



**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

Third Quarterly Report

2018/19

## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange 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.*

## THIRD 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 and nine months ended 31 December 2018, together with the unaudited comparative figures for the corresponding period in 2017 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three and nine months ended 31 December 2018

	Note	Three months ended 31 December		Nine months ended 31 December	
		2018 Unaudited HK\$'000	2017 Unaudited HK\$'000	2018 Unaudited HK\$'000	2017 Unaudited HK\$'000
Revenue	4	42,853	5,438	55,889	92,398
Cost of sales		(37,444)	–	(37,474)	(72,427)
Gross profit		5,409	5,438	18,415	19,971
(Loss)/gain on held-for-trading investments		(2,310)	336	(2,132)	2,996
Other income	4	–	1	1	2
Administrative and other operating expenses		(7,815)	(8,110)	(23,968)	(26,846)
Reversal of impairment loss/ impairment loss on trade receivables, loan receivables and loan interest receivables		1,408	–	8,054	–
<b>(Loss)/profit before tax</b>	5	<b>(3,308)</b>	(2,335)	<b>370</b>	(3,877)
Income tax expense	6	–	–	–	–
<b>(Loss)/profit for the period</b>		<b>(3,308)</b>	(2,335)	<b>370</b>	(3,877)
<b>Other comprehensive (expense)/income:</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange difference arising on translation of foreign operations		166	575	(3,346)	2,217
<b>Total comprehensive (expense) for the period</b>		<b>(3,142)</b>	(1,760)	<b>(2,976)</b>	(1,660)

	Note	Three months ended 31 December		Nine months ended 31 December	
		2018 Unaudited HK\$'000	2017 Unaudited HK\$'000	2018 Unaudited HK\$'000	2017 Unaudited HK\$'000
<b>(Loss)/profit for the period attributable to:</b>					
— owners of the Company		<b>(3,304)</b>	(2,307)	<b>400</b>	(3,059)
— non-controlling interests		<b>(4)</b>	(28)	<b>(30)</b>	(818)
		<b>(3,308)</b>	(2,335)	<b>370</b>	(3,877)
<b>Total comprehensive (expense) for the period attributable to:</b>					
— owners of the Company		<b>(3,138)</b>	(1,732)	<b>(2,946)</b>	(842)
— non-controlling interests		<b>(4)</b>	(28)	<b>(30)</b>	(818)
		<b>(3,142)</b>	(1,760)	<b>(2,976)</b>	(1,660)
<b>(Loss)/earnings per share:</b>					
Basic and diluted (HK cents)	8	<b>(0.05)</b>	(0.04)	<b>0.01</b>	(0.05)

## 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 business.

### 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 2018 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 Group has applied for the first time in the current period as described below.

#### **Impact and changes in accounting policies of application on HKFRS 9 "Financial instruments"**

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, de-recognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 from 1 April 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. As permitted by the transitional provisions of HKFRS 9, the Group has elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening accumulated losses of the current period.

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, loan receivable and loan interest receivables, the Group applies the general approach, which requires an amount equal to 12-month expected credit losses (the "**ECL**") to be recognised as the loss allowance for the financial instrument if the credit risk on a financial instrument has not increased significantly since initial recognition and expected lifetime losses to be recognised if the credit risk on that financial instrument has increased significantly since initial recognition.

The table below illustrates the classification and measurement (including impairment) of financial assets under HKFRS 9 at the date of initial recognition.

	<b>Trade receivables</b> <i>HK\$'000</i>	<b>Loan interest receivables</b> <i>HK\$'000</i>	<b>Loan receivables</b> <i>HK\$'000</i>	<b>Accumulated losses</b> <i>HK\$'000</i>
Closing balances at 31 March 2018	40,688	9,691	127,925	526,672
Remeasurement: Impairment under ECL model	(142)	(147)	(1,861)	2,150
Opening balance at 1 April 2018	40,546	9,544	126,064	528,822

As a result of this change in accounting policy, the additional credit loss allowance of approximately HK\$2.2 million has been recognized in accumulated losses at 1 April 2018.

