

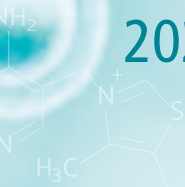
活出精彩
LIVE LIFE TO THE FULLEST



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 THIRD 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 NINE MONTHS ENDED 30 SEPTEMBER 2020 (UNAUDITED)

The board (the “Board”) of Directors hereby presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and the nine months ended 30 September 2020 together with the comparative unaudited figures for the corresponding periods in 2019, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Three months ended 30 September		Nine months ended 30 September	
		2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Revenue	4	18,162	15,988	47,147	47,693
Cost of sales		(9,074)	(6,935)	(22,435)	(22,593)
Gross profit		9,088	9,053	24,712	25,100
Other gains		846	999	2,044	2,040
Selling expenses		(1,215)	(307)	(4,322)	(5,942)
Administrative expenses		(5,750)	(8,092)	(16,594)	(17,576)
Other operating income/(expenses)		1	535	(70)	(5)
Profit from operations		2,970	2,188	5,770	3,617
Finance costs		(591)	(542)	(1,939)	(1,770)
Profit before taxation		2,379	1,646	3,831	1,847
Income tax expenses	5	(691)	(615)	(1,631)	(1,188)
Profit for the period		1,688	1,031	2,200	659
Other comprehensive income for the period					
Item that will not be reclassified to profit or loss:					
Surplus on revaluation of land and buildings held for own use		-	742	-	785
Item that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		(4,338)	1,420	(1,917)	2,371
Other comprehensive (expenses)/income for the period, net of income tax		(4,338)	2,162	(1,917)	3,156
Total comprehensive (expenses)/income for the period, net of income tax		(2,650)	3,193	283	3,815

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	Note	Three months ended 30 September		Nine months ended 30 September	
		2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Profit/(loss) attributable to:					
Owners of the Company		1,942	839	2,830	1,081
Non-controlling interests		(254)	192	(630)	(422)
		1,688	1,031	2,200	659
Total comprehensive (expenses)/income attributable to:					
Owners of the Company		(2,338)	3,735	983	4,487
Non-controlling interests		(312)	(542)	(700)	(672)
		(2,650)	3,193	283	3,815
Earnings per share					
Basic and diluted (RMB cents)	6	0.26	0.11	0.38	0.15

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of the Company

	Share capital	Share premium	Merger reserve	Statutory reserve	Statutory surplus reserve	Properties revaluation reserve	Foreign currency translation reserve	Share-based compensation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2018 (Audited) and 1 January 2019 (Unaudited)	69,218	220,633	(16,261)	790	1,550	2,601	(19,359)	7,027	(172,718)	93,481	(2,406)	91,075
Profit/(loss) for the period	-	-	-	-	-	-	-	-	1,081	1,081	(422)	659
Surplus on revaluation of land and buildings	-	-	-	-	-	785	-	-	-	785	-	785
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	2,621	-	-	2,621	(250)	2,371
Other comprehensive (expenses)/ income	-	-	-	-	-	785	2,621	-	-	3,406	(250)	3,156
Total comprehensive (expenses)/ income for the period	-	-	-	-	-	785	2,621	-	1,081	4,487	(672)	3,815
Recognition of non-controlling interests upon partial disposal of a subsidiary	-	-	-	-	-	-	-	-	20,104	20,104	(5,882)	14,222
At 30 September 2019 (Unaudited)	69,218	220,633	(16,261)	790	1,550	3,386	(16,738)	7,027	(151,533)	118,072	(8,960)	109,112
At 31 December 2019 (Audited) and At 1 January 2020 (Unaudited)	69,218	220,633	(16,261)	790	1,550	2,998	(15,242)	7,027	(144,684)	126,029	(8,380)	117,649
Profit/(loss) for the period	-	-	-	-	-	-	-	-	2,830	2,830	(630)	2,200
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(1,847)	-	-	(1,847)	(70)	(1,917)
Other comprehensive expenses	-	-	-	-	-	-	(1,847)	-	-	(1,847)	(70)	(1,917)
Total comprehensive (expenses)/ income for the period	-	-	-	-	-	-	(1,847)	-	2,830	983	(700)	283
Transfer of statutory reserve and statutory surplus reserve	-	-	-	6,213	2,335	-	-	-	(8,548)	-	-	-
Lapse of share option	-	-	-	-	-	-	-	(7,027)	7,027	-	-	-
At 30 September 2020 (Unaudited)	69,218	220,633	(16,261)	7,003	3,885	2,998	(17,089)	-	(143,375)	127,012	(9,080)	117,932

