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 2018

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.

* *For identification purposes only*

ABOUT AID LIFE SCIENCE HOLDINGS LIMITED

AID Life Science Holdings Limited (formerly known as Healthoo International Technology 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, the Group continued to operate its strategic investment business with the following investments and disposals, 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 Asset Management Limited ("AIDPAML")

AIDPAML is principally engaged in provision of investment advisory and asset management services.

On 8 January 2018, 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 conditionally agreed to purchase the entire issued capital of AIDPAML, a wholly-owned subsidiary of the Group, for a cash consideration of approximately HK$5.9 million. The disposal of AIDPAML was completed on 5 September 2018. A gain on the disposal of AIDPAML of approximately HK$5.7 million was recognised in profit or loss during the year.

(B) Selective Existing Investment Portfolio

(i) Complete Star Limited ("CSL")

CSL is principally engaged in the operation of mobile games, 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. The game has already been released to the market for over five years. Since its release, the game has accumulated a strong user base with over 100 million downloads globally. CSL is making continual improvements its portfolio of games including constant updates for new features such as seasonal and festival themes and holding fashion design contests to regularly attract installations and new users.

(ii) Honestway Global Group Limited ("HGGL")

HGGL and its subsidiaries (the "HGGL Group") are principally engaged in the development, distribution and operation of mobile games in the People's Republic of China (the "PRC"). Under the practice of new regulations, authorities have not approved any new game licenses since March of 2018, contributing to the slowest first half growth in China's games industry in many years. While looking for ways to reinforce its existing business, the management has decided to expand into few more sectors, including online Key Opinion Leaders ("KOLs") management, content creation and licensing businesses. During the year, HGGL Group has established a new multi-channel network business to diversify its distribution channels as well as closer collaboration with content providers. Some potential KOLs and talents are selected to join the group to create musical, dance, comedy, acting, lip-sync and other types of talent show videos in China. These contents will be distributed on online media platforms such as YouKu after editing and post-production processes. HGGL Group manages and develops new KOLs and will continue to create contents to distribute on YouTube and other video and live streaming platforms. This new business is expected to bring in revenue stream in 2019.

(iii) HMV Digital China Group Limited ("HMV Digit China")

HMV Digit China is principally engaged in the entertainment business, with a focus in television program and movie production, distribution, distribution licensing, cinema operation and management in both Hong Kong and the PRC and artist management. HMV Digit China intends to continue developing and streamlining its entertainment, movie production and distribution business to generate a synergistic effect with its existing lines of business. The company produced and release several successful movies in 2018, including "Agent Mr. Chan", recorded a domestic box office more than HK$44 million and won the top 10 highest box office films in Hong Kong during the first half of 2018. Dynasty Warriors, a movie version of the well-known video game franchise based on the famous novel "Romance of the Three Kingdoms", is in post-production stage.

(iv) Zoox Inc. ("Zoox")

Zoox is 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 required to bring the service to market at scale. The company has the permit to test autonomous vehicles in California and has begun testing its self-driving technology with a human operator on the public roads of California.

Zoox has built a fleet of prototype vehicles, the prototype vehicles are being used for testing and validation before the company could commence production. It is expected that the first autonomous tests would occur in the first half of 2019. The company has named Aicha Evans as its new CEO as part of its strategy to accelerate the work on launching a self-driving ride-hailing service after the departure of the founding CEO. The company is still on track to deploy a fleet of fully autonomous vehicles in the second half of 2020.

In December 2018, Zoox secured a licence from the California Public Utilities Commission to participate in the state's Autonomous Vehicle Passenger Service pilot programme. The permit allows Zoox to carry passengers in its self-driving cars, a human safety driver will be in the vehicle at all times to respond to unexpected emergencies.

(v) 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 built more than 6,600 chargers in China, mostly Shenzhen, and secured more than 100,000 parking spots in major cities such as Shenzhen, Guangzhou, Shanghai, Beijing, Chengdu, Changsha, Nanchang, Wuhan, Tianjin and Jinan. The growth in the business has been driven by the increasing consumer adoption of electric vehicles and use of charging piles. In January 2019, the number of subscribers exceeded 61,000. With continuous increase in number of installed charging piles and new offering of monthly charging plan to electric-taxis, a high average utilisation rate has been maintained at about 4%. The utilisation rate is based on actual charging time of an EV when parked and the availability of the parking space throughout the day, its management has so allowed a typical maximum utilisation rate of all charging piles in the range of 4% to 6%, and after taking into consideration of additional factors such as users experience. In 2018, Hooenergy has partnered with car rental companies and insurance companies to provide charging service and sell car insurance packages in its mobile application. The company also provides monthly charging plan to electric-taxis. As part of its plan to open at more locations and expand into advertising business, the company will continue to collaborate with more carpark operators, property management companies, as well as media and advertising companies.

(vi) GeneSort

GeneSort Ltd. ("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, GeneSort 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 is conducting research and development in advanced lung and colorectal focused gene panels for more efficient detection of tumors, in addition, it is also developing "minimal DNA" sample technology which requires less sample mass for analysis as opposed to prevalent technology. GeneSort also possesses a completely in-house bioinformatics system which applies computational methods to analyse large collections of biological data, such as genetic sequences and novel biomarkers to make new predictions for personalised diagnostics. A telegenetic counselling service for patients is also currently in development and expected to provide the service in the first half of 2019.

The Group will continue to engage in the business of strategic investment. As at the date of this announcement, as part of the strategic investment business of the Company, the Group continued to monitor and strive to maximise the value of its various strategic investments globally. The Group also leveraged on its investment in GeneSort to develop and expand its foothold in the health-technology sector.

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

FINANCIAL REVIEW

Financial Results

As a result of the change of strategies coupled with the less favourable operating environment in the mobile game business of the Group, revenue for the year under review decreased to HK$19.3 million from HK$27.9 million for last year, while total operating expenses (being selling and distribution expenses, administrative expenses and other operating expenses) for the year under review increased to HK$167.9 million from HK$157.5 million for last year.

Fair value loss on financial assets at fair value through profit or loss of HK$576.9 million (31 December 2017: HK$18.1 million) was recognised for the year under review. The increase in loss was mainly attributable to significant increase in unrealised fair value loss in financial assets at fair value through profit or loss recognised mainly as a result of change in price of listed shares in HMV Digit China during the year under review.

A gain on the disposal of subsidiaries of approximately HK$9.8 million (31 December 2017: HK$30.9 million) was recognised in profit or loss for the year ended 31 December 2018.

Following the resignation of the Company's directors as the directors of HMV Digit China on 28 June 2017, the Group had no significant influence on HMV Digit China's financial and operating policies, a fair value loss of HK$286.9 million was recognised in profit or loss for the last year under review upon the reclassification of the Group's interest in HMV Digit China from interest in an associate to an investment, which was non-recurring, non-cash in nature and did not have any cash flow impact for the Group.

Other net income for the year under review decreased to HK$9.3 million from HK$51.2 million for last year, which was mainly due to no gain on deemed disposal of interest in an associate (31 December 2017: HK$31.8 million) was recognised for the year under review.

Finance costs for the year under review increased to HK$14.4 million from HK$13.5 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$765.3 million as compared to a loss of HK$420.3 million for last year.

