SINO-LIFE GROUP LIMITED
中國生命集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8296)

ANNOUNCEMENT OF UNAUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the "Directors") of Sino-Life Group Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company.

The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading; and there are no other matters the omission of which would make any statement herein or in this announcement misleading.

The board (the "Board") of directors (the "Directors") of Sino-Life Group Limited (the "Company", together with its subsidiaries, the "Group") is pleased to announce the unaudited consolidated results of the Group for the year ended 31 December 2020, together with the comparative figures for the year ended 31 December 2019, which have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") as below. For the reasons explained in the paragraph headed "Review of Unaudited Annual Results" in this announcement, the auditing process for the annual results of the Group for the year ended 31 December 2020 (the "Year") has not been completed.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	**2020** ***RMB'000*** **(Unaudited)**	2019 *RMB'000* (Audited)
Revenue	*3*	**68,340**	66,610
Cost of sales and services rendered		**(39,172)**	(34,568)
Gross profit		**29,168**	32,042
Fair value gain on investment properties		**158**	–
Fair value (loss)/gain on financial assets designated at fair value through profit or loss ("FVTPL")		**(32)**	3,831
Other income		**2,185**	1,188
Selling expenses		**(5,641)**	(7,169)
Administrative expenses		**(23,821)**	(28,273)
Reversal of impairment loss/(impairment loss) under expected credit loss model on trade and other receivables		**654**	(1,220)
Other operating expenses		**(1,616)**	(36)
Impairment loss on an associate		**–**	(395)
Profit/(loss) from operations		**1,055**	(32)
Finance costs	*4(a)*	**(2,523)**	(2,791)
Share of loss of associates		**–**	(105)
Loss before taxation	*4*	**(1,468)**	(2,928)
Income tax expense	*5*	**(1,883)**	(1,236)
Loss for the year		**(3,351)**	(4,164)

	Notes	**2020** ***RMB'000*** **(Unaudited)**	2019 *RMB'000* (Audited)
Other comprehensive income/(expense)			
Item that will not be reclassified to profit or loss:			
Surplus on revaluation of land and buildings		**1,598**	397
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(3,621)**	4,385
Other comprehensive (expense)/income for the year, net of income tax		**(2,023)**	4,782
Total comprehensive (expense)/income for the year, net of income tax		**(5,375)**	618
(Loss)/profit for the year attributable to:			
Owners of the Company		**(3,821)**	(3,804)
Non-controlling interests		**470**	(360)
		(3,351)	(4,164)
Total comprehensive (expense)/income attributable to:			
Owners of the Company		**(5,044)**	710
Non-controlling interests		**(331)**	(92)
		(5,375)	618
Loss per share			
Basic and diluted	*7*	**RMB(0.51) cents**	RMB(0.51) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 *RMB'000* (Unaudited)	2019 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**30,471**	32,417
Right-of-use assets		**32,620**	36,528
Investment properties		**6,485**	6,622
Intangible assets		**2**	2
Interests in associates		**–**	–
Goodwill		**–**	–
Other deposits		**99**	–
Deposits for hire of funeral parlours and funeral services centres		**1,000**	1,000
		70,677	76,569
CURRENT ASSETS			
Financial assets designated at FVTPL		**33,639**	38,336
Development and formation costs		**4,542**	5,292
Inventories		**1,546**	966
Trade and other receivables	*8*	**46,201**	52,778
Cash and bank balances		**123,674**	119,216
		209,602	216,588
CURRENT LIABILITIES			
Trade and other payables	*9*	**17,234**	17,660
Contract liabilities		**87,993**	97,901
Lease liabilities		**4,404**	3,796
Bank borrowings		**1,138**	1,154
Income tax liabilities		**3,567**	4,002
Amounts due to directors		**3,303**	789
Amount due to an ultimate holding company		**12,222**	8,664
Provisions		**4,665**	3,044
		(134,526)	(137,010)
NET CURRENT ASSETS		**75,076**	79,578
TOTAL ASSETS LESS CURRENT LIABILITIES		**145,753**	156,147

