



**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

2020/21
First Quarterly Report

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.*

FIRST 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 months ended 30 June 2020, together with the unaudited comparative figures for the corresponding period in 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2020

	Notes	Three months ended 30 June	
		2020 Unaudited HK\$'000	2019 Unaudited HK\$'000
Revenue	4	–	43,358
Cost of sales		–	(38,603)
Gross profit		–	4,755
Loss on held-for-trading investments		–	(238)
Other income	4	484	295
Gain on disposal of assets and liabilities classified as held-for-sale	5	–	3,667
Gain on disposal of a subsidiary		728	–
Administrative and other operating expenses		(6,965)	(11,112)
Finance costs		(673)	(814)
Loss before tax	6	(6,426)	(3,447)
Income tax expense	7	–	–
Loss for the period		(6,426)	(3,447)
Other comprehensive expenses: <i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		(238)	(1,162)
Total comprehensive expenses for the period		(6,664)	(4,609)

		Three months ended 30 June	
		2020	2019
		Unaudited	Unaudited
<i>Notes</i>		HK\$'000	HK\$'000
Loss for the period attributable to:			
— owners of the Company		(6,421)	(3,441)
— non-controlling interests		(5)	(6)
		(6,426)	(3,447)
Total comprehensive expenses for the period attributable to:			
— owners of the Company		(6,659)	(4,603)
— non-controlling interests		(5)	(6)
		(6,664)	(4,609)
Loss per share:			
Basic and diluted (HK cents)		(0.11)	(0.06)
	9		

NOTES TO THE UNAUDITED 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 2020 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 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, the chief executive officer of the Company, for the purpose of allocating resources to, assessing the performance of, of the Group's various lines of business and geographical locations.

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 three months ended 30 June 2020 and 2019 are as follows:

(a) Segment revenues and results

For the three months ended 30 June 2020	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	-	-	-	-	-
Segments results	(3,344)	(201)	(310)	-	(3,855)
Gain on disposal of a subsidiary					728
Finance costs					(673)
Unallocated corporate expenses					(2,626)
Loss before tax					(6,426)
For the three months ended 30 June 2019	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	60	39,289	4,009	-	43,358
Segments results	(6,576)	(41)	3,704	(237)	(3,150)
Gain on disposal of assets and liabilities classified as held-for-sale					3,667
Finance costs					(814)
Unallocated corporate expenses					(3,150)
Loss before tax					(3,447)

(b) Geographical information

The Group operates in the People's Republic of China (excluding Hong Kong) ("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 three months ended 30 June	
	2020 Unaudited HK\$'000	2019 Unaudited HK\$'000
Hong Kong	–	4,990
PRC	–	38,368
	–	43,358

4. REVENUE AND OTHER INCOME

	Three months ended 30 June	
	2020 Unaudited HK\$'000	2019 Unaudited HK\$'000
Revenue		
Anti-aging and stem cell technology businesses	–	60
Trading business	–	39,289
Money lending business	–	4,009
	–	43,358
Other income		
Interest income	–	1
Imputed interest income on non-current rental deposit	57	52
Gain on disposal of property, plant and equipment	2	43
Sundry income	425	199
	484	295

5. GAIN ON DISPOSAL OF ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE

On 5 May 2019, the Group entered into the equity transfer agreement with an independent third party to dispose of 100% of the equity interest (the “Disposal”) in 深圳盛力會生物科技有限公司 (Shenzhen Shenglihui Bio-technology Company Limited) (the “Disposed Company”), an indirect wholly-owned subsidiary of the Company, for a total consideration of approximately RMB1.6 million (equivalent to HK\$1.8 million). All the conditions of the equity transfer agreement had been fulfilled and the completion took place on 6 May 2019. The details of gain on Disposal were as follows:

	At 6 May 2019 (Unaudited) HK\$'000
Net assets/(liabilities) disposed of	
Assets classified as held-for-sale	713
Liabilities classified as held-for-sale	(2,357)
Net liabilities	(1,644)
Release of translation reserve upon Disposal	(217)
Gain on disposal of assets and liabilities classified as held-for-sale	3,667
Consideration received:	
Cash	1,806

6. LOSS BEFORE TAX

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

	Three months ended 30 June	
	2020	2019
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Staff costs (including Directors' emoluments)		
— salaries and allowance	4,222	3,674
— contributions of defined contributions retirement benefits schemes	98	98
	4,320	3,772
Depreciation of property, plant and equipment	6	278
Depreciation of right-of-use assets	–	1,893
Expenses relating to short-term leases	554	1,417
Gain on disposal of a subsidiary	(728)	–

