

AID

LIFE SCIENCE

AID Life Science Holdings Limited

滙友生命科學控股有限公司*

*(Joint Provisional Liquidators appointed
For restructuring purposes only)*

3rd Quarterly Report 2020

For the nine months ended 30 September

* For identification purpose only

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This report, for which the directors of 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 for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement in this report misleading.

ABOUT AID LIFE SCIENCE HOLDINGS LIMITED

AID Life Science Holdings Limited (the “Company” and, together with its subsidiaries, the “Group”) is a strategic investment group listed on GEM (stock code: 8088).

The Group is principally engaged in the business of strategic investment.

MANAGEMENT DISCUSSION AND ANALYSIS

During the nine months under review, the Group continued to operate its strategic investment business. As part of the strategic investment business, the Group continued to monitor and strive to maximise the value of its strategic investments including, among others, (i) the development and operations of mobile/online games and mobile game distribution and publishing platform through its subsidiaries, Complete Star Limited and its subsidiary and Honestway Global Group Limited (“HGGL”) and its subsidiaries; (ii) in the movie distribution and artist management through its shareholding in China Creative Digital Entertainment Limited (stock code: 8078) (“China Creative”); (iii) in the People’s Republic of China in the development and operation of electric vehicle charging pile facility; and (iv) the development in advanced personal molecular diagnostic services for cancer evaluation and cure through its investment in GeneSort.

DISPOSAL OF AID PARTNERS AUTONOMOUS GP LTD.

On 26 May 2020, New Earn Investments Limited (the “Vendor”), a wholly-owned subsidiary of the Company, and Vantage Elite Holdings Limited (the “Purchaser”) entered into the sale and purchase agreement (the “Disposal Agreement”), pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has agreed to purchase the entire share capital of AID Partners Autonomous GP Ltd. (the “General Partner”) at a cash consideration of US\$270,000 (equivalent to approximately HK\$2,106,000).

On 10 July 2020, the shareholders of the Company passed an ordinary resolution on the extraordinary general meeting to approve the execution of the Disposal Agreement. Upon completion of Disposal Agreement on 13 July 2020, the Company will cease to have any equity interest in the General Partner and the General Partner will cease to be a subsidiary of the Company. As a result, the Group would cease to have management and investment control over an exempted partnership registered in the Cayman Islands (the “Partnership”) through the General Partner. Therefore, the Partnership and its subsidiaries would also cease to be accounted for as subsidiaries of the Company notwithstanding that the Group would still retain its capital contribution to the Partnership.

IMPACT OF OUTBREAK OF CORONAVIRUS DISEASE 2019

After the outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”) in early 2020, it had resulted in suspension of work in certain regions in the People’s Republic of China. The epidemic has continued to spread and impacted global business and economic activities. A series of precautionary and control measures have been and continued to be implemented across the country/region. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which this set of unaudited condensed consolidated financial statements were authorised for issue, the Group was not aware of any material adverse effects on the unaudited condensed consolidated financial statements as a result of the COVID-19 outbreak.



FINANCIAL REVIEW

Revenue for the nine months under review decreased to HK\$3.5 million from HK\$8.4 million for the corresponding period last year, while total operating expenses (being selling and distribution expenses and administrative expenses) for the nine months under review decreased to HK\$30.2 million from HK\$46.6 million for the corresponding period last year.

Fair value loss on financial assets at fair value through profit or loss of HK\$35.4 million was recognised for the nine months under review, while fair value loss of HK\$21.9 million was recognised for the corresponding period last year.

Other net income for the nine months under review decreased to HK\$5.3 million from HK\$6.1 million for the corresponding period last year.

Finance costs for the nine months under review decreased to HK\$9.4 million from HK\$12.1 million for the corresponding period of last year, mainly represent the effective interest expense of the convertible bonds with principal amount of HK\$140 million.

As a result, the Group reported a loss attributable to owners of the Company for the nine months under review of HK\$67.6 million as compared to HK\$80.7 million for the corresponding period last year.

The Group will continue to (i) seize good opportunities from the potential fast growing specialised industry of health technology; (ii) monitor and maximise the value of our investments; and (iii) seek for potential strategic investment and divestment opportunities with the objective to enhance the return to its shareholders.

