

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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)

DISCLOSEABLE TRANSACTIONS RENOVATION CONTRACTS FOR THE NEW LABORATORY

RENOVATION CONTRACTS

On 27 September 2019 (after trading hours), ZMAY, a direct wholly-owned subsidiary of the Company accepted the Renovation Contracts in respect of the Renovation Works to be carried out at the New Laboratory at the Contract Price.

The contract price for each of the Renovation Contracts was determined after arm's length negotiations between ZMAY and each of the Contractors on normal commercial terms with reference to the standard and materials chosen by the Group under the Renovation Contracts, the experience and the expected quality of the works.

The Contract Price will be financed by internal resources of the Group which the Company considers would be sufficient for the purpose.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios under the GEM Listing Rules in respect of each of the Renovation Contracts exceeds 5% but is less than 25%, each of the transaction under the Renovation Contracts constitutes a discloseable transaction of the Company and therefore is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

Pursuant to Rule 19.23A of the GEM Listing Rules, the works to be carried out by each of the contractors for the renovation works of the New Laboratory would not need to be aggregated because the New Laboratory will be used by the Company in its ordinary and usual course of business and that the sole basis for aggregation under Rule 19.23(3) of the GEM Listing Rules is that it involves the same asset only.

On 27 September 2019 (after trading hours), ZMAY, a direct wholly-owned subsidiary of the Company accepted the Renovation Contracts in respect of the Renovation Works to be carried out at the New Laboratory at the Contract Price.

A. THE RENOVATION CONTRACTS

1. The Fitting-out Contract

Date of offer made by Contractor A: 16 September 2019

Date of acceptance: 27 September 2019

Parties: (1) ZMAY; and

(2) Contractor A

Contractor A is principally engaged in undertaking installation and renovation work in Hong Kong. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Contractor A and its ultimate beneficial owners is a third party independent of the Company and its connected persons and also is a third party independent to Contractor B and Contractor C.

Fitting-out Works

Under the Fitting-out Contract, Contractor A agreed to undertake the Fitting-out Works in the New Laboratory according to agreed items of works to be carried out at the New Laboratory and the external louvre.

Contract sum and terms of payment

The FO Contract Price is HK\$8,125,330 which was determined after arm's length negotiations between ZMAY and Contractor A on normal commercial terms with reference to the standard and materials chosen by the Group under the Fitting-out Works, the experience and the expected quality of the works.

The FO Contract Price shall be paid by ZMAY to Contractor A by cheque or by such other method as agreed between the parties in the following manner:

- a. 50% of the FO Contract Price, i.e. HK\$4,062,665 as deposit shall be paid upon acceptance and confirmation of the Fitting-out Contract by ZMAY;
- b. 30% of the FO Contract Price, i.e. HK\$2,437,599, shall be paid on the 45th day after the Fitting-out Works commenced;
- c. 15% of the FO Contract Price, i.e. HK\$1,218,799.50, shall be paid on the 75th day after the Fitting-out Works commenced; and
- d. Balance of the FO Contract Price, being 5%, i.e. HK\$406,266.50, shall be paid within 30 calendar days after the Fitting-out Works are practically completed.

The FO Contract Price will be financed by internal resources of the Group which the Company considers would be sufficient for the purpose.

2. The Air-conditioning Contract

Date of offer made by Contractor B: 15 August 2019

Date of acceptance: 27 September 2019

Parties: (1) ZMAY; and
(2) Contractor B

Contractor B is principally engaged in provision and installation of air-conditioning system in Hong Kong. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Contractor B and its ultimate beneficial owners is a third party independent of the Company and its connected persons and also is a third party independent to Contractor A and Contractor C.

Air-conditioning Works

Under the Air-conditioning Contract, Contractor B agreed to undertake the Air-conditioning Works in the New Laboratory according to the agreed items of works as stated in the Air-conditioning Contract, which includes supply and installation of chilled water system.

Contract sum and terms of payment

The AC Contract Price is HK\$6,860,000 which was determined after arm's length negotiations between ZMAY and Contractor B on normal commercial terms with reference to the standard and materials chosen by the Group under the Air-conditioning Works, the experience and the expected quality of the works.