7. INCOME TAX EXPENSE

	Three months ended 30 June	
	2020	2019
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Current tax		
Hong Kong	–	–
PRC enterprise income tax	–	–
	–	–

Hong Kong profits tax is calculated at the rate of 8.25% (2019: 8.25%) on estimated assessable profits up to HK\$2,000,000 and 16.5% (2019: 16.5%) on only part of estimated assessable profits over HK\$2,000,000 arising or derived from Hong Kong. Hong Kong profits tax has not been provided as the Group had no assessable profits for the period (2019: Nil).

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 recognised for the period due to the temporary differences which will result in a liability to be payable in the foreseeable future are immaterial.

8. DIVIDEND

The Board does not recommend the payment of any interim dividend for the three months ended 30 June 2020 (2019: Nil).

9. LOSS PER SHARE

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

	Three months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
Loss for the period attributable to the owners of the Company	6,421	3,441
Weighted average number of ordinary shares in issue	5,688,396,805	5,688,396,805

For the three months ended 30 June 2020 and 2019, the Company did not have any potential ordinary shares. Diluted loss per share was the same as the basic loss per share as there are no dilutive potential ordinary shares for the three months ended 30 June 2020 and 2019.

10. CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to owners of the Company							Non-controlling interests	Total
	Share capital	Share premium	Special reserve	Translation reserve	Accumulated losses	Sub-total			
	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000		
At 1 April 2019 (Audited)	227,536	675,345	(39,998)	(3,272)	(561,592)	298,019	(46,359)	251,660	
Initial application of HKFRS 16	-	-	-	-	(262)	(262)	-	(262)	
Adjusted balance at 1 April 2019 (Audited)	227,536	675,345	(39,998)	(3,272)	(561,854)	297,757	(46,359)	251,398	
Loss for the period	-	-	-	-	(3,441)	(3,441)	(6)	(3,447)	
Exchange differences arising on translation of foreign operations	-	-	-	(1,162)	-	(1,162)	-	(1,162)	
Total comprehensive expense for the period	-	-	-	(1,162)	(3,441)	(4,603)	(6)	(4,609)	
At 30 June 2019	227,536	675,345	(39,998)	(4,434)	(565,295)	293,154	(46,365)	246,789	
At 1 April 2020	227,536	675,345	(39,998)	(5,736)	(781,349)	75,798	(46,372)	29,426	
Loss for the period	-	-	-	-	(6,421)	(6,421)	(5)	(6,426)	
Exchange differences arising on translation of foreign operations	-	-	-	(238)	-	(238)	-	(238)	
Total comprehensive expense for the period	-	-	-	(238)	(6,421)	(6,659)	(5)	(6,664)	
At 30 June 2020	227,536	675,345	(39,998)	(5,974)	(787,770)	69,139	(46,377)	22,762	

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the three months ended 30 June 2020 (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. The Group has been continuing its existing and normal business operations before and after the suspension of trading of the Company’s shares on 5 July 2019.

Anti-Aging and Stem Cell Technology Businesses

During the Period under review, the Group did not record any revenue from the anti-aging and stem cell technology businesses in Hong Kong (2019: HK\$0.1 million). The segment loss before finance costs and income tax expense were approximately HK\$3.3 million (2019: HK\$6.6 million). The loss was incurred mainly from the staff and related cost, depreciation of property, plant and equipment, depreciation of right-of-use assets.

As disclosed in the Company’s announcements in relation to the quarterly update on suspension of trading and in relation to the profit warnings dated 3 July 2020 and 31 July 2020 respectively and as explained in the 2020 Annual Report dated 23 June 2020 (the “**AR2020**”), the sudden and rapid outbreak of the novel coronavirus (“**COVID-19**”) in Hong Kong, China and the world as well as the continuous civil unrest and the disruption in Hong Kong society which continued to cause serious effect on the Company’s existing operations due to disruption of social and business activities as well as weakened sentiment in the consumption. Our targeted customers of anti-aging and stem cell technology business, many of whom are from the PRC have either cancelled or postponed indefinitely to come to Hong Kong for taking our services until the uncertainties, quarantine measures, hospitality facilities availabilities and safety risk are resolved.