Segment Results

The major reportable operating segments are asset management and strategic investment for the year under review. The segment result from asset management for the year under review was a gain of HK$4.8 million as compared with a loss of HK$2.4 million last year. The segment result from strategic investment for the year under review was a loss of HK$736.1 million as compared to a loss of HK$380.3 million last year, mainly due to the fair value loss on financial assets at fair value through profit or loss increased to HK$576.9 million from HK$18.1 million for last year.

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$2.4 million during the year under review which mainly represents the acquisition of plant and machinery used by GeneSort.

Liquidity

As at 31 December 2018, the Group had cash and bank balances of HK$40.5 million and net current assets of HK$90.5 million, increased from HK$35.4 million and decreased from HK$188.8 million as at 31 December 2017, respectively. The increase in cash and bank balances was mainly due to the disposals of investment in listed securities during the year under review. As at 31 December 2018 and 2017, the Group was in net cash position and hence no gearing ratio was presented.

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 after share consolidation became effective on 14 December 2018.

Save for disclosed in "Charges" below, as at 31 December 2018, the Group had no other significant debt.

Charges

On 14 July 2017, the Group entered into a facility agreement with an independent third party that provides a maximum facility of approximately HK$73 million, which is secured by listed securities held by the Group, maintained at a fee of 4.0% per annum and repayable in three years. On 19 November 2018, the loan at a carrying amount of HK$8,974,000 was settled by the secured shares to the lender, which has market value of HK$12,799,000 on the disposal date.

There are no significant charges on the Group's investments and assets as at 31 December 2018.

Commitments and Contingent Liabilities

As at 31 December 2018, the Group had no significant commitments, other than those under operating leases for the rental of land and buildings of HK$18,314,000 (31 December 2017: HK$20,267,000). The Group had no material capital commitments and contingent liabilities as at 31 December 2018.

Equity Structure

As at 31 December 2018, the total issued share capital of the Company was 540,232,005 ordinary shares, decreased from 10,707,140,110 ordinary shares as at 31 December 2017 due to Share Consolidation became effective on 14 December 2018 (see below).

On 13 November 2018, the Company proposed to implement the consolidation on the basis that every twenty (20) issued and unissued shares of the Company or redeemable convertible preference shares of the Company with par value of US$0.0001 each into one (1) consolidated share of the Company or consolidated redeemable convertible preference share of the Company with par value of US$0.002 each ("Share Consolidation"). The proposal was duly passed by the shareholders of the Company by way of ordinary resolution at the extraordinary general meeting of the Company convened on 13 December 2018 and became effective on 14 December 2018. Accordingly, the number of issued ordinary shares of the Company was reduced from 10,804,640,110 to 540,232,005. Further details of the Share Consolidation are set out in the Company's circular dated 23 November 2018.

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 2018, the Company had 678,625 share options outstanding under the Company's 2002 Share Option Scheme of which were all exercisable.

As at 31 December 2018, the Company had 33,508,000 share options outstanding under the Company's 2014 Share Option Scheme of which were all exercisable. The Company can grant a further 127,923 options pursuant to the existing shareholder mandate limit.

EMPLOYEE INFORMATION

As at 31 December 2018, the Group had 81 full-time employees (2017: 106) across the entire Group. Employee remuneration (including directors' remuneration) totaled HK$27.4 million (2017: HK$58.5 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 significant investments and disposals as detailed in Notes 12 to 14 to the results announcement, 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" or "SZ8088"), 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 is primarily engaged in the development and operation of mobile-online games business in the PRC. The net asset value of VSOYOU was approximately HK$37,962,000 and HK$44,405,000 as at 31 December 2018 and 2017, respectively, which represents approximately 8.7% and 4% of the Group's net assets as at 31 December 2018 and 2017, respectively. The revenue of VSOYOU was approximately HK$13,039,000 and HK$17,823,000 for the year ended 31 December 2018 and 2017, respectively, which represents approximately 68% and 64% of the Group's revenue for the year ended 31 December 2018 and 2017, respectively. The net loss of VSOYOU was approximately HK$16,705,000 and HK$7,653,000 for the year ended 31 December 2018 and 2017, 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 audited consolidated results of the Group for the year ended 31 December 2018, together with the comparative audited figures of the corresponding period in 2017, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2018

	Notes	2018 HK$'000	(Re-presented) 2017 HK$'000
Continuing operations			
Revenue	3	**19,261**	27,939
Cost of sales		**(13,239)**	(18,554)
Gross profit		**6,022**	9,385
Fair value loss on financial assets at fair value through profit or loss, net		**(576,885)**	(18,137)
Gain on disposal of subsidiaries	13	**4,084**	30,934
Loss on reclassification of interest in an associate to financial asset at fair value through profit or loss		**–**	(286,925)
Other net income	4	**9,292**	51,151
Selling and distribution expenses		**(637)**	(4,423)
Administrative expenses			
Depreciation of property, plant and equipment		**(2,616)**	(1,392)
Amortisation of intangible assets		**(18,035)**	(19,229)
Other administrative expenses		**(89,810)**	(126,053)
		(110,461)	(146,674)
Impairment of an available-for-sale investment		**–**	(1,560)
Impairment of goodwill		**(27,999)**	(27,900)
Impairment of other intangible assets		**(3,674)**	(17,658)
Other operating expenses		**(55,900)**	(3,984)
Loss from operations		**(756,158)**	(415,791)
Finance costs	5	**(14,379)**	(13,493)
Share of results of an associate, net of tax		**–**	(2,313)
Loss before taxation	6	**(770,537)**	(431,597)
Taxation credit	7	**1,418**	6,063
Loss for the year from continuing operations		**(769,119)**	(425,534)
Discontinued operations			
Profit/(Loss) for the year from discontinued operations		**4,800**	(2,439)
Loss for the year		**(764,319)**	(427,973)

	Notes	2018 HK$'000	(Re-presented) 2017 HK$'000
Attributable to:			
Owners of the Company			
Loss for the year from continuing operations		**(770,060)**	(417,894)
Profit/(Loss) for the year from discontinued operations		**4,800**	(2,439)
		(765,260)	(420,333)
Non-controlling interests			
Profit/(Loss) for the year from continuing operations		**941**	(7,640)
Result for the year from discontinued operations		**–**	–
		941	(7,640)
Loss for the year		**(764,319)**	(427,973)
		HK cents	(Restated) *HK cents*
Loss per share from continuing and discontinued operations	*8*		
— Basic		**(142.17)**	(84.39)
— Diluted		**N/A**	N/A
Loss per share from continuing operations	*8*		
— Basic		**(143.06)**	(83.90)
— Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	2018 *HK$'000*	2017 *HK$'000*
Loss for the year	**(764,319)**	(427,973)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of available-for-sale investments	**–**	(4,436)
Reclassification adjustment on impairment of available-for-sale investments	**–**	1,560
Exchange differences on translation of foreign operations	**(1,640)**	3,685
Share of other comprehensive income of an associate	**–**	297
Reclassification to profit or loss on derecognition of interest in an associate	**–**	899
Other comprehensive income for the year, net of tax	**(1,640)**	2,005
Total comprehensive income for the year	**(765,959)**	(425,968)
Attributable to:		
Owners of the Company	**(767,469)**	(418,184)
Non-controlling interests	**1,510**	(7,784)
Total comprehensive income for the year	**(765,959)**	(425,968)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	As at 31 December 2018 HK$'000	As at 31 December 2017 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**19,715**	20,912
Available-for-sale investments		**–**	962,883
Intangible assets		**106,478**	151,152
Other receivables	*9*	**5,883**	–
Investments in convertible bonds		**–**	41,332
Financial assets at fair value through profit or loss		**405,400**	15,557
		537,476	1,191,836
Current assets			
Inventories		**–**	450
Contract assets		**4,525**	–
Trade and other receivables	*9*	**29,768**	134,040
Investments in convertible bonds		**–**	19,056
Financial assets at fair value through profit or loss		**36,638**	18,122
Tax recoverable		**288**	486
Cash and cash equivalents		**40,538**	35,358
		111,757	207,512
Current liabilities			
Contract liabilities		**2,132**	–
Trade and other payables	*10*	**17,802**	18,671
Borrowings	*11*	**1,037**	–
Tax payable		**301**	–
		21,272	18,671
Net current assets		**90,485**	188,841
Total assets less current liabilities		**627,961**	1,380,677

