

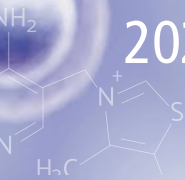
活出精彩  
LIVE LIFE TO THE FULLEST



**SINO-LIFE GROUP LIMITED**  
**中國生命集團有限公司**

Incorporated in the Cayman Islands with limited liability  
Stock Code : 8296

**2020** FIRST QUARTERLY REPORT



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

**GEM has been positioned as a market designed to accommodate small and mid-sized 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.**

**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 and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors (the “Directors”) of Sino-Life 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 in this report misleading.*

## CONDENSED CONSOLIDATED QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2020 (UNAUDITED)

The board of Directors (the “Board”) is hereby to present the unaudited condensed consolidated results of the Group for the three months ended 31 March 2020 (the “Current Period”) together with the comparative unaudited figures for the corresponding period in 2019 (the “Prior Period”), as follows:

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

*For the three months ended 31 March 2020*

		<b>Three months ended 31 March</b>	
	Notes	<b>2020</b> <b>RMB'000</b> <b>(unaudited)</b>	<b>2019</b> <b>RMB'000</b> <b>(unaudited)</b>
<b>Revenue</b>	3	<b>12,674</b>	17,275
Cost of sales		<b>(6,285)</b>	(7,880)
<b>Gross profit</b>		<b>6,389</b>	9,395
Other revenue		<b>416</b>	467
Selling expenses		<b>(1,905)</b>	(2,697)
Administrative expenses		<b>(6,156)</b>	(5,056)
Other operating expenses		<b>(70)</b>	–
<b>(Loss)/profit from operations</b>		<b>(1,326)</b>	2,109
Finance costs		<b>(738)</b>	(70)
<b>(Loss)/profit before taxation</b>		<b>(2,064)</b>	2,039
Income tax	4	<b>(110)</b>	(442)
(Loss)/profit for the period		<b>(2,174)</b>	1,597
Other comprehensive income for the period, net of income tax		<b>2,020</b>	1,717
Total comprehensive income for the period, net of income tax		<b>(154)</b>	3,314
<b>(Loss)/profit attributable to:</b>			
Owners of the Company		<b>(2,109)</b>	1,645
Non-controlling interests		<b>(65)</b>	(48)
		<b>(2,174)</b>	1,597
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>(166)</b>	3,433
Non-controlling interests		<b>12</b>	(119)
		<b>(154)</b>	3,314
<b>(Loss)/earnings per share</b>			
Basic and diluted	6	<b>RMB(0.28) cents</b>	RMB0.22 cents

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2020

	Attributable to owners of the Company											
	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory reserve RMB'000	Statutory surplus reserve RMB'000	Properties revaluation reserve RMB'000	Foreign currency translation reserve RMB'000	Share-based compensation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
<b>At 31 December 2018 (audited) and at 1 January 2019 (unaudited)</b>	69,218	220,633	(16,261)	790	1,550	2,601	(19,359)	7,027	(160,984)	105,215	(2,406)	102,809
Profit/(loss) for the period	-	-	-	-	-	-	-	-	1,645	1,645	(48)	1,597
Exchange difference translation of financial statements of non-PRC operations	-	-	-	-	-	-	1,788	-	-	1,788	(71)	1,717
Other comprehensive income/ (expenditure)	-	-	-	-	-	-	1,788	-	-	1,788	(71)	1,717
Total comprehensive income/ (expenditure) for the period	-	-	-	-	-	-	1,788	-	1,645	3,433	(119)	3,314
<b>At 31 March 2019 (unaudited)</b>	69,218	220,633	(16,261)	790	1,550	2,601	(17,571)	7,027	(159,339)	108,648	(2,525)	106,123
<b>At 31 December 2019 and at 1 January 2020 (unaudited)</b>	69,218	220,633	(16,261)	790	1,550	2,702	(15,242)	7,027	(144,388)	126,029	(8,380)	117,649
Loss for the period	-	-	-	-	-	-	-	-	(2,109)	(2,109)	(65)	(2,174)
Exchange difference translation of financial statements of non-PRC operations	-	-	-	-	-	-	1,943	-	-	1,943	77	2,020
Other comprehensive income	-	-	-	-	-	-	1,943	-	-	1,943	77	2,020
Total comprehensive income/ (expenditure) for the period	-	-	-	-	-	-	1,943	-	(2,109)	(166)	12	(154)
Lapse of share options granted	-	-	-	-	-	-	-	(7,027)	7,027	-	-	-
<b>At 31 March 2020 (unaudited)</b>	69,218	220,633	(16,261)	790	1,550	2,702	(13,299)	-	(139,470)	125,863	(8,368)	117,495