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES		
Contract liabilities	**186**	199
Lease liabilities	**27,467**	31,064
Bank borrowings	**5,826**	7,235
	(33,479)	(38,498)
NET ASSETS	**112,274**	117,649
EQUITY		
Equity attributable to owners of the Company		
Share capital	**69,218**	69,218
Reserves	**51,767**	56,811
	120,985	126,029
Non-controlling interests	**(8,711)**	(8,380)
TOTAL EQUITY	**112,274**	117,649

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL INFORMATION

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

The Company is principally engaged in investment holding. The subsidiaries are mainly engaged in the provision of funeral and related services in the People's Republic of China (the "PRC"), Taiwan and Hong Kong Special Administrative Region of the PRC ("Hong Kong"), sales of burial plots and tombstones and provision of cemetery maintenance services in Socialist Republic of Vietnam ("Vietnam") and provision of elderly care and related consultancy services in Taiwan, and provision of advisory services on stem cells and immunocytes and sales of advance biotechnical machineries and other electronic products in Hong Kong and PRC. The Company and its subsidiaries are herein collectively referred to as the "Group". The addresses of the Company's registered office and principal place of business are The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands and Unit 601, 6/F., Ovest, No. 77 Wing Lok Street, Sheung Wan, Hong Kong respectively.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements.

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reforms

The application of *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or services lines is as follows:

Disaggregation of revenue for the year ended 31 December 2020 (unaudited)

	Funeral services *RMB'000*	**Advisory services on stem cells and immunocytes** *RMB'000*	**Total** *RMB'000*
Major products and services			
Funeral services and cremation services provided in funeral parlous and funeral service centres under the Group's management	**60,961**	**–**	**60,961**
Funeral arrangement and related consultancy services	**2,290**	**–**	**2,290**
Sales of burial plots and tombstones	**435**	**–**	**435**
Provision of advisory services on stem cells and immunocytes	**–**	**356**	**356**
Sales of biotechnical machineries and other electronics products	**–**	**4,298**	**4,298**
	63,686	**4,654**	**68,340**
Timing of revenue recognition			
At a point in time	**4,853**	**4,298**	**9,151**
Over time	**58,833**	**356**	**59,189**
	63,686	**4,654**	**68,340**

Disaggregation of revenue for the year ended 31 December 2019 (audited)

	Funeral services *RMB'000*	Advisory services on stem cells and immunocytes *RMB'000*	Total *RMB'000*
Major products and services			
Funeral services and cremation services provided in funeral parlous and funeral service centres under the Group's management	58,277	–	58,277
Funeral arrangement and related consultancy services	3,058	–	3,058
Sales of burial plots and tombstones	421	–	421
Provision of advisory services on stem cells and immunocytes	–	1,591	1,591
Sales of biotechnical machineries	–	3,263	3,263
	61,756	4,854	66,610
Timing of revenue recognition			
At a point in time	421	3,263	3,684
Over time	61,335	1,591	62,926
	61,756	4,854	66,610

4. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting) the followings:

	2020 *RMB'000* (Unaudited)	2019 *RMB'000* (Audited)
(a) Finance costs		
Interest on lease liabilities	**2,369**	2,527
Interest on bank borrowings	**154**	264
Total interest expenses on financial liabilities not at FVTPL	**2,523**	2,791
(b) Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	**14,834**	18,071
Contributions to defined contribution retirement plans	**1,184**	2,274
	16,018	20,345
(c) Depreciation		
Right-of-use assets	**3,937**	4,750
Property, plant and equipment	**2,291**	2,011
	6,228	6,761
(d) Other items		
Auditors' remuneration	**711**	767
Cost of inventories	**5,993**	7,456
(Reversal of impairment loss)/impairment losses on trade receivables recognised under expected credit loss ("ECL") model	**(37)**	383
(Reversal of impairment loss)/impairment losses on other receivables recognised under ECL model	**(617)**	837
	(654)	1,220

5. INCOME TAX EXPENSE

	2020 *RMB'000* (Unaudited)	2019 *RMB'000* (Audited)
Current tax		
PRC Enterprise Income Tax	**1,883**	1,236

6. DIVIDENDS

No dividend was paid or proposed for both years ended 31 December 2020 and 2019, nor has any dividend been proposed since the end of the reporting period.

