included in profit or loss for the period	5,732
Consideration satisfied by:	
Cash	5,937
Net cash inflow arising on disposal:	
Cash consideration received	5,937
Cash and bank balances disposed of	(253)
	5,684

9. ACQUISITION OF SUBSIDIARIES
Acquisition of GeneSort Group

On 5 May 2017, the Group entered into a subscription and sale and purchase agreement with independent third parties in relation to the acquisition of up to approximately 73.7% equity interest in GeneSort International Inc., which owns the entire issued share capital of GeneSort Ltd. (“GeneSort”) after restructuring (collectively referred to as the “GeneSort Group”), for a consideration of up to US\$13,956,422 (equivalent to approximately HK\$108,162,000) to be satisfied by the allotment and issue of an aggregate of up to 1,352,028,381 new ordinary shares of the Company at an issue price of HK\$0.08 per share and a capital injection of approximately HK\$23,448,000 by cash. GeneSort is a company incorporated in Israel with limited liability that is principally engaged in advanced personalised molecular diagnostic services for cancer evaluation and cure. The acquisition of approximately 73.7% equity interest in GeneSort Group was completed on 11 July 2017, and 1,352,028,376 new ordinary shares of the Company (the “Consideration Shares”) were allotted and issued to the vendors accordingly. Details of the above mentioned acquisition were set out in the Company’s announcement dated 5 May 2017. With the GeneSort Group possessing the cutting edge technology in the world and being well positioned in the paradigm shift of cancer diagnostic and cure, the acquisition will enable the Group seize good opportunities from the potential fast growing specialised industry of health technology.

The fair value of identifiable assets and liabilities of GeneSort Group as at the date of acquisition were:

	Note	2017 HK\$'000
Net assets acquired:		
Property, plant and equipment		1,061
Intangible assets		38,228
Trade and other receivables, deposits and prepayments		14,438
Inventories		73
Cash and cash equivalents		2,150
Trade and other payables		(3,244)
Deferred tax liabilities recognised upon fair value adjustments		(9,557)
		<u>43,149</u>
The fair value of net assets acquired		43,149
Less: non-controlling interests		(11,338)
		<u>31,811</u>
Total consideration		<u>84,290</u>
Goodwill arising on acquisition	(ii)	<u>52,479</u>
Consideration satisfied by:		
Cash		23,448
Consideration Shares at fair value		60,842
		<u>84,290</u>
Net cash outflow arising on acquisition:		
Cash consideration		(23,448)
Cash and bank balances acquired		2,150
		<u>(21,298)</u>

Notes:

- (i) The fair value of trade and other receivables amounted to HK\$13,020,000. The gross amount of these receivables is HK\$13,020,000. None of these receivables have been impaired and it is expected that the full contractual amount can be collected.
- (ii) Goodwill of HK\$52,479,000 arose on this acquisition, which is not deductible for tax purposes, comprises the acquired workforce and the expected synergies arising from the combination of the existing operations of the Group.
- (iii) The acquisition-related costs of HK\$6,403,000 have been expensed and are included in administrative expenses for the nine months ended 30 September 2017.

- (iv) No revenue was contributed from the acquired business to the Group and a loss after tax of approximately HK\$3,920,000 was incurred for the period from 11 July 2017 to 30 September 2017.

Had the acquisition occurred on 1 January 2017, the Group's revenue and loss after tax would have been approximately HK\$23,583,000 and HK\$403,741,000 respectively for the nine months ended 30 September 2017.

This pro forma information is for illustrative purpose and is not necessarily an indication of revenue and the results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is it intended to be a projection of future results.

