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 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.

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.

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 2021 (the "Year"), together with the comparative figures for the year ended 31 December 2020, 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 audit process for the annual results of the Group for the Year has not been completed.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Notes	**2021** *RMB'000* **(Unaudited)**	2020 *RMB'000* (Audited)
Revenue	*3*	**72,864**	68,340
Cost of sales and services rendered		**(34,973)**	(39,173)
Gross profit		**37,891**	29,167
Fair value gain on investment properties		**747**	101
Fair value gain/(loss) on financial assets measured at fair value through profit or loss ("FVTPL")		**811**	(32)
Other income and other net (loss)/gain		**1,242**	2,314
Selling expenses		**(2,385)**	(3,175)
Administrative expenses		**(35,468)**	(24,922)
(Impairment losses)/reversal of impairment losses recognised under expected credit loss ("ECL") model on trade and other receivables, net		**(2,797)**	1,226
Other operating expenses		**(674)**	(679)
Loss on disposal of a subsidiary		**(31)**	–
(Loss)/profit from operations		**(664)**	4,000
Finance costs	*4(a)*	**(2,182)**	(2,521)
(Loss)/profit before taxation	*4*	**(2,846)**	1,479
Income tax expense	*5*	**(2,902)**	(3,421)
Loss for the year		**(5,748)**	(1,942)

	Notes	**2021**	2020
		RMB'000	*RMB'000*
		(Unaudited)	(Audited)
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Surplus on revaluation of land and buildings		**3,704**	279
Exchange difference arising on translation		**(2,803)**	(5,187)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**5,809**	927
Other comprehensive income/(expense) for the year, net of income tax		**6,710**	(3,981)
Total comprehensive income/(expense) for the year, net of income tax		**962**	(5,923)
(Loss)/profit for the year attributable to:			
Owners of the Company		**(2,716)**	(2,974)
Non-controlling interests		**(3,032)**	1,032
		(5,748)	(1,942)
Total comprehensive income/(expense) attributable to:			
Owners of the Company		**2,305**	(6,759)
Non-controlling interests		**(1,343)**	836
		962	(5,923)
Loss per share			
Basic and diluted	*7*	**RMB(0.37) cents**	RMB(0.40) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Notes	**2021** **RMB'000** **(Unaudited)**	2020 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**32,773**	30,142
Right-of-use assets		**27,638**	32,619
Investment properties		**7,401**	6,531
Intangible assets		**2,024**	2
Interests in associates		**–**	–
Goodwill		**–**	–
Other deposits		**44**	99
Deposits for hire of funeral parlours and funeral services centres		**1,000**	1,000
		70,880	70,393
CURRENT ASSETS			
Financial assets measured at FVTPL		**38,577**	33,639
Development and formation costs		**4,529**	4,542
Inventories		**1,625**	1,546
Trade and other receivables	*8*	**42,736**	43,820
Cash and bank balances		**117,557**	123,674
		205,024	207,221
CURRENT LIABILITIES			
Trade and other payables	*9*	**14,099**	16,876
Contract liabilities		**90,207**	87,994
Lease liabilities		**4,564**	4,403
Bank borrowings		**1,192**	1,138
Income tax liabilities		**3,567**	3,567
Amounts due to directors		**1,563**	3,660
Amount due to a shareholder		**11,899**	10,544
Provisions		**3,086**	2,550
		130,177	130,732
NET CURRENT ASSETS		**74,847**	76,489
TOTAL ASSETS LESS CURRENT LIABILITIES		**145,727**	146,882

	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES		
Amount due to a shareholder	**–**	1,677
Contract liabilities	**353**	186
Lease liabilities	**22,924**	27,467
Bank borrowings	**4,812**	5,826
	28,089	35,156
NET ASSETS	**117,638**	111,726
EQUITY		
Equity attributable to owners of the Company		
Share capital	**69,218**	69,218
Reserves	**52,718**	50,052
	121,936	119,270
Non-controlling interests	**(4,298)**	(7,544)
TOTAL EQUITY	**117,638**	111,726

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 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 of Hong Kong Limited (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's 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 advance biotechnical machinery and other electronic products in Hong Kong and the 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 HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the unaudited consolidated financial statements.