	Notes	As at 31 December 2018 HK$'000	As at 31 December 2017 HK$'000
Non-current liabilities			
Borrowings	*11*	**–**	9,033
Convertible bonds		**181,825**	167,742
Deferred tax liabilities		**10,546**	12,246
		192,371	189,021
Net assets		**435,590**	1,191,656
EQUITY			
Share capital		**8,428**	8,352
Reserves		**369,039**	1,131,470
Equity attributable to owners of the Company		**377,467**	1,139,822
Non-controlling interests		**58,123**	51,834
Total equity		**435,590**	1,191,656

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

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.

Pursuant to a special resolution duly passed at the extraordinary general meeting of the Company held on 7 May 2018, together with the approval of the Registrar of Companies in the Cayman Islands on 9 May 2018 and the approval of Registrar of Companies in Hong Kong on 12 June 2018, the name of the Company has been changed from "Healthoo International Technology Holdings Limited (海滙國際科技控股有限公司)" to "AID Life Science Holdings Limited (滙友生命科學控股有限公司)" with effect from 9 May 2018.

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

The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") which collective term includes all applicable individual International Financial Reporting Standards and Interpretations approved by the International Accounting Standards Board (the "IASB") and all applicable individual International Accounting Standards and Interpretations as originated by the Board of the International Accounting Standards Committee and adopted by the IASB. The financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("GEM Listing Rules").

The financial statements for the year ended 31 December 2018 were approved by the board of directors (the "Directors") and authorised for issue on 22 March 2019.

2. ADOPTION OF NEW OR REVISED IFRSs

(a) Adoption of new or revised IFRSs — effective from 1 January 2018

The Group applied the following new standards, amendments and interpretations, which are relevant to, and effective, for the consolidated financial statements for the annual period beginning on 1 January 2018:

Annual Improvements to IFRSs 2014–2016 Cycle	Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards"
Annual Improvements to IFRSs 2014–2016 Cycle	Amendments to IAS 28 "Investments in Associates and Joint Ventures"
Amendments to IFRS 2	Classification and Measurement of Share-Based Payment Transactions
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
Amendments to IFRS 15	Revenue from Contracts with Customers (Clarifications to IFRS 15)
IFRIC 22	Foreign Currency Transactions and Advance Consideration

Annual Improvements to IFRSs 2014–2016 Cycle — Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards"

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", removing transition provision exemptions relating to accounting periods that had already passed and were therefore no longer applicable.

The adoption of these amendments has no impact on these financial statements as the periods to which the transition provision exemptions related have passed.

Annual Improvements to IFRSs 2014–2016 Cycle — Amendments to IAS 28 "Investments in Associates and Joint Ventures"

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IAS 28 "Investments in Associates and Joint Ventures", clarifying that a venture capital organisation's permissible election to measure its associates or joint ventures at fair value is made separately for each associate or joint venture.

The adoption of these amendments has no impact on these financial statements as the Group is not a venture capital organisation.

Amendments to IFRS 2 — Classification and Measurement of Share-Based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The adoption of the amendments has no impact on these financial statements as the Group does not have any cash-settled share-based payment transaction and has no share-based payment transaction with net settlement features for withholding tax.

IFRS 9 — Financial Instruments

IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: (1) classification and measurement; (2) impairment and (3) hedge accounting. The adoption of IFRS 9 from 1 January 2018 has resulted in changes in accounting policies of the Group and the amounts recognised in the consolidated financial statements.

The following table summarised the impact, net of tax, of transition to IFRS 9 on the opening balance of accumulated losses and investment revaluation reserve as at 1 January 2018 as follows (increase/(decrease)):

	HK$'000
Accumulated losses	
Transferred from investment revaluation reserve for financial assets now measured at fair value through profit or loss ("FVTPL")	2,876
Reclassification of investments in convertible bonds now measured at FVTPL	4,233
Change in accumulated losses as at 1 January 2018	7,109
Investment revaluation reserve	
Transferred to accumulated losses for financial assets now measured at FVTPL	(2,876)
Change in investment revaluation reserve as at 1 January 2018	(2,876)

(i) Classification of financial assets and financial liabilities

IFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from IAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, IFRS 9 retains the requirements in IAS 39 for derecognition of financial assets and financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity financial assets, loans and receivables and available-for-sale financial assets. The adoption of IFRS 9 has no material impact on the Group's accounting policies related to financial liabilities and derivative financial instruments. The impact of IFRS 9 on the Group's classification and measurement of financial assets is set out below.

Under IFRS 9, except for certain trade receivables (that the trade receivables do not contain a significant financing component in accordance with IFRS 15), an entity shall, at initial recognition, measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. A financial asset is classified as: (i) financial assets at amortised cost ("amortised cost"); (ii) financial assets at fair value through other comprehensive income ("FVTOCI"); or (iii) financial assets at FVTPL. The classification of financial assets under IFRS 9 is generally based on two criteria: (i) the business model under which the financial asset is managed and (ii) its contractual cash flow characteristics (the "solely payments of principal and interest" criterion, also known as "SPPI criterion"). Under IFRS 9, embedded derivatives are no longer required to be separated from a host financial asset. Instead, the hybrid financial instrument is assessed as a whole for the classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and it has not been designated as at FVTPL:

— It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

— The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

A debt investment is measured at FVTOCI if it meets both of the following conditions and it has not been designated as at FVTPL:

— It is held within a business model whose objective is to achieved by both collecting contractual cash flows and selling financial assets; and

— The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. All other financial assets not classified as at amortised cost or FVTOCI as described above are classified as at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies would be applied to the Group's financial assets as follows:

FVTPL	FVTPL is subsequently measured at fair value. Changes in fair value, dividends and interest income are recognised in profit or loss.
Amortised cost	Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.
FVTOCI (debt instruments)	Debt investments at FVTOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
FVTOCI (equity instruments)	Equity investments at FVTOCI are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss.