10. LOAN OF LISTED SECURITIES

On 22 March 2018, the Group entered into a Stock Borrowing Agreement ("Agreement") with HMV Digit China as the Borrower, whereas the Group has agreed to make available to the Borrower a loan of the Loaned Securities up to 300,000,000 shares in HMV Digit China, that were held by a subsidiary of the Group, in favour of an investor as a security for performance of certain obligations by HMV Digit China, in relation to its issuance of Convertible Bonds and Notes to the investor. Under the Agreement, HMV Digit China has agreed to pay a borrowing fee on the value of the Loaned Securities at a rate of 3.5% per annum. The Loan is guaranteed and indemnified by an executive director of HMV Digit China against all costs, losses, damages, demands and expenses in which the Group may sustain or incur as a result of the whole or any of the obligations being defaulted or becoming irrecoverable from the Borrower. As at 30 September 2018, the fair value of Loaned Securities was HK\$63.9 million by reference to market value.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2018 (nine months ended 30 September 2017: Nil).

DISCLOSURE OF INTERESTS

(A) DIRECTOR'S INTERESTS

As at 30 September 2018, the interests of the Directors or any chief executive of the Company in the ordinary shares of the Company (the "Shares") and underlying Shares and any of its associated corporations as recorded in the register were:

(i) Interests in the Shares

Name of Directors	Personal interest	Corporate interest	Family interest	Aggregate long position in Shares	Approximate percentage of the issued share capital of the Company %
Wu King Shiu, Kelvin ("Mr. Wu") (Notes 1 & 2)	28,488,000	2,098,797,090	165,600,000	2,292,885,090	21.22
Ms. Chan Suet Ngan	397,000	-	-	397,000	0.003
Mr. Hu Kenneth (Note 3)	-	-	12,600,000	12,600,000	0.11
Ms. Qian Alexandra Gaochuan ("Ms. Qian") (Note 3)	12,600,000	-	-	12,600,000	0.11
Yuen Kwok On ("Mr. Yuen")	1,980,000	-	-	1,980,000	0.01

Notes:

- Mr. Wu owns 28,488,000 Shares. Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited own 507,888,000 Shares, 909,090,909 Shares and 681,818,181 Shares, respectively. Mr. Wu is deemed to have interests in 507,888,000 Shares, 909,090,909 Shares and 681,818,181 Shares of which Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited were deemed to be interested by virtue of the Securities and Future Ordinance (the "SFO") since Mr. Wu indirectly own 56% through Billion Power Management Limited, of the issued share capital of AID Partners GP2, Ltd.. AID Partners GP2, Ltd. is the general partner of AID Partners Capital II, L.P. ("AID Cap II"). AID Cap II is interested in the entire issued share capital of Leader Fortune International Limited, which is interested in the entire issued share capital of Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited.
- Billion Express Consultants Limited ("Billion Express") owns 165,600,000 Shares. The entire issued share capital of Billion Express is wholly owned by HMV Asia Limited, which is in turn 65.62% beneficially owned by Ms. Li Mau, the spouse of Mr. Wu. Accordingly, Mr. Wu is deemed to be interested in the shares of the Company held by Billion Express.
- Ms. Qian, the spouse of Mr. Hu Kenneth holds 12,600,000 Shares. Accordingly, Mr. Hu Kenneth is deemed to be interested in 12,600,000 Shares.