7. LOSS PER SHARE

(a) Basic loss per share

The calculation of unaudited basic loss per share is based on the loss attributable to owners of the Company of RMB3,821,000 (2019: RMB3,804,000) and the weighted average number of 742,500,000 ordinary shares (2019: 742,500,000 ordinary shares) in issue during the year.

(b) Diluted loss per share

For the year ended 31 December 2020, there was no dilutive potential ordinary share outstanding. Therefore, the unaudited diluted loss per share is the same as the unaudited basic loss per share.

No adjustment had been made to the basic loss per share amounts presented for the year ended 31 December 2019 as the impact of the share options had anti-dilutive effect on the basic loss per share amounts presented. Therefore, the diluted loss per share was the same as the basic loss per share.

8. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables, net of allowance, of RMB650,000 (2019: RMB2,333,000) and an aged analysis based on invoice date, net of allowance, at the end of the reporting period, is as follows:

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 180 days	**591**	2,137
181 to 365 days	**15**	65
1 year to 2 years	**44**	131
	650	2,333

9. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of RMB2,217,000 (2019: RMB3,025,000) and an aged analysis based on invoice date, at the end of the reporting period is as follows:

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 30 days	**860**	524
31 days to 90 days	**261**	1,678
Over 90 days	**1,096**	823
	2,217	3,025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Year, despite the growth of the mainland China's economy continued to slow down as the result of the coronavirus disease ("Covid-19") pandemic, the revenue from the Group's operation in the PRC remained relatively steady as compared with the corresponding year in 2019 (the "Prior Year"), while performance in Hong Kong market and Taiwan also recorded has been sluggish. The operations in Vietnam also remained steady over the past Year.

During the Year and the Prior Year, the amount and percentage of the revenue derived from respective geographical segments were as follow:

	2020		2019	
	RMB'000	*%*	*RMB'000*	*%*
The PRC	**61,317**	**89.8**	59,868	89.9
Taiwan	**1,801**	**2.6**	2,258	3.4
Hong Kong	**4,787**	**7.0**	4,063	6.1
Vietnam	**435**	**0.6**	421	0.6
	68,340	**100.0**	66,610	100.0

The PRC

Business in the PRC continues to be the major source of income of the operations of the Group during the Period. The Group's revenue derived from the PRC market was relatively stable and contributed approximately RMB61,317,000 of revenue to the Group for the Year, as compared with that of the Prior Year of approximately RMB59,868,000. In the PRC, the Group is principally engaged in provision of funeral, cremation and cemetery services in funeral parlours and funeral service centres under the Group's management in Chongqing. The Group also carried out the advisory services on stem cells and immunocytes under an agency agreement in Guangzhou city, Guangdong province.

The provision of funeral, cremation and cemetery services business and advisory services on stem cells and immunocytes contributed approximately RMB60,961,000 (The Prior Year: RMB58,277,000) and RMB356,000 (The Prior Year: RMB1,591,000), respectively, of the revenue in the PRC during the Year.

In response to the Covid-19 pandemic, the Chinese government has adopted control measures including business shutdown, traffic control and personnel isolation, the Group's advisory services on stem cells and immunocytes experienced temporarily shut-down during the Year, causing a drop in revenue from such business segment. On the other hand, in light of the business nature of the provision of funeral, cremation and cemetery services segment, the Covid-19 pandemic's impact was less severe than expected and recorded an approximately 4.6% year-on-year increase.

Taiwan and Hong Kong

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

Revenue derived from the Taiwan market was approximately RMB1,801,000 for the Year (The Prior Year: RMB2,258,000), representing a decrease of approximately 20.2% from the Prior Year. Revenue derived from the Hong Kong market was approximately RMB4,787,000 for the Year (The Prior Year: RMB4,063,000), representing an increase of approximately 17.8% from the Prior Year.

Due to the Covid-19 pandemic, the government of Taiwan declared mandated closures and travel restrictions during the Year. As the demand of the Group's business in Taiwan mainly derived locally, the travel restrictions did not have much significantly disruption to the business but the mandated closures inevitably had an adverse impact on the operation of the business locally, and resulted in an approximately 20.2%, decrease in the revenue as compared with the Prior Year.