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

1. GENERAL

The Company was incorporated on 24 February 2005 in Cayman Islands as an exempted company with limited liability under the Cayman Islands Companies Law. Its shares are listed on GEM of the Stock Exchange on 9 September 2009. Its ultimate controlling party is Mr. Xu Jianchun.

The Company is principally engaged in investment holding. The subsidiaries are mainly engaged in the provision of funeral and related services in the People's Republic of China ("PRC"), Taiwan and Hong Kong Special Administrative Region, the PRC ("Hong Kong"), sale of burial plots and tombstones and provision of cemetery maintenance services in Socialist Republic of Vietnam ("Vietnam") and provision of elderly care and related consultancy services in Taiwan. The Company and its subsidiaries are herein collectively referred to as the "Group".

The addresses 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.

These condensed unaudited consolidated third quarterly financial statements have been approved for issue by the Board on 13 November 2020.

2. BASIS OF PREPARATION

These condensed unaudited consolidated third 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)") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These condensed unaudited consolidated third 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.

These condensed unaudited consolidated third 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 financial statements for the year ending 31 December 2020. Note 3 of these condensed unaudited consolidated third quarterly financial statements provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these condensed unaudited consolidated third quarterly financial statements.

These condensed unaudited consolidated third 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 these condensed unaudited consolidated third quarterly financial statements in conformity with the HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

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 condensed unaudited consolidated third quarterly financial statements contains condensed unaudited 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 condensed unaudited consolidated third 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.

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

With a review of financial statements presentation, certain items in these condensed unaudited consolidated third quarterly financial statements were reclassified which would result in a more appropriate presentation of events or transactions.

All intra-group assets and liabilities, equity, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

These condensed unaudited consolidated third quarterly financial statements have not been audited by the Company’s auditors, but have been reviewed by the Company’s audit committee.

3. CHANGES IN ACCOUNTING POLICIES

3.1 New and amended standards adopted by the Group

The Group has adopted the following new and revised HKFRSs (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA for the first time for these condensed unaudited consolidated third quarterly financial statements.

HKAS1 and HKAS 8 (Amendment)	Definition of Material
HKFRS 3 (Amendment)	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

Except as described below, the Group concluded that the application of the Amendments to Reference to the Conceptual Framework in HKFRS and the amendments to HKFRSs in the current period has had no material impact on the amounts reported and/or disclosures set out in these condensed unaudited consolidated third quarterly financial statements.

Impacts of application on Amendments to HKAS 1 and HKAS 8 “Definition of Material”

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on these condensed unaudited consolidated third quarterly financial statements. Changes in presentation and disclosures on the application of the amendments, if any, will be reflected on the consolidated financial statements for the year ending 31 December 2020.

3.2 New standards and amendments to standards issued but not yet effective for the accounting period beginning on 1 January 2020 and not early adopted by the Group

		Effective for accounting periods beginning on or after
HKFRS 16 (Amendments)	Covid-19-related Rent Concessions	1 June 2020
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2022
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
HKFRS 3 (Amendments)	Conceptual Framework for Financial Reporting	1 January 2022
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020 Cycle	1 January 2022
HKFRS 17	Insurance contracts	1 January 2022
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment on the impact of these new standards and amendments to standards and preliminary results showed that their application are not expected to have material impact on the financial performance and the financial position of the Group.

