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)

UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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* *For identification purposes only*

ABOUT AID LIFE SCIENCE HOLDINGS LIMITED

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

The Group is engaged in the business of strategic investment.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

During the year under review, the Group continued to operate its strategic investment business with the following investments, with an objective to enhance the value of the Group, and hence maximise the return of the shareholders.

BUSINESS REVIEW

The Group had financial assets at fair value through profit or loss in aggregate amount of approximately HK$401.1 million (unaudited) and HK$442.0 million (audited) as at 31 December 2019 and 2018 respectively, representing approximately 79% and 68% of the total assets of the Group as at the respective reporting date. The following table sets out the Group's major investments as at 31 December 2019 and 31 December 2018:

Name of investments	**As at 31 December 2019**		As at 31 December 2018	
	Fair value at reporting date *HK$'000* **(Unaudited)**	**Approximate percentage to the total assets of the Group**	Fair value at reporting date *HK$'000* (Audited)	Approximate percentage to the total assets of the Group
Zoox Inc. *(Note (iv))*				
— unlisted shares	**309,318**	**61%**	309,286	48%
China Creative Digital Entertainment Limited *(Note (iii))*				
— listed shares	**2,502**	**1%**	28,739	4%
— convertible bond with interest rate of 5% per annum and maturity date on 25 April 2021	**41,775**	**8%**	36,573	6%
Other investments	**47,528**	**9%**	67,440	10%
	401,123	**79%**	442,038	68%

Except for investments in Zoox and China Creative, as at 31 December 2019 and 2018, none of the Group's individual investment amounted to 10% or more of the total assets of the Group.

Selective Existing Investment Portfolio

(i) Complete Star Limited ("CSL")

CSL is principally engaged in the development and operation of mobile games. During 2019, it continued and maintained its mobile game portfolio including the Star Girl franchise. Star Girl is a fashion role-playing game (RPG) targeting female users in which players create a virtual female celebrity and determine her career, appearance and social life while interacting with the game world and other players. Since its release, the Star Girl franchise has accumulated a strong user base with over 100 million downloads globally. However, growth in mobile games sector has slowed down as smartphone penetration in major economies are reported at their near-saturation levels, leaving mobile apps and games developers to face stiffer competition within the market. CSL is making continual improvements to its portfolio of games including updates and new features.

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

HGGL and its subsidiaries (the "HGGL Group") are principally engaged in mobile games and online media content distribution in the People's Republic of China (the "PRC"). Since early 2018, the Mainland Chinese authorities has introduced a new regulatory regime for digital games, aimed at mitigating addiction and inappropriate contents. However, approval of titles had been slow and the game publishing industry fails to return to its pre-2018 levels. As a result, HGGL group looked for ways to reinforce its existing business and expand into new sectors within the digital domain. During the year, HGGL Group has expanded its new multichannel network business to diversify its distribution channels as well as in close collaboration with content creators. It has also maintained its online Key Opinion Leaders ("KOLs") management and content creation business, the 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 and these contents would be distributed on online media platforms such as YouKu after post-production processing. Moreover, HGGL Group also entered sharing economy business during the year by installing facilities for shared use at university campuses. These new businesses had contributed revenue stream to HGGL Group in 2019.

(iii) China Creative Digital Entertainment Limited (formerly known as HMV Digital China Group Limited, "China Creative") (stock code: 8078)

China Creative is principally engaged in the entertainment business, with a focus in production of television programmes, movie and music production, distribution, distribution licensing in both Hong Kong and the PRC and artist management. China Creative intends to continue developing and streamlining its entertainment, movie production and distribution business to generate a synergistic effect with its existing lines of business. During the year, the entertainment market in Mainland China has been severely affected by such factors from US-China trade tension to artists' taxation issues, and more recently, the coronavirus outbreak in Asia. The box office revenue remained weak in 2019 and is likely to take time to recover. On the other hand, it invested in online contents such as "Hong Kong West Side Stories," that was distributed through online subscription-based streaming service. During the year, China Creative had ceased its HMV retail business and disposed its operation in cinemas due to unfavourable market conditions; it would continue to create quality media contents and distribute on various media platforms.