On the other hand, despite of the control measures including business shutdown, traffic control and personnel isolation and mandated closures implemented by governments in Hong Kong during the Year, certain measures have been relaxed in the third quarter, allowing the Group to gradually resume its operations. The Group's sales of biotechnical machineries and other electronic products segments contributed approximately RMB4,298,000 to the Group's revenue during the Year, as compared with that of approximately RMB3,263,000 during the Prior Year.

Vietnam

The Group's revenue derived from the sales of burial plots in Vietnam was approximately RMB435,000 for the Year (The Prior Year: RMB421,000), representing an increase of approximately 3.3% from the Prior Year.

FINANCIAL REVIEW

Revenue

	2020			2019		
	Revenue	**Gross profit/(loss)**	**Gross profit margin**	Revenue	Gross profit/(loss)	Gross profit margin
	RMB'000	***RMB'000***	***%***	*RMB'000*	*RMB'000*	*%*
Funeral services	**63,686**	**28,850**	**45.3%**	61,756	30,914	50.1%
Provision of advisory services on stem cells and immunocytes	**356**	**356**	**100.0%**	1,591	1,029	64.7%
Sales of biotechnical machineries and other electronic products	**4,298**	**(38)**	**(0.9%)**	3,263	99	3.0%
	68,340	**29,168**	**42.7%**	66,610	32,042	48.1%

The Group generated its revenue from its:

(i) funeral services, which manly involve provision of funeral related service, including arrangement services and related consultancy services, provision of funeral and cremation services and sale of burial plots and tombstones;

(ii) provision of advisory services on stem cells and immunocytes; and

(iii) sales of biotechnical machineries and other electronic products.

For the Year, the Group's revenue was approximately RMB68,340,000 (The Prior Year: RMB66,610,000), representing an increase of approximately 2.6% for the Prior Year. The increase was mainly contributed by the funeral services business in the PRC.

Cost of sales

For the Group's funeral services, the cost of sales primarily consists of costs directly attributable to the provision of its services, which mainly include: (i) direct labour and staff cost for the funeral services provided by individuals during the funeral ceremony held in a funeral parlour or a funeral service centre managed by the Group; (ii) subcontracting charges for services provided by the subcontractors in Taiwan; (iii) commission expenses from the recognition of commission paid to sales agents for funeral services deeds at the point when the services of the funeral services deeds are provided; (iv) the management fee and operating lease charges for hire of funeral parlours and funeral service centres; and (v) materials used for funeral ceremonies and cremation services such as fresh flowers, fuel for the cremation furnace and cost of the goods sold in the funeral parlour and funeral service centres under the Group's management in the PRC.

On the other hand, the Group's business in provision of advisory services on stem cells and immunocytes and sales of biotechnical machineries and other electronic products, the cost of sales primarily consists of the costs of advisory services on stem cells and immunocytes and biotechnical machineries and other electronic products.

Gross profit

Gross profit for the Year was approximately RMB29,168,000 (The Prior Year: RMB32,042,000), and gross profit margin decreased by approximately 5.4% to approximately 42.7% (The Prior Year: 48.1%). The decrease in the gross profit margin was mainly because of (i) the additional costs incurred in funeral services in responding to the Covid-19 pandemic; and (ii) decrease in the revenue from the provision of advisory services on stem cells and immunocytes, which has higher gross profit margin as compared with the funeral services segment.

Other income

Other income of approximately RMB2,185,000 during the Year, representing a year on year increase of 83.9% as compared with RMB1,188,000 for the Prior Year.

Selling and administrative expenses

Compared with the Prior Year, selling expenses for the Year decreased by approximately 21.3% to approximately RMB5,641,000 as the result of the reduction of sales activities after the outbreak of Covid-19 pandemic. Administrative expenses, which accounted for approximately 34.9% (The Prior Year: 42.4%) of revenue, decreased by approximately 15.7% to approximately RMB23,821,000 (The Prior Year: RMB28,273,000) due to the general decrease in the salary level across different geographical segments during the Year.

Other operating expenses and finance costs

Other operating expenses of approximately RMB1,616,000 was recorded during the Year, as compared with approximately RMB36,000 for the Prior Year.

