

AID
LIFE SCIENCE
AID Life Science Holdings Limited
(滙友生命科學控股有限公司)*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8088)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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 of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement in this announcement misleading.

* For identification purposes only

ABOUT AID LIFE SCIENCE HOLDINGS LIMITED

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

The Group is engaged in the business of strategic investment.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

During the year under review, despite the outbreak of COVID-19 and the liquidity issue posed by the maturity of the convertible bonds, the Group continued to operate its strategic investment business and underwent restructuring with the assistance of the joint provisional liquidators, with an objective to enhance the value of the Group, and hence maximise the return of the shareholders.

BUSINESS REVIEW

(a) Disposal of Investments

(i) Disposal of AID Partners Autonomous GP Ltd (the “General Partner”)

On 26 May 2020, the Group entered into the sale and purchase agreement (the “Agreement”) with an independent third party (the “Purchaser”), pursuant to which the Group has conditionally agreed to sell and the Purchaser has agreed to purchase the entire share capital of the General Partner, a wholly-owned subsidiary of the Group, at a cash consideration of US\$270,000 (equivalent to approximately HK\$2,106,000). A gain on disposal of the General Partner of approximately HK\$2.1 million was recognised in profit or loss during the year.

On 10 July 2020, the shareholders of the Company passed an ordinary resolution at the extraordinary general meeting to approve the Agreement. Upon completion of the Agreement on 13 July 2020, the Group ceases to have any equity interest in the General Partner and the General Partner ceases to be a subsidiary of the Group. As the Group has ceased to have management and investment control over AID Partners Autonomous, LP (the “Partnership”) through the General Partner, the Partnership and its subsidiaries have ceased to be accounted for as subsidiaries of the Group notwithstanding that the Group would still retain its capital contribution to the Partnership.

Details of this disposal were set out in the announcement and circular of the Company dated 26 May 2020 and 23 June 2020 respectively.

(ii) Disposal of Captain Win Limited (“Captain Win”)

On 24 November 2020, the Group entered into a sale and purchase agreement with an independent third party (the “Purchaser”), pursuant to which the Group has conditionally agreed to sell and the Purchaser has agreed to purchase the entire share capital of Captain Win, a wholly-owned subsidiary of the Group, at a cash consideration of HK\$100,000. A gain on disposal of Captain Win of approximately HK\$0.5 million was recognised in profit or loss during the year. Such disposal did not constitute a notifiable transaction on the Company under the GEM Listing Rules.

(b) Debt Restructuring

The Company issued the 8% convertible bonds in the principal amount of HK\$140 million in 2015 with a maturity date in July 2020. In this regard, the Company implemented a management-led restructuring under a court-supervised provisional liquidation regime. In February 2021, the Company completed a restructuring of its major debt with its maturity date having been extended for 18 months, and thereby the liquidity issue of the Company has been resolved. Details of the restructuring were set out in the announcements of the Company dated 4 August 2020, 6 August 2020 and 1 March 2021.

(c) Impact of outbreak of Coronavirus Disease 2019 (“COVID-19”)

As a result of outbreak of COVID-19 in early 2020, there were significant changes of business environment and have caused the global economy, in particular the investment industry, remain fragile and uncertain. Governments in different regions have imposed social distancing measures and believed that the pandemic would not be eradicated without effective treatment and vaccination. The Group, therefore, has closely monitored its investments and the impact of governmental pandemic response policies to the economic environment and have plans in place in response to any possible outcome. The impact to the individual investment, if any, are set forth in the below paragraphs.

(d) Selective Existing Investment Portfolio

The Group had financial assets at fair value through profit or loss in aggregate amount of approximately HK\$200.4 million and HK\$404.6 million as at 31 December 2020 and 2019 respectively, representing approximately 76% and 80% of the total assets of the Group as at the respective reporting dates. The following table sets out the Group's major investments as at 31 December 2020 and 2019:

Name of investments	As at 31 December 2020		As at 31 December 2019	
	Fair value at reporting date <i>HK\$'000</i>	Approximate percentage of the total assets of the Group	Fair value at reporting date <i>HK\$'000</i>	Approximate percentage of the total assets of the Group
AID Partners Autonomous, LP (the "Partnership") (<i>Note (iv)</i>) — unlisted shares	187,613	71%	—	0%
Zoox Inc. ("Zoox") (<i>Note (iv)</i>) — unlisted shares	—	0%	309,333	61%
China Creative Digital Entertainment Limited (“China Creative”) (<i>Note (v)</i>) — listed shares	1,628	1%	2,502	1%
— convertible bond with interest rate of 5% per annum and maturity date on 25 April 2021	—	0%	41,775	8%
Other investments	11,199	4%	51,015	10%
	<u>200,440</u>	<u>76%</u>	<u>404,625</u>	<u>80%</u>

Except for investments in the Partnership/Zoox and China Creative, as at 31 December 2020 and 2019, none of the Group's individual investment amounted to 10% or more of the total assets of the Group.

(i) *Complete Star Limited (“CSL”)*

CSL is principally engaged in the development and operation of mobile games. During 2020, it continued and maintained its mobile game portfolio including the Star Girl franchise. Star Girl is a fashion role-playing game (“RPG”) targeting female users in which players create a virtual female celebrity and determine her career, appearance and social life while interacting with the game world and other players. Since its release, the Star Girl franchise has accumulated a strong user base with over 100 million downloads globally. However, growth in mobile games sector has slowed down as smartphone penetration in major economies are reported at their near-saturation levels, leaving mobile apps and games developers to face stiffer competition within the market.