Losses of HK$17,905,000 and HK$641,165,000 were recognised for the year ended 31 December 2019 and 2018, respectively, in relation to the investment in listed shares of China Creative. The Group's shareholdings were approximately 11.1% and 17.6% of issued share capital of China Creative as at 31 December 2019 and 31 December 2018 respectively.

(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. During the year, Zoox received a permit to test autonomous vehicles on public roads in Nevada in additional to the similar permit it already has for California. Zoox is actively conducting road tests for its autonomous vehicles in San Francisco and Las Vegas. The permits allowed Zoox to carry passengers in its self-driving test vehicles, but cannot charge for rides and that a human safety driver will be in the vehicle at all times. Before commercial deployment, Zoox is required to pass Federal Motor Vehicle Safety Standards ("FMVSS") crash testing with its production vehicle. It does not foresee any issues in obtaining such necessary certifications and permits for deploying commercial service.

Fair value gain of HK$32,000 and HK$75,286,000 were recognised for the year ended 31 December 2019 and 2018, respectively, in relation to the investment in Zoox. The Group's shareholding were approximately 1.8% and 2.6% of issued share capital of Zoox as at 31 December 2019 and 31 December 2018 respectively.

*(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 over 12,500 chargers across China, including Shenzhen and other major cities. Its growth in number of operating charging piles is driven by new energy vehicle initiatives in China that advocates electric vehicles adoption and discourages traditional vehicles with internal combustion engines over the long term. During 2019, its number of subscribers has nearly doubled and reached 110,000 in January 2020. Hooenergy has been awarded High-New Technology Enterprise (HNTE) designation in 2019, which would enable the company to enjoy a number of incentives in tax, R&D as well as for recruitment of talents. During the year, Hooenergy also in-house developed two new equipment being: (1) a linked-automatic parking space barrier that can be optionally installed by carpark operators or owners to block non-EV from occupying parking spaces that are for use by EVs; and (2) a new generation of direct current charging pile that supports fast charging at ratings up to 150kW. Moving forward, Hooenergy will continue to collaborate with more carpark operators, property management companies, as well as different strategic partners to expand its geographic market and reach.

(vi) GeneSort ("GeneSort")

GeneSort is a company incorporated in Israel principally engaged in advanced personalised molecular diagnostic services for cancer evaluation and cure. GeneSort aims to harness cutting edge technologies to elucidate the genetic DNA profile of patients, with particular focus on cancer and hereditary diseases. Besides providing comprehensive genomic profiling tests for solid tumours, hematological cancer and hereditary cancers, 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. While continuing its R&D activities, GeneSort is also incorporating the latest developments in molecular diagnostics and DNA technologies to its workflow to ensure it is maintaining the technology front.

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$11.7 million (unaudited) from HK$19.3 million (audited) for last year, while total operating expenses (being selling and distribution expenses, administrative expenses and other operating expenses) for the year under review decreased to HK$61.5 million (unaudited) from HK$153.2 million (audited) for last year.

Fair value loss on financial assets at fair value through profit or loss of HK$30.6 million (unaudited) (31 December 2018: HK$576.9 million (audited)) was recognised for the year under review. The decrease in loss was mainly attributable to significant decrease in losses in listed shares of China Creative during the year under review.

A loss on the disposal of subsidiaries of approximately HK$6.7 million (unaudited) (31 December 2018: gain of HK$4.1 million (audited)) was recognised in profit or loss for the year ended 31 December 2019.

Other income for the year under review decreased to HK$7.8 million (unaudited) from HK$9.3 million (audited) for last year.

Finance costs for the year under review increased to HK$16.3 million (unaudited) from HK$14.4 million (audited) 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$146.1 million (unaudited) as compared to a loss of HK$765.3 million (audited) for last year.

Segment results

The Group has disposed AID Partners Asset Management Limited ("AIDPAML"), a former wholly-owned subsidiary of the Group, on 5 September 2018. Following the disposal of AIDPAML, the chief operating decision makers, which are collectively the Executive Directors of the Company, identify the Group has only one operating segment, which is strategic investment.

No separate analysis of segment information is presented by the Group for the year ended 31 December 2019 as over 90% of the Group's revenue, results, assets and liabilities are related to the strategic investment business.