RESULTS

The board (the "Board") of directors (the "Director(s)") of the Company announces the unaudited condensed consolidated results of the Group for the nine months and three months ended 30 September 2020, together with the comparative unaudited figures of the corresponding periods in 2019, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months and three months ended 30 September 2020

	Notes	Unaudited Nine months ended 30 September		Unaudited Three months ended 30 September	
		2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Revenue	3	3,506	8,390	800	1,296
Cost of sales		(2,542)	(6,721)	(542)	(870)
Gross profit		964	1,669	258	426
Fair value (loss)/gain on financial assets at fair value through profit or loss		(35,410)	(21,934)	(27,365)	2,849
Loss on disposal of financial assets at fair value through profit or loss		-	(6,225)	-	-
Gain/(loss) on disposal of subsidiaries	7	2,091	(7,700)	2,091	-
Impairment of interest in an associate		(622)	-	-	-
Other net income	3	5,279	6,117	1,665	2,350
Selling and distribution expenses		-	(442)	-	-
Administrative expenses		(30,199)	(46,168)	(9,259)	(10,364)
Operating loss		(57,897)	(74,683)	(32,610)	(4,739)
Finance costs		(9,355)	(12,064)	(1,028)	(4,183)
Share of results of an associate accounted for using equity method		(850)	(2,186)	-	(1,469)
Loss before income tax		(68,102)	(88,933)	(33,638)	(10,391)
Income tax credit	4	393	1,312	3	332
Loss for the period		(67,709)	(87,621)	(33,635)	(10,059)
Attributable to:					
Owners of the Company		(67,558)	(80,738)	(33,556)	(10,043)
Non-controlling interests		(151)	(6,883)	(79)	(16)
Loss for the period		(67,709)	(87,621)	(33,635)	(10,059)
Loss per share attributable to owners of the Company					
Basic (HK cents)	5(a)	(12.34)	(14.88)	(6.08)	(1.84)
Diluted (HK cents)	5(b)	(12.34)	(14.88)	(6.08)	(1.84)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the nine months and three months ended 30 September 2020

	Unaudited Nine months ended 30 September 2020		Unaudited Three months ended 30 September 2020	
	HK\$'000	2019 HK\$'000	HK\$'000	2019 HK\$'000
Loss for the period	(67,709)	(87,621)	(33,635)	(10,059)
Other comprehensive income:				
Items that may be reclassified to profit or loss:				
Exchange differences on translation of foreign operations	79	(1,251)	529	(760)
Share of other comprehensive income/(loss) of an associate	14	(596)	-	(458)
Other comprehensive income/(loss) for the period, net of tax	93	(1,847)	529	(1,218)
Total comprehensive loss for the period	(67,616)	(89,468)	(33,106)	(11,277)
Total comprehensive loss for the period				
Attributable to:				
Owners of the Company	(67,466)	(83,250)	(33,026)	(11,265)
Non-controlling interests	(150)	(6,218)	(80)	(12)
	(67,616)	(89,468)	(33,106)	(11,277)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 21 February 2000 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and, its principal place of business is 22/F, New World Tower II, 18 Queen's Road Central, Central, Hong Kong. The Company's shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 17 April 2000. The Company and its subsidiaries are together referred to as the "Group" hereinafter.

The Company acts as the holding company of the Group. The Group is principally engaged in the business of strategic investment.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial information has been prepared in accordance with International Financial Reporting Standards ("IFRSs") by the International Accounting Standards Board (the "IASB") and disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("GEM Listing Rules").

The unaudited condensed consolidated financial information has been prepared under historical cost convention, except for certain financial assets which are measured at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the unaudited condensed consolidated financial information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the unaudited consolidated financial information, are consistent with those set out in the Company's annual audited consolidated financial statements for the year ended 31 December 2019 ("2019 Annual Report").

This condensed consolidated financial information for the nine months ended 30 September 2020 is unaudited but has been reviewed by the audit committee of the Company.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

This unaudited condensed consolidated financial information should be read in conjunction with the Company's 2019 Annual Report, which has been prepared in accordance with IFRSs. The principal accounting policies adopted to prepare this unaudited condensed consolidated financial information are consistent with those adopted to prepare the Company's 2019 Annual Report.

The IASB has issued a number of new or revised IFRSs which are first effective for accounting period beginning on 1 January 2020, the adoption of these new or revised IFRSs has no material impact on how the Group's results and financial position for the current and prior periods have been prepared and presented.

The Group has not early adopted the new or revised IFRSs which have been issued but not yet effective.