The following table summarises the original measurement categories under IAS 39 and the new measurement outgoing under IFRS 9 for each class of the Group's financial assets as at 1 January 2018:

Financial assets	**Original classification under IAS 39**	**New classification under IFRS 9**	**Carrying amount as at 1 January 2018 under IAS 39** *HK$'000*	**Carrying amount as at 1 January 2018 under IFRS 9** *HK$'000*
Investments in convertible bonds *(Note (a))*	Loans and receivables	FVTPL/ Amortised cost	60,388	71,712
Derivative embedded in the convertible bonds *(Note (a))*	FVTPL	N/A	15,557	N/A
Equity securities not held for trading *(Note (b))*	Available-for-sale investments	FVTPL	962,883	962,883
Trade and other receivables *(Note (c))*	Loans and receivables	Amortised cost	134,040	119,587
Cash and cash equivalents	Loans and receivables	Amortised cost	35,358	35,358
Bond investments	FVTPL	FVTPL	15,782	15,782
Derivative financial instruments	FVTPL	FVTPL	2,340	2,340

Notes:

(a) As at 31 December 2017, investments in convertible bonds were split into debt component of HK$60,388,000, which was classified as loans and receivables; and derivative component of HK$15,557,000, which was classified as financial assets at FVTPL, under IAS 39.

As at 1 January 2018, investment in convertible bonds of HMV Digit China amounted to HK$56,889,000 consist of both debt component of HK$41,332,000 and derivative component of HK$15,557,000 were reclassified as financial assets at FVTPL in their entirety based on the business model and contractual cash flow characteristics. The difference amounted to HK$4,233,000 between the previous net carrying amount of HK$56,889,000 and the fair value of HK$52,656,000 was recognised in accumulated losses as at 1 January 2018.

As at 1 January 2018, investment in convertible bonds of Brave Entertainment amounted to HK$19,056,000 consisted of only the debt component and was reclassified as a loan receivable measured at amortised cost in other receivables.

(b) As at 1 January 2018, equity investments in listed securities of HK$707,603,000 were classified from available-for-sale investments to financial assets at FVTPL. The Group intended to hold these equity investments for long-term strategic purposes. Related fair value losses of HK$2,876,000 previously recognised in investment revaluation reserve was transferred to accumulated losses on 1 January 2018.

As at 1 January 2018, unquoted equity investments of HK$255,280,000 were reclassified from available-for-sale investments to financial assets at FVTPL. These unquoted equity instruments have no quoted price in an active market. The Group intended to hold these unquoted equity investment for long-term strategic purposes. As at 1 January 2018, the fair value of these unquoted instruments approximated to their carrying amounts.

(c) Trade and other receivables of HK$14,453,000 were reclassified to contract assets as at 1 January 2018 as a result of the initial application of IFRS 15.

(d) The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities as at 1 January 2018 have not been impacted by the initial application of IFRS 9.

The Group did not designate or re-designate any financial asset or financial liability at FVTPL as at 1 January 2018.

(ii) Impairment of financial assets

The adoption of IFRS 9 has changed the Group's impairment model by replacing the IAS 39 "incurred loss model" to the "expected credit losses ("ECLs") model". IFRS 9 requires the Group to recognise ECLs for trade receivables, financial assets at amortised cost, contract assets and debt investments at FVTOCI earlier than IAS 39. Cash and cash equivalents are subject to ECLs model but the impairment was immaterial for the current year.

Under IFRS 9, the losses allowances are measured on either of the following bases: (1) 12-months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date: and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Measurement of ECLs

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables and contract assets using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. The 12-months ECLs is the portion of the lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Presentation of ECLs

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt instruments at FVTOCI, the loss allowance is recognised in other comprehensive income, instead of reducing the carrying amount of the assets.

Impact of the ECLs model

Impairment of trade receivables and contract assets:

As mentioned above, the Group applies the IFRS 9 simplified approach to measure ECLs which adopts a lifetime ECLs for all trade receivables and contract assets. To measure the ECLs, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets have substantially the same risk as the trade receivables.

For trade receivables and contract assets as at 1 January 2018, the Group applied expected credit loss rate of 0.7% for balances not past due; 2.7% for balances less than 30 days past due, and considered the loss allowance as at 31 December 2017 under IAS 39 approximated to the loss allowance under the ECLs model and accordingly, no adjustment is made to the loss allowance as at 1 January 2018.

The loss allowance of contract assets further increased by HK$11,947,000 during the year ended 31 December 2018.

Impairment of other receivables:

Other financial assets at amortised cost of the Group include deposits and other receivables. The application of ECLs model had no impact on these assets as at 1 January 2018 and total ECLs of HK$35,129,000 (Note 6) was recognised for the year ended 31 December 2018.

(iii) Hedge accounting

Hedge accounting under IFRS 9 has no impact on the Group as the Group does not apply hedge accounting in its hedging relationships.

(iv) Transition

The Group has applied the transitional provision in IFRS 9 such that IFRS 9 was generally adopted without restating comparative information. This means that differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings/accumulated losses and reserves as at 1 January 2018. Accordingly, the information presented for the year ended 31 December 2017 does not reflect the requirements of IFRS 9 but rather those of IAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed as at 1 January 2018 (the date of initial application of IFRS 9 by the Group ("DIA")):

— the determination of the business model within which a financial asset is held;

— the designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL; and

— the designation of certain investments in equity instruments not held for trading to be classified as at FVTPL.

If an investment in a debt investment had low credit risk at the DIA, then the Group has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

IFRS 15 — Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 "Construction Contracts", IAS 18 "Revenue" and related interpretations. IFRS 15 has established a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has adopted IFRS 15 using the cumulative effect method without practical expedients. The Group has recognised the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of retained earnings/accumulated losses at the DIA. As a result, the financial information presented for the year ended 31 December 2017 has not been restated.

Under IFRS 15, an entity normally recognises revenue when a performance obligation is satisfied. Impact of IFRS 15 on the revenue recognition may take into consideration when multiple performance obligations are identified. Based on its assessment, the Group has not identified multiple performance obligations for its contracts with customer.

The following tables summarised the impact, net of tax, of transition to IFRS 15 on the opening balance of accumulated losses as follows (increase/(decrease)):

	HK$'000
Accumulated losses	
Contract assets	14,453
Trade and other receivables	(14,453)
Impact as at 1 January 2018	–

The following table summarised the estimated impact of adoption of IFRS 15 on the Group's consolidated financial statements as at 31 December 2018.

	Amounts reported in accordance with IFRS 15 (A) *HK$'000*	Hypothetical amounts under IAS 18 (B) *HK$'000*	Difference: Estimated impact of adoption of IFRS 15 as at 31 December 2018 (A)–(B) *HK$'000*
Contract assets	4,525	–	4,525
Trade and other receivables	35,651	40,176	(4,525)
Trade and other payables	17,802	19,934	(2,132)
Contract liabilities	2,132	–	2,132

There was no material impact on the Group's consolidated statement of profit or loss, consolidated statement of other comprehensive income and consolidated statement of cash flows for the year ended 31 December 2018.

Amendments to IFRS 15 — Revenue from Contracts with Customers (Clarifications to IFRS 15)

The amendments to IFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

The adoption of these amendments has no impact on these financial statements as the Group had not previously adopted IFRS 15 and took up the clarifications in this, its first, year.

IFRIC 22 — Foreign Currency Transactions and Advance Consideration

The interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The interpretation specifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The adoption of these amendments has no impact on these financial statements as the Group has not paid or received advance consideration in a foreign currency.