Financial Position and Resources

Significant Capital Assets and Investments

Other than the significant investments disclosed in the section of "Management Discussion and Analysis — Business Review", the Group acquired property, plant and equipment totalling HK$0.2 million (unaudited) during the year under review.

Liquidity

As at 31 December 2019, the Group had cash and bank balances of HK$30.9 million (unaudited) and net current assets of HK$198.1 million (unaudited), decreased from HK$40.5 million (audited) and increased from HK$90.5 million (audited) as at 31 December 2018, respectively. As at 31 December 2019, current assets and current liabilities of the Group were HK$406.3 million (unaudited) (31 December 2018: HK$111.8 (audited)) and HK$208.2 million (unaudited) (31 December 2018: HK$21.3 million (audited)) respectively. Accordingly, the Group's current ratio was 2.0 (31 December 2018: 5.2).

Gearing

2015 HK$140 million Convertible Bonds

In July 2015, the Company entered into a subscription agreement with Hong Kong HNA Holding Group Co. Limited ("HNA") pursuant to which HNA agreed to subscribe the convertible bond in principal amount of HK$140,000,000, bearing a compound interest rate of 8% per annum (the "2015 HK$140 million Convertible Bonds"). On 20 July 2015, with the fulfilment of all the conditions required for the 2015 HK$140 million Convertible Bonds, the Company issued the 2015 HK$140 million Convertible Bonds for the investment capital of the strategic investment business of the Company as well as for the expansion of its asset management business and related financial platform and general working capital of the Group. In accordance with the terms and conditions thereof, the adjusted conversion price is HK$6.5 per share.

The Group had no other significant debt.

Charges

There were no significant charges on the Group's investments and assets as at 31 December 2019.

Commitments and Contingent Liabilities

The Group had no material capital commitments and contingent liabilities as at 31 December 2019.

Equity Structure

As at 31 December 2019, the total issued share capital of the Company was 545,107,005 ordinary shares, increased from 540,232,005 ordinary shares as at 31 December 2018 due to the issuance of remuneration shares as compensation for consultancy service during the year under review.

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

As at 31 December 2019, 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 2019, 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 54,023,200 options pursuant to the existing shareholder mandate limit.

EMPLOYEE INFORMATION

As at 31 December 2019, the Group had 40 full-time employees (2018: 81) across the entire Group. Employee remuneration (including directors' remuneration) totaled HK$21.8 million (unaudited) (2018: HK$27.4 million (audited)). 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

On 27 and 31 May 2019, the Group had entered into two separate transactions that resulted in the Group's partial disposal of its shareholding in GeneSort (together with its subsidiaries, "GeneSort Group"). On 27 May 2019, the Group disposed approximately 6% shareholding in GeneSort Group for a consideration of US$740,000 (equivalent to approximately HK$5,802,000). On 31 May 2019, GeneSort Group allotted and issued shares to a subscriber which is an independent third party to the Group, and by an agreement with the subscriber, the Group further disposed approximately 17.6% (diluted basis) shareholding in GeneSort Group to the subscriber for a consideration of HK$2,486,000.

During the year under review, other than the disposal of GeneSort Group mentioned above, the Group made no other significant acquisition or disposal of subsidiaries or affiliated companies.

CONTRACTUAL ARRANGEMENTS

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

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

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

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

VSOYOU and its subsidiaries are primarily engaged in the development and operation of mobile-online games business in the PRC. The net asset value of VSOYOU was approximately HK$26,361,000 (unaudited) and HK$37,962,000 (audited) as at 31 December 2019 and 2018, respectively, which represents approximately 9.1% and 8.7% of the Group’s net assets as at 31 December 2019 and 2018, respectively. The revenue of VSOYOU was approximately HK$8,893,000 (unaudited) and HK$13,039,000 (audited) for the year ended 31 December 2019 and 2018, respectively, which represents approximately 76% and 68% of the Group’s revenue for the year ended 31 December 2019 and 2018, respectively. The net loss of VSOYOU was approximately HK$3,467,000 (unaudited) and HK$16,705,000 (audited) for the year ended 31 December 2019 and 2018, 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 unaudited consolidated results of the Group for the year ended 31 December 2019, together with the comparative audited figures of the corresponding period in 2018, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2019