2.1 Going Concern

In July 2020, the Company received a demand letter from the bondholder of the convertible bonds ("CB") to demand for the repayment of the outstanding CB, failing which, the bondholder will take any and all actions against the Company, including but not limited to commencing winding-up proceedings against the Company. As at the date of this report, this CB remains due and outstanding (Note 9).

In August 2020, in order to facilitate the Company's financial restructuring, a winding up petition together with an application for the appointment (the "JPL Application") of joint and several provisional liquidators of the Company (for restructuring purposes) (the "JPLs") was appointed by the Company (Note 9).

Should the Group be unable to continue as a going concern, adjustment would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the unaudited condensed consolidated financial statements.

3. REVENUE AND OTHER NET INCOME

Revenue represents the (i) sales of in-app purchase items, (ii) advertising income, (iii) real-time video streaming income and (iv) shared use facilities income.

Other net income mainly comprises interest income and net foreign exchange gains.

4. INCOME TAX CREDIT

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. The profits of group entities not qualified for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

Taxes on profits assessable elsewhere have been calculated at the rates prevailing in the relevant jurisdictions during the nine months and three months ended 30 September 2020 and 2019.

Deferred tax credit relating to the amortisation of intangible assets was recognised in profit or loss for the nine months and three months ended 30 September 2020 and 2019. No recognition of potential deferred tax assets relating to tax losses of the Group has been made as the recoverability of the potential deferred tax assets is uncertain.

5. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic

Basic loss per share is calculated by dividing loss attributable to owners of the Company by weighted average number of ordinary shares in issue during the nine months and three months ended 30 September 2020 and 2019.

	Unaudited Nine months ended 30 September		Unaudited Three months ended 30 September	
	2020	2019	2020	2019
(HK\$'000)				
Loss attributable to owners of the Company	(67,558)	(80,738)	(33,556)	(10,043)
(Number of shares)				
Weighted average number of ordinary shares	547,348,793	542,482,005	551,783,635	545,107,005
(HK cents)				
Basic loss per share attributable to owners of the Company	(12.34)	(14.88)	(6.08)	(1.84)

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion/exercise of all potentially dilutive ordinary shares. The Company has three categories (2019: three categories) of potentially dilutive ordinary shares: remuneration shares, share options and convertible bonds. For the remuneration shares and share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares for the period) based on the monetary value of the subscription rights attached to outstanding remuneration shares and share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The convertible bonds were assumed to have been converted into ordinary shares, and the net loss has been adjusted to eliminate the interest expense, fair value change and gains/(losses) on early redemption less the tax effect.

For the nine months ended 30 September 2020 and 2019, diluted loss per share is the same as the basic loss per share as the conversion/exercise of potential ordinary shares in relation to the outstanding remuneration shares, share options and convertible notes would have anti-dilutive effects to the basic loss per share.

6. MOVEMENTS IN RESERVES

	Convertible			Share-			Remuneration share reserve	Foreign exchange reserve	Other reserve	Statutory surplus reserve	Accumulated losses	Total
	Share premium	Capital reduction reserve	bonds equity reserve	Capital reserve	Capital redemption reserve	based compensation reserve						
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000						
At 1 January 2020 (audited)	768,129	702,955	1,921	2,112	601	57,159	9,028	(5,347)	(21,619)	5,163	(1,291,185)	228,917
Loss for the period	-	-	-	-	-	-	-	-	-	-	(67,558)	(67,558)
Other comprehensive loss:												
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	78	-	-	-	78
Share of other comprehensive income of an associate	-	-	-	-	-	-	-	14	-	-	-	14
Total comprehensive loss for the period	-	-	-	-	-	-	-	92	-	-	(67,558)	(67,466)
Remuneration shares issued for consultancy service	5,872	-	-	-	-	-	(4,052)	-	-	-	-	1,820
Transfer to statutory surplus reserve	-	-	-	-	-	-	-	-	-	2	(2)	-
At 30 September 2020 (unaudited)	774,001	702,955	1,921	2,112	601	57,159	4,976	(5,255)	(21,619)	5,165	(1,358,745)	163,271
At 1 January 2019 as originally presented	762,257	702,955	1,921	2,112	601	57,159	10,400	(3,048)	(20,798)	5,163	(1,149,683)	369,029
Impact on application of FRS 16	-	-	-	-	-	-	-	-	-	-	(865)	(865)
At 1 January 2019 (restated)	762,257	702,955	1,921	2,112	601	57,159	10,400	(3,048)	(20,798)	5,163	(1,150,548)	368,174
Loss for the period	-	-	-	-	-	-	-	-	-	-	(80,738)	(80,738)
Other comprehensive loss:												
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	(1,916)	-	-	-	(1,916)
Share of other comprehensive loss of an associate	-	-	-	-	-	-	-	(59)	-	-	-	(59)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(2,512)	-	-	(80,738)	(83,250)
Remuneration shares issued for consultancy service	324	-	-	-	-	-	3,229	-	-	-	-	3,653
Dispose of subsidiaries as a result of loss of control, reclassified to profit or loss	-	-	-	-	-	-	-	-	(821)	-	821	-
At 30 September 2019 (unaudited)	762,581	702,955	1,921	2,112	601	57,159	13,729	(5,563)	(21,619)	5,163	(1,230,465)	288,577