All loss allowances of financial assets including trade receivables and loans interest receivables and loan receivables as at 31 March 2018 reconcile to the opening loss allowances as at 1 April 2018 is as follows:

	<b>Trade receivables</b> <i>HK\$'000</i>	<b>Loan interest receivables</b> <i>HK\$'000</i>	<b>Loan receivables</b> <i>HK\$'000</i>
Accumulated impairment losses balances at 31 March 2018	577	7,653	75,000
Addition credit loss recognized at 31 March 2018	142	147	1,861
Loss allowance at 1 April 2018 under HKFRS 9	719	7,800	76,861

Save for the above, 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, being the chief executive officer of the Company, which is the Group's chief operation decision maker for the purpose of allocation resources to, assessing the performance of, the Group's various lines of business and geographical location.

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 business.

Information regarding the above segments for the nine months ended 31 December 2018 and 2017 are as follows:

#### (a) Segment revenues and results

For the nine months ended 31 December 2018	Anti-aging and stem cell technology businesses Unaudited HK\$'000	Trading business Unaudited HK\$'000	Money lending business Unaudited HK\$'000	Securities investment business Unaudited HK\$'000	Total Unaudited HK\$'000
Revenue from external customers	2,188	38,118	15,583	-	55,889
Segment results	(9,711)	(1,210)	14,386	(2,132)	1,333
Reversal of impairment loss/ impairment loss on trade receivables, loan receivables and loan interest receivables					8,054
Unallocated corporate income					1
Unallocated corporate expenses					(9,018)
Profit before tax					370

For the nine months ended 31 December 2017	Anti-aging and stem cell technology businesses Unaudited HK\$'000	Trading business Unaudited HK\$'000	Money lending business Unaudited HK\$'000	Securities investment business Unaudited HK\$'000	Total Unaudited HK\$'000
Revenue from external customers	1,823	74,167	16,408	-	92,398
Segment results	(11,861)	(1,159)	15,453	2,996	5,429
Unallocated corporate income					1
Unallocated corporate expenses					(9,307)
Loss before tax					(3,877)

**(b) Geographical information**

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

	Revenue from external customers for the nine months ended 31 December	
	2018 Unaudited HK\$'000	2017 Unaudited HK\$'000
Hong Kong	15,833	16,408
PRC	40,056	75,990
	<b>55,889</b>	92,398



#### 4. REVENUE AND OTHER INCOME

	Three months ended 31 December		Nine months ended 31 December	
	2018 Unaudited HK\$'000	2017 Unaudited HK\$'000	2018 Unaudited HK\$'000	2017 Unaudited HK\$'000
<b>Revenue</b>				
Anti-aging and stem cell technology businesses	45	76	2,188	1,823
Trading business	38,118	–	38,118	74,167
Money lending business	4,690	5,362	15,583	16,408
	<b>42,853</b>	5,438	<b>55,889</b>	92,398
<b>Other income</b>				
Interest income	–	1	1	2
Sundry income	–	–	–	–
	–	1	1	2

#### 5. (LOSS)/PROFIT BEFORE TAX

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

	Three months ended 31 December		Nine months ended 31 December	
	2018 Unaudited HK\$'000	2017 Unaudited HK\$'000	2018 Unaudited HK\$'000	2017 Unaudited HK\$'000
Staff costs (including Directors' emoluments)				
— salaries and allowance	2,631	2,959	8,290	8,579
— contributions of defined contributions retirement benefits schemes	111	90	337	270
	<b>2,742</b>	3,049	<b>8,627</b>	8,849
Depreciation of property, plant and equipment	265	830	928	3,893
Reversal of impairment loss on loan interest receivables	(1,408)	–	(8,054)	–
Operating lease rentals in respect of rented premises	2,722	2,844	8,313	8,275

## 6. INCOME TAX EXPENSE

	Three months ended 31 December		Nine months ended 31 December	
	2018 Unaudited HK\$'000	2017 Unaudited HK\$'000	2018 Unaudited HK\$'000	2017 Unaudited HK\$'000
Current tax				
Hong Kong	-	-	-	-
PRC enterprise income tax	-	-	-	-
	-	-	-	-

Hong Kong profit tax is calculated on the basis at 8.25% of the estimated assessable profits up to HK\$2,000,000 and 16.5% on any part of the estimated assessable profit over HK\$2,000,000 for the period (2017: 16.5%).