	Notes	**2019** **HK$'000** **(Unaudited)**	2018 *HK$'000* (Audited)
Continuing operations			
Revenue	*3*	**11,739**	19,261
Cost of sales	*6*	**(9,383)**	(13,239)
Gross profit		**2,356**	6,022
Selling and distribution expenses	*6*	**(454)**	(637)
Administrative expenses	*6*	**(60,890)**	(108,578)
Operating expenses	*6*	**(154)**	(43,953)
Impairment losses on intangible and financial assets		**(45,980)**	(43,620)
Other income	*4*	**7,814**	9,292
Other gains/(losses) — net	*5*	**(36,128)**	(574,684)
Operating loss		**(133,436)**	(756,158)
Finance costs	*7*	**(16,344)**	(14,379)
Share of results of an associate accounted for using the equity method		**(6,287)**	–
Loss before income tax		**(156,067)**	(770,537)
Income tax credit	*8*	**2,372**	1,418
Loss from continuing operations		**(153,695)**	(769,119)
Profit from discontinued operation		**–**	4,800
Loss for the year		**(153,695)**	(764,319)

	Notes	**2019** *HK$'000* **(Unaudited)**	2018 *HK$'000* (Audited)
(Loss)/profit is attributable to:			
Owners of the Company		**(146,087)**	(765,260)
Non-controlling interests		**(7,608)**	941
		(153,695)	(764,319)
		HK Cents	*HK Cents*
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the Company:			
Basic loss per share	*9*	**(26.90)**	(143.06)
Diluted loss per share	*9*	**N/A**	N/A
Loss per share for loss attributable to the ordinary equity holders of the company:			
Basic loss per share	*9*	**(26.90)**	(142.17)
Diluted loss per share	*9*	**N/A**	N/A

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loss for the year	**(153,695)**	(764,319)
Other comprehensive loss:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(964)**	(1,640)
Share of other comprehensive loss of an associate	**(675)**	–
Other comprehensive loss for the year, net of tax	**(1,639)**	(1,640)
Total comprehensive loss for the year	**(155,334)**	(765,959)
Attributable to:		
Owners of the Company	**(148,386)**	(767,469)
Non-controlling interests	**(6,948)**	1,510
Total comprehensive loss for the year	**(155,334)**	(765,959)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	**As at 31 December 2019 *HK$'000* (Unaudited)**	As at 31 December 2018 *HK$'000* (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**12,089**	19,715
Right-of-use assets		**8,311**	–
Intangible assets		**5,196**	106,478
Interest in an associate		**1,458**	–
Loan to an associate		**25,773**	–
Other receivables	*10*	**6,354**	5,883
Financial assets at fair value through profit or loss		**39,173**	405,400
		98,354	537,476
Current assets			
Contract assets		**1,319**	4,525
Trade and other receivables	*10*	**11,640**	29,768
Financial assets at fair value through profit or loss		**361,950**	36,638
Tax recoverable		**431**	288
Cash and cash equivalents		**30,917**	40,538
		406,257	111,757
Non-current liabilities			
Lease liabilities		**7,252**	–
Convertible bonds		**–**	181,825
Deferred tax liabilities		**332**	10,546
		7,584	192,371

	Notes	As at 31 December 2019 HK$'000 (Unaudited)	As at 31 December 2018 HK$'000 (Audited)
Current liabilities			
Contract liabilities		**–**	2,132
Trade and other payables	*11*	**8,115**	17,802
Borrowings		**–**	1,037
Lease liabilities		**2,991**	–
Convertible bonds		**197,095**	–
Tax payable		**–**	301
		208,201	21,272
Net current assets		**198,056**	90,485
Total assets less current liabilities		**296,410**	627,961
Net assets		**288,826**	435,590
EQUITY			
Share capital		**8,504**	8,428
Reserves		**224,288**	369,039
Equity attributable to owners of the Company		**232,792**	377,467
Non-controlling interests		**56,034**	58,123
		288,826	435,590

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. GENERAL INFORMATION

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

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

These consolidated financial statements are presented in HK dollars, unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting AID Life Science Holdings Limited and its subsidiaries.