7. DISPOSAL OF SUBSIDIARIES

(a) *Disposal of GeneSort International Inc. and its subsidiaries ("GeneSort Group")*

On 27 May 2019, the Group disposed of 6% of the issued share capital of GeneSort Group at a cash consideration of US\$740,000 (equivalent to approximately HK\$5,802,000). Upon completion on 27 May 2019, GeneSort Group had ceased to be a subsidiary of the Group. Thereafter, the investment in GeneSort Group was reclassified as interest in an associate.

The assets and liabilities of GeneSort Group were deconsolidated from the Group's consolidated statement of financial position and the interest in GeneSort Group has been accounted for as an associate using equity method. The fair value of the retained interest in GeneSort Group at the date of reclassification is regarded as the cost on initial recognition of the investment in GeneSort Group as an associate.

	2019 HK\$'000
Net assets of subsidiaries disposed of:	
Property, plant and equipment	5,400
Intangible assets	83,085
Trade and other receivables	1,324
Cash and cash equivalents	1,418
Trade and other payables	(60,635)
Deferred tax liabilities	(7,767)
	22,825
Less:	
Fair value of interest retained	(8,420)
Non-controlling interests	1,583
Total consideration	(8,288)
	Loss on disposal of subsidiaries
	7,700
Consideration satisfied by:	
Cash	5,802
Financial assets at fair value through profit or loss	2,486
	8,288
Net cash inflow arising on disposal:	
Cash consideration received	5,802
Cash and bank balances disposed of	(1,418)
	4,384

(b) Disposal of AID Partners Autonomous GP Ltd.

On 26 May 2020, New Earn Investments Limited (the "Vendor"), a wholly-owned subsidiary of the Company, and Vantage Elite Holdings Limited (the "Purchaser") entered into the sale and purchase agreement (the "Disposal Agreement"), pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has agreed to purchase the entire share capital of AID Partners Autonomous GP Ltd. at a cash consideration of US\$270,000 (equivalent to approximately HK\$2,106,000).

On 10 July 2020, the shareholders of the Company passed an ordinary resolution on the extraordinary general meeting to approve the execution of the Disposal Agreement. Upon completion of Disposal Agreement on 13 July 2020, the Company will cease to have any equity interest in the General Partner and the General Partner will cease to be a subsidiary of the Company. As a result, the Group would cease to have management and investment control over an exempted partnership registered in the Cayman Islands (the "Partnership") through the General Partner. Therefore, the Partnership and its subsidiaries would also cease to be accounted for as subsidiaries of the Company notwithstanding that the Group would still retain its capital contribution to the Partnership.

	2020 HK\$'000
Net assets of subsidiary disposed of:	
Trade and other receivables	38
Cash and cash equivalents	80
Trade and other payables	(104)
	14
Less:	
Total consideration	(2,106)
	2,092
Gain on disposal of subsidiary	2,092
Consideration satisfied by:	
Cash	2,106
Net cash inflow arising on disposal:	
Cash consideration received	2,106
Cash and bank balances disposed of	(80)
	2,026

(c) Disposal of Most Happy Investments Limited

On 14 July 2020, the Group has disposed of its entire equity interest in Most Happy Investments Limited at a cash consideration of HK\$10,000.