(ii) Interests in the underlying Shares
Outstanding share options

Name of Directors	Date of grant (dd/mm/yyyy)	Exercise price HK\$	Exercise period (Notes)	Balance as at 1 January 2018	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Balance as at 30 September 2018
Mr. Wu	20/06/2014	0.16	(1)	26,884,000	-	-	-	26,884,000
	01/04/2016	0.247	(2)	70,000,000	-	-	-	70,000,000
	19/05/2017	0.078	(3)	9,000,000	-	-	-	9,000,000
				<u>105,884,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,884,000</u>
Ms. Chan Suet Ngan	01/04/2016	0.247	(2)	4,000,000	-	-	-	4,000,000
	19/05/2017	0.078	(3)	12,000,000	-	-	-	12,000,000
				<u>16,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,000,000</u>
Mr. Hu Kenneth	01/04/2016	0.247	(2)	4,000,000	-	-	-	4,000,000
	19/05/2017	0.078	(3)	28,000,000	-	-	-	28,000,000
				<u>32,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,000,000</u>
Ms. Qian	01/04/2016	0.247	(2)	4,000,000	-	-	-	4,000,000
	19/05/2017	0.078	(3)	28,000,000	-	-	-	28,000,000
				<u>32,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,000,000</u>
Mr. Yuen	01/04/2016	0.247	(2)	3,000,000	-	-	-	3,000,000
	19/05/2017	0.078	(3)	2,000,000	-	-	-	2,000,000
				<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>
Ms. Fong Janie	01/04/2016	0.247	(2)	3,000,000	-	-	-	3,000,000
	19/05/2017	0.078	(3)	5,000,000	-	-	-	5,000,000
				<u>8,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,000,000</u>

Notes:

- (1) Exercisable from 20 June 2014 to 19 June 2024.
- (2) Divided into two tranches exercisable from 1 October 2016 and 1 April 2017, respectively to 31 March 2026.
- (3) Exercisable from 19 May 2017 to 18 May 2027.

(iii) Short positions

None of the Directors held short positions in the Shares and underlying Shares or any associated corporation.

Save as disclosed above, as at 30 September 2018, none of the Directors or chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (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 are taken or deemed to have under such provision of the SFO), or which were recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors.

(B) SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 September 2018, the following persons, other than the Directors or chief executive of the Company, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

(i) Interests in the Shares and underlying Shares

Name	Aggregate long position in Shares	Aggregate long position in underlying shares	Approximate percentage of the issued share capital of the Company %
Substantial Shareholders			
Mr. Wu (Notes 1 and 5)	2,292,885,090	105,884,000	22.20
Ms. Li Mau (Notes 1 and 5)	2,292,885,090	105,884,000	22.20
Mr. Ho Gilbert Chi Hang ("Mr. Ho") (Notes 2 and 5)	2,099,061,090	106,342,000	20.41
Mr. Chang Tat Joel ("Mr. Chang") (Notes 3 and 5)	2,098,797,090	41,342,000	19.80
AID Cap II (Note 5)	2,098,797,090	-	19.42
AID Partners GP2, Ltd. (Note 5)	2,098,797,090	-	19.42
Hong Kong HNA Holding Group Co. Limited (Note 4)	1,636,360,000	430,769,230	19.13
Mr. David Tin	909,088,000	-	8.41
Billion Power Management Limited (Note 5)	2,098,797,090	-	19.42
Elite Honour Investments Limited (Note 5)	2,098,797,090	-	19.42
Genius Link Assets Management Limited (Note 5)	2,098,797,090	-	19.42
Leader Fortune International Limited (Note 5)	2,098,797,090	-	19.42
Abundant Star Ventures Limited (Note 5)	909,090,909	-	8.41
Vantage Edge Limited (Note 5)	681,818,181	-	6.31
Mr. Wong Kwok Ho ("Mr. Wong") (Notes 6 and 7)	553,664,000	382,500,000	8.66
Ms. Chau Mui (Notes 6 and 7)	553,664,000	382,500,000	8.66

Notes:

1. Mr. Wu, the Chairman, the Chief Executive Officer, the Chief Investment Officer and Executive Director of the Company, owns 28,488,000 Shares and Billion Express owns 165,600,000 Shares. The entire issued share capital of Billion Express is wholly owned by HNV Asia Limited, which is in turn 65.62% beneficially owned by Ms. Li Mau, the spouse of Mr. Wu. Accordingly, Mr. Wu is deemed to be interested in the shares of the Company held by Billion Express. Mr. Wu is interested in 26,884,000 share options, 70,000,000 share options and 9,000,000 share options at an exercise price of HK\$0.16 per Share, HK\$0.247 per Share and HK\$0.078 per Share, respectively, to subscribe for Shares. Mr. Wu is deemed to have interest in 507,888,000 Shares, 909,090,909 Shares and 681,818,181 Shares as mentioned in note 5 below, respectively. Ms. Li Mau, as the spouse of Mr. Wu, is deemed to be interested in these Shares and underlying Shares for the purpose of the SFO.
2. Mr. Ho owns 264,000 Shares and is interested in 27,342,000 share options, 70,000,000 share options and 9,000,000 share options at an exercise price of HK\$0.16 per Share, HK\$0.247 per Share and HK\$0.078 per Share, respectively, to subscribe for Shares. Mr. Ho is also deemed to have interest in 507,888,000 Shares, 909,090,909 Shares and 681,818,181 Shares as mentioned in note 5 below, respectively.
3. Mr. Chang is interested in 27,342,000 share options, 5,000,000 share options and 9,000,000 share options at an exercise price of HK\$0.16 per Share, HK\$0.247 per Share and HK\$0.078 per Share, respectively, to subscribe for Shares. Mr. Chang is also deemed to have interest in 507,888,000 Shares, 909,090,909 Shares and 681,818,181 Shares as mentioned in note 5 below, respectively.
4. Hong Kong HNA Holding Group Co. Limited is wholly-owned by HNA Financial Holdings International Co., Ltd. ("HNA Financial"). HNA Financial is wholly-owned by Beijing HNA Financial Holdings Co., Ltd. ("Beijing HNA"). Beijing HNA is owned as to approximately 99% by HNA Investment Holding Co., Ltd. ("HNA Investment"). HNA Investment is owned as to approximately 73% by Hainan HNA Holding Co., Ltd ("Hainan HNA"). Hainan HNA is owned as to approximately 51% by HNA Holding Group Co., Ltd ("HNA Holding") and is owned as to approximately 22% by HNA Group Co., Ltd. ("HNA Group"). HNA Holding is wholly-owned by HNA Group. HNA Group is owned as to approximately 70% by Hainan Traffic Administration Holding Co., Ltd. ("Hainan Traffic"). Hainan Traffic is owned as to approximately 50% by Sheng Tang Development (Yangpu) Co., Limited ("Sheng Tang"). Sheng Tang is owned as to 35% by Tang Dynasty Development Co., Limited ("Tang Dynasty"). Tang Dynasty is owned as to approximately 98% by Pan-American Aviation Holding Company, which is in turn 100% beneficially owned by Hainan Cihang Charity Foundation, Inc.

5. Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited own 507,888,000 Shares, 909,090,909 Shares and 681,818,181 Shares. Mr. Wu, Mr. Ho and Mr. Chang are deemed to have interest in 507,888,000 Shares, 909,090,909 Shares and 681,818,181 Shares of which Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited are deemed to have interests by virtue of the SFO since they indirectly own 56% through Billion Power Management Limited, 23% through Elite Honour Investments Limited and 21% through Genius Link Assets Management Limited, respectively, of the issued share capital of AID Partners GP2, Ltd.. AID Partners GP2, Ltd. is the general partner of AID Cap II. AID Cap II interested in the entire issued share capital of Leader Fortune International Limited, which is interested in the entire issued share capital of Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited.
6. Mr. Wong owns 336,784,000 Shares and is interested in 90,000,000 share options at an exercises price of HK\$0.078 per Share to subscribe for Shares. Mr. Wong is deemed to be interested in 195,000,000 Shares and 292,500,000 underlying shares as mentioned in note 7 below. Ms. Chau Mui, as the spouse of Mr. Wong, owns 21,880,000 Shares and is deemed to be interested in all Shares and underlying shares held by Mr. Wong.
7. Sky March Limited ("Sky March") entered into a consulting service agreement with the Company dated 5 May 2017 ("Consulting Service Agreement"), pursuant to which the Company has issued 97,500,000 Shares and 97,500,000 Shares to Sky March on 25 May 2017 and 28 May 2018, respectively, and 292,500,000 Shares will be issued to Sky March in accordance with the terms and conditions of the Consulting Service Agreement. Mr. Wong is interest in these shares and underlying shares through his 100% interest in Sky March.