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 31 March 2020*

## 1. GENERAL

The Company was incorporated on 24 February 2005 in Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its shares are listed on GEM of the Stock Exchange on 9 September 2009. Its controlling shareholder is Hong Kong Gaoqi Biological Technology Company Limited (“HK Gaoqi”).

The Company is principally engaged in investment holding. The subsidiaries are mainly engaged in (i) the provision of funeral and related services in the People Republic of China (the “PRC”), Taiwan and Hong Kong Special Administrative Region, the PRC (“Hong Kong”); (ii) sale of burial plots and tombstones and provision of cemetery maintenance services in Socialist Republic of Vietnam (“Vietnam”); (iii) provision of elderly care and related consultancy services in Taiwan; and (iv) sales of stem cells and immunocytes business and advanced biotechnical machinery business in Hong Kong and the PRC. The Company and its subsidiaries are herein collectively referred to as the “Group”.

The address of the Company’s registered office and principal place of business are The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands, and Unit 601, 6/F., Ovest, No. 77 Wing Lok Street, Sheung Wan, Hong Kong respectively.

## 2. BASIS OF PREPARATION

The Group’s unaudited condensed consolidated first quarterly financial statements have been prepared in accordance with the applicable disclosure requirements set out in Chapter 18 of the GEM Listing Rules and Hong Kong Financial Reporting Standards (“HKFRS(s)”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These unaudited condensed consolidated first quarterly financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”). These unaudited condensed

consolidated first quarterly financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2019 (the “2019 Annual Financial Statements”), which have been prepared in accordance with HKFRSs.

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the Company. These unaudited condensed consolidated first quarterly financial statements have been prepared in accordance with the same accounting policies adopted in the 2019 Annual Financial Statements, except for the changes in accounting policies that are expected to be reflected in the annual consolidated financial statements for the year ending 31 December 2020. There have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the quarter presented as a result of these developments.

These unaudited condensed consolidated first quarterly financial statements have been prepared under the historical cost convention, except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investment properties;
- freehold land and buildings; and
- financial assets designated as at fair value through profit or loss.

The preparation of financial statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise their judgements in the process of applying the Group’s accounting policies. The significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2019 Annual Financial Statements.

These unaudited condensed consolidated first quarterly financial statements contain unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2019 Annual Financial Statements. These unaudited condensed consolidated first quarterly financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

The accounting policies adopted in the 2019 Annual Financial Statements have been consistently applied to these unaudited condensed consolidated financial statements except that in the Current Period, the Group has applied for the first time certain new standards, amendments and interpretations (the “new HKFRS(s)”) issued by the HKICPA, which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2020. The adoption of the new HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

These unaudited condensed consolidated first quarterly financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand, unless otherwise stated.

These unaudited condensed consolidated accounts have not been audited by the Company’s auditor, but have been reviewed by the Company’s audit committee.

### 3. REVENUE

The amount of each significant category of revenue recognised in revenue for each of the Current Period and the Prior Period is as follows:

	<b>Three months ended 31 March</b>	
	<b>2020</b>	2019
	<b>RMB’000</b>	RMB’000
	<b>(Unaudited)</b>	(Unaudited)
Funeral services and cremation services provided in funeral parlours and funeral services centres under the Group’s management	<b>12,078</b>	16,346
Funeral arrangement and related consultancy services	<b>470</b>	651
Sales of burial plots and tombstones	<b>126</b>	132
Sales of stem cells and immunocytes	–	146
	<b>12,674</b>	17,275

The following table sets out information about the geographical location of the Group’s revenue from external customers.