2.1 Basis of preparation

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

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

(a) Going concern

During the year ended 31 December 2019, the Group reported a loss of approximately HK$153.7 million (unaudited). As at 31 December 2019, the Group had convertible bonds ("Convertible Bonds") which is repayable within the coming twelve months from 31 December 2019. On the other hand, as at 31 December 2019, the Group's current assets amounted to approximately HK$406.3 million (unaudited) (including cash and cash equivalents amounted to approximately HK$30.9 million).

The directors of the Company have reviewed the Group's cash flow projections, which cover a period of twelve months from 31 December 2019. The directors are of the opinion that, taking into account the various plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2019. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, the uncertainty exists as to whether management of Group can achieve the plans and measures under the current market's situation. Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

(b) New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period, and the Group had adopted IFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated balance sheet on 1 January 2019. The other standards did not have material impact on the Group's accounting policies and did not require any adjustments.

This note explains the impact of the adoption of IFRS 16 Leases on the Group's consolidated financial statements.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 8%.

(i) Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review — there were no onerous contracts as at 1 January 2019;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

(ii) Measurement of lease liabilities

The reconciliation between the operating lease commitments as disclosed by applying IAS 17 as at 31 December 2018 and the lease liabilities recognised in the consolidated balance sheet as at 1 January 2019 (date of initial application of IFRS 16) is as follows:

	HK$'000 (Unaudited)
Operating lease commitments disclosed as at 31 December 2018	**18,314**
Discounted using the lessee's incremental borrowing rate of at the date of initial application	**(2,568)**
Less: short-term leases recognised on a straight-line basis as expenses	**(67)**
Lease liabilities recognised as at 1 January 2019	**15,679**
Of which are:	
Current lease liabilities	**3,664**
Non-current lease liabilities	**12,015**
	15,679

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated balance sheet as at 31 December 2018.

(iv) Adjustments recognised in the consolidated balance sheet on 1 January 2019

As a lessee, the Group's leases are mainly rentals of offices and land use rights. The right-of-use assets for leases were measured on a modified retrospective basis as if new rules had always been applied and there were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. The change in accounting policy affected the following items in the consolidated balance sheet at 1 January 2019:

The change in accounting policy affected the following items in the consolidated balance sheet on 1 January 2019:

- right-of-use assets — increase by HK$13,568,000 (unaudited)

- lease liabilities — increase by HK$14,433,000 (unaudited).

The net impact on accumulated losses on 1 January 2019 was an increase of HK$865,000 (unaudited).

(v) Lessor accounting

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of IFRS 16.

(c) ***New standards and interpretations not yet adopted***

A number of new standards and amendments to standards and interpretations that are relevant to the Group but not yet effective for the financial year beginning at 1 January 2019 and have not been early adopted by the Group are as follows:

Standards/Interpretation	**Subject of standards amendment**	**Effective for annual years beginning on or after**
Amendments to IAS 1 and IAS 8	Definition of Material	1 January 2020
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to IFRS 3	Definition of a Business	1 January 2020
Revised Conceptual Framework	Revised Conceptual Framework for Financial Reporting	1 January 2020
IFRS 17	Insurance Contracts	1 January 2021

The Group is currently assessing the impact of these new or revised standards on the Group's financial position and performance.

3. REVENUE

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

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Sales of in-app purchase items	**3,946**	4,226
Advertising income	**6,240**	10,292
Game publishing service income	**–**	4,013
Real-time video streaming income	**695**	730
Shared use facilities income	**858**	–
	11,739	19,261

4. OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Bank interest income	**543**	791
Effective interest income on investments in convertible bonds	**–**	3,620
Interest income on loans to independent third parties	**861**	488
Interest income on a loan to a shareholder of an investee	**–**	261
Interest income on a loan to an investee/an associate	**713**	277
Interest income on loaned securities to an investee	**3,928**	1,983
License fee income from related companies	**468**	139
Others	**1,301**	1,733
	7,814	9,292

5. OTHER GAINS/(LOSSES) — NET

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Fair value losses on financial assets at fair value through profit or loss, net	**(30,622)**	(576,885)
(Losses)/gains on disposal of subsidiaries	**(6,650)**	4,084
Foreign exchange gains/(losses)	**1,144**	(1,883)
	(36,128)	(574,684)