(ii) *Honestway Global Group Limited (“HGGL”)*

HGGL and its subsidiaries (the “HGGL Group”) are principally engaged in mobile games and online media content distribution in the People's Republic of China (the “PRC”). Since early 2018, the Mainland Chinese authorities has introduced a new regulatory regime for digital games, aimed at mitigating addiction and inappropriate contents. However, approval of titles had been slow and the game publishing industry fails to return to its pre-2018 levels. As a result, HGGL Group entered sharing economy business in 2019 by installing facilities for shared use at college and university campuses. However, the revenue generated from the shared use facilities had not reached the expected level as a result of outbreak of COVID-19, during which, the campuses were closed for a significant part of the year.

Apart from above, HGGL Group is also looking for potential new business opportunities that may utilise its experience in internet infrastructure and multi-media publishing.

(iii) *Brave Entertainment Co., Ltd (“Brave Entertainment”)*

Brave Entertainment is a Korean pop music production and artist management company. The company is led by Mr. Dong-Cheol Kang (“DC Kang”), who is recognised as one of the most influential producers in the Korean pop industry with his stage name “Brave Brothers”.

The company has cultivated 2 idol groups, namely, Brave Girls and DKB, the latter of whom had made its debut in February 2020 attracted a sizeable overseas fandom soon after. Apart from this, the company has a number of young trainee artists who are in training before making their debuts. Despite the COVID-19 pandemic in 2020, Brave Girls and DKB had released 1 and 3 mini albums respectively in 2020. In

keeping up with the pandemic situation and the accelerating digital transformation, the company is also planning to hold both on and offline concerts and fan meetings in further promoting its idol groups and artists.

(iv) The Partnership/Zoox

The principal activities of the Partnership was the holding of equity investments in financial and emerging technologies, including Zoox. On 10 July 2020, the shareholders of the Company passed an ordinary resolution at the extraordinary general meeting to approve the disposal of the entire share capital of AID Partners Autonomous GP Ltd (the “General Partner”) to an independent third party. Upon completion on 13 July 2020, the General Partner, the Partnership and its subsidiaries have ceased to be accounted for as subsidiaries of the Group; as a result, the interest in the Partnership is accounted for as a financial asset at fair value through profit or loss.

Zoox is a California-based self-driving startup founded in 2014 principally engaged in robotics and pioneering autonomous mobility-as-a-service, the company is developing a breakthrough, fully automated, electric vehicle fleet and the supporting ecosystem. During 2020, it had been reported by various news media, that Amazon.com Inc. (“Amazon”, NASDAQ: AMZN) intended to acquire Zoox (the “Acquisition”), which was eventually announced by both companies and the completion of which was subject to certain closing conditions. The consideration of the Acquisition was reported to be approximately US\$1.3 billion. The Acquisition was duly approved by Zoox.

As a result, fair value losses of HK\$66,975,000 (2019: fair value gains of HK\$47,000) was recognised for the year ended 31 December 2020 in relation to the interest in the Partnership (2019: investment in Zoox). The Group’s equity interest was approximately 82.3% of issued share capital of the Partnership as at 31 December 2020 (approximately 1.8% of issued share capital of Zoox as at 31 December 2019).

(v) China Creative (stock code: 8078)

China Creative is principally engaged in entertainment business and artiste management services. Due to lockdown of cities and theatres shut down, the schedule of releasing new films have been postponed since the outbreak of COVID-19 in January 2020. Although following the successful containment of the COVID-19 epidemic in the PRC, the theatres are allowed to reopen at a limited degree and the film and television companies, crews and artistes have resumed to work gradually, the businesses and performance of China Creative have been disrupted nonetheless. On the other hand, in view of the rapid growth of new media platforms, it will invest more resources in media content creation, movie production and movie distribution segments.

Fair value losses of HK\$874,000 and HK\$17,905,000 were recognised for the year ended 31 December 2020 and 2019, respectively, in relation to the investment in listed shares of China Creative. The Group's shareholding were approximately 11.1% of issued share capital of China Creative as at 31 December 2020 and 2019. Fair value losses of HK\$41,775,000 and fair value gains of HK\$5,205,000 were recognised for the year ended 31 December 2020 and 2019, respectively, in relation to the investment in convertible bonds of China Creative.

(vi) *Shenzhen Hooenergy Technology Company Limited** (深圳滙能新能源科技有限公司, "Hooenergy")

Hooenergy is engaged in the development and operation of electric vehicle ("EV") charging piles in the PRC. Hooenergy has established strategic collaboration with more than 30 of the top 50 property developers or management companies including AVIC Property, Poly Property, Changcheng Property, China Merchants Group, Kingkey Group and Rongchao Real Estate, 30% of which are exclusive. Hooenergy has over 16,000 chargers across China, including Shenzhen and other major cities. Moving forward, Hooenergy will continue to collaborate with more carpark operators, property management companies, as well as different strategic partners to expand its geographic market and reach.

(vii) *GeneSort*

GeneSort is a company incorporated in Israel principally engaged in advanced personalised molecular diagnostic services for cancer evaluation and cure. GeneSort aims to harness cutting edge technologies to elucidate the genetic DNA profile of patients, with particular focus on cancer and hereditary diseases. Besides providing comprehensive genomic profiling tests for solid tumours, hematological cancer and hereditary cancers, the company is also one of the few diagnostic companies in the world that aims to offer liquid biopsy for cancer diagnostics and prognosis monitoring utilising Next Generation Sequencing ("NGS") technology.