The Company has entered into certain renovation contracts (including those contracts which constitute discloseable transactions of the Company as disclosed in the announcement of the Company dated 27 September 2019). As disclosed in the AR2020, we have relocated the existing laboratory in Shatin to the new laboratory & customer service centre in Kowloon Bay in June 2020. However, it is expected that the completion of the fitting-out works for the new laboratory will be further delayed to end of September 2020 from July 2020.

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 has signed cooperation agreements 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.

The Group will continue to enhance 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 continuously review its 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 did not record any revenue from the trading of electronic components (2019: HK\$38.4 million). Due to the tariffs and restrictions imposed by the United States and the PRC as well as the threat of COVID-19, it has negative impacts to our trading of electronic components. The Group will continue to keep track of the economic environment and review the future allocation of resources as and when required.

Trading of Healthcare and Personal Care Products

During the Period, the Group did not record any revenue from trading of healthcare and personal care products (2019: HK\$0.9 million). The Group has been sourcing suitable healthcare products which complement the Group's anti-aging and stem cell technology businesses. 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. We will pay close attention to the market situations and make necessary adjustments to our strategies and operations.

The segment loss of trading business before income tax expense was approximately HK\$0.2 million (2019: HK\$0.1 million). The costs of trading business was mainly attributable to the staff and related cost and office expenses.

Money Lending Business

During the Period under review, the Group did not record any revenue from money lending business (2019: HK\$4.0 million) and recorded a segmental loss before income tax expense of approximately HK\$0.3 million (2019: profit of HK\$3.7 million). The interest rate charged by the Group to customers ranging from 10% to 14% per annum. The Group mainly provides 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 Group had applied the HKFRS 9 to measure the expected credit loss for the loan receivables and loan interests receivables. Since all loan receivables and loan interest receivables as at 31 March 2020 were considered to be credit-impaired due to those receivables which have been past due for more than 90 days and lack of new loan lending to customer during the Period, no revenue was recognised during the Period. The management has assessed the collectability of loans receivables from time to time individually with reference to borrowers' past collection history and current creditworthiness. No reversal of impairment loss on loan receivables and loan interest receivables were recognised during the Period.

In view of the recent development of the COVID-19 and local social incidents, which could further weigh on economic performance, consumption, disrupt economic activities and the customers' repayment capabilities, it has negative impacts and increase pressure to our money lending business. The Group has taken appropriate actions to recover the overdue debts and will continue to closely monitor the situation.

Securities Investment Business

During the Period under review, the Group did not record any disposal of held-for-trading investments (2019: nil) and the fair value change on held-for-trading investments was nil (2019: loss of approximately HK\$0.2 million). The Board will continue to monitor the market conditions and its performance.

Financial Review

Revenue

During the Period under review, the Group's total revenue was nil (2019: HK\$43.4 million). The reasons for the significant decrease in revenue were explained in the business review section.

Administrative and other operating expenses

The administrative and other operating expenses for the Period were approximately HK\$7.0 million (2019: HK\$11.1 million). These expenses mainly consisted of staff costs, depreciation of property, plant and equipment and right-of-use assets, legal and professional fee and expenses relating to short-term leases. The decrease in the administrative and other operating expenses were mainly due to the absent of deprecation of use-of-right assets and decrease in expenses relating to short-term leases due the closing of service centre in Causeway Bay in December 2019.

Finance costs

Subsequent to the new adoption of the HKFRS 16, the Group had measured its lease liability at the present value of the lease payments. The lease liability will be adjusted for interest and lease payments over the lease period. During the Period, the finance cost in relation to the imputed interest expenses for lease liabilities was approximately HK\$0.7 million (2019: HK\$0.8 million).

Loss for the Period and Loss per share

The loss for the Period was approximately HK\$6.4 million (2019: HK\$3.4 million) and the loss for the Period attributable to owners of the Company was approximately HK\$6.4 million (2019: HK\$3.4 million) and the loss per share was 0.11 HK cents (2019: 0.06 HK cents).

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 Group will closely monitor its cash position and constantly keep reviewing its strategies and operations with a view to improving its business performance. The Group remains cautiously proactive about our future plans to support our future performance and enhance the interest of the shareholders of the Company (the **"Shareholders"**).

MATERIAL EVENTS

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"**).