(ii) Short positions

No person held short positions in the Shares and underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

Save as disclosed above, as at 30 September 2018, the Directors of the Company were not aware of any other person who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at 30 September 2018, no other person had interests which were recorded in the register required to be kept under section 336 of the SFO.

(C) COMPETING INTERESTS

So far as the Directors were aware, none of the other Directors or their respective associates were interested in any business which competes or is likely to compete, whether directly or indirectly, with the business of the Group.

(D) SHARE OPTION SCHEMES

The Company's share option scheme which was adopted on 27 March 2002 (the "2002 Share Option Scheme") was expired and a new share option scheme (the "2014 Share Option Scheme") was adopted by an ordinary resolution passed by the shareholders at the extraordinary general meeting of the Company on 15 April 2014 (the "Adoption Date"). The 2014 Share Option Scheme constitutes a share option scheme governed by Chapter 23 of the GEM Listing Rules and will remain in force for 10 years from the Adoption Date.

Upon the expiry of the 2002 Share Option Scheme, no further option can be offered thereunder but any options granted prior to such expiry but not yet exercised shall continue to be valid and exercisable.

The Company operates both the 2002 Share Option Scheme and the 2014 Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. Pursuant to the 2014 Share Option Scheme, the Directors of the Company may grant options to eligible participants persons (as defined in the 2014 Share Option Scheme) to subscribe for shares in the Company subject to the terms and conditions stipulated therein.

2002 Share Option Scheme

The remaining share options granted under the 2002 Share Option Scheme are for other eligible participants and are exercisable as follows:

- (a) the first 30% of the options between the first and tenth anniversary of the date of grant;
- (b) the next 30% of the options between the second and tenth anniversary of the date of grant; and
- (c) the remaining options between the third and tenth anniversary of the date of grant.

The following table sets out information relating to the 2002 Share Option Scheme:

Date of grant (dd/mm/yyyy)	Grantees	Exercise period (dd/mm/yyyy)	Exercise price per share HK\$	Number of share options				Balance as at 30 September 2018	
				Balance as at 1 January 2018	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period		
11/02/2008	Former directors and former employees	11/02/2009 to 10/02/2018	2.22	4,256,683	-	-	(4,256,683)	-	
29/12/2008	Former directors and former employees	29/12/2009 to 28/12/2018	0.22	818,336	-	-	-	818,336	
07/10/2010	Former directors and former employees	07/10/2011 to 06/10/2020	0.20	2,370,561	-	-	-	2,370,561	
16/03/2012	Former directors and former employees	16/03/2013 to 15/03/2022	0.20	5,342,580	-	-	-	5,342,580	
14/05/2012	Former directors and former employees	14/05/2013 to 13/05/2022	0.19	5,859,368	-	-	-	5,859,368	
				Total	18,647,528	-	-	(4,256,683)	14,390,845

No option was granted or exercised under the 2002 Share Option Scheme during the nine months ended 30 September 2018.

4,256,683 options were lapsed under the 2002 Share Option Scheme during the nine months ended 30 September 2018.

The weighted average remaining contractual life of the options outstanding under the 2002 Share Option Scheme as at 30 September 2018 was approximately 3.10 years.

No share-based compensation expense was recognised under the 2002 Share Option Scheme during the nine months ended 30 September 2018 and 2017.