6. EXPENSES BY NATURE

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Auditor's remuneration:		
— audit services	**850**	1,288
— non-audit services	**216**	245
Cost of sales	**9,383**	13,239
Employee benefit expense (including directors' remuneration)	**21,872**	27,387
Leases charges in respect of leased premises	**–**	6,043
Amortisation of intangible assets	**10,614**	18,035
Depreciation of property, plant and equipment	**2,612**	2,616
Depreciation of right-of-use assets	**3,147**	–
Write-off of property, plant and equipment	**–**	413
Loss on disposal of property, plant and equipment	**–**	9
Research and development costs	**2,573**	11,173
Loss on settlement of borrowings	**–**	3,825
Others	**19,614**	82,134
Total cost of sales, selling and distribution, administrative and operating expenses	**70,881**	166,407

7. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Effective interest expense on convertible bonds		
— wholly repayable within five years	**15,270**	14,083
Interest expenses on lease liabilities	**989**	–
Interest on borrowings	**–**	296
Others	**85**	–
	16,344	14,379

8. INCOME TAX CREDIT

	2019 *HK$'000* (Unaudited)	2018 *HK$'000* (Audited)
Hong Kong		
— Current tax for the year	**–**	6
— Under-provision in respect of prior years	**72**	270
The PRC		
— Current tax for the year	**3**	6
Total current income tax	**75**	282
Deferred tax credit	**(2,447)**	(1,700)
Income tax credit	**(2,372)**	(1,418)

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, for the years ended 31 December 2019 and 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%.

The Group's subsidiaries operating in the PRC are subject to PRC Enterprise Income Tax at the tax rate of 25% (2018: 25%). One of the Group's major operating subsidiaries, VSOYOU, was established in the PRC and carries on business in the PRC as a software enterprise. This subsidiary has, pursuant to the relevant laws and regulations in the PRC, obtained exemption from PRC Enterprise Income Tax for two years starting from its first profit-making year, followed by a 50% reduction for the next three years (the "Tax Exemption"). This subsidiary which is currently entitled to the Tax Exemption from 1 January 2015 would continue to enjoy such treatments until the Tax Exemption period expires, but not beyond 31 December 2019.

Taxes on profits assessable elsewhere have been calculated at the rates prevailing in the relevant jurisdictions for the years ended 31 December 2019 and 2018.

9. 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.

	2019 **(Unaudited)**	2018 (Audited)
(HK$'000)		
Loss attributable to owners of the Company for the purposes of basic loss per share	**(146,087)**	(765,260)
(Number)		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**543,143,649**	538,268,649

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:

	2019 ***HK$'000*** **(Unaudited)**	2018 *HK$'000* (Audited)
Loss for the year attributable to owners of the Company	**(146,087)**	(765,260)
Adjusted for:		
Profit for the year from discontinued operation	**–**	(4,800)
Loss for the purpose of basic loss per share from continuing operations	**(146,087)**	(770,060)

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 Nil (unaudited) (2018: 0.89 HK cents per share (audited)), based on the profit for the year from the discontinued operations of Nil (unaudited) (2018: HK$4,800,000 (audited)) and the denominators detailed above for the both basic and diluted loss per share.

Diluted loss per share

For the years ended 31 December 2019 and 2018, 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.

10. TRADE AND OTHER RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**25,120**	7,554
Less: impairment loss recognised	**(19,864)**	(7,367)
Trade receivables, net	**5,256**	187
Other receivables	**10,435**	29,029
Deposits and prepayments	**2,303**	6,435
	17,994	35,651
Categorised as:		
Current portion	**11,640**	29,768
Non-current portion	**6,354**	5,883
	17,994	35,651

As at 31 December 2019 and 2018, ageing analysis of trade receivables based on invoice date and net of impairment losses is as follows:

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–30 days	**5,244**	8
31–60 days	**12**	48
61–90 days	**–**	–
Over 90 days	**–**	131
	5,256	187

11. TRADE AND OTHER PAYABLES

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables	**4,126**	5,231
Other payables	**1,998**	6,499
Accrued charges	**1,991**	6,072
	8,115	17,802

As at 31 December 2019 and 2018, the ageing analysis of trade payables based on invoice date is as follows:

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–30 days	**3,328**	4,419
31–60 days	**–**	–
61–90 days	**–**	–
Over 90 days	**798**	812
	4,126	5,231

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

CORPORATE GOVERNANCE REPORT

(A) CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2019, 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.