Amendment to HKFRS 16	Covid-19 – Related Rent Concessions
Amendments to HKFRS 9,HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to HKFRSs in the current year has 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 unaudited 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 2021

	Funeral services *RMB'000* (Unaudited)	Stem cells and immunocytes and other businesses *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Major products and services			
Funeral services and cremation services provided in funeral parlous and funeral service centres under the Group's management	**69,561**	**–**	**69,561**
Funeral arrangement and related consultancy services	**2,342**	**–**	**2,342**
Sales of burial plots and tombstones	**228**	**–**	**228**
Provision of advisory service on stem cells and immunocytes	**–**	**733**	**733**
Sales of biotechnical machineries and other electronics products	**–**	**–**	**–**
	72,131	**733**	**72,864**
Timing of revenue recognition			
At a point in time	**5,532**	**–**	**5,532**
Over time	**66,599**	**733**	**67,332**
	72,131	**733**	**72,864**
Primary geographical market			
The PRC	**69,561**	**733**	**70,294**
Taiwan	**1,450**	**–**	**1,450**
Hong Kong	**892**	**–**	**892**
Vietnam	**228**	**–**	**228**
	72,131	**733**	**72,864**

Disaggregation of revenue for the year ended 31 December 2020

	Funeral services *RMB'000* (Audited)	Stem cells and immunocytes and other businesses *RMB'000* (Audited)	Total *RMB'000* (Audited)
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 service 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
Primary geographical market			
The PRC	60,961	356	61,317
Taiwan	1,802	346	2,148
Hong Kong	488	3,952	4,440
Vietnam	435	–	435
	63,686	4,654	68,340

4. (LOSS)/PROFIT BEFORE TAXATION

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

	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
(a) Finance costs		
Interest on lease liabilities	**2,077**	2,366
Interest on bank borrowings	**105**	155
Total interest expenses on financial liabilities not at FVTPL	**2,182**	2,521
(b) Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	**27,195**	21,332
Contributions to defined contribution retirement plans	**1,238**	259
	28,433	21,591
(c) Depreciation and amortisation		
Right-of-use assets	**5,031**	5,076
Property, plant and equipment	**2,707**	5,352
Intangible assets	**578**	–
	8,316	10,428
(d) Other items		
Auditors' remuneration		
– audit services	**954**	711
– non-audit services	**207**	–
Cost of inventories	**6,871**	10,496
Rental income from investment properties less direct outgoing of RMB nil (2020: RMB nil)	**(221)**	(265)
Lease payments for property, plant and equipment not included in the measurement of lease liabilities: minimum lease payments	**240**	257
Impairment losses recognised under ECL model on trade receivables, net	**400**	7
Impairment losses/(reversal of impairment losses) recognised under ECL model on other receivables, net	**2,397**	(1,233)
	2,797	(1,226)

5. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current tax		
PRC Enterprise Income Tax	**2,902**	1,883
PRC withholding tax	**–**	1,538
Total	**2,902**	3,421

6. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company for the years ended 31 December 2021 and 2020, 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 basic loss per share is based on the loss attributable to owners of the Company of RMB2,716,000 (2020: RMB2,974,000) and the weighted average number of 742,500,000 ordinary shares (2020: 742,500,000 ordinary shares) in issue during the year.

(b) Diluted loss per share

For the years ended 31 December 2021 and 2020, there was no dilutive potential ordinary share outstanding. Therefore, the diluted loss per share is the same as the basic loss per share.

8. TRADE AND OTHER RECEIVABLES

The Group generally allows a credit period is 45 days (2020: 45 days) to its debtors.

Included in trade and other receivables are trade receivables, net of allowance for credit losses, of RMB439,000 (2020: RMB619,000) and an aged analysis based on invoice date at the end of the reporting period, is as follows:

	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 180 days	**439**	619

9. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of RMB2,221,000 (2020: RMB2,217,000) and an aged analysis based on the invoice date at the end of the reporting period is as follows:

	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 – 30 days	**650**	853
31 days to 90 days	**724**	260
Over 90 days	**847**	1,104
	2,221	2,217

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31 December 2021 (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 operation of Sino-Life Group Limited (the "Company") and its subsidiaries (the "Group") in People's Republic of China (the "PRC") remained relatively steady as compared with the corresponding year in 2020 (the "Prior Year"), while performance in Hong Kong Special Administrative Region, the PRC ("Hong Kong") and Taiwan has been sluggish. The operations in Socialist Republic of Vietnam ("Vietnam") also remained steady over the Year.

During the Year, the mainland Chinese government successfully controlled the outbreak of that the COVID-19 pandemic. According to the National Bureau of Statistics of China (the "National Bureau of Statistics"), the preliminary results of the GDP of the PRC for the 2021 was approximately RMB114,367 billion, representing a year-on-year increase of 8.1% at comparable prices and a two-year average growth rate of 5.1%. From the perspective of economic structure, the performance of traditional industries such as real estate and infrastructure was sluggish, the consumption of residents has not yet fully recovered, and strategic emerging industries such as new energy, intelligent manufacturing, biomedicine and semiconductors have further emerged, becoming a new engine for economic growth and promoting the high-quality development of China's economy. In November 2021, the Chinese government established the Beijing Stock Exchange to expand financing channels for small and medium-sized enterprises and further promote the innovative development of emerging industries.

