



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)

**FIRST QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG
LIMITED (THE “STOCK EXCHANGE”)**

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

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

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 or deceptive; and there are no other matters the omission of which would make any statement herein or in this announcement misleading.

CONDENSED CONSOLIDATED QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2021 (UNAUDITED)

The board of Directors (the “**Board**”) is hereby to present the unaudited condensed consolidated results of the Group for the three months ended 31 March 2021 (the “**Current Period**”) together with the comparative unaudited figures for the corresponding period in 2020 (the “**Prior Period**”), as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2021

		Three months ended 31 March	
		2021	2020
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	3	18,961	12,674
Cost of sales and services rendered		(7,838)	(6,285)
Gross profit		11,123	6,389
Other income and other net (loss)/gain		411	416
Selling expenses		(1,295)	(1,905)
Administrative expenses		(5,615)	(6,156)
Other operating expenses		(4)	(70)
Profit/(loss) from operations		4,620	(1,326)
Finance costs		(645)	(738)
Profit/(loss) before taxation		3,975	(2,064)
Income tax expense	4	(1,551)	(110)
Profit/(loss) for the period		2,424	(2,174)
Other comprehensive income for the period, net of income tax expense		1,363	2,020
Total comprehensive income/(expense) for the period, net of income tax expense		3,787	(154)
Profit/(loss) for the period attributable to:			
Owners of the Company		2,657	(2,109)
Non-controlling interests		(233)	(65)
		2,424	(2,174)
Total comprehensive income/(expense) attributable to:			
Owners of the Company		3,955	(166)
Non-controlling interests		(168)	12
		3,787	(154)
Earnings/(loss) per share			
Basic and diluted	6	RMB0.36 cents	RMB(0.28) cents

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2021

	Attributable to owners of the Company											Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory reserve RMB'000	Statutory surplus reserve RMB'000	Properties revaluation reserve RMB'000	Foreign currency translation reserve RMB'000	Share-based compensation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	
At 31 December 2019 (audited) and at 1 January 2020 (unaudited)	69,218	220,633	(16,261)	790	1,550	2,702	(15,242)	7,027	(144,388)	126,029	(8,380)	117,649
Loss for the period	-	-	-	-	-	-	-	-	(2,109)	(2,109)	(65)	(2,174)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	1,943	-	-	1,943	77	2,020
Other comprehensive income	-	-	-	-	-	-	1,943	-	-	1,943	77	2,020
Total comprehensive income/(expense) for the period	-	-	-	-	-	-	1,943	-	(2,109)	(166)	12	(154)
Lapse of share options granted	-	-	-	-	-	-	-	(7,027)	7,027	-	-	-
At 31 March 2020 (unaudited)	69,218	220,633	(16,261)	790	1,550	2,702	(13,299)	-	(139,470)	125,863	(8,368)	117,495
At 31 December 2020 (audited) and at 1 January 2021 (unaudited)	69,218	220,633	(16,261)	790	12,058	3,141	(19,170)	-	(151,139)	119,270	(7,544)	111,726
Profit/(loss) for the period	-	-	-	-	-	-	-	-	2,657	2,657	(233)	2,424
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	1,298	-	-	1,298	65	1,363
Other comprehensive income	-	-	-	-	-	-	1,298	-	-	1,298	65	1,363
Total comprehensive income/(expense) for the period	-	-	-	-	-	-	1,298	-	2,657	3,955	(168)	3,787
At 31 March 2021 (unaudited)	69,218	220,633	(16,261)	790	12,058	3,141	(17,872)	-	(148,482)	123,225	(7,712)	115,513

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2021

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 on 9 September 2009.

The Company is principally engaged in investment holding. The subsidiaries are mainly engaged in the provision of funeral and related services in the People Republic of China (the “**PRC**”), Taiwan and Hong Kong Special Administrative Region, the PRC (“**Hong Kong**”); sale of burial plots and tombstones and provision of cemetery maintenance services in Socialist Republic of Vietnam (“**Vietnam**”); and provision of advisory services on stem cells and immunocytes and sales of advanced biotechnical machineries and other electronic products business in Hong Kong and the PRC. The Company and its subsidiaries are herein collectively referred to as the “**Group**”. The address 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. BASIS OF PREPARATION

The Group’s unaudited condensed consolidated first quarterly financial statements have been prepared in accordance with the applicable disclosure requirements set out in Chapter 18 of the GEM Listing Rules and Hong Kong Financial Reporting Standards (“**HKFRS(s)**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These unaudited condensed consolidated first quarterly financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”). These unaudited condensed consolidated first quarterly financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020 (the “**2020 Annual Financial Statements**”), which have been prepared in accordance with HKFRSs.