## Revenues from external customers

	Three months ended 31 March	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The PRC	12,078	16,490
Taiwan	212	525
Hong Kong	258	128
Vietnam	126	132
<b>Total</b>	<b>12,674</b>	<b>17,275</b>

## 4. INCOME TAX

- (a) No provision for Hong Kong profits tax has been made as the Group has no assessable profits in Hong Kong for both the Current Period and the Prior Period.
- (b) The Group is not subject to any taxation under the jurisdiction of the Cayman Islands and British Virgin Islands ("BVI") for both the Current Period and the Prior Period.
- (c) The subsidiaries operating in the PRC are subject to enterprise income tax rate at 25% for both the Current Period and the Prior Period in accordance with the Law of the People's Republic of China on Enterprises Income Tax (中華人民共和國企業所得稅法) except that Chongqing Xizhou Funeral Service Company Limited ("Chongqing Xizhou"), an indirect wholly owned subsidiary of the Company, is entitled to a preferential tax rate of 15% for the enterprise income tax in accordance with 西部大開發企業所得稅優惠, which is retrospectively applied to Chongqing Xizhou from January 2011 and, provided that the conditions precedent to entitlement of preferential tax rate are fulfilled by Chongqing Xizhou in each of subsequent years, the preferential tax rate can be applied to Chongqing Xizhou up to December 2020. Chongqing Xizhou is subject to enterprise income tax rate at 15% for both the Current Period and the Prior Period.



- (d) Bau Shan Life Science Technology Co., Ltd. (“Bau Shan”), a direct subsidiary of the Company is subject to Taiwan Enterprise Income Tax at 17% on taxable profits determined in accordance with the Income Tax Act and other relevant laws in Taiwan. No provision for Taiwan Enterprise Income Tax has been made as Bau Shan has no assessable profits for both the Current Period and the Prior Period.
- (e) Bao Son Life Company Limited (“Bao Son Life”) and Hoan Loc Viet Duc Hoa Corporation (“HLV Duc Hoa”), the indirect non-wholly-owned subsidiaries of the Company, are subject to Vietnam Corporate Income Tax at 20% and 20%, respectively, on taxable profits determined in accordance with the relevant laws and regulations in Vietnam. No provision for Vietnam Corporate Income Tax has been made as Bao Son Life and HLV Duc Hoa have no assessable profits for both the Current Period and the Prior Period.

## 5. DIVIDENDS

The Directors do not recommend payment of any dividend for the the Current Period (the Prior Period: Nil).

## 6. (LOSS)/EARNINGS PER SHARE

### (a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share for the Current Period and the Prior Period are as follow:

	<b>Three months ended 31 January</b>	
	<b>2020</b>	2019
	<b>(Unaudited)</b>	(Unaudited)
(Loss)/profit attributable to the owners of the Company (RMB'000)	<b>(2,109)</b>	1,645
Weighted average number of ordinary shares	<b>742,500,000</b>	742,500,000
Basic (loss)/earnings per share (RMB cents)	<b>(0.28) cents</b>	0.22 cents

### (b) Diluted (loss)/earnings per share

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the Current Period and the Prior Period as the impact of the share options had anti-dilutive effect on the basic (loss)/earnings per share amounts presented.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Review

During the three months ended 31 March 2020 (the “Current Period”) and the corresponding period in 2019 (the “Prior Period”), the amount and percentage of the revenue derived from respective geographical segments were as follow:

	For three months ended 31 March			
	2020		2019	
	RMB'000	%	RMB'000	%
The People's Republic of China (the “PRC”)	<b>12,078</b>	<b>95.3</b>	16,490	95.5
Taiwan	<b>212</b>	<b>1.7</b>	525	3.0
Hong Kong Special Administrative Region of the PRC (“Hong Kong”)	<b>258</b>	<b>2.0</b>	128	0.7
Socialist Republic of Vietnam (“Vietnam”)	<b>126</b>	<b>1.0</b>	132	0.8
	<b>12,674</b>	<b>100.0</b>	17,275	100.0

### *The PRC*

The Group's revenue derived from the PRC market was approximately RMB12,078,000 for the Current Period (The Prior Period: RMB16,490,000), representing a decrease of approximately 26.8% from the Prior Period.