GeneSort was conducting research and development ("R&D") in various DNA analytical and sampling techniques for more efficient detection of tumors, however, being a company in R&D stage, it relies on the ability to obtain new funding in order to realise its R&D objectives. During 2020 and in response to the global COVID-19 pandemic, the company had attempted to work with its technological partners and to offer DNA-based virus testing solutions by utilising its expertise in DNA testing. However, such solution did not secure sufficient interests. And although the refinement to the testing solution may be possible, it would require additional funding to company. Unfortunately, the company encountered significant difficulty in obtaining new funds during the pandemic. Its management is hoping to renew the efforts in seeking new funds when the economic situation improves.

The business objective of the Company is to unlock the maximum value of the business of its investment by providing managerial and other business advice and exploring for any synergy. With the successful debt restructuring easing the liquidity issue of the Company and the growing signs of economic rebound as a result of ongoing roll-out of COVID-19 vaccines, the Group is now reset to direct its focus to actively look for strategic investment(s), being the Group's principal business. The Group will continue to (i) seize good opportunities from the potential fast growing industry; (ii) monitor and maximise the value of its investments; (iii) seek for potential strategic investment and divestment opportunities with the objective to enhance the return to its shareholders; and (iv) proactively look for new business opportunities under the Group's investment portfolio in order to maintain sustainability in the Group's consolidated business and to maximise the value of its various strategic investments globally.

FINANCIAL REVIEW

Financial Results

Revenue for the year under review decreased to HK\$4.0 million from HK\$11.7 million for last year, while total operating expenses (being selling and distribution expenses and administrative and operating expenses) for the year under review decreased to HK\$38.0 million from HK\$61.3 million for last year.

Fair value losses on financial assets at fair value through profit or loss of HK\$142 million (2019: HK\$27.1 million) was recognised in profit or loss for the year under review.

A gain on the disposal of subsidiaries of approximately HK\$2.5 million (2019: loss of HK\$5.2 million) was recognised in profit or loss for the year under review.

Other income for the year under review increased to HK\$26.0 million from HK\$7.8 million for last year due to bad debt recovery of HK\$13.1 million incurred during the year under review.

Finance costs for the year under review increased to HK\$18.6 million from HK\$16.3 million for last year, mainly represent the effective interest expense of convertible bonds of the Company with a principal amount of HK\$140 million.

As a result, the Group reported a loss attributable to owners of the Company for the year under review of HK\$205.6 million as compared to a loss of HK\$141.5 million for last year.

Segment Results

The chief operating decision makers, which are collectively the Executive Directors of the Company, identify the Group has only one operating segment, which is strategic investment.

No separate analysis of segment information is presented by the Group for the year ended 31 December 2020 as all of the Group's revenue, results, assets and liabilities are related to the strategic investment business.

Financial Position and Resources

Significant Capital Assets and Investments

Other than the significant investments disclosed in the section of "Management Discussion and Analysis — Business Review", the Group acquired property, plant and equipment totalling HK\$81,000 during the year under review.

Liquidity

As at 31 December 2020, the Group had cash and bank balances of HK\$30.3 million and net current liabilities of HK\$170.1 million, decreased from HK\$30.9 million and decreased from net current assets of HK\$196.9 million as at 31 December 2019, respectively. As at 31 December 2020, current assets and current liabilities of the Group were HK\$54.2 million (31 December 2019: HK\$405.1 million) and HK\$224.4 million (31 December 2019: HK\$208.2 million) respectively. Accordingly, the Group's current ratio was 0.2 (31 December 2019: 1.9). Subsequent to 31 December 2020, the Company announced that the maturity date of its major debt has been extended for 18 months, hence, the adjusted current ratio was 5.8 should the debt be regarded as a non-current liability as at 31 December 2020.

Gearing

2015 HK\$140 million Convertible Bonds

In July 2015, the Company entered into a subscription agreement with Hong Kong HNA Holding Group Co. Limited ("HNA") pursuant to which HNA agreed to subscribe the convertible bond in principal amount of HK\$140,000,000, bearing a compound interest rate of 8% per annum (the "2015 HK\$140 million Convertible Bonds"). On 20 July 2015, with the fulfilment of all the conditions required for the 2015 HK\$140 million Convertible Bonds, the Company issued the 2015 HK\$140 million Convertible Bonds for the investment capital of the strategic investment business of the Company as well as for the expansion of its asset

management business and related financial platform and general working capital of the Group. In accordance with the terms and conditions thereof, the adjusted conversion price is HK\$6.5 per share.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debts divided by total capital. Net debts are calculated as total borrowings (including convertible bonds and borrowings) less cash and cash equivalents. Total capital is calculated as “equity” as shown in the consolidated statement of financial position plus net debts.

The gearing ratios at 31 December 2020 and 2019 were as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Convertible bonds	214,995	197,095
Less: Cash and cash equivalents	(30,292)	(30,917)
Net debts	184,703	166,178
Total equity	35,038	292,862
Total capital	219,741	459,040
Gearing ratio	84%	36%

The increase in gearing ratio as at 31 December 2020 was mainly due to the decrease in total equity as a result of loss incurred for the year.

Charges

There were no significant charges on the Group’s investments and assets as at 31 December 2020.

Commitments and Contingent Liabilities

The Group had no material capital commitments and contingent liabilities as at 31 December 2020.

Equity Structure

As at 31 December 2020, the total issued share capital of the Company was 549,982,005 ordinary shares, increased from 545,107,005 ordinary shares as at 31 December 2019 due to the issuance of remuneration shares as compensation for consultancy service during the year under review.

Neither the Company, nor any of its subsidiaries, has purchased or sold any of the Company’s listed securities during the year under review.

As at 31 December 2020, the Company had 560,097 share options outstanding under the Company's 2002 Share Option Scheme of which were all exercisable.

As at 31 December 2020, the Company had 32,626,750 share options outstanding under the Company's 2014 Share Option Scheme of which were all exercisable. The Company can grant a further 54,023,200 options pursuant to the existing shareholder mandate limit.