	2020 HK\$'000
Net assets of subsidiary disposed of:	
Cash and cash equivalents	26
Trade and other payables	(15)
	11
Less:	
Total consideration	(10)
	1
Loss on disposal of subsidiary	1
	1
Consideration satisfied by:	
Cash	10
	10
Net cash outflow arising on disposal:	
Cash consideration received	10
Cash and bank balances disposed of	(26)
	(16)

8. LOAN OF LISTED SECURITIES

On 22 March 2018, the Group entered into a Stock Borrowing Agreement ("Agreement") with China Creative as the borrower, whereas the Group has agreed to make available to the borrower a loan of the loaned securities up to 300,000,000 shares in China Creative (6,000,000 share adjusted upon the Capital Reorganization of China Creative), that were held by a subsidiary of the Group, in favour of an investor as a security for performance of certain obligations by China Creative, in relation to its issuance of convertible bonds and notes to the investor. Under the Agreement, China Creative has agreed to pay a borrowing fee on the value of the loaned securities at a rate of 3.5% per annum. During the nine months ended 30 September 2020, interest income amounted to HK\$2,300,000 was recognised as other net income in profit or loss.

The loan is guaranteed and indemnified by an executive director of China Creative against all costs, losses, damages, demands and expenses in which the Group may sustain or incur as a result of the whole or any of the obligations being defaulted or becoming irrecoverable from the borrower. As at 30 September 2020, the fair value of the loaned securities was HK\$270,000 by reference to market value.

9. JOINT PROVISIONAL LIQUIDATORS APPOINTED FOR RESTRUCTURING PURPOSES

The Company received a demand letter from the bondholder of the convertible bonds (“CB”) issued by the Company on 20 July 2015, to demand for the repayment of the outstanding CB in the principal amount of HK\$140 million together with all interests accrued (the “Debt”) on or before 5 pm on Thursday, 30 July 2020, failing which, the bondholder will take any and all actions against the Company, including but not limited to commencing winding-up proceedings against the Company. As at the date of this report, the Debt remains due and outstanding.

The Board, having explored different options to restructure the debts of the Company, intends to implement a management led restructuring under a court-supervised provisional liquidation regime pursuant to the laws of the Cayman Islands, commonly known as a “light touch” provisional liquidation, which provides a statutory moratorium prohibiting the commencement or continuance of any proceedings against the Company without the leave of the Grand Court of the Cayman Islands (the “Cayman Court”).

Accordingly, on 31 July 2020 (Cayman time), in order to facilitate the Company’s financial restructuring, a winding up petition together with an application for the appointment (the “JPL Application”) of joint and several provisional liquidators of the Company (for restructuring purposes) (the “JPLs”) on a light touch approach for restructuring purposes was presented and filed with the Cayman Court by the legal advisers to the Company as to Cayman Islands law at the request of the Company. The board of directors of the Company will retain management of the Company while the JPLs will monitor, oversee and supervise the Board and the continuation of the business of the Company under the control of the Board, and work alongside the Company’s management to review all issues relating to the feasibility of a restructuring of its debts and liabilities including to maintain the listing of the Company on GEM of the Stock Exchange.

On 6 August 2020 (Hong Kong time), the Company received the sealed Court Order (the “Order”) in relation to the JPL Application. As set out in the Order, the Cayman Court has ordered that, Messrs Osman Mohammed Arab and Lai Wing Lun of RSM Corporate Advisory (Hong Kong) Limited, and Mr. Martin Nicholas John Trott of R&H Restructuring (Cayman) Ltd., were appointed JPLs of the Company.

For details, please refer to announcements of the Company dated 4 August 2020 and 6 August 2020.

The Company will make further announcement(s) to provide updates to the shareholders and potential investors of the Company as and when appropriate.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2020 (nine months ended 30 September 2019: Nil).

DISCLOSURE OF INTERESTS

(A) DIRECTOR'S INTERESTS

As at 30 September 2020, the interests of the Directors or any chief executive of the Company in the ordinary shares of the Company (the "Shares") and underlying Shares and any of its associated corporations as recorded in the register were:

(i) *Interests in the Shares*

Name of Directors	Personal interest	Family interest	Aggregate long position in Shares	Approximate percentage of the issued share capital of the Company %
Ms. Chan Suet Ngan	19,850	–	19,850	0.003
Mr. Hu Kenneth (Note)	–	630,000	630,000	0.11
Mr. Yuen Kwok On ("Mr. Yuen")	99,000	–	99,000	0.01

Note: Ms. Qian Alexandra Gaochuan ("Ms. Qian"), the spouse of Mr. Hu Kenneth holds 630,000 Shares. Accordingly, Mr. Hu Kenneth is deemed to be interested in 630,000 Shares.