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. DIVIDEND

The Board does not recommend the payment of any interim dividend for the nine months ended 31 December 2018 (2017: Nil).

## 8. (LOSS)/EARNINGS PER SHARE

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

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
(Loss)/earnings for the period attributable to the owners of the Company	(3,304)	(2,307)	400	(3,059)
Weighted average number of ordinary shares in issue	5,688,396,805	5,688,396,805	5,688,396,805	5,688,396,805

For the nine months ended 31 December 2018 and 2017, the Company did not have any potential ordinary shares. Diluted (loss)/earnings per share was the same as the basic (loss)/earnings per share for the nine months ended 31 December 2018 and 2017.

## 9. CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Special reserve	Translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	Unaudited	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 2017	227,536	675,345	(39,998)	(4,621)	(444,472)	413,790	(45,500)	368,290
Loss for the period	-	-	-	-	(3,059)	(3,059)	(818)	(3,877)
Exchange differences arising on translation of foreign operations	-	-	-	2,217	-	2,217	-	2,217
Total comprehensive (expense) for the period	-	-	-	2,217	(3,059)	(842)	(818)	(1,660)
<b>At 31 December 2017</b>	<b>227,536</b>	<b>675,345</b>	<b>(39,998)</b>	<b>(2,404)</b>	<b>(447,531)</b>	<b>412,948</b>	<b>(46,318)</b>	<b>366,630</b>
<b>At 1 April 2018</b>	<b>227,536</b>	<b>675,345</b>	<b>(39,998)</b>	<b>(721)</b>	<b>(526,672)</b>	<b>335,490</b>	<b>(46,327)</b>	<b>289,163</b>
Adjustments on initial application of HKFRS 9 (note 2)	-	-	-	-	(2,150)	(2,150)	-	(2,150)
At 1 April 2018 (adjusted)	227,536	675,345	(39,998)	(721)	(528,822)	333,340	(46,327)	287,013
Profit for the period	-	-	-	-	400	400	(30)	370
Exchange differences arising on translation of foreign operations	-	-	-	(3,346)	-	(3,346)	-	(3,346)
Total comprehensive (expense) for the period	-	-	-	(3,346)	400	(2,946)	(30)	(2,976)
<b>At 31 December 2018</b>	<b>227,536</b>	<b>675,345</b>	<b>(39,998)</b>	<b>(4,067)</b>	<b>(528,422)</b>	<b>330,394</b>	<b>(46,357)</b>	<b>284,037</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

For the nine months ended 31 December 2018 (the “**Period**”), the Group was principally engaged in (i) anti-aging and stem cell technology businesses; (ii) trading business; (iii) money lending business; and (iv) securities investment business.

### **Anti-Aging and Stem Cell Technology Businesses**

During the Period under review, the Group recorded a revenue from the anti-aging and stem cell technology businesses of approximately HK\$2.2 million (2017: HK\$1.8 million) and recorded a segmental loss of approximately HK\$9.7 million (2017: HK\$11.9 million). The loss was incurred mainly from the staff and related cost, rental expenses and depreciation. The Group continued to face the keen competition and high operating costs and we have imposed tight costs control to cope with the changing business environment.

In the past years, the Group carried out various expansion plans for its investment in the anti-aging and stem cell technology businesses. In September 2012, the Group successfully completed the acquisition of 51% of equity interest in 159 Regenerative Medicine Group (H.K.) Limited and its subsidiaries (collectively, “**159 Group**”). 159 Group was granted a licence for the user right of hematopoietic stem cell technology. Further to the business development, the Group further acquired certain exclusive licences on certain patents in 2013.