EMPLOYEE INFORMATION

As at 31 December 2020, the Group had 26 full-time employees (2019: 40) across the entire Group. Employee remuneration (including directors' remuneration) totalled HK\$14.8 million (2019: HK\$21.9 million). The remuneration packages of the Group's Directors and employees are kept at a competitive level to attract, retain and motivate Directors and employees of the quality required to run the Group successfully. In general, remuneration consists of a combination of a fixed salary paid in cash and a performance linked bonus paid in cash and options. A portion of the bonus may be deferred subject to the achievement of certain pre-determined targets and conditions. The Group's remuneration policies and practices are reviewed annually and benchmarked against sectors of financial and banking institutions.

MATERIAL ACQUISITIONS AND DISPOSALS

During the year under review, other than the disposal of investments mentioned in "Business Review" section above, the Group made no other significant acquisition or disposal of subsidiaries or affiliated companies.

CONTRACTUAL ARRANGEMENTS

The Group, through its wholly-owned subsidiary HGGL, indirectly owned a wholly-foreign-owned-enterprise, 深圳八零八八科技有限公司 ("WFOE"), which has entered into the corresponding contractual arrangements to control and operate a foreign restricted business, namely 上海威搜游科技有限公司 ("VSOYOU") under the relevant PRC laws and regulations (the "Contractual Arrangements").

PARTICULARS OF VSOYOU AND ITS REGISTERED OWNERS, AND A SUMMARY OF THE MAJOR TERMS OF THE CONTRACTUAL AGREEMENTS

VSOYOU is a company with limited liability established in the PRC, its registered owners are 張永鋒先生 (Mr. Zhang Yong Feng*) and 陳曉萍女士 (Ms. Chen Xiao Ping*). A summary of the major terms of the Contractual Arrangements has been published on the website of the Company.

DESCRIPTION OF VSOYOU'S BUSINESS ACTIVITIES AND THEIR SIGNIFICANCE TO THE GROUP

VSOYOU and its subsidiaries are primarily engaged in the development and operation of mobile-online games business in the PRC. The net asset value of VSOYOU was approximately HK\$5,091,000 and HK\$26,361,000 as at 31 December 2020 and 2019, respectively, which represents approximately 14.5% and 9.1% of the Group's net assets as at 31 December 2020 and 2019, respectively. The revenue of VSOYOU was approximately HK\$2,433,000 and HK\$8,893,000 for the year ended 31 December 2020 and 2019, respectively, which represents approximately 60% and 76% of the Group's revenue for the year ended 31 December 2020 and 2019, respectively. The net loss of VSOYOU was approximately HK\$8,622,000 and HK\$3,467,000 for the year ended 31 December 2020 and 2019, respectively.

REASON FOR USING THE CONTRACTUAL ARRANGEMENTS

As advised by the PRC legal adviser, VSOYOU is primarily engaged in the development and operation of mobile-online games business and is considered to be engaged in the provision of value-added telecommunication services and internet cultural business. Pursuant to the applicable PRC laws and regulations, the said business of VSOYOU is subject to prohibition on foreign investment. Shareholders of VSOYOU are required to be PRC domestic natural persons, enterprise legal persons or other social organisations and foreign investors are not allowed to directly invest in VSOYOU. As such, the Group cannot acquire the equity interest in VSOYOU at that time. Having regard to such foreign investment restrictions, the Contractual Arrangements were designed to provide WFOE and, thus the Group with effective control over the financial and operational policies of VSOYOU and (to the extent permitted by PRC laws and regulations) the right to acquire the equity interest in VSOYOU.

* *For identification purpose only*

RISKS ASSOCIATED WITH THE CONTRACTUAL ARRANGEMENTS AND ACTIONS TAKEN BY THE COMPANY TO MITIGATE THE RISKS

WFOE does not have any direct equity ownership in VSOYOU and will have to rely on the Contractual Arrangements to control, operate, and be entitled to the economic benefits and risks arising from the value-added telecommunication services and internet cultural business in the PRC conducted through VSOYOU. However, there are risks involved with the operations of WFOE's business under the Contractual Arrangements, as the case may be.

- (i) There is no assurance that the Contractual Arrangements could comply with future changes in the regulatory requirements in the PRC and the PRC government may determine that the Contractual Arrangements do not comply with applicable regulations.
- (ii) The Contractual Arrangements may not be as effective in providing control over and entitlement to the economic interests in VSOYOU as direct ownership.
- (iii) Potential conflicts of interest among WFOE, VSOYOU and existing shareholder(s) of VSOYOU may exist.
- (iv) The Contractual Arrangements may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed.
- (v) WFOE's ability to acquire the entire equity interests in or assets of VSOYOU may be subject to various limitations and substantial costs.
- (vi) Certain terms of the Contractual Arrangements may not be enforceable under the PRC laws.

In light of the above risks associated with the Contractual Arrangements, the Group has adopted a set of procedures, systems and internal control measures to ensure the sound and effective operation of the Group and the implementation of the Contractual Arrangements. Such procedures, systems and internal control measures include (i) regular discussions of matters relating to compliance and regulatory enquiries from governmental authorities, if any, by the board of directors of the Company at board meetings; and (ii) retaining legal adviser and/or other professional to assist the Group to deal with specific issues arising from the Contractual Arrangements, if so required.

MATERIAL CHANGE OR UNWINDING OF THE CONTRACTUAL ARRANGEMENTS

There was no material change or unwinding of the Contractual Arrangements since the date of the Contractual Arrangements were entered into up to the date of this announcement.