4. REVENUE

The amount of each significant category of revenue recognised in revenue for the nine months ended 30 September 2020 (the “Period”) and 2019 (“the Prior Period”) is as follows:

	Nine months ended	
	30 September	
	2020	2019
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Funeral services provided in funeral parlours and funeral services centres under the Group's management	31,670	31,701
Funeral arrangement and consultancy services	12,996	13,223
Sales of burial plots and tombstones	259	251
Sales of stem cells and immunocytes	357	602
Sales of machineries and parts	1,865	1,916
	47,147	47,693

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

Revenues from external customers

	Nine months ended	
	30 September	
	2020	2019
	RMB'000	RMB'000
	(unaudited)	(unaudited)
The PRC	43,219	43,140
Taiwan	1,439	1,836
Hong Kong	2,230	2,466
Vietnam	259	251
	47,147	47,693

5. INCOME TAX EXPENSES

- (a) No provision for Hong Kong profits tax has been made as the Group has no assessable profits in Hong Kong for the 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 the Period and the Prior Period.
- (c) The subsidiaries operating in the PRC are subject to enterprise income tax rate at 25% for the 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% (The Prior Period: 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 the Period and the Prior Period.
- (d) Bau Shan Life Science Technology Co., Ltd. (“Bau Shan”), a direct subsidiary of the Company, and Bao De Life Enterprise Co., Ltd. (“Bao De”) and Bu Lao Lin Limited (“BLL”), both indirect subsidiaries of the Company, are subject to Taiwan Enterprise Income Tax at 17% (The Prior Period: 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, Bao De and BLL have no assessable profits for both the 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% (The Prior Period: 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 the Period and the Prior Period.

6. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the three months and nine months ended 30 September 2020 are as follow:

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit attributable to the owners of the Company (RMB'000)	1,942	839	2,830	1,081
Weighted average number of ordinary shares	742,500,000	742,500,000	742,500,000	742,500,000
Basic earnings per share (RMB cents)	0.26	0.11	0.38	0.15

(b) Diluted earnings per share

No adjustment has been made to the basic earnings per share amounts presented for the three months and nine months ended 30 September 2020 and 2019 as the impact of the share options had anti-dilutive effect on the basic earnings per share amounts presented.

7. DIVIDENDS

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the nine months ended 30 September 2020 (the “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:

	Nine months ended 30 September			
	2020		2019	
	RMB'000	%	RMB'000	%
The People's Republic of China (the “PRC”)	43,219	91.7	43,140	90.5
Taiwan	1,439	3.1	1,836	3.8
Hong Kong Special Administrative Region of the PRC (“Hong Kong”)	2,230	4.7	2,466	5.2
Socialist Republic of Vietnam (“Vietnam”)	259	0.5	251	0.5
Total	47,147	100.0	47,693	100.0

The PRC

Business in the PRC continues to be the major source of income of the operations of the Group during the Period. The Group’s revenue derived from the PRC market was relatively stable and contributed approximately RMB43,219,000 of revenue to the Group for the Period, as compared with that of the Prior Period of approximately RMB43,140,000.

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 RMB42,862,000 (The Prior Period: RMB42,538,000) and RMB357,000 (The Prior Period: RMB602,000), respectively, of the revenue in the PRC during the Period.

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 machineries and parts in Hong Kong during the Period.

Revenue derived from the Taiwan market was approximately RMB1,439,000 for the Period (The Prior Period: RMB1,836,000), representing a decrease of approximately 21.6% from the Prior Period. Revenue derived from the Hong Kong market was approximately RMB2,230,000 for the Period (The Prior Period: RMB2,466,000), representing an decrease of approximately 9.6% from the Prior Period.

Due to the Covid-19 pandemic, the government of Taiwan declared mandated closures and travel restrictions during the 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 21.6%, decrease in the revenue as compared with the Prior Period.