In the PRC, the Group is principally engaged in provision of funeral, cremation and cemetery services in funeral parlours and funeral service centres under the Group's management in Chongqing. The Group also carried out the sales of the stem cell and immunocytes under an agency agreement in Guangzhou city, Guangdong province. The provision of funeral, cremation and cemetery services business and sales of the stem cell and immunocytes contributed approximately RMB12,078,000 (The Prior Period: RMB16,344,000) and nil (The Prior Period: RMB146,000), respectively, of the revenue in the PRC during the Current Period.

Due to the government mandated closures in both Chongqing and Guangdong city as the of the coronavirus disease (“Covid-19”) pandemic, the Group’s sales of the stem cell and immunocytes business experienced temporarily shut-down during the Current Period, causing the drastic drop in revenue from such business segment. On the other hand, in light of the business nature of the provision of funeral, cremation and cemetery services segment, the Covid-19 pandemic’s impact was less severed than expected and only recorded an approximately 26.1% year-on-year decrease.

### *Taiwan and Hong Kong*

In Taiwan and Hong Kong, the Group is principally engaged in the sales of funeral services deeds, which was accounted for by the Group as receipt in advance, and provision of funeral arrangement services to the deed holders and non-funeral services deed holders, which are accounted for by the Group as revenue. The Group also carries out sales of advanced biotechnical machinery in Hong Kong during the Current Period.

Revenue derived from the Taiwan market was approximately RMB212,000 for the Current Period (The Prior Period: RMB525,000), representing a decrease of approximately 59.6% from the Prior Period. On the other hand, revenue derived from the Hong Kong market was approximately RMB258,000 for the Current Period (The Prior Period: RMB128,000), representing a increase of approximately 101.6% from the Prior Period.

Due to the Covid-19 pandemic, the government of Taiwan declared mandated closures and travel restrictions during the Current Period. As the demand of the Group’s business in Taiwan mainly derived locally, the travel restrictions did not have much significantly disruption to the business but the mandated closures inevitably had an adverse impact on the operation of the business locally, and resulted in an approximately 59.6%, decrease in the revenue as compared with the Prior Period.

On the other hand, due to the cross border travel restrictions between Hong Kong and foreign countries, the Group's sales of biotechnical machinery business was temporarily suspended, however, the funeral arrangement and related consultancy services recorded an increase of approximately RMB130,000 in revenue during the Current Period, resulting in an year on year increase of approximately 101.6% in revenue in Hong Kong market.

### ***Vietnam***

The Group's revenue derived from the sales of burial plots in Vietnam was approximately RMB126,000 for the Current Period (The Prior Period: RMB132,000), representing an decrease of approximately 4.5% from the Prior Period.

Similar to other countries, the government of the Vietnam also imposed mandated closures and travel restrictions during the Current Prior in respond to the Covid-19 pandemic, however, the impacts of those measures on the Vietnam were less graved than other geographical segments. The revenue from Vietnam only recorded an drop of 4.5% as compared with the Prior Period.

### **Financial Review**

For the Current Period, the Group's revenue was approximately RMB12,674,000 (The Prior Period: RMB17,275,000), representing a decrease of approximately 26.6% for the Prior Period. The decrease was mainly resulted from the mandated closures implemented by governments across different countries.

Cost of sales for the Current Period was approximately RMB6,285,000 (The Prior Period: RMB7,880,000), decreased by approximately 20.2% compared with the Prior Period. The decrease in cost of sales was mainly resulted from the decrease in the revenue of all business segments of the Group.