RESULTS

The board of directors (the “Board”) of the Company submit herewith the consolidated results of the Group for the year ended 31 December 2020, together with the comparative audited figures of the corresponding period in 2019, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue	3	4,023	11,739
Cost of sales	6	(2,893)	(9,383)
Gross profit		1,130	2,356
Selling and distribution expenses	6	–	(454)
Administrative and operating expenses	6	(37,990)	(60,890)
Impairment losses on goodwill		–	(7,580)
Impairment losses on trade receivables		(2,645)	(1,278)
Impairment losses on other receivables		(3,294)	(7,896)
Impairment losses on interest in an associate		(839)	–
Impairment losses on loans to an associate		(29,589)	(30,504)
Other income	4	26,029	7,814
Other losses — net	5	(139,426)	(30,968)
Operating loss		(186,624)	(129,400)
Finance costs	7	(18,587)	(16,344)
Share of results of an associate accounted for using the equity method		(619)	(6,287)
Loss before income tax		(205,830)	(152,031)
Income tax credit	8	205	2,372
Loss for the year		(205,625)	(149,659)

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Loss attributable to:			
Owners of the Company		(205,593)	(141,458)
Non-controlling interests		(32)	(8,201)
		<u>(205,625)</u>	<u>(149,659)</u>
Loss per share attributable to owners of the Company:			
Basic loss per share (<i>HK Cents</i>)	9	<u>(37.52)</u>	<u>(26.04)</u>
Diluted loss per share (<i>HK Cents</i>)		<u>(37.52)</u>	<u>(26.04)</u>

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Loss for the year	(205,625)	(149,659)
Other comprehensive income/(loss):		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	214	(964)
Share of other comprehensive loss of an associate	–	(675)
Other comprehensive income/(loss) for the year, net of tax	214	(1,639)
Total comprehensive loss for the year	(205,411)	(151,298)
Total comprehensive loss for the year		
Attributable to:		
Owners of the Company	(205,376)	(143,757)
Non-controlling interests	(35)	(7,541)
	(205,411)	(151,298)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		1,078	12,089
Right-of-use assets		5,541	8,311
Intangible assets		3,400	5,196
Interest in an associate		–	1,458
Loans to an associate		–	27,431
Loan to an independent third party	<i>10</i>	–	6,354
Financial assets at fair value through profit or loss		198,812	42,660
		208,831	103,499
Current assets			
Contract assets		–	1,319
Trade and other receivables	<i>10</i>	22,269	10,516
Financial assets at fair value through profit or loss		1,628	361,965
Tax recoverable		50	431
Cash and cash equivalents		30,292	30,917
		54,239	405,148
Non-current liabilities			
Lease liabilities		3,672	7,252
Deferred tax liabilities		–	332
		3,672	7,584

	<i>Notes</i>	2020 HK\$'000	2019 HK\$'000
Current liabilities			
Trade and other payables	<i>11</i>	5,370	8,115
Lease liabilities		3,580	2,991
Convertible bonds		214,995	197,095
Tax payable		415	–
		<u>224,360</u>	<u>208,201</u>
Net current (liabilities)/assets		<u>(170,121)</u>	<u>196,947</u>
Total assets less current liabilities		<u>38,710</u>	<u>300,446</u>
Net assets		<u>35,038</u>	<u>292,862</u>
EQUITY			
Share capital		8,580	8,504
Reserves		25,726	228,917
Equity attributable to owners of the Company		34,306	237,421
Non-controlling interests		732	55,441
		<u>35,038</u>	<u>292,862</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL INFORMATION

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

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

These financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"). In addition, the consolidated financial statements include applicable disclosures requirements of the Hong Kong Companies Ordinance Cap. 622 and the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("GEM Listing Rules").

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments), which are measured at fair value.

(a) *Going Concern*

During the year ended 31 December 2020, the Group reported a loss for the year of approximately HK\$206 million and had a net operating cash outflow of approximately HK\$9 million. In addition, the Group's current liabilities exceeded its current assets by approximately HK\$170 million as at 31 December 2020.

In August 2020, a winding up petition was filed by the Company and joint provisional liquidators ("JPLs") were appointed to assist the Company to review all issues relating to the feasibility of debt restructuring plan. The JPLs provided reports to the Cayman Court on the latest status and progress of the restructuring proposal on a time-to-time basis.

In February 2021, the Group completed the restructuring of its major debt, convertible bonds of approximately HK\$215 million, which were replaced by a loan from an independent third party, repayable in August 2022.

In March 2021, as agreed by the JPLs, the liquidity issue of the Company has been resolved. The JPLs have therefore been discharged and the Company has exited the provisional liquidation (for restructuring purposes).

The directors of the Company have reviewed the Group’s cash flow projections, which cover a period of eighteen months from 31 December 2020. The directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2020. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

(b) *New and amended Standards, Interpretations and Framework issued that are applicable to accounting periods beginning on or after 1 January 2020*

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- Definition of Material — amendments to IAS 1 and IAS 8
- Definition of a Business — amendments to IFRS 3
- Hedge accounting — amendments to IAS 39, IFRS 7 and IFRS 9
- Revised Conceptual Framework for Financial Reporting — Conceptual Framework for Financial Reporting 2018

The adoption of new and amended Standards and Framework (“Amendments”) does not have any significant change to the accounting policies or any significant impact on the results and financial position of the Group.

(c) *New and amended Standards, Interpretations issued that are not yet effective and have not been early adopted by the Group*

A number of new Amendments that are relevant to the Group but not yet effective for the financial year beginning at 1 January 2020 and have not been early adopted by the Group are as follow:

		Effective for annual years beginning on or after
IFRS 17	Insurance Contracts (new standard)	1 January 2023
Amendments to IFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022
Amendments to Annual Improvements Project	Annual Improvements to IFRSs 2018-2020	1 January 2022
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2022
IFRS 16	Covid-19-Related Rent Concessions (amendments)	1 June 2020
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors of the Company have assessed the financial impact on the Group of the adoption of the above new Amendments to existing standards. These Amendments are not expected to have a material impact on the Group in the future reporting periods and on foreseeable future transactions. The Group intends to adopt the above new Amendments to existing standards when they become effective.