However, the Group has taken a more prudent approach in the sales and application of hematopoietic stem cell technology after a beauty treatment death case in Hong Kong of another market player in about late 2012. Instead, the Group expanded its scope of the anti-aging and stem cell technology businesses into research and development area by entering into a 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.\*) (“**Hope Bio-Tech**”) in March 2016, for the clinical application, technical redevelopment and the commercialisation of two patents previously acquired in 2013. The Technology Development Agreement was terminated after its initial term on 18 March 2017 given the parties could not reach a mutual agreement on the research and development fee. Also, the Group decided to delay in its development plan pending the outcome of the criminal trial of the said beauty treatment death case of another market player and any possible tightening of then existing regulations by the Government.

The Board expects that, in the short term, any proposed tightening of existing regulatory regime may affect our financial performance of the anti-aging and stem cell technology businesses of the Group, but the Group aims to provide higher quality services and regenerative stem cell service to our customer in the future with our continuous efforts. We believe that is conducive to the long-term growth and sustainable development of the Group as a whole and will enhance long-term shareholders’ value. Nevertheless, we have ongoing efforts in research and development of new products and services during the past years, the Group has continuously been identifying suitable opportunities or upgrade of our existing products.

\* for identification purpose only

The Group has been negotiating with certain stem cell technology companies in the PRC for use of their know-how and technology, so that the Group can optimise, enhance or even develop new type of services that complement the anti-aging and stem cell technology businesses.

Meanwhile, the Group is discussing with certain agencies specializing in medical beauty services to promote and sell our anti-aging and stem cell technology and products in the PRC. The Board anticipates it will help the Group to promote our products and expand our markets to increase numbers of potential customers.

After the High Court of Hong Kong delivered the judgment on the beauty treatment death case of another market player in December 2017, the Group has re-assessed the existing anti-aging and stem cell technology business. The Group has also had in-depth reviews over the regulatory environment in Hong Kong and noted the Hong Kong Government has issued consultation document on 3 April 2018 and consultation report on 30 April 2018 on regulation of advanced therapy products (“**ATPs**”), which may affect the Group’s existing anti-aging and stem cell technology business.

ATPs would be subject to various requirements on product registration, licensing of manufacturers and distributors, import/export control, approval for clinical trials, labelling, record keeping and adverse event reporting applicable to all pharmaceutical products. In addition, according to the consultation report, in order to provide sufficient protection to patients, the following specific requirements were proposed taking into account the unique nature of ATPs:

- (a) manufacturers are required to comply with guideline/standard on control of cells and tissues for ATPs production and relevant Good Manufacturing Practice guide. Manufacturing would include preparation of ATPs for the purpose of clinical trials or treatment of a particular patient;
- (b) the unique donation identifiers/product codes and patient identifiers should be labeled on the ATPs in formats specified by the regulatory authority; and
- (c) manufacturers and distributors of ATPs are required to keep additional information such as storage, transport, and the medical practitioner who is responsible for the use of the product to ensure sufficient monitoring and traceability. These records are required to be kept for 30 years.

The Group has replaced and renewed certain laboratory facilities located in Shatin and signed a new lease for the new laboratory located in Kowloon Bay to fulfill the anticipated new regulatory standard for the high-tech and innovative stem cell laboratory. The Group will continue to expand our technical team to maintain the necessary standards and expand our marketing for business growth. Meanwhile, the Group will continue to focus on further expansion and development of the anti-aging and stem cell technology businesses of the Group and we believe this will become the key driving business of the Group. The Group will further review the operations, and assess the future growth potential and formulate proper future business strategies.

## **Trading Business**

### *Trading of Electronic Components*

During the Period under review, the Group recorded a revenue from the trading business of approximately HK\$38.1 million (2017: HK\$74.2 million) and recorded a segmental loss of approximately HK\$1.2 million (2017: HK\$1.2 million). The loss was incurred mainly from the staff and related cost, rental expenses and depreciation.