(ii) Interests in the underlying Shares
Outstanding share options

Name of Directors	Date of grant (dd/mm/yyyy)	Exercise price HK\$	Exercise period (Notes)	Balance	Granted	Exercised	Cancelled/ lapsed	Balance
				as at 1 January 2020	during the period	during the period	during the period	as at 30 September 2020
Ms. Chan Suet Ngan	01/04/2016	4.94	(1)	200,000	-	-	-	200,000
	19/05/2017	1.56	(2)	600,000	-	-	-	600,000
				<u>800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800,000</u>
Mr. Hu Kenneth (Note 3)	01/04/2016	4.94	(1)	400,000	-	-	-	400,000
	19/05/2017	1.56	(2)	2,800,000	-	-	-	2,800,000
				<u>3,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,200,000</u>
Mr. Yuen	01/04/2016	4.94	(1)	150,000	-	-	-	150,000
	19/05/2017	1.56	(2)	100,000	-	-	-	100,000
				<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>

Notes:

- (1) Divided into two tranches exercisable from 1 October 2016 and 1 April 2017, respectively to 31 March 2026.
- (2) Exercisable from 19 May 2017 to 18 May 2027.
- (3) Ms. Qian, the spouse of Mr. Hu Kenneth holds 200,000 share options and 1,400,000 share options at an exercise price of HK\$4.94 per share and HK\$1.56 per share respectively, to subscribe for Shares.

(iii) Short positions

None of the Directors held short positions in the Shares and underlying Shares or any associated corporation.

Save as disclosed above, as at 30 September 2020, none of the Directors or chief executive of the Company had any interests and short positions 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 (chapter 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 interests or short positions which they are taken or deemed to have under such provision of the SFO), or which were recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors.

(B) SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 September 2020, the following persons, other than the Directors or chief executive of the Company, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

(i) Interests in the Shares and underlying Shares

Name	Aggregate long position in Shares	Aggregate long position in underlying Shares	Approximate percentage of the issued share capital of the Company
Mr. Wu King Shiu, Kelvin ("Mr. Wu") (Notes 1 and 2)	114,644,282	5,294,200	21.80%
Ms. Li Mau (Notes 1 and 2)	114,644,282	5,294,200	21.80%
AID Cap II (Note 1)	104,939,882	–	19.08%
AID Partners GP2, Ltd. (Note 1)	104,939,882	–	19.08%
Billion Power Management Limited (Note 1)	104,939,882	–	19.08%
Leader Fortune International Limited (Note 1)	104,939,882	–	19.08%
Hong Kong HNA Holding Group Co. Limited (Note 3)	66,141,232	21,538,461	15.94%
Mr. Wong Kwok Ho ("Mr. Wong") (Notes 4 and 5)	37,433,200	9,375,000	8.51%
Ms. Chau Mui (Notes 4 and 5)	37,433,200	9,375,000	8.51%
Mr. David Tin	45,454,400	–	8.26%
Abundant Star Ventures Limited (Note 1)	45,454,545	–	8.26%
Vantage Edge Limited (Note 1)	34,090,937	–	6.19%

Notes:

1. Mr. Wu owns 1,424,400 Shares. Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited own 25,394,400 Shares, 45,454,545 Shares and 34,090,937 Shares, respectively. Mr. Wu is deemed to have interests in 25,394,400 Shares, 45,454,545 Shares and 34,090,937 Shares of which Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited were deemed to be interested by virtue of the SFO since Mr. Wu indirectly owns 100% through Billion Power Management Limited, of the issued share capital of AID Partners GP2, Ltd.. AID Partners GP2, Ltd. is the general partner of AID Partners Capital II, L.P. ("AID Cap II"). AID Cap II is interested in the entire issued share capital of Leader Fortune International Limited, which is interested in the entire issued share capital of Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited. Further, Mr. Wu is interested in 1,344,200 share options, 3,500,000 share options and 450,000 share options at an exercise price of HK\$3.20 per Share, HK\$4.94 per Share and HK\$1.56 per Share, respectively, to subscribe for Shares. Ms. Li Mau, as the spouse of Mr. Wu, is deemed to be interested in these Shares and underlying Shares for the purpose of the SFO.
2. Billion Express Consultants Limited ("Billion Express") owns 8,280,000 Shares. The entire issued share capital of Billion Express is wholly-owned by Ms. Li Mau. Mr. Wu, as the spouse of Ms. Li Mau, is deemed to be interested in these Shares held by Billion Express for the purpose of the SFO.
3. Hong Kong HNA Holding Group Co. Limited is wholly-owned by HNA Financial Holdings International Co., Ltd. ("HNA Financial"). HNA Financial is wholly-owned by Beijing HNA Financial Holdings Co., Ltd. ("Beijing HNA"). Beijing HNA is owned as to 61.32% by HNA Investment Holding Co. Ltd. ("HNA Investment") and owned as to 37.74% by Hainan HNA Holding Co., Ltd.. HNA Investment is owned as to 73.06% by HNA Holding Group Co., Ltd.. Hainan HNA Holding Co., Ltd. is owned as to 51.38% by HNA Holding Group Co., Ltd. and 21.61% by HNA Group Co., Ltd.. HNA Holding Group Co., Ltd. is wholly-owned by HNA Group Co., Ltd.. HNA Group Co., Ltd. is owned as to approximately 70% by Hainan Traffic Administration Holding Co., Ltd. ("Hainan Traffic"). Hainan Traffic is owned as to approximately 50% by Sheng Tang Development (Yangpu) Co., Limited ("Sheng Tang"). Sheng Tang is owned as to 35% by Tang Dynasty Development Co., Limited ("Tang Dynasty") and 65% by Hainan Province Cihang Foundation. Tang Dynasty is owned as to approximately 98% by Pan-American Aviation Holding Company, which is in turn 100% beneficially owned by Cihang Sino-Western Cultural and Educational Exchange Foundation Limited.
4. Mr. Wong owns 16,839,200 Shares and is interested in 4,500,000 share options at an exercise price of HK\$1.56 per Share to subscribe for Shares. Mr. Wong is deemed to be interested in 19,500,000 Shares and 4,875,000 underlying shares as mentioned in Note 5 below. Ms. Chau Mui, as the spouse of Mr. Wong, owns 1,094,000 Shares and is deemed to be interested in all Shares and underlying shares held by Mr. Wong.

5. Sky March Limited (“Sky March”) entered into a consulting service agreement with the Company dated 5 May 2017 (the “Consulting Service Agreement”), pursuant to which the Company has issued 97,500,000 Shares (4,875,000 Shares adjusted upon the Share Consolidation), 97,500,000 Shares (4,875,000 Shares adjusted upon the Share Consolidation), 4,875,000 Shares and 4,875,000 Shares to Sky March on 25 May 2017, 28 May 2018, 28 May 2019 and 28 May 2020, respectively, and 4,875,000 Shares will be issued to Sky March in accordance with the terms and conditions of the Consulting Service Agreement. Mr. Wong is interest in these shares and underlying shares through his 100% interest in Sky March.

(ii) Short positions

No person held short positions in the Shares and underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

Save as disclosed above, as at 30 September 2020, the Directors of the Company were not aware of any other person who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at 30 September 2020, no other person had interests which were recorded in the register required to be kept under section 336 of the SFO.

(C) COMPETING INTERESTS

So far as the Directors were aware, none of the other Directors or their respective associates were interested in any business which competes or is likely to compete, whether directly or indirectly, with the business of the Group.

(D) SHARE OPTION SCHEMES

The Company’s share option scheme which was adopted on 27 March 2002 (the “2002 Share Option Scheme”) was expired and a new share option scheme (the “2014 Share Option Scheme”) was adopted by an ordinary resolution passed by the shareholders at the extraordinary general meeting of the Company on 15 April 2014 (the “Adoption Date”). The 2014 Share Option Scheme constitutes a share option scheme governed by Chapter 23 of the GEM Listing Rules and will remain in force for 10 years from the Adoption Date.

Upon the expiry of the 2002 Share Option Scheme, no further option can be offered thereunder but any options granted prior to such expiry but not yet exercised shall continue to be valid and exercisable.

The Company operates both the 2002 Share Option Scheme and the 2014 Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operation. Pursuant to the 2014 Share Option Scheme, the Directors of the Company may grant options to eligible participants persons (as defined in the 2014 Share Option Scheme) to subscribe for shares in the Company subject to the terms and conditions stipulated therein.

2002 Share Option Scheme

The remaining share options granted under the 2002 Share Option Scheme are for other eligible participants and are exercisable as follows:

- (a) the first 30% of the options between the first and tenth anniversary of the date of grant;
- (b) the next 30% of the options between the second and tenth anniversary of the date of grant; and
- (c) the remaining options between the third and tenth anniversary of the date of grant.