2014 Share Option Scheme

The following table sets out information relating to the 2014 Share Option Scheme:

Date of grant (dd/mm/yyyy)	Grantees	Exercise period (Notes)	Exercise price per share HK\$	Number of share options					Balance as at 30 September 2018
				Balance as at 1 January 2018	Granted during the period	Exercised during the period	Cancelled/ during the period	Transferred during the period	
15/05/2014	Directors and former directors	(1)	0.16	54,684,000	-	-	-	-	54,684,000
20/06/2014	Directors and former directors	(2)	0.16	32,465,250	-	-	-	-	32,465,250
01/04/2016	Directors and former directors	(3) and (6)	0.247	157,000,000	-	-	-	12,000,000	169,000,000
19/05/2017	Directors and former directors	(5) and (6)	0.078	38,000,000	-	-	-	68,000,000	106,000,000
				282,149,250	-	-	-	80,000,000	362,149,250
20/06/2014	Other eligible participants	(4)	0.16	35,402,750	-	-	-	-	35,402,750
01/04/2016	Other eligible participants	(3) and (6)	0.247	48,416,000	-	-	-	(12,000,000)	36,416,000
19/05/2017	Other eligible participants	(5) and (6)	0.078	304,192,000	-	-	-	(68,000,000)	236,192,000
				388,010,750	-	-	-	(80,000,000)	308,010,750
				Total	670,160,000	-	-	-	670,160,000

Notes:

- (1) Exercisable from 15 May 2014 to 14 May 2024.
- (2) Exercisable from 20 June 2014 to 19 June 2024.
- (3) Divided into two tranches exercisable from 1 October 2016 and 1 April 2017, respectively to 31 March 2026.
- (4) Divided into two tranches exercisable from 20 June 2014 and 20 June 2015, respectively to 19 June 2024.
- (5) Exercisable from 19 May 2017 to 18 May 2027.
- (6) Ms. Chan Suet Ngan, Mr. Hu Kenneth and Ms. Qian were appointed as Director of the Company on 1 January 2018, such have options were transferred from the category of "Other eligible participants" to "Directors".

No option was granted or exercised under the 2014 Share Option Scheme during the nine months ended 30 September 2018.

During the nine months ended 30 September 2018, no option was lapsed upon resignation of other eligible participants.

The weighted average remaining contractual life of the options outstanding under the 2014 Share Option Scheme as at 30 September 2018 was approximately 7.75 years.

No share-based compensation expense was recognised under the 2014 Share Option Scheme in the consolidated statement of profit or loss for the nine months ended 30 September 2018 (nine months ended 30 September 2017: HK\$12,510,000).

AUDIT COMMITTEE

The Company established an audit committee on 31 March 2000 with the written terms of reference in compliance with the GEM Listing Rules. The audit committee comprises three Independent Non-Executive Directors, Mr. Yuen Kwok On (Chairman), Ms. Fong Janie and Mr. Matsumoto Hitoshi. The primary duties of the audit committee are to review and supervise the Company's financial reporting process and internal control systems. The audit committee reports its work, findings and recommendations to the Board after each meeting.

The audit committee meets at least quarterly with the most recent meeting held on 8 November 2018. The unaudited consolidated financial information of the Company for the nine months ended 30 September 2018 has been reviewed by the audit committee.

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

The Company has not redeemed any of its shares during the nine months ended 30 September 2018 and 30 September 2017. Neither the Company, nor any of its subsidiaries, has purchased or sold any of the Company's listed securities during the nine months ended 30 September 2018 and 30 September 2017.

By Order of the Board
AID Life Science Holdings Limited
Wu King Shiu, Kelvin
Chairman and Chief Executive Officer

Hong Kong, 8 November 2018

As at the date of this report, the Directors of the Company are:

Executive Directors: Wu King Shiu, Kelvin, Chan Suet Ngan,
 Hu Kenneth and Qian Alexandra Gaochuan

Non-Executive Director: Xu Haohao

Independent Non-Executive Directors: Fong Janie, Yuen Kwok On and
 Matsumoto Hitoshi

This report will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of AID Life Science Holdings Limited at www.8088inc.com.

The English text for this report shall prevail over the Chinese text for the purpose of interpretation.

* For identification purpose only