Finance costs of the Group manly consisted of the interest expenses on the bank borrowings and the interest expenses on the lease liabilities under HKFRS 16. The finance costs remained relatively stable at approximately RMB2,523,000, as compared to that of the Prior Year of approximately RMB2,791,000.

Income tax expense

Income tax expense was mainly incurred by operations in the PRC, which was approximately RMB1,883,000 (The Prior Year: RMB1,236,000) for the Year, representing an increase of approximately RMB647,000 or approximately 52.3% as compared with the Prior Year. The increase was mainly attributable to increase in taxable profit for the Year.

Loss for the Year

As the result of the cumulative effect from the above-mentioned factors, the loss attributable to the owners of the Company for the Year was approximately RMB3,821,000, as compared with the Prior Year of approximately RMB3,804,000. Loss per share was approximately RMB0.51 cents (The Prior Year: RMB0.51 cents).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group maintains a stable financial position. As at 31 December 2020, the Group had cash and bank balances of approximately RMB123,674,000 (The Prior Year: RMB119,216,000), while current and non-current bank borrowings were approximately RMB1,138,000 and approximately RMB5,826,000 respectively (The Prior Year: RMB1,154,000 and approximately RMB7,235,000 respectively). All bank loans were denominated in New Taiwan Dollars ("NTD"), at prevailing market interest rate. During the Year, the Group did not use any financial instruments for hedging purposes.

It is the Group's policy to adopt a prudent financial management strategy and maintain a suitable level of liquidity facilities to meet operation requirements and acquisition opportunities. As at 31 December 2020, the gearing ratio representing the ratio of total borrowing to the total assets of the Group was approximately 2.5% (The Prior Year: 2.9%).

As at 31 December 2020 and 2019, the Group had commitment for the capital injections in associates and a joint venture, in aggregate, amounted to RMB15,200,000.

Save as disclosed above, the Group had no other material capital commitments, material contracts, contingent liabilities or significant investment plans.

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

Depending on the development and spread of Covid-19 pandemic, subsequent to the date of this report, further changes in economic conditions for the Group arising thereof may have impact on the financial results for the year ending 31 December 2021 of the Group, the extent of which could not be estimated as at the date of this report. The Group will keep continuous attention on the situation of Covid-19 pandemic and react actively to its impact on the financial position and operating results of the Group.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group's operations are geographically based in the PRC, Taiwan, Hong Kong and Vietnam.

These consolidated financial statements of the Group are presented in RMB, except for certain incomes and expenses which are denominated in United States Dollars ("USD"), NTD, Hong Kong Dollars ("HKD") and Vietnamese Dong ("VTD").

It is possible that the value of RMB may fluctuate against that of USD, NTD, HKD and VTD. The Group's operating results and financial condition may be affected by changes in the exchange rates of RMB against USD, NTD, HKD and VTD in which the Group's revenue and expenses are denominated.

As at 31 December 2020, the Group did not have any borrowings, foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group is not exposed to any material interest and exchange risks.

SIGNIFICANT ACQUISITIONS AND DISPOSAL OF INVESTMENTS

The Group did not have any significant acquisitions and disposal of investments during the Year.

THE NUMBER AND REMUNERATION OF EMPLOYEES

As at 31 December 2020, the Group employed approximately 179 employees (The Prior Year: 188 employees). The Group determines staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages including performance bonuses and entitlements to share options are reviewed on regular basis.

CHARGE ON GROUP ASSETS

As at 31 December 2020, the carrying amount of property, plant and equipment pledged as security for the Group's bank borrowings was approximately RMB20,393,000 (The Prior Year: RMB19,932,000).

CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 31 December 2020 and 2019.

CAPITAL EXPENDITURE

For the Year, capital expenditure of the Group for property, plant and equipment amounted to approximately RMB943,000 (The Prior Year: RMB754,000).

CAPITAL COMMITMENTS

As at 31 December 2020 and 2019, the Group had commitment for the capital injections in associates and a joint venture, in aggregate, amounted to RMB15,200,000.

Saved as disclosed above, the Group had no other material capital commitments, material contracts, contingent liabilities or significant investment plans.