(b) New or revised IFRSs that have been issued but are not yet effective

The following new or revised IFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Annual Improvements to IFRSs 2015–2017 Cycle	Amendments to IFRS 3 "Business Combinations"[1]
Annual Improvements to IFRSs 2015–2017 Cycle	Amendments to IAS 12 "Income Taxes"[1]
Amendments to IAS 1 and IAS 8	Definition of Material[2]
Amendments to IFRS 3	Definition of a Business[3]
Amendments to IFRS 9	Prepayment Features with Negative Compensation[1]
IFRS 16	Leases[1]
IFRIC 23	Uncertainty over Income Tax Treatments[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after 1 January 2019
2 Effective for annual periods beginning on or after 1 January 2020
3 Effective for business combinations where the acquisition date is on or after 1 January 2020
4 The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continued to be permitted.

3. REVENUE

Revenue represents the (i) net receipts from sales of in-app purchases items, (ii) advertising income, (iii) game publishing service income, (iv) subscription fee income and (v) real-time video streaming income. An analysis of revenue is as follows:

	2018	2017
	HK$'000	*HK$'000*
Continuing operations		
Sales of in-app purchase items	**4,226**	4,245
Advertising income	**10,292**	5,519
Game publishing service income	**4,013**	15,249
Subscription fee income	**–**	1,944
Real-time video streaming income	**730**	982
	19,261	27,939

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

	As at 31 December 2018 *HK$'000*	As at 1 January 2018 *HK$'000*
Trade receivables *(Note 9)*	**187**	419
Contract assets	**4,525**	14,453
Contract liabilities	**(2,132)**	–

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on revenue related to the game publishing service income, advertising income and real-time video streaming income. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group provides the official invoices to the customers.

The contract liabilities mainly relate to the advance consideration received from customers.

As at 31 December 2018, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts was HK$2,132,000. This contract liability represents revenue expected to be recognised in the future from partially-completed advertising contracts. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur within the next 12 months.

4. OTHER NET INCOME

	2018 *HK$'000*	2017 *HK$'000*
Continuing operations		
Bank interest income	**791**	1,159
Effective interest income on investments in convertible bonds	**3,620**	8,515
Foreign exchange gains, net	**–**	1,280
Loss on disposal of property, plant and equipment	**–**	(67)
Gain on deemed disposal of interest in an associate	**–**	31,750
Interest income on loans to independent third parties	**488**	5,593
Interest income on a loan to a shareholder of an investee	**261**	629
Interest income on a loan to a subsidiary of an investee/an associate	**277**	1,248
Interest income on loaned securities to an investee	**1,983**	–
Leasing income from related companies	**139**	–
Others	**1,733**	1,044
	9,292	51,151

5. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Continuing operations		
Effective interest expense on convertible bonds		
— wholly repayable within five years	**14,083**	12,999
Interest on borrowings	**296**	494
	14,379	13,493

6. LOSS BEFORE TAXATION

	2018	2017
	HK$'000	*HK$'000*
Loss before taxation for continuing and discontinued operations is arrived at after charging:		
Auditor's remuneration:		
— audit services	**1,288**	1,276
— non-audit services	**245**	585
Impairment of contract assets (included in other operating expenses)	**11,947**	–
Employee benefit expense (including directors' remuneration and share-based compensation expense)	**27,387**	58,540
Operating leases charges in respect of leased premises	**6,043**	7,310
Write-off of property, plant and equipment	**413**	109
Loss on disposal of available-for-sale investments	**–**	547
Loss on disposal of property, plant and equipment	**9**	67
Impairment of loan receivables (included in other operating expenses)	**35,129**	3,437
Foreign exchange loss, net	**1,883**	–
Research and development costs	**11,173**	4,065
Loss on settlement of borrowings *(Note 11)*	**3,825**	–

7. TAXATION CREDIT

	2018	2017
	HK$'000	*HK$'000*
Hong Kong		
— Current tax for the year	**6**	55
— Under-provision/(over-provision) in respect of prior year	**270**	(20)
The PRC		
— Current tax for the year	**6**	363
Deferred tax credit	**(1,700)**	(6,461)
Taxation credit	**(1,418)**	(6,063)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK$2 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, starting from the year ended 31 December 2018, 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%.

For the year ended 31 December 2017, Hong Kong profits tax was calculated at a flat rate of 16.5% of the estimated assessable profits.

The Group's subsidiaries operating in the PRC are subject to PRC Enterprise Income Tax at the tax rate of 25% (2017: 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.

The Group's subsidiaries operating in Israel are subject to corporate income tax at the tax rate of 23% (2017: 24%).

Taxes on profits assessable elsewhere have been calculated at the rates prevailing in the relevant jurisdictions for the years ended 31 December 2018 and 2017.

Reconciliation between taxation credit and accounting loss at applicable tax rates is as follows:

	2018 *HK$'000*	2017 *HK$'000*
Loss before taxation	**(765,737)**	(434,036)
Tax at the domestic income tax rates	**(126,347)**	(71,616)
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	**(4,966)**	(1,229)
Tax effect of share of losses of an associate	**–**	382
Tax effect of non-taxable income	**(28,628)**	(9,347)
Tax effect of non-deductible expenses	**153,136**	72,582
Tax effect of unrecognised temporary differences	**(442)**	82
Tax effect of unrecognised tax losses	**5,595**	2,087
Utilisation of tax losses previously not recognised	**(36)**	–
Tax effect of tax exemption granted to PRC subsidiaries	**–**	1,016
Under-provision/(over-provision) in respect of prior year	**270**	(20)
Taxation credit	**(1,418)**	(6,063)

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

For continuing and discontinued operations

Basic and diluted loss per share is calculated by dividing consolidated loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year and adjusted weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, respectively.

	2018	(Restated) 2017
(HK$'000)		
Loss attributable to owners of the Company for the purposes of basic loss per share	**(765,260)**	(420,333)
(Number)		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**538,268,649**	498,058,728

The weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for share consolidation on 14 December 2018.

The calculation of the basic loss per share attributable to owners of the Company from continuing and discontinued operations is based on the following:

	2018 HK$'000	(Restated) 2017 HK$'000
Loss for the year attributable to owners of the Company	**(765,260)**	(420,333)
Adjusted for:		
(Profit)/Loss for the year from discontinued operations	**(4,800)**	2,439
Loss for the purpose of basic loss per share from continuing operations	**(770,060)**	(417,894)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

From discontinued operations

Basic earnings per share for the discontinued operations are 0.89 HK cents per share (2017: basic loss of 0.49 HK cents per share), based on the profit for the year from the discontinued operations of HK$4,800,000 (2017: loss of HK$2,439,000) and the denominators detailed above for the both basic and diluted loss per share.

Diluted loss per share

For the years ended 31 December 2018 and 2017, the diluted loss per share would reduce if the outstanding share options and convertible bonds were taken into account, as those financial instruments had an anti-dilutive effect and these were ignored in the calculation of diluted loss per share.

9. TRADE AND OTHER RECEIVABLES

	Notes	**2018** ***HK$'000***	2017 *HK$'000*
Trade receivables	*(a)*	**7,554**	24,678
Less: impairment loss recognised		**(7,367)**	(9,806)
Trade receivables, net		**187**	14,872
Other receivables	*(b)*	**29,029**	90,652
Deposits and prepayments		**6,435**	28,516
		35,651	134,040
Categorised as:			
Current portion		**29,768**	134,040
Non-current portion		**5,883**	–
		35,651	134,040

Upon the adoption of IFRS 9, no adjustment as at 1 January 2018 was made to recognise additional ECLs on trade receivables (Note 2).