In view of the global trade wars among many principal countries and regions, it may have negative impacts to the trading activities where potential customers may cancel their planned orders or sources from other regions to minimize their risks from the global trade wars. The potential consequences of the trade wars are still uncertain, it has put our trading business at a further disadvantage and may have a negative impact on the revenue.

### *Trading of healthcare products*

The Group has been sourcing suitable healthcare products which complement the Group's anti-aging and stem cell technology businesses for trading, and in the last few months, we have identified and is recently negotiating with certain healthcare manufacturers and distributors for the acquisition the right to import, market, distribute and sell their healthcare products in Hong Kong and/or the PRC. The Group has placed an order to purchase of certain healthcare supplement products during the Period as an initial trial order for onward sale to targeted Hong Kong and PRC consumers. It is expected that the gross profit margin of trading healthcare products shall be more than the trading business of the electronic components of the Group. 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. The management will pay close attention to the market situations and make necessary adjustments to our strategies and operations.

## **Money Lending Business**

During the Period under review, the Group recorded a revenue from money lending business of approximately HK\$15.6 million (2017: HK\$16.4 million) and recorded a segmental gain before tax of approximately HK\$14.4 million (2017: HK\$15.5 million). The interest rate charged by the Group to customers ranging from 10% to 14% (2017: 10% to 24%) per annum. The Group continued to provide both secured and unsecured loans to individuals and corporate customers. The credit terms of outstanding loans granted by the Group to customers ranged from several months to one year. The management assessed the collectability of loans receivables from time to time individually with reference to borrowers' past collection history and current creditworthiness. During the Period, the reversal of impairment loss/impairment loss on loan receivables and loan interest receivables were approximately HK\$8.6 million and no other impairment allowance is necessary in respect of the loan receivables and loan interest receivables as there has not been a significant deterioration in the credit risk and the balances are still considered to be fully recoverable. 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 Business**

During the Period under review, the Group recorded the loss from disposal of Hong Kong listed securities of approximately HK\$0.3 million (2017: Nil) and the fair value change on held-for-trading investments was approximately HK\$1.8 million (2017: HK\$3.0 million). The Board will continue to monitor the market conditions and its performance.

### **Financial Review**

During the Period under review, the Group's total revenue decreased by 39.5% to approximately HK\$55.9 million (2017: HK\$92.4 million) as compared to last period. The significant decrease in revenue was mainly derived from the trading business. The administrative and other operating expenses for the Period were approximately HK\$24.0 million (2017: HK\$26.9 million).

The profit for the Period was approximately HK\$0.4 million (2017: loss of HK\$3.9 million). The profit for the Period attributable to owners of the Company was approximately HK\$0.4 million (2017: loss of HK\$3.1 million) and the earnings per share was 0.01 HK cents (2017: loss per share of 0.05 HK cents).

### **Update on Listing Status**

On 21 December 2018, the Company received a letter from the Stock Exchange (the "**Letter**") in relation to the notice to cancel the listing of the Company. The Stock Exchange has considered that the Company has failed to maintain a sufficient level of operation or have tangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated under the GEM Listing Rule 17.26 to warrant the continued listing of its shares and decided to suspend trading in the Company's shares under the GEM Listing Rule 9.04 and to proceed with cancellation of the Company's listing under the GEM Listing Rule 9.14 (the "**Decision**"). Under the GEM Listing Rule 4.06, the Company has the right to have the Decision referred to the GEM Listing Committee for review.

On 2 January 2019, the Company has submitted a written request to the GEM Listing Committee pursuant to Chapter 4 of the GEM Listing Rules for review of the Decision. Details of the above matters are set out in the Company's announcements dated 21 December 2018 and 2 January 2019.

### **Prospects**

The Board continues their optimistic outlook of the anti-aging and stem cell technology businesses and will adjust the Group's development strategy according to the market changes. In this regard, the Board will constantly keep reviewing the Group's strategies and operations with a view to improving 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 also continue to enhance the existing business and explore other business and investment opportunities to diversify the revenue stream and business portfolios to enhance the interest of the shareholders of the Company (the "**Shareholders**").