3. REVENUE

Revenue represents the (i) sales of in-app purchase items, (ii) advertising income, (iii) game publishing service income, (iv) real-time video streaming income and (v) shared use facilities income. An analysis of revenue is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Sales of in-app purchase items	1,488	3,946
Advertising income	102	6,240
Game publishing service income	6	–
Real-time video streaming income	1,424	695
Shared use facilities income	1,003	858
	<u>4,023</u>	<u>11,739</u>

4. OTHER INCOME

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Bank interest income	284	543
Interest income on loan to an independent third party	470	861
Interest income on a loan to a shareholder of an investee	3,460	–
Interest income on loans to an associate	1,223	713
Interest income on loaned securities to an investee	3,294	3,928
License fee income from a related company	351	468
Bad debt recovery	13,144	–
Reversal of impairment losses on other receivables	873	–
Written off of trade payables	1,568	–
Others	1,362	1,301
	<u>26,029</u>	<u>7,814</u>

5. OTHER LOSSES — NET

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Fair value losses on financial assets at fair value through profit or loss, net	(142,032)	(27,120)
Gains/(losses) on disposal of subsidiaries	2,505	(5,226)
Foreign exchange gains, net	101	1,378
	<u>(139,426)</u>	<u>(30,968)</u>

6. EXPENSES BY NATURE

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Auditor's remuneration:		
— audit services	700	850
— non-audit services	520	216
Cost of sales	2,893	9,383
Employee benefit expense (including directors' remuneration)	14,847	21,872
Amortisation of intangible assets	1,997	10,614
Depreciation of property, plant and equipment	1,367	2,612
Depreciation of right-of-use assets	2,770	3,147
Research and development costs	—	2,573
Written off of trade receivables	1,544	—
Consultancy service settled by remuneration shares	2,260	4,576
Others	11,985	14,884
	<u>40,883</u>	<u>70,727</u>

7. FINANCE COSTS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Effective interest expense on convertible bonds		
— wholly repayable within five years	17,900	15,270
Interest expenses on lease liabilities	687	989
Others	—	85
	<u>18,587</u>	<u>16,344</u>

8. INCOME TAX CREDIT

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Hong Kong		
— Current tax for the year	415	–
— (Over)/under-provision in respect of prior year	(72)	72
The PRC		
— Current tax for the year	–	3
— Over-provision in respect of prior years	(216)	–
Total current income tax	127	75
Deferred tax credit	(332)	(2,447)
Income tax credit	(205)	(2,372)

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

Accordingly, for the years ended 31 December 2020 and 2019, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. The profits of group entities not qualified for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

The Group's subsidiaries operating in the PRC are subject to PRC Enterprise Income Tax at the tax rate of 25% (2019: 25%). One of the Group's major operating subsidiaries, VSOYOU, was established in the PRC and carries on business in the PRC as a software enterprise. This subsidiary has, pursuant to the relevant laws and regulations in the PRC, obtained exemption from PRC Enterprise Income Tax for two years starting from its first profit-making year, followed by a 50% reduction for the next three years (the "Tax Exemption"). This subsidiary which is currently entitled to the Tax Exemption from 1 January 2015 would continue to enjoy such treatments until the Tax Exemption period expires, but not beyond 31 December 2019.

Taxes on profits assessable elsewhere have been calculated at the rates prevailing in the relevant jurisdictions for the years ended 31 December 2020 and 2019.

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic

Basic loss per share is calculated by dividing loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2020	2019
<i>(HK\$'000)</i>		
Loss attributable to owners of the Company	<u>(205,593)</u>	<u>(141,458)</u>
<i>(Number of shares)</i>		
Weighted average number of ordinary shares	<u>548,010,694</u>	<u>543,143,649</u>
<i>(HK cents)</i>		
Basic loss per share attributable to the owners of the Company	<u>(37.52)</u>	<u>(26.04)</u>

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion/exercise of all potentially dilutive ordinary shares. The Company has two (2019: three) categories of potentially dilutive ordinary shares: remuneration shares and share options (2019: remuneration shares, share options and convertible bonds). For the remuneration shares and share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares for the period) based on the monetary value of the subscription rights attached to outstanding remuneration shares and share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The conversion period for the convertible bonds had expired in July 2020.

For the years ended 31 December 2020 and 2019, diluted loss per share is the same as the basic loss per share as the conversion/exercise of potential ordinary shares in relation to the outstanding remuneration shares, share options and convertible notes would have anti-dilutive effects to the basic loss per share.