The following table sets out information relating to the 2002 Share Option Scheme:

Date of grant (dd/mm/yyyy)	Grantees	Exercise period (dd/mm/yyyy)	Exercise price per share HK\$	Number of share options				
				Balance as at 1 January 2020	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Balance as at 30 September 2020
07/10/2010	Former directors and former employees	07/10/2011 to 06/10/2020	4.00	118,528	-	-	-	118,528
16/03/2012	Former directors and former employees	16/03/2013 to 15/03/2022	4.00	267,129	-	-	-	267,129
14/05/2012	Former directors and former employees	14/05/2013 to 13/05/2022	3.80	292,968	-	-	-	292,968
			Total	678,625	-	-	-	678,625

No option was granted or exercised under the 2002 Share Option Scheme during the nine months ended 30 September 2020.

The weighted average remaining contractual life of the options outstanding under the 2002 Share Option Scheme as at 30 September 2020 was approximately 1.27 years.

No share-based compensation expense was recognised under the 2002 Share Option Scheme during the nine months ended 30 September 2020 and 2019.

2014 Share Option Scheme

The following table sets out information relating to the 2014 Share Option Scheme:

Date of grant (dd/mm/yyyy)	Grantees	Exercise period (Notes)	Exercise price per share HK\$	Number of share options				Balance as at 30 September 2020
				Balance as at 1 January 2020	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	
15/05/2014	Directors and former directors	(1)	3.20	2,734,200	-	-	-	2,734,200
20/06/2014	Directors and former directors	(2)	3.20	1,623,262	-	-	-	1,623,262
01/04/2016	Directors and former directors	(3)	4.94	8,450,000	-	-	-	8,450,000
19/05/2017	Directors and former directors	(5)	1.56	5,300,000	-	-	-	5,300,000
				18,107,462	-	-	-	18,107,462
20/06/2014	Other eligible participants	(4)	3.20	1,770,138	-	-	-	1,770,138
01/04/2016	Other eligible participants	(3)	4.94	1,820,800	-	-	-	1,820,800
19/05/2017	Other eligible participants	(5)	1.56	11,809,600	-	-	-	11,809,600
				15,400,538	-	-	-	15,400,538
			Total	33,508,000	-	-	-	33,508,000

Notes:

- (1) Exercisable from 15 May 2014 to 14 May 2024.
- (2) Exercisable from 20 June 2014 to 19 June 2024.
- (3) Divided into two tranches exercisable from 1 October 2016 and 1 April 2017, respectively to 31 March 2026.
- (4) Divided into two tranches exercisable from 20 June 2014 and 20 June 2015, respectively to 19 June 2024.
- (5) Exercisable from 19 May 2017 to 18 May 2027.

No option was granted or exercised under the 2014 Share Option Scheme during the nine months ended 30 September 2020.

During the nine months ended 30 September 2020, no option was lapsed upon resignation of other eligible participants.

The weighted average remaining contractual life of the options outstanding under the 2014 Share Option Scheme as at 30 September 2020 was approximately 5.80 years.

No share-based compensation expense was recognised under the 2014 Share Option Scheme in the consolidated statement of profit or loss for the nine months ended 30 September 2020 and 2019.

AUDIT COMMITTEE

The Company established an audit committee on 31 March 2000 with the written terms of reference in compliance with the GEM Listing Rules. The audit committee comprises three Independent Non-Executive Directors, Mr. Yuen Kwok On (Chairman), Mr. Yau Chung Hang and Mr. Ip Wing Wai. The primary duties of the audit committee are to review and supervise the Company's financial reporting process and internal control systems. The audit committee reports its work, findings and recommendations to the Board after each meeting.

The audit committee meets at least quarterly with the most recent meeting held on 6 November 2020. The unaudited condensed consolidated financial information of the Company for the nine months ended 30 September 2020 has been reviewed by the audit committee.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the nine months ended 30 September 2020 and 30 September 2019. Neither the Company, nor any of its subsidiaries, has purchased or sold any of the Company's listed securities during the nine months ended 30 September 2020 and 30 September 2019.

By Order of the Board
AID Life Science Holdings Limited
(Joint Provisional Liquidators appointed)
(For restructuring purposes only)
Chan Suet Ngan
Executive Director

Hong Kong, 6 November 2020

As at the date of this report, the Directors of the Company are:

Executive Directors: Chan Suet Ngan and Hu Kenneth

Independent Non-Executive Directors: Yuen Kwok On, Yau Chung Hang and Ip Wing Wai

This report will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of AID Life Science Holdings Limited at www.8088inc.com.

The English text for this report shall prevail over the Chinese text for the purpose of interpretation.

* For identification purpose only