On 4 February 2019, Mr. Wu has resigned as the CEO and the Chief Investment Officer and has been redesigned 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.

Code Provision E.1.2

Code Provision E.1.2 provides that the Chairman of the Board should attend the annual general meeting to answer questions at the annual general meeting. The Chairman of the Company, Mr. Wu was unable to attend the annual general meeting held on 10 May 2019 due to business reasons. However, Mr. Wu had, by prior arrangement, deputized Ms. Chan Suet Ngan to chair the annual general meeting and answer any questions from shareholders.

(B) RULE 5.05(1), 5.05(A) AND 5.28 OF THE GEM LISTING RULES

Following the resignation of Ms. Fong Janie with effective from 30 April 2019, (i) the Company has only two independent non-executive Directors which deviated from the requirement under the Rule 5.05(1) of the GEM Listing Rules; (ii) the number of independent non-executive Directors fell below one-third of the Board members and therefore, the Company no longer fulfilled the requirement under Rule 5.05A of the GEM Listing Rules; and (iii) the Company has only two members in the Audit Committee which deviated from the requirement under the Rule 5.28 of the GEM Listing Rules.

Following the appointment of Mr. Yau Chung Hang as an independent non-executive Director and a member of Audit Committee with effective from 29 July 2019, the Company has fulfilled the requirements under Rules 5.05(1), 5.05(A) and 5.28 of the GEM Listing Rules.

(C) 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 2019, 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	21.03
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 77% 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 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 *(dd/mm/yyyy)*	Exercise price *HK$*	Exercise period *(Notes)*	Balance as at 1 January 2019	Grant during the year	Exercised during the year	Cancelled/ lapsed during the year	Balance as at 31 December 2019
Mr. Wu	20/06/2014	3.20	(1)	1,344,200	–	–	–	1,344,200
	01/04/2016	4.94	(2)	3,500,000	–	–	–	3,500,000
	19/05/2017	1.56	(3)	450,000	–	–	–	450,000
				5,294,200	–	–	–	5,294,200
Ms. Chan Suet Ngan	01/04/2016	4.94	(2)	200,000	–	–	–	200,000
	19/05/2017	1.56	(3)	600,000	–	–	–	600,000
				800,000	–	–	–	800,000
Mr. Hu Kenneth	01/04/2016	4.94	(2)	200,000	–	–	–	200,000
	19/05/2017	1.56	(3)	1,400,000	–	–	–	1,400,000
				1,600,000	–	–	–	1,600,000
Ms. Qian	01/04/2016	4.94	(2)	200,000	–	–	–	200,000
	19/05/2017	1.56	(3)	1,400,000	–	–	–	1,400,000
				1,600,000	–	–	–	1,600,000
Mr. Yuen	01/04/2016	4.94	(2)	150,000	–	–	–	150,000
	19/05/2017	1.56	(3)	100,000	–	–	–	100,000
				250,000	–	–	–	250,000

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 2019, 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 2019, 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 4)*	114,644,282	5,294,200	22.00
Ms. Li Mau *(Notes 1 and 4)*	114,644,282	5,294,200	22.00
Mr. Ho Gilbert Chi Hang ("Mr. Ho") *(Notes 2 and 4)*	104,953,082	5,317,100	20.22
AID Cap II *(Note 4)*	104,939,882	–	19.25
AID Partners GP2, Ltd. *(Note 4)*	104,939,882	–	19.25
Hong Kong HNA Holding Group Co. Limited *(Note 3)*	66,141,232	21,538,461	16.08
Mr. David Tin	45,454,400	–	8.33
Billion Power Management Limited *(Note 4)*	104,939,882	–	19.25
Elite Honour Investments Limited *(Note 4)*	104,939,882	–	19.25
Leader Fortune International Limited *(Note 4)*	104,939,882	–	19.25
Abundant Star Ventures Limited *(Note 4)*	45,454,545	–	8.33
Vantage Edge Limited *(Note 4)*	34,090,937	–	6.25
Mr. Wong Kwok Ho ("Mr. Wong") *(Notes 5 and 6)*	32,558,200	14,250,000	8.58
Ms. Chau Mui *(Notes 5 and 6)*	32,558,200	14,250,000	8.58

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 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 4 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 4 below, respectively.