10. TRADE AND OTHER RECEIVABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade receivables	5,980	5,256
Less: provision for impairment of trade receivables	<u>(3,981)</u>	<u>(1,124)</u>
Trade receivables, net	<u><u>1,999</u></u>	<u><u>4,132</u></u>
Other receivables	21,715	11,977
Less: provision for impairment of other receivables	<u>(10,317)</u>	<u>(7,896)</u>
Other receivables, net	<u><u>11,398</u></u>	<u><u>4,081</u></u>
Loan to an independent third party	<u><u>6,824</u></u>	<u><u>6,354</u></u>
Trade receivables, net	1,999	4,132
Other receivables, net	11,398	4,081
Loan to an independent third party	6,824	6,354
Rental and other deposits	1,193	1,280
Prepayments	<u>855</u>	<u>1,023</u>
At end of the year	<u><u>22,269</u></u>	<u><u>16,870</u></u>
Categorised as:		
Current portion	22,269	10,516
Non-current portion	<u>–</u>	<u>6,354</u>
	<u><u>22,269</u></u>	<u><u>16,870</u></u>

As at 31 December 2020 and 2019, ageing analysis of trade receivables based on invoice date and net of impairment losses is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current	237	727
0–30 days	14	195
31–60 days	14	286
61–90 days	7	532
Over 90 days	<u>1,727</u>	<u>2,392</u>
	<u><u>1,999</u></u>	<u><u>4,132</u></u>

11. TRADE AND OTHER PAYABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade payables	2,490	4,126
Other payables	1,568	1,998
Accrued charges	1,312	1,991
	<u>5,370</u>	<u>8,115</u>

As at 31 December 2020 and 2019, the ageing analysis of trade payables based on invoice date is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0–30 days	105	147
31–60 days	165	136
61–90 days	21	88
Over 90 days	2,199	3,755
	<u>2,490</u>	<u>4,126</u>

12. DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: nil).

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: Nil).

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2020, the Company has complied with the code provisions (“Code Provisions”) as set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules, except for the following deviations:

Code Provision A.2.1

Code Provision A.2.1 provides that the roles of the Chairman and Chief Executive Officer (“CEO”) should be separate and should not be performed by the same individual.

Following the resignation of Mr. Wu King Shiu, Kelvin from the office of CEO and Chairman of the Company on 4 February 2019 and 1 June 2020 respectively, the Company has not appointed CEO and Chairman in place of Mr. Wu King Shiu, Kelvin. Up to the date of this announcement, the role and function of CEO and Chairman have been performed by the two Executive Directors of the Company collectively.

Code Provision E.1.2

Code Provision E.1.2 provides that the Chairman of the Board should attend the annual general meeting to answer questions at the annual general meeting. The Company has not appointed the Chairman of the Company. Ms. Chan Suet Ngan (“Ms. Chan”) and Mr. Hu Kenneth had attended the meeting and Ms. Chan had chaired the annual general meeting and answer any questions from shareholders.

DIRECTORS’ SECURITIES TRANSACTIONS

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.

Having made specific enquiries of all Directors of the Company, the Company is satisfied that the Directors of the Company have complied with the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules, and with the Company’s code of conduct regarding Directors’ securities transactions.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2020, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors, were as follows:

(i) Interests in the ordinary shares of the Company (the "Share(s)")

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

Note:

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

(ii) Interests in the underlying Shares

Outstanding share options

Name of Directors	Date of grant (dd/mm/yyyy)	Exercise price (HK\$)	Exercise period (Notes)	Balance as at 1 January 2020	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	Balance as at 31 December 2020
Ms. Chan Suet Ngan	01/04/2016	4.94	(1)	200,000	–	–	–	200,000
	19/05/2017	1.56	(2)	600,000	–	–	–	600,000
				<u>800,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>800,000</u>
Mr. Hu Kenneth (Note 3)	01/04/2016	4.94	(1)	400,000	–	–	–	400,000
	19/05/2017	1.56	(2)	2,800,000	–	–	–	2,800,000
				<u>3,200,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,200,000</u>
Mr. Yuen	01/04/2016	4.94	(1)	150,000	–	–	–	150,000
	19/05/2017	1.56	(2)	100,000	–	–	–	100,000
				<u>250,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>250,000</u>

Notes:

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

(iii) Short positions

None of the Directors held short positions in the shares and underlying shares of the Company or any Associated Corporation.

Save as disclosed above, as at 31 December 2020, none of the Directors or chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision of the SFO), or which were recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31 December 2020, the following persons, other than the Directors or chief executive of the Company, had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

(i) Interests in the Shares and underlying Shares

Name	Aggregate long position in Shares	Aggregate long position in underlying Shares	Approximate percentage of the issued share capital of the Company
Substantial Shareholders			
Mr. Wu King Shiu, Kelvin (“Mr. Wu”) <i>(Notes 1 and 2)</i>	114,644,282	5,294,200	21.80%
Ms. Li Mau <i>(Notes 1 and 2)</i>	114,644,282	5,294,200	21.80%
AID Cap II <i>(Note 1)</i>	104,939,882	–	19.08%
AID Partners GP2, Ltd. <i>(Note 1)</i>	104,939,882	–	19.08%
Billion Power Management Limited <i>(Note 1)</i>	104,939,882	–	19.08%
Leader Fortune International Limited <i>(Note 1)</i>	104,939,882	–	19.08%
Hong Kong HNA Holding Group Co. Limited <i>(Note 3)</i>	66,141,232	–	12.02%
Mr. Wong Kwok Ho (“Mr. Wong”) <i>(Notes 4 and 5)</i>	37,433,200	9,375,000	8.51%
Ms. Chau Mui <i>(Notes 4 and 5)</i>	37,433,200	9,375,000	8.51%
Mr. David Tin	45,454,400	–	8.26%
Abundant Star Ventures Limited <i>(Note 1)</i>	45,454,545	–	8.26%
Vantage Edge Limited <i>(Note 1)</i>	34,090,937	–	6.19%

Notes:

1. Mr. Wu owns 1,424,400 Shares. Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited own 25,394,400 Shares, 45,454,545 Shares and 34,090,937 Shares, respectively. Mr. Wu is deemed to have interests in 25,394,400 Shares, 45,454,545 Shares and 34,090,937 Shares of which Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited were deemed to be interested by virtue of the SFO since Mr. Wu indirectly owns 100% through Billion Power Management Limited, of the issued share capital of AID Partners GP2, Ltd.. AID Partners GP2, Ltd. is the general partner of AID Partners Capital II, L.P. (“AID Cap II”). AID Cap II is interested in the entire issued share capital of Leader Fortune International Limited, which is interested in the entire issued share capital of Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited. Further, Mr. Wu is interested in 1,344,200 share options, 3,500,000 share options and 450,000 share options at an exercise price of HK\$3.20 per Share, HK\$4.94 per Share and HK\$1.56 per Share, respectively, to subscribe for Shares. Ms. Li Mau, as the spouse of Mr. Wu, is deemed to be interested in these Shares and underlying Shares for the purpose of the SFO.
2. Billion Express Consultants Limited (“Billion Express”) owns 8,280,000 Shares. The entire issued share capital of Billion Express is wholly-owned by Ms. Li Mau. Mr. Wu, as the spouse of Ms. Li Mau, is deemed to be interested in these Shares held by Billion Express for the purpose of the SFO.
3. Hong Kong HNA Holding Group Co. Limited is wholly-owned by HNA Financial Holdings International Co., Ltd. (“HNA Financial”). HNA Financial is wholly-owned by Beijing HNA Financial Holdings Co., Ltd. (“Beijing HNA”). Beijing HNA is owned as to 61.32% by HNA Investment Holding Co. Ltd. (“HNA Investment”) and owned as to 37.74% by Hainan HNA Holding Co., Ltd.. HNA Investment is owned as to 73.06% by HNA Holding Group Co., Ltd.. Hainan HNA Holding Co., Ltd. is owned as to 51.38% by HNA Holding Group Co., Ltd. and 21.61% by HNA Group Co., Ltd.. HNA Holding Group Co., Ltd. is wholly-owned by HNA Group Co., Ltd.. HNA Group Co., Ltd. is owned as to approximately 70% by Hainan Traffic Administration Holding Co., Ltd. (“Hainan Traffic”). Hainan Traffic is owned as to approximately 50% by Sheng Tang Development (Yangpu) Co., Limited (“Sheng Tang”). Sheng Tang is owned as to 35% by Tang Dynasty Development Co., Limited (“Tang Dynasty”) and 65% by Hainan Province Cihang Foundation. Tang Dynasty is owned as to approximately 98% by Pan-American Aviation Holding Company, which is in turn 100% beneficially owned by Cihang Sino-Western Cultural and Educational Exchange Foundation Limited.
4. Mr. Wong owns 16,839,200 Shares and is interested in 4,500,000 share options at an exercises price of HK\$1.56 per Share to subscribe for Shares. Mr. Wong is deemed to be interested in 19,500,000 Shares and 4,875,000 underlying shares as mentioned in Note 5 below. Ms. Chau Mui, as the spouse of Mr. Wong, owns 1,094,000 Shares and is deemed to be interested in all Shares and underlying shares held by Mr. Wong.
5. Sky March Limited (“Sky March”) entered into a consulting service agreement with the Company dated 5 May 2017 (the “Consulting Service Agreement”), pursuant to which the Company has issued 97,500,000 Shares (4,875,000 Shares adjusted upon the Share Consolidation), 97,500,000 Shares (4,875,000 Shares adjusted upon the Share Consolidation), 4,875,000 Shares and 4,875,000 Shares to Sky March on 25 May 2017, 28 May 2018, 28 May 2019 and 28 May 2020, respectively, and 4,875,000 Shares will be issued to Sky March in accordance with the terms and conditions of the Consulting Service Agreement. Mr. Wong is interest in these shares and underlying shares through his 100% interest in Sky March.

(ii) Short positions

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

Save as disclosed above, as at 31 December 2020, the Directors of the Company were not aware of any other person who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at 31 December 2020, no other person had interests which were recorded in the register required to be kept under section 336 of the SFO.

AUDIT COMMITTEE

The Company established an Audit Committee on 31 March 2000 with the written terms of reference. The terms of reference are available on the Company's website (www.8088inc.com). The Audit Committee comprises three Independent Non-Executive Directors, Mr. Yuen Kwok On (Chairman), Mr. Yau Chung Hang and Mr. Ip Wing Wai. The duties of the Audit Committee include: managing the relationship with the Group's external auditor, reviewing the financial information of the Company, and overseeing the Company's financial reporting process, risk management and internal control systems. The Audit Committee reports its work, findings and recommendations to the Board after each meeting. The Audit Committee meets at least quarterly with the most recent meeting held on 26 March 2021. The annual results for the year ended 31 December 2020 have been reviewed by the Audit Committee.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of other comprehensive income and consolidated statement of financial position and the related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Group's independent auditor, Linksfield CPA Limited ("Linksfield"), to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2020. The work performed by Linksfield in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standard on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board and consequently no assurance has been expressed by Linksfield on this announcement.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the years ended 31 December 2020 and 2019. Neither the Company, nor any of its subsidiaries, has purchased or sold any of the Company's listed securities during the years ended 31 December 2020 and 2019.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the Company's website at www.8088inc.com and the website of the Stock Exchange at www.hkexnews.hk. The Company's 2020 annual report will be despatched to shareholders of the Company and available on the above websites in due course.

The financial information set out above does not constitute the Group's statutory financial statements for the financial year ended 31 December 2020. Instead, it has been derived from the Group's audited consolidated financial statements for the financial year ended 31 December 2020, which will be included in the Company's 2020 annual report.

By Order of the Board
AID Life Science Holdings Limited
Chan Suet Ngan
Executive Director

Hong Kong, 26 March 2021

As at the date of this announcement, the Directors are:

Executive Directors: Chan Suet Ngan and Hu Kenneth

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement in this announcement misleading.

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