On the other hand, despite of the mandated closures implemented by governments in Hong Kong during the first half of the year, certain measures have been relaxed in the third quarter, allowing the Group to gradually resume its operations. The Group's sales of machineries and parts segments contributed approximately RMB1,865,000 to the Group's revenue during the Period, as compared with that of approximately RMB1,916,000 during the Prior Period.

Vietnam

The Group's revenue derived from the sales of burial plots in Vietnam was approximately RMB259,000 for the Period (The Prior Period: RMB251,000), representing an increase of approximately 3.2% from the Prior Period.

FINANCIAL REVIEW

Although the revenue decreased by over 8.0% in the first half of the year as the result of the mandated closures implemented by governments across different countries, the relaxation of certain measures in the third quarter, especially in the PRC, allowed the Group to gradually resume its operations and recorded an 11.3% quarter-on-quarter increase in revenue. During the Period, the Group's revenue was approximately RMB47,147,000 (The Prior Period: RMB47,693,000), representing a decrease of approximately 1.1% for the Prior Period.

Cost of sales for the Period was approximately RMB22,435,000 (The Prior Period: RMB22,593,000), decreased by approximately 0.7% as compared with the Prior Period. The decrease in cost of sales for the Period was in line with the trend of revenue of the Group.

Other gains of approximately RMB2,044,000 during the Period was relatively stable as compared with RMB2,040,000 for the Prior Year.

Compared with the Prior Period, selling expenses for the Period decreased by approximately 27.3% to approximately RMB4,322,000 as the result of the reduction of sales activities after the outbreak of Covid-19 pandemic.

Administrative expenses, which accounted for approximately 35.2% (The Prior Period: 36.8%) of revenue, decreased by approximately 5.6% to approximately RMB16,594,000 (The Prior Period: RMB17,576,000) due to the general decrease in the salary level across different geographical segments during the Period.

As the result of the cumulative effect from the above-mentioned factors, the profit attributable to the owners of the Company for the Period was approximately RMB2,830,000, as compare with approximately RMB1,081,000 for the Prior Period. Earnings per share for the Period was approximately RMB0.38 cents (The Prior Period: RMB0.15 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 30 September 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 year ended 31 December 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.