3. Hong Kong HNA Holding Group Co. Limited is wholly-owned by HNA Financial Holdings International Co., Ltd. ("HNA Financial"). HNA Financial is wholly-owned by Beijing HNA Financial Holdings Co., Ltd. ("Beijing HNA"). Beijing HNA is owned as to 61.32% by HNA Investment Holding Co. Ltd. ("HNA Investment") and owned as to 37.74% by Hainan HNA Holding Co., Ltd.. HNA Investment is owned as to 73.06% by HNA Holding Group Co., Ltd.. Hainan HNA Holding Co., Ltd. is owned as to 51.38% by HNA Holding Group Co., Ltd. and 21.61% by HNA Group Co., Ltd.. HNA Holding Group Co., Ltd. is wholly-owned by HNA Group Co., Ltd.. HNA Group Co., Ltd. is owned as to approximately 70% by Hainan Traffic Administration Holding Co., Ltd. ("Hainan Traffic"). Hainan Traffic is owned as to approximately 50% by Sheng Tang Development (Yangpu) Co., Limited ("Sheng Tang"). Sheng Tang is owned as to 35% by Tang Dynasty Development Co., Limited ("Tang Dynasty") and 65% by Hainan Province Cihang Foundation. Tang Dynasty is owned as to approximately 98% by Pan-American Aviation Holding Company, which is in turn 100% beneficially owned by Cihang Sino-Western Cultural and Educational Exchange Foundation Limited.

4. 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 and Mr. Ho 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 77% through Billion Power Management Limited and 23% through Elite Honour Investments 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.

5. 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 14,625,000 Shares and 9,750,000 underlying shares as mentioned in Note 6 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.

6. 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), 97,500,000 Shares (4,875,000 Shares adjusted upon the Share Consolidation) and 4,875,000 Shares to Sky March on 25 May 2017, 28 May 2018 and 28 May 2019, respectively, and 9,750,000 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 2019, 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 2019, no other person had interests which were recorded in the register required to be kept under section 336 of the SFO.

AUDIT COMMITTEE

The Company established an Audit Committee on 31 March 2000 with the written terms of reference. The terms of reference are available on the Company's website (www.8088inc.com). The Audit Committee comprises three Independent Non-Executive Directors, Mr. Yuen Kwok On (Chairman), Mr. Matsumoto Hitoshi and Mr. Yau Chung Hang. 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 20 March 2020. The unaudited annual results for the year ended 31 December 2019 have been reviewed by the Audit Committee.

REVIEW OF UNAUDITED ANNUAL RESULTS

The auditing process for the annual results for the year ended 31 December 2019 has not been completed due to restrictions in force in parts of China to combat the COVID-19 coronavirus outbreak. The unaudited annual results contained herein have not been agreed by the Company's auditors. An announcement relating to the audited results will be made when the auditing process has been completed in accordance with International Standards on Auditing issued by International Auditing and Assurance Standards Board.

The unaudited annual results contained herein have been reviewed by the audit committee of the Company.

FURTHER ANNOUNCEMENT(S)

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to (i) the audited annual results for the year ended 31 December 2019 as agreed by the Company's auditors and the material differences (if any) as compared with the unaudited annual results contained herein, (ii) the proposed date on which the forthcoming annual general meeting will be held, and (iii) the period during which the register of members holding ordinary shares will be closed in order to ascertain shareholders' eligibility to attend and vote at the said meeting (and the proposed arrangements relating to dividend payment, if any). In addition, the Company will issue further announcement as and when necessary if there are other material developments in the completion of the auditing process.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the years ended 31 December 2019 and 31 December 2018. 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 2019 and 31 December 2018.

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

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

Hong Kong, 20 March 2020

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*
Independent Non-Executive Directors:	*Yuen Kwok On, Matsumoto Hitoshi and Yau Chung Hang*

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.