Upon the adoption of IFRS 15, some of the trade receivables, for which the Group's entitlement to the consideration was conditional on achieving certain performance obligations, were reclassified to "Contract Assets".

The fair values of trade and other receivables are considered by the Directors not to be materially different from their carrying amounts.

Notes:

(a) As at 31 December 2018 and 2017, ageing analysis of trade receivables based on invoice date and net of impairment losses is as follows:

	2018	2017
	HK$'000	*HK$'000*
0–30 days	**8**	14,834
31–60 days	**48**	–
61–90 days	**–**	38
Over 90 days	**131**	–
	187	14,872

(b) As at 31 December 2018, other receivables under non-current portion included a loan with a principal amount of HK$5,883,000 (2017: Nil) to a former subsidiary, Prestige Creation Limited (disposed of during the year ended 31 December 2018 (Note 13(d)), which was secured, interest bearing at 8% per annum and repayable within 3 years. The loan was not past due nor impaired as at 31 December 2018.

As at 31 December 2018, other receivables under current portion included:

(i) A loan with a principal amount of HK$12,519,000 under current portion (2017: HK$12,519,000) to a shareholder of the Group's investee company, which was secured, interest bearing at 5% per annum. As at 31 December 2018, the loan with a carrying amount of HK$13,144,000 was past due for less than one year and was fully impaired.

(ii) A loan with a principal amount of HK$25,000,000 (31 December 2017: HK$25,000,000) to a wholly-owned subsidiary of the Group's investee company, which was unsecured, interest bearing at 5% per annum, had been fully repaid during the year.

(iii) A loan to an independent third party with a principal amount of US$1,970,000 (equivalent to approximately HK$15,366,000) (2017: US$3,000,000 (equivalent to approximately HK$23,400,000)), which was secured, interest bearing at 5% per annum. As at 31 December 2018, the loan was past due for less than one year but was not impaired as the balance was fully repaid in February 2019.

(iv) A loan to an independent third party with a principal amount of US$3,000,000 (2017: US$3,000,000 (equivalent to approximately HK$23,400,000)), which was unsecured, interest bearing at 5% per annum, was fully repaid during the year.

(v) Convertible Bond of Brave Entertainment with only debt component at a carrying amount of HK$19,056,000 as at 1 January 2018, which was classified from investments in convertible bonds to loan receivables upon the adoption of IFRS 9. Interest income amounted to HK$3,620,000 (2017: HK$5,436,000) from the debt component for the years ended 31 December 2018 and 2017 was calculated using the effective interest method by applying an effective interest rate of 31.9%. The debt component was unsecured and was past due for less than one year as at 31 December 2018. A provision for impairment of HK$21,985,000 was made out of the net carrying amount of HK$22,676,000 as at 31 December 2018 with reference to its recoverable amount.

As at 31 December 2017, a loan with carrying amount of HK$3,437,000 which was lent to an investee, at a principal amount of HK$3,120,000, was unsecured, interest-bearing at 10% per annum and repayable on 1 February 2019. The loan was fully impaired as at 31 December 2017 as management considered the recoverability of the loan was remote.

Except as described above, all remaining other receivables as at 31 December 2018 and 2017 were neither past due nor impaired.

10. TRADE AND OTHER PAYABLES

		2018	2017
	Note	***HK$'000***	*HK$'000*
Trade payables	*(a)*	**5,231**	9,398
Other payables		**6,499**	3,688
Accrued charges		**6,072**	5,585
		17,802	18,671

Note:

(a) As at 31 December 2018 and 2017, the ageing analysis of trade payables based on invoice date is as follows:

	2018	2017
	HK$'000	*HK$'000*
0–30 days	**4,419**	6,346
31–60 days	**–**	332
61–90 days	**–**	533
Over 90 days	**812**	2,187
	5,231	9,398

11. BORROWINGS

On 17 July 2017, an independent third party provided a three-year loan to the Group with a principal amount of HK$8,894,600 secured by certain shares of one of the Group's investee companies, bearing interest at the rate of 4% per annum payable quarterly in arrears. On 19 November 2018, the loan with carrying amount of HK$8,974,000 was settled by the secured shares to the lender, which has a market value of HK$12,799,000 on the disposal date, resulting in a loss on settlement of borrowing of HK$3,825,000 recognised in profit or loss (Note 6).

As at 31 December 2018, borrowings represent an unsecured loan from a former shareholder of a subsidiary, bearing interest at the rate of 10% per annum and repayable within one year from the end of the reporting period.

	2018 ***HK$'000***	2017 *HK$'000*
Borrowings	**1,037**	9,033

The borrowings are scheduled to be repaid as follows:

	2018 ***HK$'000***	2017 *HK$'000*
On demand or within one year	**1,037**	356
More than one year, but not exceeding two years	**–**	356
More than two years, but not exceeding three years	**–**	8,321
	1,037	9,033
Categorised as:		
Current portion	**1,037**	–
Non-current portion	**–**	9,033
	1,037	9,033

12. DISPOSAL OF INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Disposal of First Champion Global Limited ("First Champion")

On 26 June 2018, the Group has entered into an agreement with independent third parties, pursuant to which the Group disposed of its entire equity interest in First Champion (the "Transaction"). The transaction involves indirect partial disposal of 22.7% of equity interests in a subsidiary of the Group without loss of control together with financial assets at fair value through profit or loss, both being held under First Champion (the "Disposal Group"), for an aggregate consideration of US$718,000 (equivalent to approximately HK$5,600,000), which was satisfied by 46.3% interest in a limited partnership. It was accounted for as an equity transaction with non-controlling interests and summarised as follows:

	2018 *HK$'000*
Carrying amounts of the Disposal Group disposed of:	
Net assets of First Champion	–
Net assets of 22.7% of equity interest in a subsidiary	4,779
Financial assets at fair value through profit or loss	–
	4,779
Total consideration	5,600
Gain on disposal of Disposal Group within equity	821
Satisfied by:	
46.3% interest in a limited partnership	5,600

13. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Time Edge Group

On 26 April 2017, the Group disposed of its entire issued share capital of Time Edge Group which owned the entire issued share capital of Mystery Apex, to a wholly-owned subsidiary of HMV Digit China at a total consideration of HK$50,000,000, which was satisfied by the issue of the convertible bond of HMV Digit China. The net assets of Time Edge Group at the date of disposal were as follows:

	2017 *HK$'000*
Net assets of subsidiaries disposed of:	
Property, plant and equipment	38
Intangible assets	1,417
Goodwill	12,309
Trade and other receivables	10,135
Cash and cash equivalents	9,048
Trade and other payables	(2,642)
	30,305
Total consideration	61,239
Gain on disposal of subsidiaries included in profit or loss for the year	30,934
Consideration satisfied by:	
Convertible bond of HMV Digit China, at fair value	61,239
Net cash outflow arising on disposal:	
Cash and bank balances disposed of	(9,048)

(b) Disposal of AID Partners Asset Management Limited

On 5 September 2018, the Group disposed of its entire issued share capital of AID Partners Asset Management Limited to an independent third party at a cash consideration of approximately HK$5,937,000. The net assets of AID Partners Asset Management Limited at the date of disposal were as follows:

	2018
	HK$'000
Net assets of a subsidiary disposed of:	
Property, plant and equipment	**1**
Trade and other receivables	**8**
Cash and cash equivalents	**253**
Trade and other payables	**(57)**
	205
Total consideration	**5,937**
Gain on disposal of a subsidiary included in profit or loss for the year from discontinued operations	**5,732**
Consideration satisfied by:	
Cash	**5,937**
Net cash inflow arising on disposal:	
Cash consideration received	**5,937**
Cash and bank balances disposed of	**(253)**
	5,684

(c) Disposal of Celestial Blue Limited and its subsidiary ("Celestial Blue Group")

On 7 December 2018, the Group disposed of its entire issued share capital of Celestial Blue Group to a related company at a consideration of US$1,000,000 (equivalent to approximately HK$7,800,000), which was satisfied by cash of US$500,000 (equivalent to approximately HK$3,900,000) and equity interests in the acquirer of US$500,000 (equivalent to approximately HK$3,900,000). The net assets of Celestial Blue Group were as follows:

	2018
	HK$'000
Net assets of subsidiaries disposed of:	
Financial assets at fair value through profit or loss	**3,900**
Cash and cash equivalents	**9**
	3,909
Total consideration	**7,800**
Gain on disposal of subsidiaries included in profit or loss for the year	**3,891**
Consideration satisfied by:	
Cash	**3,900**
Financial assets at fair value through profit or loss	**3,900**
	7,800
Net cash inflow arising on disposal:	
Cash consideration received	**3,900**
Cash and bank balances disposed of	**(9)**
	3,891

(d) Disposal of Prestige Creation Limited and its subsidiaries ("Prestige Creation Group")

On 31 October 2018, the Group has entered into a sale and purchase agreement, pursuant to which the Group has agreed to disposed of its entire issued share capital of Prestige Creation Group at a cash consideration of HK$100,000. The disposal of Prestige Creation Group was completed on 31 December 2018. The net liabilities of Prestige Creation Group were as follows:

	2018
	HK$'000
Net liabilities of subsidiaries disposed of:	
Property, plant and equipment	**147**
Trade and other receivables	**735**
Tax recoverable	**73**
Cash and cash equivalents	**1,055**
Trade and other payables	**(2,103)**
	(93)
Total consideration	**100**
Gain on disposal of subsidiaries included in profit or loss for the year	**193**
Consideration satisfied by:	
Cash	**100**
Net cash outflow arising on disposal:	
Cash consideration received	**100**
Cash and bank balances disposed of	**(1,055)**
	(955)

14. ACQUISITION OF SUBSIDIARIES

Acquisition of GeneSort Group

On 5 May 2017, the Group entered into a subscription and sale and purchase agreement with independent third parties in relation to the acquisition of up to approximately 73.7% equity interest in GeneSort International Inc., which owns the entire issued share capital of GeneSort after restructuring (collectively referred to as the "GeneSort Group"), for a consideration of up to US$13,956,422 (equivalent to approximately HK$108,162,000) to be satisfied by the allotment and issue of an aggregate of up to 1,352,028,381 new ordinary shares of the Company at an issue price of HK$0.08 per share and a capital injection of approximately HK$23,448,000 by cash. GeneSort is a company incorporated in Israel with limited liability that is principally engaged in advanced personalised molecular diagnostic services for cancer evaluation and cure. The acquisition of approximately 73.7% equity interest in GeneSort Group was completed on 11 July 2017, and 1,352,028,376 new ordinary shares of the Company (the "Consideration Shares") were allotted and issued to the vendors accordingly. Details of the above mentioned acquisition were set out in the Company's announcement dated 5 May 2017. With the GeneSort Group possessing the cutting edge technology in the world and being well positioned in the paradigm shift of cancer diagnostic and cure, the acquisition will enable the Group seize good opportunities from the potential fast growing specialised industry of health technology.

The fair value of identifiable assets and liabilities of GeneSort Group as at the date of acquisition were:

		2017
	Note	*HK$'000*
Net assets acquired:		
Property, plant and equipment		1,061
Intangible assets		38,228
Trade and other receivables, deposits and prepayments		14,438
Inventories		73
Cash and cash equivalents		2,150
Trade and other payables		(3,244)
Deferred tax liabilities recognised upon fair value adjustments		(9,557)
The fair value of net assets acquired		43,149
Less: non-controlling interests		(11,338)
		31,811
Total consideration		84,290
Goodwill arising on acquisition	*(ii)*	52,479
Consideration satisfied by:		
Cash		23,448
Consideration Shares at fair value		60,842
		84,290
Net cash outflow arising on acquisition:		
Cash consideration		(23,448)
Cash and bank balances acquired		2,150
		(21,298)

Notes:

(i) The fair value of trade and other receivables amounted to HK$13,020,000. The gross amount of these receivables is HK$13,020,000. None of these receivables have been impaired and it is expected that the full contractual amount can be collected.

(ii) Goodwill of HK$52,479,000 arose on this acquisition, which is not deductible for tax purposes, comprises the acquired workforce and the expected synergies arising from the combination of the existing operations of the Group.

(iii) The acquisition-related costs of HK$6,403,000 have been expensed and are included in administrative expenses for the year ended 31 December 2017.

(iv) No revenue was contributed from the acquired business to the Group and a loss after tax of approximately HK$9,457,000 was incurred for the period from 11 July 2017 to 31 December 2017.

Had the acquisition occurred on 1 January 2017, the Group's revenue and loss after tax would have been approximately HK$27,939,000 and HK$434,178,000 respectively for the year ended 31 December 2017.

This pro forma information is for illustrative purpose and is not necessarily an indication of revenue and the results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is it intended to be a projection of future results.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2018, 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.

Mr. Wu King Shiu, Kelvin ("Mr. Wu"), the Chairman of the Company, was appointed as the CEO of the Company. The Board believes that vesting the roles of both Chairman of the Board and CEO in the same person would allow the Company to be more effective and efficient in developing long term business strategies and execution of business plans.

On 4 February 2019, Mr. Wu has resigned as the CEO and the Chief Investment Officer and has been re-designed from Executive Director to Non-Executive Director. Mr. Wu remains as the Chairman of the Company and the chairman of Nomination Committee and a member of the Remuneration Committee of the Board. Up to the date of this announcement, the Company has not appointed CEO, and the role and function of the CEO have been performed by the three Executive Directors of the Company collectively.

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 2018, 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 %
Mr. Wu King Shiu, Kelvin ("Mr. Wu") *(Notes 1 and 2)*	1,424,400	104,939,882	8,280,000	114,644,282	21.22
Ms. Chan Suet Ngan	19,850	–	–	19,850	0.003
Mr. Hu Kenneth *(Note 3)*	–	–	630,000	630,000	0.11
Ms. Qian Alexandra Gaochuan ("Ms. Qian") *(Note 3)*	630,000	–	–	630,000	0.11
Mr. Yuen Kwok On ("Mr. Yuen")	99,000	–	–	99,000	0.01

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 Securities and Future Ordinance (the "SFO") since Mr. Wu indirectly own 56% 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.

2. Billion Express Consultants Limited ("Billion Express") owns 8,280,000 Shares. The entire issued share capital of Billion Express is wholly owned by HMV Asia Limited, which is in turn 65.62% beneficially owned by Ms. Li Mau, the spouse of Mr. Wu. Accordingly, Mr. Wu is deemed to be interested in the shares of the Company held by Billion Express.