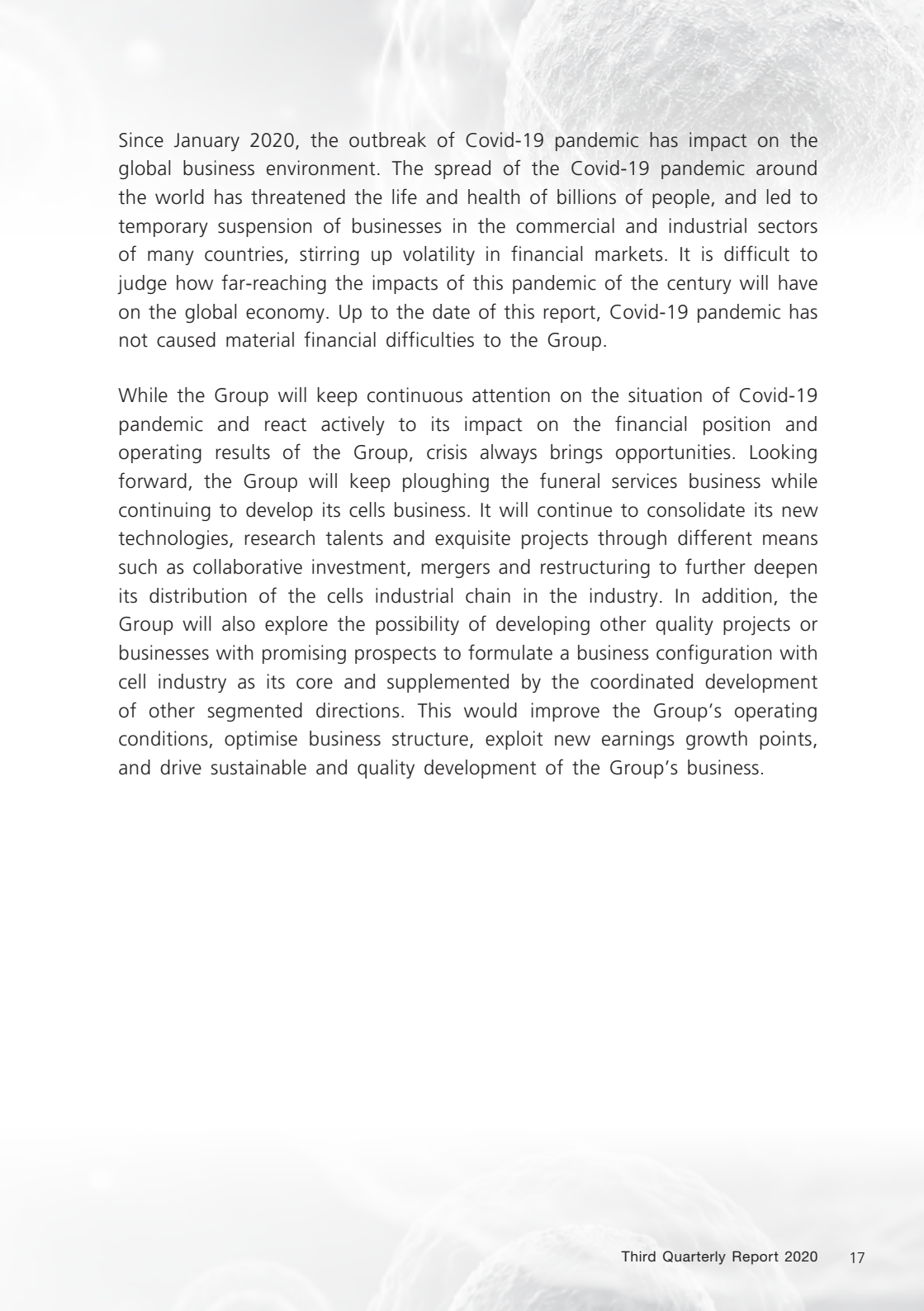
SIGNIFICANT ACQUISITIONS AND DISPOSALS OF INVESTMENTS

The Group did not have any significant acquisitions and disposals of investments during the Period.

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 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.

The background of the page features a faint, grayscale microscopic image of biological cells, showing various cellular structures and membranes. The cells are out of focus, creating a soft, textured backdrop for the text.

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 the Shares, Underlying Shares and Debentures of the Company or its Associated Corporations

As at 30 September 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 (Cap. 571 of the Laws of Hong Kong) (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 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 30 September 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 the Shares, Underlying Shares and Debentures of the Company or its Associated Corporations" 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:

Aggregate long positions in the Shares

Name of Shareholder	Capacity/ Nature of Interest	Number of Shares held	Approximate percentage of the issued share capital of the Company
Hong Kong Gaoqi Biological Technology Company Limited ("HK Gaoqi")	Beneficial Owner (Note)	220,475,000	29.69%

Note: Mr. Xu Jianchun, the Company's Director, is also a director of HK Gaoqi in which he holds 25.55% equity interests.

Saved as disclosed above, as at 30 September 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 the Shares, Underlying Shares and Debentures of the Company or its Associated Corporations" 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, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were expected, directly or indirectly, to be interested in 5% or more of the Shares.

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 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 its Associated Corporations" above, at no time during the 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 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 Period and up to the date of this third quarterly report.

PURCHASE, SALE AND REDEMPTION OF SECURITIES

During the 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 30 September 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 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 (the “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. The supplemental announcements on the 2019 Annual Results have been published on 22 June 2020 and 8 July 2020 respectively and the 2019 Annual Report has been published and delivered on 30 June 2020.

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

13 November 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.