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the Group. These unaudited condensed consolidated first quarterly financial statements have been prepared in accordance with the same accounting policies adopted in the 2020 Annual Financial Statements, except for the changes in accounting policies that are expected to be reflected in the annual consolidated financial statements for the year ending 31 December 2021. There have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the quarter presented as a result of these developments.

These unaudited condensed consolidated first quarterly financial statements have been prepared under the historical cost basis, except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- investment properties;
- freehold land and buildings; and
- financial assets designated as at fair value through profit or loss (“FVTPL”).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2020 Annual Financial Statements.

These unaudited condensed consolidated first quarterly financial statements contain unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 Annual Financial Statements. These unaudited condensed consolidated first quarterly financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

The accounting policies adopted in the 2020 Annual Financial Statements have been consistently applied to these unaudited condensed consolidated financial statements except that in the Current Period, the Group has applied for the first time certain new standards, amendments and interpretations (the “**new HKFRS(s)**”) issued by the HKICPA, which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2021. The adoption of the new HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

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

These unaudited condensed consolidated accounts have not been audited by the Company’s auditor, but have been reviewed by the Company’s audit committee.

3. REVENUE

The amount of each significant category of revenue recognised in revenue for each of the Current Period and the Prior Period is as follows:

	Three months ended 31 March	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Funeral services and cremation services provided in funeral parlours and funeral services centres under the Group's management	18,210	12,078
Funeral arrangement and related consultancy services	632	470
Sales of burial plots and tombstones	119	126
	18,961	12,674

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

Revenues from external customers

	Three months ended 31 March	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The PRC	18,210	12,078
Taiwan	396	212
Hong Kong	236	258
Vietnam	119	126
Total	18,961	12,674

4. INCOME TAX EXPENSE

- (a) On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits in Hong Kong for both the Current Period and the Prior Period.

- (b) The Group is not subject to any taxation under the jurisdiction of the Cayman Islands, Independent State of Samoa (“**Samoa**”) and British Virgin Islands (“**BVI**”) for both the Current Period and the Prior Period.

- (c) The subsidiaries operating in the PRC are subject to enterprise income tax rate at 25% for both the Current Period and the Prior Period in accordance with the Law of the People's Republic of China on Enterprises Income Tax (中華人民共和國企業所得稅法) except that Chongqing Xizhou Funeral Service Company Limited (“**Chongqing Xizhou**”), an indirect wholly owned subsidiary of the Company, is entitled to a preferential tax rate of 15% for the enterprise income tax in accordance with 西部大開發企業所得稅優惠, which is retrospectively applied to Chongqing Xizhou from January 2011 and, provided that the conditions precedent to entitlement of preferential tax rate are fulfilled by Chongqing Xizhou in each of subsequent years, the preferential tax rate can be applied to Chongqing Xizhou up to December 2021. Chongqing Xizhou is subject to enterprise income tax rate at 15% for both the Current Period and the Prior Period.
- (d) Bau Shan Life Science Technology Co., Ltd. (“**Bau Shan**”), a direct subsidiary of the Company, Bao De Life Enterprise Co., Ltd. (“**Bau De**”) and Bu Lao Lin Limited (“**BLL**”), both of which are indirect subsidiaries of the Company, are subject to Taiwan Enterprise Income Tax at 17% for both the Current Period and the Prior Period on taxable profits determined in accordance with the Income Tax Act and other relevant laws in Taiwan. No provision for Taiwan Enterprise Income Tax has been made as Bau Shan has accumulated tax losses brought forward which exceed the estimated assessable profits for both the Current Period and the Prior Period, and Bau De and BLL have no assessable profits for both the Current Period and the Prior Period.
- (e) Bao Son Life Company Limited (“**Bao Son Life**”) and Hoan Loc Viet Duc Hoa Corporation (“**HLV Duc Hoa**”), the indirect non-wholly-owned subsidiaries of the Company, are subject to Vietnam Corporate Income Tax at 20%, on taxable profits determined in accordance with the relevant laws and regulations in Vietnam. No provision for Vietnam Corporate Income Tax has been made as Bao Son Life and HLV Duc Hoa have no assessable profits for both the Current Period and the Prior Period.