3. 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 price (dd/mm/yyyy)	Exercise price *(HK$)*	Exercise period *(Notes)*	Balance as at 1 January 2018	Grant during the year	Exercised during the year	Adjusted upon the Share Consolidation	Cancelled/ lapsed during the year	Balance as at 31 December 2018
Mr. Wu	20/6/2014	3.20	(1)	26,884,000	–	–	(25,539,800)	–	1,344,200
	01/04/2016	4.94	(2)	70,000,000	–	–	(66,500,000)	–	3,500,000
	19/05/2017	1.56	(3)	9,000,000	–	–	(8,550,000)	–	450,000
				105,884,000	–	–	(100,589,800)	–	5,294,200
Ms. Chan Suet Ngan	01/04/2016	4.94	(2)	4,000,000	–	–	(3,800,000)	–	200,000
	19/05/2017	1.56	(3)	12,000,000	–	–	(11,400,000)	–	600,000
				16,000,000	–	–	(15,200,000)	–	800,000
Mr. Hu Kenneth	01/04/2016	4.94	(2)	4,000,000	–	–	(3,800,000)	–	200,000
	19/05/2017	1.56	(3)	28,000,000	–	–	(26,600,000)	–	1,400,000
				32,000,000	–	–	(30,400,000)	–	1,600,000
Ms. Qian	01/04/2016	4.94	(2)	4,000,000	–	–	(3,800,000)	–	200,000
	19/05/2017	1.56	(3)	28,000,000	–	–	(26,600,000)	–	1,400,000
				32,000,000	–	–	(30,400,000)	–	1,600,000
Mr. Yuen	01/04/2016	4.94	(2)	3,000,000	–	–	(2,850,000)	–	150,000
	19/05/2017	1.56	(3)	2,000,000	–	–	(1,900,000)	–	100,000
				5,000,000	–	–	(4,750,000)	–	250,000
Ms. Fong Janie	01/04/2016	4.94	(2)	3,000,000	–	–	(2,850,000)	–	150,000
	19/05/2017	1.56	(3)	5,000,000	–	–	(4,750,000)	–	250,000
				8,000,000	–	–	(7,600,000)	–	400,000

Notes:

(1) Exercisable from 20 June 2014 to 19 June 2024.

(2) Divided into two tranches exercisable from 1 October 2016 and 1 April 2017, respectively to 31 March 2026.

(3) Exercisable from 19 May 2017 to 18 May 2027.

(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 2018, 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 2018, 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 *(Notes 1 and 5)*	114,644,282	5,294,200	22.20%
Ms. Li Mau *(Notes 1 and 5)*	114,644,282	5,294,200	22.20%
Mr. Ho Gilbert Chi Hang ("Mr. Ho") *(Notes 2 and 5)*	104,953,082	5,317,100	20.41%
Mr. Chang Tat Joel ("Mr. Chang") *(Notes 3 and 5)*	104,939,882	2,067,100	19.80%
AID Cap II *(Note 5)*	104,939,882	–	19.42%
AID Partners GP2, Ltd. *(Note 5)*	104,939,882	–	19.42%
Hong Kong HNA Holding Group Co. Limited *(Note 4)*	66,141,232	21,538,461	16.23%
Mr. David Tin	45,454,400	–	8.41%
Billion Power Management Limited *(Note 5)*	104,939,882	–	19.42%
Elite Honour Investments Limited *(Note 5)*	104,939,882	–	19.42%
Genius Link Assets Management Limited *(Note 5)*	104,939,882	–	19.42%
Leader Fortune International Limited *(Note 5)*	104,939,882	–	19.42%
Abundant Star Ventures Limited *(Note 5)*	45,454,545	–	8.41%
Vantage Edge Limited *(Note 5)*	34,090,937	–	6.31%
Mr. Wong Kwok Ho ("Mr. Wong") *(Notes 6 and 7)*	27,683,200	19,125,000	8.66%
Ms. Chau Mui *(Notes 6 and 7)*	27,683,200	19,125,000	8.66%

Notes:

1. Mr. Wu, the Chairman and Non-Executive Director of the Company, owns 1,424,400 Shares and Billion Express owns 8,280,000 Shares. The entire issued share capital of Billion Express is wholly-owned by HMV Asia Limited, which is in turn 65.62% beneficially owned by Ms. Li Mau, the spouse of Mr. Wu. Accordingly, Mr. Wu is deemed to be interested in the shares of the Company held by Billion Express. 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. Mr. Wu is deemed to have interest in 25,394,400 Shares, 45,454,545 Shares and 34,090,937 Shares as mentioned in note 5 below, respectively. 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. Mr. Ho owns 13,200 Shares and is interested in 1,367,100 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. Mr. Ho is also deemed to have interest in 25,394,400 Shares, 45,454,545 Shares and 34,090,937 Shares as mentioned in note 5 below, respectively.

3. Mr. Chang is interested in 1,367,100 share options, 250,000 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. Mr. Chang is also deemed to have interest in 25,394,400 Shares, 45,454,545 Shares and 34,090,937 Shares as mentioned in note 5 below, respectively.

4. 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% and Hainan HNA Holding Co., Ltd. is owned as to 51.38% by HNA Holding Group Co., Ltd., respectively. HNA Holding Group Co., Ltd. is wholly-owned by HNA Group Co., Ltd. and Hanian HNA Holding Co., Ltd. is owned as to 21.61% 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 Chihang Foundation. Tang Dynasty is owned as to approximately 98% by Pan-American Aviation Holding Company, which is in turn 100% beneficially owned by Hainan Cihang Charity Foundation, Inc.

5. 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. Mr. Wu, Mr. Ho and Mr. Chang are deemed to have interest 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 are deemed to have interests by virtue of the SFO since they indirectly own 56% through Billion Power Management Limited, 23% through Elite Honour Investments Limited and 21% through Genius Link Assets Management Limited, respectively, of the issued share capital of AID Partners GP2, Ltd.. AID Partners GP2, Ltd. is the general partner of AID Cap II. AID Cap II 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.

6. 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 9,750,000 Shares and 14,625,000 underlying shares as mentioned in Note 7 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.

7. Sky March Limited ("Sky March") entered into a consulting service agreement with the Company dated 5 May 2017 ("Consulting Service Agreement"), pursuant to which the Company has issued 97,500,000 Shares (4,875,000 Shares adjusted upon the Share Consolidation) and 97,500,000 Shares (4,875,000 Shares adjusted upon the Share Consolidation) to Sky March on 25 May 2017 and 28 May 2018, respectively, and 14,625,000 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 2018, 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 2018, 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), Ms. Fong Janie and Mr. Matsumoto Hitoshi. 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 22 March 2019. The audited financial statements for the year ended 31 December 2018 have been reviewed by the Audit Committee.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2018 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the years ended 31 December 2018 and 31 December 2017. 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 2018 and 31 December 2017.

By Order of the Board
AID Life Science Holdings Limited
Wu King Shiu, Kelvin
Chairman

Hong Kong, 22 March 2019

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

Chairman and Non-Executive Director:	*Wu King Shiu, Kelvin*
Executive Directors:	*Chan Suet Ngan, Hu Kenneth and Qian Alexandra Gaochuan*
Non-Executive Director:	*Xu Haohao*
Independent Non-Executive Directors:	*Fong Janie, Yuen Kwok On and Matsumoto Hitoshi*

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.