The AC Contract Price shall be paid by ZMAY to Contractor B by cheque or by such other method as agreed between the parties in the following manner:

- a. 40% of the AC Contract Price, i.e. HK\$2,744,000 as deposit shall be paid upon confirmation of the Air-conditioning Contract by ZMAY;
- b. 50% of the AC Contract Price, i.e. HK\$3,430,000, shall be paid against monthly progress; and
- c. Balance of the AC Contract Price, being 10%, i.e. HK\$686,000, shall be paid upon completion of the Air-conditioning Works.

The AC Contract Price will be financed by internal resources of the Group which the Company considers would be sufficient for the purpose.

3. The Clean Room Installation Contract

Date of offer made by Contractor C: 12 August 2019
Date of acceptance: 27 September 2019
Parties: (1) ZMAY; and
(2) Contractor C

Contractor C is principally engaged in installation of clean room and laboratory in Hong Kong. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Contractor C is a third party independent of the Company and its connected persons and also is a third party independent to Contractor A and Contractor B.

Clean Room Works

Under the Clean Room Installation Contract, Contractor C agreed to undertake the installation of the clean room in the New Laboratory according to the agreed items of works as stated in the Clean Room Installation Contract, which includes partitioning, ceiling system and the lighting system inside the clean room.

Contract sum and terms of payment

The CR Contract Price is HK\$4,363,590 which was determined after arm's length negotiations between ZMAY and Contractor C on normal commercial terms with reference to the standard and materials chosen by the Group under the Clean Room Works, the experience and the expected quality of the works.

The CR Contract Price shall be paid by ZMAY to Contractor C by cheque or by such other method as agreed between the parties in the following manner:

- a. 40% of the CR Contract Price, i.e. HK\$1,745,436 as deposit shall be paid upon confirmation of the Clean Room Installation Contract by ZMAY;
- b. 30% of the CR Contract Price, i.e. HK\$1,309,077, shall be paid when the materials and panels are delivered on site;
- c. 20% of the CR Contract Price, i.e. HK\$872,718, shall be paid upon completion of the panel installation; and
- d. Balance of the CR Contract Price, being 10%, i.e. HK\$436,359, shall be paid upon completion of the Clean Room Works.

The CR Contract Price will be financed by internal resources of the Group which the Company considers would be sufficient for the purpose.

B. DURATION OF THE RENOVATION WORKS

It is expected that the Renovation Works shall commence on the date of acceptance and confirmation of the Renovation Contracts, and the Renovation Works will be completed on or about January 2020.

C. REASONS FOR AND BENEFITS OF THE RENOVATION CONTRACTS

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.

As reported in the 2018–2019 Third Quarterly Report of the Group, the Group had signed a new lease for the New Laboratory in Kowloon Bay in order to capture the potential business upside following the recent market development and clarification after the Hong Kong Court's judgment on another market player's beauty treatment death case and the Consultation Report issued by the Department of Health on 30 October 2018 relating to the Regulation of Advanced Therapy Products which are applicable to the anti-aging and stem cell technology business of the Group.

As explained in the 2018–2019 Third Quarterly Report, the Company intends to fulfil the anticipated new regulatory standard and hence signed a new lease for the New Laboratory and the new office and the customer service centre. The total area of the New Laboratory is approximately 12,400 square feet. Therefore, the Company has sought quotations and technical requirements from several potential contractors in respect of different technical aspects of the necessary alterations and fitting out works because the Directors need to closely monitor the scope of work so that the fitting out works for the laboratory would satisfy necessary international standards. After the Directors have reviewed and negotiated with different contractors in relation to their scope of works and the fees, the Directors could then determine and accept all the contractors (including the Contractors) at the same time so that their respective works will follow closely the scheduled timetable and to carry out their respective works accordingly as contemplated under their respective contracts (including the Renovation Contracts).