5. DIVIDENDS

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

6. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share for the Current Period and the Prior Period are as follow:

	Three months ended 31 March	
	2021	2020
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to the owners of the Company (<i>RMB'000</i>)	2,657	(2,109)
Weighted average number of ordinary shares	742,500,000	742,500,000
Basic earnings/(loss) per share (<i>RMB</i>)	<u>0.36 cents</u>	<u>(0.28) cents</u>

(b) Diluted earnings/(loss) per share

For both the Current Period and the Prior Period, there was no dilutive potential ordinary share outstanding. Therefore, the diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the three months ended 31 March 2021 (the “**Current Period**”) and the corresponding period in 2020 (the “**Prior Period**”), the amount and percentage of the revenue derived from respective geographical segments were as follow:

	For three months ended 31 March			
	2021		2020	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
The People's Republic of China (the “ PRC ”)	18,210	96.0	12,078	95.3
Taiwan	396	2.1	212	1.7
Hong Kong Special Administrative Region of the PRC (“ Hong Kong ”)	236	1.3	258	2.0
Socialist Republic of Vietnam (“ Vietnam ”)	119	0.6	126	1.0
	18,961	100.0	12,674	100.0

The PRC

The Group's revenue derived from the PRC market was approximately RMB18,210,000 for the Current Period (The Prior Period: RMB12,078,000), representing a significant increase of approximately 50.8% from the Prior Period.

In the PRC, the Group is principally engaged in provision of funeral and cremation 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 cell and immunocytes under an agency agreement in Guangzhou city, Guangdong province. The provision of funeral and cremation services business contributed approximately RMB18,210,000 (The Prior Period: RMB12,078,000) of the revenue in the PRC during the Current Period.

In the PRC, there had been a phased suspension of group gathering activities such as vigil and farewell in Chongqing due to the outbreak of Coronavirus Disease (“**COVID-19**”) pandemic in the first quarter of the Prior Period. With the relief of the COVID-19 pandemic in the PRC, the group gathering activities are allowed to be resumed, causing a significant increase in revenue from such business segment.

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 contract liabilities, 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 advanced biotechnical machineries and other electronic products in Hong Kong.

Revenue derived from the Taiwan market was approximately RMB396,000 for the Current Period (The Prior Period: RMB212,000), representing an increase of approximately 86.8% from the Prior Period. On the other hand, revenue derived from the Hong Kong market was approximately RMB236,000 for the Current Period (The Prior Period: RMB258,000), representing a decrease of approximately 8.5% from the Prior Period.

However, during the COVID-19 pandemic, in order to strictly implement the prevention and control requirements of personnel isolation, and for sale of the health and safety of customers, the Group's provision of advisory services on stem cell and immunocytes business experienced temporarily shutdown during both Current Period and Prior Period, causing a drop in revenue from such business segment.

Vietnam

The Group's revenue derived from the sales of burial plots in Vietnam was approximately RMB119,000 for the Current Period (The Prior Period: RMB126,000), representing a year on year decrease of approximately 5.6%.

The decrease was mainly due to the government imposed a temporary lockdown in Vietnam as the COVID-19 pandemic was getting serious during the Current Period.

Financial Review

For the Current Period, the Group's revenue was approximately RMB18,961,000 (The Prior Period: RMB12,674,000), representing an increase of approximately 49.6% for the Prior Period. The increase was mainly resulted from the resumption of Group operations from the Prior Period which mandated closures were implemented by governments across different countries.

Cost of sales for the Current Period was approximately RMB7,838,000 (The Prior Period: RMB6,285,000), increased by approximately 24.7% compared with the Prior Period. The increase in cost of sales for the Current Period was in line with the increase in revenue of the Group.

Other income and other net (loss)/gain for the Current Period was approximately RMB411,000 was relatively stable as compared with approximately RMB416,000 for the Prior Period.

Compared with the Prior Period, selling expenses for the Current Period decreased by approximately 32% to approximately RMB1,295,000 as the result of the reduction of sales activities after the outbreak of COVID-19 pandemic. Administrative expenses decreased by approximately 8.8% to approximately RMB5,615,000 due to the general decrease in the salaries paid during the Current Period.

The profit attributable to the owners of the Company for the Current Period was approximately RMB2,657,000, against the loss attributable to the owners of the Company for the Prior Period of approximately RMB2,109,000. Earnings per share for the Current Period was approximately RMB0.36 cents (The Prior Period: Loss per share of RMB0.28 cents).

The outbreak of COVID-19 pandemic continued to impact on the global business environment. Up to the date of this announcement, 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 March 2021.

Depending on the development and spread of COVID-19 pandemic, subsequent to the date of this announcement, further changes in economic conditions for the Group arising thereof may have impact on the financial results for the three months ended 30 June 2021 of the Group, the extent of which could not be estimated as at the date of this announcement. 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.

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 or significant investment plans.

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.