Other revenue for the Current Period was approximately RMB416,000 (The Prior Period: RMB467,000), representing an decrease of approximately RMB51,000 from the Prior Period.

Compared with the Prior Period, selling expenses for the Current Period decreased by approximately 29.4% to approximately RMB1,905,000 as the result of the reduction of sales activities after the outbreak of Covid-19 pandemic. Administrative expenses increased by approximately 21.8% to approximately RMB6,156,000 due to the general increase in the salary level across different geographical segments.

The loss attributable to the owners of the Company for the Current Period was approximately RMB2,109,000, against the profit attributable to the owners of the Company for the Prior Period of approximately RMB1,645,000. Loss per share for the Current Period was approximately RMB0.28 cents (The Prior Period: Earnings per share of RMB0.22 cents).

Since January 2020, the outbreak of Covid-19 pandemic had impact on the global business environment. Up to the date of this report, Covid-19 pandemic has not caused material financial difficulties to the Group. The Group remained in a healthy and sound liquidity position as at 31 March 2020.

Depending on the development and spread of Covid-19 pandemic, subsequent to the date of this report, further changes in economic conditions for the Group arising thereof may have impact on the financial results for the three months ended 30 June 2020 of the Group, the extent of which could not be estimated as at the date of this report. The Group will keep continuous attention on the situation of Covid-19 pandemic and react actively to its impact on the financial position and operating results of the Group.

The Group had no other material capital commitments, material contracts, contingent liabilities or significant investment plans. It is the Group's policy to adopt a prudent financial management strategy and maintain a suitable level of liquidity facilities to meet operation requirements and acquisition opportunities.

## Prospects

The Board believes that the Group's funeral services business is rather stable as our business is relatively focused on densely populated cities in China. On the other hand, with increasing global investment in biotechnology, and the increasing demand for medical and health services from the ageing population, the global biotech industry is rapidly growing. The Group commenced a diverse development strategy and actively positioned itself in the cells industry during the Current Period. In order to enhance the Group's research ability and core competitiveness, the Group made its step into the business of research and development of cell cultivation through equity investment in a joint venture company to extend its business into the upstream of the cells industrial chain in 2019, thus forming a synergistic business system.

Moreover, by fully utilising the strengths of the Chinese market and resources, the Group continued strengthening its cooperation with biotech companies in foreign countries, and is responsible for selling advanced biotechnical equipment in the Greater China region as an agent. This will produce a positive effect on the Group's operation results, and will also contribute to the development of the Group's global business in the future.

Since January 2020, the outbreak of Covid-19 pandemic has impact on the global business environment. The spread of the Covid-19 pandemic around the world has threatened the life and health of billions of people, and led to temporary suspension of businesses in the commercial and industrial sectors of many countries, stirring up volatility in financial markets. It is difficult to judge how far-reaching the impacts of this pandemic of the century will have on the global economy. Up to the date of this report, Covid-19 pandemic has not caused material financial difficulties to the Group.

While the Group will keep continuous attention on the situation of Covid-19 pandemic and react actively to its impact on the financial position and operating results of the Group, crisis always brings opportunities. Looking forward, the Group will keep ploughing the funeral services business while continuing to develop its cells business. It will continue to consolidate its new technologies, research talents and exquisite projects through different means such as collaborative investment, mergers and restructuring to further deepen its distribution of the cells industrial chain in the industry. In addition, the Group will also explore the possibility of developing other quality projects or businesses with promising prospects to formulate a business configuration with cell industry as its core and supplemented by the coordinated development of other segmented directions. This would improve the Group's operating conditions, optimise business structure, exploit new earnings growth points, and drive sustainable and quality development of the Group's business.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation**

As at 31 March 2020, none of the Directors or chief executives of the Company had any interests or short positions in the shares (the "Shares"), underlying shares (the "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, Chapter 571 under the 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 any interests or short positions which they have taken or deemed to have taken 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 Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## Substantial Shareholders' Interests and Short Positions in The Shares and Underlying Shares