The Group has formed a business pattern focusing on traditional funeral services and emerging biotechnology. While the traditional funeral services business currently accounts for a large proportion and the revenue is mainly derived from the PRC market, the biotechnology is the Group's long-term focus to expand its business.

Currently, the Group has mainly made presence in the subdivided fields such as stem cells and advanced biotechnical equipment, and substantial progress has been achieved. As the stem cell application policy in Mainland China has not been completely liberalized, the stem cell business has not yet formed a large-scale development. In order to avoid affecting the overall operating results, the Group will reduce the investment in the stem cell business in the short term. With the gradual resumption of economic activities in Europe, the Group's European suppliers have accelerated the resumption of work and production. The Group will fully utilize its resource advantages and seize the opportunities arising from the rapid development of the electron microscope industry in Mainland China to further expand the business scale of advanced biotechnical equipment.

In addition, in order to further promote the rapid development of the biotechnology business, the Group established a specialized and comprehensive investment platform in December 2021, mainly focusing on investment in the development direction of the biotechnology industry, including but not limited to, biomedicine, medical healthcare, life science instruments etc., as well as those emerging industries which could create synergy effect.

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

	2021		2020	
	RMB'000	***%***	*RMB'000*	*%*
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
The PRC	**70,294**	**96.5**	61,317	89.8
Taiwan	**1,450**	**2.0**	2,148	3.1
Hong Kong	**892**	**1.2**	4,440	6.5
Vietnam	**228**	**0.3**	435	0.6
	72,864	**100.0**	68,340	100.0

The PRC

Business in the PRC continues to be the major source of income of the operations of the Group during the Year. The Group's revenue that was derived from the PRC market recorded on year-on-year increase of 14.6% to approximately RMB70,294,000 to the Group for the Year from approximately RMB61,317,000 of the Prior Year. 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 service 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 service on stem cells and immunocytes contributed approximately RMB69,561,000 (The Prior Year: RMB60,961,000) and RMB733,000 (The Prior Year: RMB356,000), respectively, of the revenue in the PRC during the Year.

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 the COVID-19 pandemic in the first quarter of 2020. Benefited from the recovery of the impact of COVID-19 outbreak, the performance of the Group's funeral services in the PRC bounced back from COVID-19 outbreak impact during the Year.

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 biotechnical machineries and other electronics products in Hong Kong during the Year.

Revenue from the Taiwan market was approximately RMB1,450,000 for the Year (The Prior Year: RMB2,148,000), representing a decrease of approximately 32.5% from the Prior Year. On the other hand, revenue from the Hong Kong market was approximately RMB892,000 for the Year (The Prior Year: RMB4,440,000), representing a decrease of approximately 79.9% from the Prior Year.

During the second quarter of 2021 in Taiwan, there was another round of outbreak of COVID-19 pandemic and the Taiwan government has adopted another round of control measures including business shutdown, traffic control and personnel isolation, causing a drop in revenue from Taiwan's business.

On the other hand, as the foreign governments requested biotechnical companies to give priority to the production of epidemic prevention supplies in order to cope with the COVID-19 pandemic, the Group's sales of biotechnical machinery business were deferred because overseas suppliers of this business segment were unable to produce and deliver on time and accept new orders. However, the revenue from funeral arrangement and related consultancy services in Hong Kong recorded an increase of approximately RMB404,000, representing an year on year increase of approximately 82.8%, after the relaxation of the COVID-19 pandemic control measures during the Year.

Vietnam

The Group's revenue from the sales of burial plots in Vietnam was approximately RMB228,000 for the Year (The Prior Year: RMB435,000), representing a decrease of approximately 47.6% from the Prior Year. The decrease was mainly because the government imposed a temporary lockdown in Vietnam as the result of another round of outbreak of the COVID-19 pandemic during the Year.