OTHER INFORMATION

Purchase, Sale and Redemption of Shares

During the Year, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

Compliance with the Code on Corporate Governance Practices

The corporate governance practices of the Company are based on the principles and the code provisions as set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 to the GEM Listing Rules. The principles adopted by the Company emphasis a quality board, transparency and accountability to shareholders. In the opinion of the Board, the Company has complied with the Code for the Year, with the exception for the following deviation:

Under the code provision A.6.7 of the Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. In addition, under the code provision E.1.2 of the Code, the chairman of the board should attend the annual general meeting and he should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. Certain independent non-executive Directors, for the time when the annual general meeting of the Company held on 10 August 2020 ("2020 AGM"), had other business engagements and thus, were not able to attend the 2020 AGM. In this regard, the compliance officer and company secretary of the Company had reminded the relevant independent non-executive Directors as well as other current independent non-executive Directors and non-executive Director to attend general meetings of the Company in future for compliance of code provision A.6.7 as set out in the Code.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the statutory requirements and the Code and align with the latest developments.

Model Code for 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 set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with such code of conduct throughout the Year.

Audit Committee

The audit committee of the Company (the "Audit Committee") consists of Mr. Sun Fei, Mr. Chai Chung Wai and Mr. Wang Jun, all of whom are the Company's independent non-executive Directors. The chairman of the Audit Committee is Mr. Sun Fei.

CHANGE OF AUDITORS

The consolidated financial statements for the years ended 31 December 2018 and 2019 have been audited by Elite Partners CPA Limited ("Elite Partners"). On 14 December 2020, Elite Partners have resigned as the auditor of the Company. Crowe (HK) CPA Limited ("Crowe" or "Auditors") was then appointed as the new auditor of the Company with effect from 16 December 2020 to fill the casual vacancy arising from the resignation of Elite Partners. The consolidated financial statements for the year ended 31 December 2020 have been audited by Crowe.

Crowe will retire at the end of the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Crowe as auditor of the Company is to be proposed at the forthcoming annual general meeting.

REVIEW OF UNAUDITED ANNUAL RESULTS

The auditing process for the annual results for the Year has not been completed due to the recent development of Covid-19 coronavirus outbreak in Vietnam, Crowe need additional time to complete audit procedures (the "Audit Procedures") for the annual results of the Group for the year ended 31 December 2020 (the "Annual Results"), including but not limited to the on-site inspection of the Company's operation in Vietnam by component auditors, which were appointed by the Company, due to the travel restrictions, traffic control and mandatory lockdown in Vietnam.

The unaudited annual results contained herein have not been agreed with the Auditors as required under Rule 18.49 of the GEM Listing Rules. An announcement relating to the audited results will be made when the auditing process has been completed in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants.

Based on the recent discussion with the Auditors, the Company expects the Audit Procedures will be completed within two weeks, and expects further one to two weeks is required to finalise and despatch its annual report for the year ended 31 December 2020 (the "Annual Report"). Barring any unforeseen circumstances, the Company expects the Audit Procedures will be completed and to despatch its annual report no later than end of April 2021.

The unaudited annual results for the Year contained herein have been reviewed by the Audit Committee.

FURTHER ANNOUNCEMENT(S) AND DELAY IN DESPATCH OF THE ANNUAL REPORT FOR THE YEAR

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to (i) the audited results for the Year as agreed by the Company's auditors and the material differences (if any) as compared with the unaudited annual results contained herein; (ii) the proposed date on which the forthcoming annual general meeting of the Company (the "AGM") will be held; and (iii) the period during which the register of members of the Company will be closed in order to ascertain shareholders' eligibility to attend and vote at the AGM. In addition, the Company will despatch the Annual Report according to the GEM Listing Rules and, in any event, not later than end of April 2021.

Further announcement(s) will be published in relation to the update on the timetable of the announcement for the Annual Results and the Annual Report as soon as practicable to keep the shareholder and potential investors of the Company informed.

The financial information contained herein in respect of the annual results of the Group have not been audited and have not been agreed with the Auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Sino-Life Group Limited
Xu Jianchun
Chairman

Hong Kong, 31 March 2021

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

This announcement will remain on the "Latest Company Announcements" page of the GEM website at http://www.hkgem.com for 7 days from the date of its posting. This announcement will also be posted on the Company's website at http://www.sinolifegroup.com.