So far as the Directors are aware, as at 31 March 2020, other than the Directors or chief executives of the Company whose interests or short positions are disclosed under the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation" above, the following person has an interest or short position in the Shares or Underlying Shares which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who were expected, directly or indirectly, to be interested in 5% or more of the Shares is listed as follows:

### *Aggregated long positions in the Shares*

<b>Name of Shareholder</b>	<b>Capacity/ Nature of Interest</b>	<b>Number of Shares held</b>	<b>Approximate percentage of the issued share capital of the Company</b>
HK Gaoqi	Beneficial Owner <i>(Note)</i>	220,475,000	29.69%

*Note:* The Company's Director Mr. Xu Jianchun is also a director of HK Gaoqi in which he holds 25% equity interest.

Saved as disclosed above, as at 31 March 2020, the Directors were not aware of any other person (other than the Directors or chief executives as disclosed in the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation" above) who had, or deemed to have, interests or short positions in the Shares, Underlying Shares which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO.



Save for the shareholder as disclosed herein, the Directors are not aware of any persons, who, as at 31 March 2020 were entitled to exercise or control the exercise of 5% or more of the voting power at the general meeting of the Company and were also, a practicable matter, able to direct or influence the management of the Company.

## **DIRECTORS' INTERESTS IN CONTRACTS**

No Director had a material interest in, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Current Period.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Apart from the details as disclosed under the heading "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation" above, at no time during the Current Period was the Company, its holding company, or any of its subsidiaries or associated corporations, a party to any arrangement that would enable the Directors and chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate.

## **MANAGEMENT CONTRACTS**

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Current Period.

## **DIRECTORS' INTEREST IN COMPETING BUSINESS**

None of the Directors or the substantial shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) has interests in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the businesses of the Group during the Current Period and up to the date of this first quarterly report.

## **PURCHASE, SALE OR REDEMPTION SECURITIES**

During the Current Period, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group. As at 31 March 2020, the Audit Committee comprises three independent non-executive Directors, namely Mr. SUN Fei (chairman of the Audit Committee), Mr. CHAI Chung Wai, and Mr. WANG Jun.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the Current Period pursuant to the relevant provisions contained in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules and was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosures have been made in respect thereof.

## **NON-COMPLIANCE WITH FINANCIAL REPORTING PROVISIONS OF THE GEM LISTING RULES**

Due to the travel restriction in force in Taiwan and Vietnam to combat the outbreak of COVID-19, the audit of the financial statements of the Group for the year ended 31 December 2019 has been affected. The Company was unable to publish and despatch the audited annual results for the financial year ended 31 December 2019 (the “2019 Annual Results”) and the related annual report for the year ended 31 December 2019 (the “2019 Annual Report”) on or before 31 March 2020 as required by the GEM Listing Rules. Such delay has constituted non-compliance with Rules 18.03 and 18.49 of the GEM Listing Rules. However, in accordance with the FURTHER GUIDANCE ON THE JOINT STATEMENT IN RELATION TO RESULTS ANNOUNCEMENTS IN LIGHT OF THE COVID-19 PANDEMIC released on 16 March 2020 (“Further Guidance”) by The Securities and Futures Commission and the Stock Exchange, an issuer may defer the publication of the annual report initially for up to 60 days from the date of the Further Guidance if, among other things, on or before 15 May 2020. The Company has published its preliminary 2019 Annual Results without its auditors’ agreement pursuant to the Further Guidance on 31 March 2020.

By order of the Board  
**Sino-Life Group Limited**  
**XU Jianchun**  
*Chairman and Executive Director*

15 May 2020

*As at the date hereof, the Board comprises Mr. XU Jianchun and Mr. LIU Tien-Tsai being executive Directors; Dr. XU Qiang being non-executive Director; and Mr. CHAI Chung Wai, Mr. SUN Fei, and Mr. WANG Jun being independent non-executive Directors.*