FINANCIAL REVIEW

Revenue

	2021			2020		
	Revenue *RMB'000* **(Unaudited)**	**Segment operating profit/(loss)** *RMB'000* **(Unaudited)**	**Segment operating profit/(loss) margin** *%* **(Unaudited)**	Revenue *RMB'000* (Audited)	Segment operating profit/(loss) *RMB'000* (Audited)	Segment operating profit/(loss) margin *%* (Audited)
Funeral services	**72,131**	**14,962**	**20.7%**	63,686	9,598	15.1%
Stem cells and immunocytes and other business	**733**	**(520)**	**(70.9)%**	4,654	(366)	(7.9)%
	72,864	**14,442**	**19.8%**	68,340	9,232	13.5%

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 service on stem cells and immunocytes; and

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

For the Year, the Group's revenue was approximately RMB72,864,000 (The Prior Year: RMB68,340,000), representing an increase of approximately 6.6% as compared with the Prior Year. The increase was mainly contributed by the funeral services business in the PRC as the business in the PRC bounced back from COVID-19 outbreak impact during the Year.

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 service on stem cells and immunocytes and sales of biotechnical machineries and other electronic products, the cost of sales primarily consists of the costs of provision of advisory services on stem cells and immunocytes and biotechnical machineries and other electronic products.

Cost of sales for the Year was approximately RMB34,973,000 (The Prior Year: RMB39,173,000), decreased by approximately 10.7% as compared with the Prior Year. The decrease in cost of sales for the Year was mainly contributed by the decrease in the sales volume of the sales of biotechnology machineries and other electronic products business in Hong Kong.

Gross profit

Gross profit for the Year was approximately RMB37,891,000 (The Prior Year: RMB29,167,000), and representing a year on year increase of 29.9% and the gross profit margin was approximately 52.0% (The Prior Year: 42.7%). The increase in gross profit was mainly contributed by the funeral services in the PRC. The increase in the gross profit margin was mainly because of decrease in sales volume of the sales of biotechnical machineries and other electronic products business, which has lower gross profit margin and the increase in the sales volume of the funeral services, which has higher gross profit margin.

Other income and other net (loss)/gain

Other gains, which was approximately RMB1,242,000 during the Year, decreased by 46.3% as compared with approximately RMB2,314,000 for the Prior Year. The decrease was mainly attributable to the increase in provision of RMB454,000 made for cost of service for the year, against the written back of provision of RMB399,000 for cost of service was recorded for the Prior Year.

Selling and administrative expenses

Compared with the Prior Year, selling expenses for the Year decreased by approximately 24.9% to approximately RMB2,385,000 as the result of the reduction of advertising activities during the Year. Administrative expenses, which accounted for approximately 48.7% (The Prior Year: 36.5%) of revenue, increased by approximately 42.3% to approximately RMB35,468,000 (The Prior Year: RMB24,922,000) due to the general increase in the salary level across different geographical segments during the Year.

Finance costs

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 RMB2,182,000, as compared to that of the Prior Year of approximately RMB2,521,000.

Income tax expense

Income tax expense was mainly incurred by operations in the PRC, which was approximately RMB2,902,000 (The Prior Year: RMB3,421,000) for the Year, representing an decrease of approximately RMB519,000 or approximately 15.2% as compared with the Prior Year. The decrease was mainly attributable to decrease in withholding tax of RMB1,538,000 arising from the dividend received from the Group's subsidiaries located in the PRC, netted by the increase in PRC Enterprise Income Tax of RMB1,019,000 as the result of increase in taxable profit from the funeral services segment.

Loss for the Year attributable to the owners of the Company

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 RMB2,716,000, as comparted with the loss attributable to the owners of approximately RMB2,974,000 for the Prior Year. Loss per share for the Year was approximately RMB0.37 cents (The Prior Year: RMB0.40 cents).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group maintains a stable financial position. As at 31 December 2021, the Group had cash and bank balances of approximately RMB117,557,000 (2020: RMB123,674,000), while current and non-current bank borrowings were approximately RMB1,192,000 and approximately RMB4,812,000 respectively (2020: RMB1,138,000 and RMB5,826,000 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 2021, the gearing ratio representing the ratio of total borrowing to the total assets of the Group was approximately 2.2% (2020: 2.5%).

As at 31 December 2021, the Group had commitment for the capital injections in associates, a joint venture and construction in progress, in aggregate, amounted to RMB15,968,000 (2020: capital injections in associates and a joint venture of 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 the COVID-19 pandemic has impacted on the global business environment. Given the ongoing and dynamic nature of the circumstances surrounding COVID-19 pandemic, it is difficult to predict how significant the impact of this coronavirus outbreak, including any responses to it, will be on the global economy, the Group's customers and businesses or for how long disruptions are likely to continue. 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 December 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 year ending 31 December 2022 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.