Prospects

The Board believes that the Group's business is rather stable as our business is currently focused on mainland China. Despite of the impact from the sudden COVID-19 pandemic since 2020, the Chinese government has adopted comprehensive prevention and control measures to provide guarantees for the resumption of work and production, and launched a series of policy measures to support the accelerated recovery of the economy. On the one hand, due to our business nature, the COVID-19 pandemic has almost no adverse effect on the provision of funeral services, cremation and cemetery services, and the Group recorded positive year-on-year growth in China. On the other hand, the Group implemented a diversified development strategy in early 2019, prioritizing the pilot stem cell business, and developing stem cells, culture media, equipment and other related businesses. After two years of initial development, this business has made substantial progress with the efforts of the management.

Up to the date of this announcement, the COVID-19 pandemic has not caused material financial difficulties to the Group. The Group will continue to pay attention to the updates on COVID-19 pandemic and actively respond to its impact on the Group's financial condition and results of operation.

Looking forward to the future, the Group will consolidate its traditional funeral service business while allocating more resources on the development of emerging industries in biotechnology. The biotechnology industry is a multi-disciplinary industry. In the future, it will be integrated and developed with new technologies such as artificial intelligence, big data, new materials, and the Internet, such as medical robots and desktop electron microscopes. Therefore, the Group will accurately grasp the future development trends of technological innovation and application scenarios in the biotechnology industry, and strengthen external cooperation through business licensing (authorization), equity investment, investment and mergers and acquisitions, and meanwhile, it will formulate a combination of incentive measures to attract and retain cutting-edge talents, management talents and relevant persons who have contributed to the development of the Group, so as to improve the current operating conditions of the Group, optimize the business structure, increase profitability, and promote the long-term sustainable and high-quality development of the Group's business.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation

As at 31 March 2021, none of the Directors or chief executives of the Company had any interests or short positions in the shares (the “**Shares**”), underlying shares (the “**Underlying Shares**”) and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 under the Laws of Hong Kong (the “**SFO**”)), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares

So far as the Directors are aware, as at 31 March 2021, other than the Directors or chief executives of the Company whose interests or short positions are disclosed under the paragraph headed “**Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation**” above, the following person has an interest or short position in the Shares or Underlying Shares which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who were expected, directly or indirectly, to be interested in 5% or more of the Shares is listed as follows:

Aggregated long positions in the Shares

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

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

Saved as disclosed above, as at 31 March 2021, the Directors were not aware of any other person (other than the Directors or chief executives as disclosed in the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation” above) who had, or deemed to have, interests or short positions in the Shares, Underlying Shares which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were expected, directly or indirectly, to be interested in 5% or more of the Shares.

DIRECTORS’ INTERESTS IN CONTRACTS

No Director had a material interest in, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Current Period.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the details as disclosed under the heading “Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation” above, at no time during the Current Period was the Company, its holding company, or any of its subsidiaries or associated corporations, a party to any arrangement that would enable the Directors and chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Current Period.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

None of the Directors or the substantial shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) has interests in any business apart from the Group’s businesses which competes or is likely to compete, either directly or indirectly, with the businesses of the Group during the Current Period and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION SECURITIES

During the Current Period, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

NON-COMPLIANCE WITH FINANCIAL REPORTING PROVISIONS OF THE GEM LISTING RULES

Due to the travel restriction in force in Vietnam to combat the outbreak of COVID-19 pandemic, the audit of the financial statements of the Group for the year ended 31 December 2020 has been affected. The Company was unable to publish and despatch the audited annual results for the financial year ended 31 December 2020 (the “**2020 Annual Results**”) and the related annual report for the year ended 31 December 2020 (the “**2020 Annual Report**”) on or before 31 March 2021 as required by the GEM Listing Rules. Such delay has constituted non-compliance with Rules 18.03 and 18.49 of the GEM Listing Rules. However, in accordance with the FURTHER GUIDANCE ON THE JOINT STATEMENT IN RELATION TO RESULTS ANNOUNCEMENTS IN LIGHT OF THE COVID-19 PANDEMIC released on 16 March 2020 (“**Further Guidance**”) by The Securities and Futures Commission and the Stock Exchange, an issuer may defer the publication of the annual report initially for up to 60 days from the date of the Further Guidance if, among other things, on or before 15 May 2021. The Company has published its preliminary 2020 Annual Results without its auditors’ agreement pursuant to the Further Guidance on 31 March 2021. The supplemental announcements on the 2020 Annual Results have been published on 16 April 2021 and the 2020 Annual Report has been published and delivered on 30 April 2021.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group. As at 31 March 2021, the Audit Committee comprises three independent non-executive Directors, namely Mr. SUN Fei (chairman of the Audit Committee), Mr. CHAI Chung Wai, and Mr. WANG Jun.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the Current Period pursuant to the relevant provisions contained in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules and was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosures have been made in respect thereof.

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

14 May 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>.