## OTHER INFORMATION

### Directors' and Chief Executive's Interests

As at 31 December 2018, 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**")

<b>Name of Director</b>	<b>Capacity/ Nature of interest</b>	<b>Number of Shares Held</b>	<b>Percentage of Shares in issue <i>(Approximate)</i></b>
Mrs. Cheung Fan Karen (" <b>Mrs. Cheung</b> ") <i>(Note)</i>	Beneficial owner/ interest of spouse	756,850,000	13.31

*Note:* Mrs. Cheung is deemed to be interested in a total of 756,850,000 Shares of which 4,000,000 Shares are held by Mrs. Cheung and 752,850,000 Shares are held by Mr. Lau Ngai Cheung ("**Mr. Lau**") and Pacific Fortune Global Limited. Mr. Lau has a direct 100% interest in Pacific Fortune Global Limited. By virtue of the SFO, Mr. Lau is deemed to be interested in 474,032,000 Shares registered in the name of Pacific Fortune Global Limited. Mrs. Cheung is the spouse of Mr. Lau, therefore, Mrs. Cheung is deemed to be interested in all of the Shares owned by Mr. Lau.



Save as disclosed above, as at 31 December 2018, 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 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 further options for subscription of up to a total of 395,033,280 Shares, representing 6.94% issued Shares as at 30 June 2018. 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 31 December 2018, so far as is known to the Directors and the Chief Executives, and based on the public records filed on the website of the Stock Exchange and records kept by the Company, the interests and short positions of the persons or corporations (other than the Directors and the Chief Executives) in the shares or underlying shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

<b>Name of Shareholders</b>	<b>Capacity/ Nature of interest</b>	<b>Number of Shares held</b>	<b>Percentage of Shares in issue (Approximate)</b>
Mr. David Lin Kao Kun	Beneficial owner	1,054,330,333	18.53
Mr. Lau (Note 1)	Beneficial owner, interest of spouse and interest of controlled corporation	756,850,000	13.31
Pacific Fortune Global Limited (Note 1)	Beneficial owner	474,032,000	8.33
Primeshare Globe (Hong Kong) Inv. Co., Limited	Beneficial owner	721,452,000	12.68
A Plus Capital Management Limited (Note 2)	Investment manager	320,800,000	5.64
Tiger Capital Fund SPC — Tiger Global SP (Note 2)	Beneficial owner	320,800,000	5.64

### Notes:

- Mr. Lau is deemed to be interested in a total of 756,850,000 Shares of which 4,000,000 Shares are held by Mrs. Cheung and 752,850,000 Shares are held by Mr. Lau and Pacific Fortune Global Limited. Mr. Lau has a direct 100% interest in Pacific Fortune Global Limited. By virtue of the SFO, Mr. Lau is deemed to be interested in 474,032,000 Shares registered in the name of Pacific Fortune Global Limited. Mrs. Cheung is the spouse of Mr. Lau, therefore, Mr. Lau is deemed to be interested in all of the Shares owned by Mrs. Cheung.
- A Plus Capital Management Limited is the beneficial owner of Tiger Capital Fund SPC — Tiger Global SP.

Save as disclosed above, as at 31 December 2018, the Directors were not aware of any other persons or corporations (other than the Directors and the Chief Executives) who had interest 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 nine months ended 31 December 2018, 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 nine months ended 31 December 2018.

### **Competing Interests**

As at 31 December 2018, none of the Directors and controlling shareholders of the Company 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.

### **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. Tang Hua 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, 13 February 2019

*As at the date of this report, the Board comprises (i) six executive Directors, namely Mr. Lu Zhiqiang, Mr. Chui Kwong Kau, Mr. Zhang James Jian Yuan, Dr. Sun Yu, Mrs. Cheung Fan Karen and Mr. Lau Ngai Cheung; and (ii) three independent non-executive Directors, namely Mr. Hung Yat Ming, Mr. Chan Yun Hing and Mr. Tang Hua.*