The Directors (including the independent non-executive Directors) consider the terms of the transactions contemplated under each of the Air-conditioning Contract, the Clean Room Installation Contract and the Fitting-out Contract are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

D. IMPLICATIONS UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios under the GEM Listing Rules in respect of each of the Renovation Contracts exceeds 5% but is less than 25%, each of the transaction under the Renovation Contracts constitutes a discloseable transaction of the Company and therefore is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

Pursuant to Rule 19.23A of the GEM Listing Rules, the works to be carried out by each of the contractors for the renovation works of the New Laboratory would not need to be aggregated because the New Laboratory will be used by the Company in its ordinary and usual course of business and that the sole basis for aggregation under Rule 19.23(3) of the GEM Listing Rules is that it involves the same asset only.

E. CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company has been suspended from 9:00 a.m. on 5 July 2019 and will remain suspended until further notice.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

F. DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“AC Contract Price”	HK\$6,860,000, being the total price of the Air-conditioning Works but would be adjusted subject to detail drawings and material finally utilised
“Air-conditioning Contract”	a quotation offer made by Contractor B to ZMAY dated 15 August 2019 which was accepted and confirmed by ZMAY on 27 September 2019 in respect of the Air-conditioning Works to be carried out at the New Laboratory at the AC Contract Price
“Air-conditioning Works”	the air-conditioning works to be carried out under the Air-conditioning Contract
“Board”	the board of Directors
“Clean Room Installation Contract”	the quotation offer made by Contractor C to ZMAY dated 12 August 2019 which was accepted and confirmed by ZMAY on 27 September 2019 in respect of the Clean Room Works carried out at the New Laboratory at the CR Contract Price
“Clean Room Works”	the clean room installation works to be carried out under the Clean Room Installation Contract
“Company”	Hong Kong Life Sciences and Technologies Group Limited, a company incorporated in the Cayman Islands with limited liability, its issued shares are listed on GEM (Stock Code: 8085)

“Contract Price”	the aggregate contract price of the FO Contract Price, the AC Contract Price and the CR Contract Price, being the total price of the Fitting-out Works, the Air-conditioning Works and the Clean Room Works but would be adjusted subject to detail drawings and materials finally utilized
“Contractor A”	a company incorporated in Hong Kong, which is engaged in undertaking installation and renovation work in Hong Kong
“Contractor B”	a company incorporated in Hong Kong, which is engaged in provision and installation of air-conditioning system and fire engineering work in Hong Kong
“Contractor C”	a natural person who is engaged in installation of clean room and laboratory in Hong Kong
“Contractors”	collectively the Contractor A, the Contractor B and the Contractor C
“CR Contract Price”	HK\$4,363,590, being the total price of the Clean Room Works but would be adjusted subject to detail drawings and material finally utilised
“Directors”	directors of the Company
“Fitting-out Contract”	a quotation offer made by Contractor A to ZMAY dated 16 September 2019 which was accepted and confirmed by ZMAY on 27 September 2019 in respect of the Fitting-out Works to be carried out at the New Laboratory at the FO Contract Price
“Fitting-out Works”	the fitting-out and external louvre works to be carried out under the Fitting-out Contract
“FO Contract Price”	HK\$8,125,330, being the total price of the Fitting-out Works but would be adjusted subject to detail drawings and material finally utilised
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“New Laboratory”	the premises at Room 2302, 23/F, OCTA Tower, 8 Lam Chak Street, Kowloon Bay, Hong Kong, which the Group intends to use as its new laboratory

“Renovation Contracts”	collectively the Air-conditioning Contract, the Clean Room Installation Contract and the Fitting-out Contract
“Renovation Works”	collectively the Air-conditioning Works, the Clean Room Works and the Fitting-out Works
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ZMAY”	ZMAY Holdings Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company

By Order of the Board
Hong Kong Life Sciences and Technologies Group Limited
Lu Zhiqiang
Executive Director and Chief Executive Officer

Hong Kong, 27 September 2019

As at the date of this announcement, 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.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for a minimum period of seven days from the date of its publication and on the Company’s website at <http://www.hklifesciences.com>.