On 2 January 2019, the Company submitted a written request to the GEM Listing Committee pursuant to Chapter 4 of the GEM Listing Rules for review of the Decision. The review hearing of the Decision by the GEM Listing Committee took place on 12 March 2019. On 20 March 2019, the Company received a fax from the GEM Listing Committee that they had decided to uphold the Decision (the **"GEM Listing Committee Decision"**). On 28 March 2019, the Company submitted a written request to the GEM Listing (Review) Committee pursuant to Chapter 4 of the GEM Listing Rules for review of the GEM Listing Committee Decision. The review hearing of the Decision by the GEM Listing (Review) Committee took place on 5 June 2019. On 4 July 2019, the Company received a fax from the GEM Listing (Review) Committee that they had decided to uphold the GEM Listing Committee Decision to suspend trading in the Company's shares under GEM Listing Rule 9.04 and proceed with cancellation of the Company's listing under GEM Listing Rule 9.14 (the **"GEM LRC Decision"**).

The Company received a letter from the Stock Exchange dated 16 July 2019, in which the Stock Exchange sets out the resumption guidance that the Company is required to submit a resumption proposal to demonstrate its compliance with Rule 17.26 of the GEM Listing Rules (the “**Resumption Guidance**”). Under the Rule 9.14A(1) of the GEM Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 12 months. In the case of the Company, the 12-month period expires on 4 July 2020. If the Company fails to remedy the issue(s) causing its trading suspension, fully comply with the GEM Listing Rules to the Stock Exchange’s satisfaction and resume trading in its shares by 4 July 2020, the Listing Department will recommend the GEM Listing Committee to proceed with the cancellation of the Company’s listing. In addition, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

The Company has published quarterly updates on suspension of trading for the developments of the Company and progress towards resumption of trading, details of which were set out in the Company’s announcements dated 4 October 2019, 2 January 2020, 3 April 2020 and 3 July 2020. As at the date of this report, due to the COVID-19 as well as the continuous civil unrest and the disruption in Hong Kong society that have been affecting Hong Kong community and the global economy, the Board has been unable to quantify or forecast with confidence in respect of all the key figures and assumptions for formulating, let alone finalising the information for the resumption plan which was supposed to be submitted to the Stock Exchange. Therefore, the Company is unable to and has not submitted any resumption plan or the resumption timetable to the Stock Exchange. The Company will keep the Shareholders and potential investors informed of the update on the suspension of trading by making further announcement as required under the GEM Listing Rules.

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.

OTHER INFORMATION

Directors' and Chief Executive's Interests in Securities

As at 30 June 2020, 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) (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, were as follows:

(a) Long position in the ordinary shares of the Company ("**Shares**")

Name of Directors	Capacity/ Nature of interest	Number of Shares held	Percentage of Shares in issue <i>(Approximate)</i>
Mr. Lau Ngai Cheung (" Mr. Lau ") <i>(Note)</i>	Beneficial owner, interest of spouse and interest of a controlled corporation	756,850,000	13.31%
Mrs. Cheung Fan Karen (" Mrs. Cheung ") <i>(Note)</i>	Beneficial owner/ interest of spouse	756,850,000	13.31%

Note: Each of Mr. Lau and 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 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 and Mr. Lau is deemed to be interested in all of the Shares owned by Mrs. Cheung.

(b) Long position in the shares of associated corporation

Name of Director	Name of associated corporation	Capacity	Number of shares held in associated corporation	Percentage of interest in associated corporation
Mr. Lau (Note)	Pacific Fortune Global Limited	Beneficial owner	1	100.00%

Note: As at 30 June 2020, Pacific Fortune Global Limited was wholly owned by Mr. Lau.

Save as disclosed above, as at 30 June 2020, 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 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 the 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. As at 30 June 2020, the Company had 395,033,280 share options, representing 6.94% of the issued Shares, available for issue under the Share Option Scheme. No share options were granted, lapsed or exercised during the Period and there was no outstanding share option as at 31 March 2020 and 30 June 2020.

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 30 June 2020, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions 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 required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholders	Capacity/ Nature of interest	Number of Shares held	Percentage of Shares in issue (Approximate)
Mr. David Lin Kao Kun	Beneficial owner	1,054,330,333	18.53%
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:

1. 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.
2. A Plus Capital Management Limited is the beneficial owner of Tiger Capital Fund SPC — Tiger Global SP.

Save as disclosed above, as at 30 June 2020, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions 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 required to be kept by the Company under Section 336 of the SFO.

Purchase, Sale or Redemption of Shares

During the three months ended 30 June 2020, 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 three months ended 30 June 2020.

Competing Interests

As at 30 June 2020, none of the Directors and controlling shareholders of the Company nor any of their respective close 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 of the Company (the "**Audit Committee**") comprises 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, 14 August 2020

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.