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 2021, 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

On 13 September 2021, Zhongke Xunda Biotechnology (Shenzhen) Company Limited*（中科訊達生物科技（深圳）有限公司）("Zhongke Xunda"), an indirect wholly-owned subsidiary of the Company, entered into a capital increase agreement (the "Capital Increase Agreement") with Shenzhen Nanyue Crown Block Bio Intelligent Equipment Investment Co., Ltd.*（深圳市南嶽天車生物智能裝備投資有限公司）("Nanyue CB") to increase the registered capital of Zhongke Zhenhui (Guangdong) Medical Technology Company Limited*（中科臻慧（廣東）醫療科技有限公司）("Zhongke Zhenhui") from RMB10 million to RMB80 million on a pro rata basis. Pursuant to the Capital Increase Agreement, Zhongke Xunda and Nanyue CB agreed to contribute, by way of cash, RMB35.7 million and RMB34.3 million into the registered capital of Zhongke Zhenhui, respectively.

On 13 September 2021, Zhongke Zhenhui entered into a joint venture agreement (the "JV Agreement") with Shenzhen Huaxin Times Investment Co., Ltd.*（深圳市華信時代投資有限公司）("JV Partner") pursuant to which the parties thereto agreed to jointly establish a limited liability company (the "JV Company") in the PRC which will be principally engaged in investment activities and corporate management consultation. The registered capital of the JV Company shall be amounted to RMB70 million, among which, Zhongke Zhenhui and the JV Partner shall contribute, by way of cash, as to RMB40 million and RMB30 million, respectively, representing approximately 57.14% and 42.86% equity interest in the JV Company, respectively.

Zhongke Zhenhui is planned to be a comprehensive investment platform of the Group and will actively look for suitable investments and/or business opportunities to diversify the business of Group with an objective to broaden the Group's source of income and enhance the long-term growth potential of the Group.

While increasing the registered capital of Zhongke Zhenhui, together with the further investment from Nanyue CB, can provide sufficient funding for Zhongke Zhenhui to grasp the investment opportunities that become available from time to time, which in turn is expected to bring in investment income to the Group, the formation of the JV Company enables the Group to introduce the JV Partner, being a company that is principally engaged in venture capital and investment consultation which focuses on investment in emerging industries, and has a professional investment team with extensive investment experience, which benefits to the Group in obtaining strategic support in the long run and promoting the sustainability and stability for the Group's business development, whereas strengthening the competitive edges of the Group. The formation of the JV Company also allows the Company to further expand the scale of investment, and thus, increase the investment income of the Group as well as the return to the shareholders of the Company.

For details of the Capital Increase Agreement and the JV Agreement, please refer to the announcements of the Company dated 13 September 2021, 26 October 2021 and 22 November 2021, and the circular of the Company dated 29 October 2021.

* *For identification purposes only*

THE NUMBER AND REMUNERATION OF EMPLOYEES

As at 31 December 2021, the Group employed approximately 171 employees (The Prior Year: 179 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 2021, the carrying amount of property, plant and equipment pledged as security for the Group's bank borrowings was approximately RMB23,552,000 (2020: RMB20,394,000).

CAPITAL EXPENDITURE

For the Year, capital expenditure of the Group for property, plant and equipment amounted to approximately RMB1,303,000 (The Prior Year: RMB3,713,000).

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2021, the Group had commitment for the capital injections in associates, a joint venture and construction in progress, in aggregate, amounted to RMB15,968,000 (2020: capital injections in associates and a joint venture of RMB15,200,000).

The Group did not have any contingent liabilities as at 31 December 2021 and 2020.

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. Certain Directors, for the time when the annual general meeting of the Company held on 4 June 2021 ("2021 AGM") and one of the extraordinary general meetings of the Company (the "EGM") held on 22 November 2021, had other business engagements and thus, were not able to attend the 2021 AGM and the said EGM. In this regard, the compliance officer and company secretary of the Company had reminded the relevant Directors as well as other current independent non-executive Directors 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 Dr. Yang Jingjing, all of whom are the Company's independent non-executive Directors. The chairman of the Audit Committee is Mr. Sun Fei.

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 Omicron outbreak in Hong Kong, Crowe (HK) CPA Limited, the auditor of the Company (the "Auditor"), requires additional time to complete audit procedures (the "Audit Procedures") for the annual results of the Group for the year ended 31 December 2021 (the "Annual Results").

The unaudited annual results contained herein have not been agreed with the Auditor 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.

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 Auditor 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 2022.

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, 30 March 2022

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 Dr. YANG Jingjing being independent non-executive Directors.

This announcement will remain on the "Latest Listed Company Information" 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.