

Healthoo International Technology Holdings Limited
(海滙國際科技控股有限公司)*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8088)

1ST QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED 31 MARCH 2018

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

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This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement in this announcement misleading.

* For identification purposes only

ABOUT HEALTHOO INTERNATIONAL TECHNOLOGY HOLDINGS LIMITED

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

The Group is principally engaged in the businesses of strategic investment and asset management.

MANAGEMENT DISCUSSION AND ANALYSIS

During the three months under review, the Group continued to operate its strategic investment and asset management businesses. As part of the strategic investment business, the Group continued to monitor and strive to maximise the value of its strategic investments including, among others, (i) in Korea in the Korean pop music production and artist management business; (ii) in Japan in the online platform for private lodging in Japan business; (iii) in the United States of America for the businesses of robotics, pioneering autonomous mobility and a consumer focused website built around user-generated content about popular culture; (iv) in the movie distribution, artist management, cinema operations and HMV retail businesses through its shareholding in HMV Digital China Group Limited (stock code: 8078) (“HMV Digit China“); (v) the development and operations of mobile/online games and mobile game distribution and publishing platform through its subsidiaries, Complete Star Limited and its subsidiary and Honestway Global Group Limited and its subsidiaries; and (vi) the development in advanced personal molecular diagnostic services for cancer evaluation and cure through its subsidiary, GeneSort Ltd.

FINANCIAL REVIEW

Revenue in the first quarter of 2018 decreased to HK\$3.9 million from HK\$6.7 million in the first quarter of last year, while total operating expenses (being selling and distribution expenses and administrative expenses) in the first quarter of 2018 decreased to HK\$26.7 million from HK\$29.5 million in the first quarter of last year.

Fair value loss on financial assets at fair value through profit or loss of HK\$27.5 million was recognised in the first quarter of 2018, whereas no such loss was recognised in the first quarter of last year.

Other net income in the first quarter of 2018 decreased to HK\$5.5 million from HK\$12.7 million in the first quarter of last year, which was mainly due to a gain on deemed disposal of equity interest in an associate was recognised in the first quarter of last year, while no such gain was recognised in the first quarter of 2018.

Finance costs in the first quarter of 2018 increased to HK\$3.4 million from HK\$3.1 million in the first quarter of last year, mainly represent the effective interest expense of the convertible bonds with principal amount of HK\$140 million.

Subsequent to the reclassification of interest in an associate to an investment on 28 June 2017, share of profit of an associate was HK\$5.4 million in the first quarter of last year and was nil in the first quarter of 2018.

As a result, the Group reported a loss attributable to owners of the Company in the first quarter of 2018 of HK\$48.1 million as compared to HK\$10.1 million in the first quarter of last year.

The Group will continue to monitor and strive to maximise the value of its various strategic investments globally. The Group also leveraged on its acquisition of GeneSort Ltd. 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.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The board (the “Board”) of directors (the “Directors”) of the Company submit herewith the unaudited consolidated results of the Group for the three months ended 31 March 2018, together with the comparative unaudited figures of the corresponding period in 2017, as follows:

		Unaudited	
		Three months ended	
		31 March	
		2018	2017
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	3,911	6,674
Cost of sales		<u>(1,885)</u>	<u>(3,810)</u>
Gross profit		2,026	2,864
Fair value loss on financial assets at fair value through profit or loss		(27,478)	–
Other net income	3	5,457	12,705
Selling and distribution expenses		(123)	(1,175)
Administrative expenses		<u>(26,605)</u>	<u>(28,332)</u>
Loss from operations		(46,723)	(13,938)
Finance costs		(3,435)	(3,086)
Share of results of associates, net of tax		<u>–</u>	<u>5,384</u>
Loss before taxation		(50,158)	(11,640)
Taxation credit	4	<u>718</u>	<u>1,083</u>
Loss for the period		<u>(49,440)</u>	<u>(10,557)</u>
Attributable to:			
Owners of the Company		(48,053)	(10,076)
Non-controlling interests		<u>(1,387)</u>	<u>(481)</u>
Loss for the period		<u>(49,440)</u>	<u>(10,557)</u>
Loss per share attributable to owners of the Company for the period	6	<i>HK cents</i>	<i>HK cents</i>
Basic		<u>(0.45)</u>	<u>(0.11)</u>
Diluted		<u>N/A</u>	<u>N/A</u>

UNAUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Unaudited	
	Three months ended	
	31 March	
	2018	2017
	HK\$'000	HK\$'000
Loss for the period	(49,440)	(10,557)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	2,549	972
Share of other comprehensive income of an associate	—	253
	<u>2,549</u>	<u>1,225</u>
Other comprehensive income for the period, net of tax	2,549	1,225
	<u>2,549</u>	<u>1,225</u>
Total comprehensive income for the period, before and net of tax	<u>(46,891)</u>	<u>(9,332)</u>
Attributable to:		
Owners of the Company	(45,598)	(8,859)
Non-controlling interests	(1,293)	(473)
	<u>(45,598)</u>	<u>(8,859)</u>
	<u>(1,293)</u>	<u>(473)</u>
Total comprehensive income for the period, before and net of tax	<u>(46,891)</u>	<u>(9,332)</u>

NOTES TO THE UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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 businesses of strategic investment and asset management.

The unaudited consolidated financial information has 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 unaudited consolidated financial information also complies with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("GEM Listing Rules").

The unaudited consolidated financial information has been prepared under historical cost convention except for certain financial instruments classified as financial assets at fair value through profit or loss, which are measured at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the unaudited consolidated financial information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the unaudited consolidated financial information, are consistent with those set out in the Company's annual audited consolidated financial statements for the year ended 31 December 2017 ("2017 Annual Report").

This consolidated financial information for the three months ended 31 March 2018 is unaudited but has been reviewed by the audit committee of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

This unaudited consolidated financial information should be read in conjunction with the Company's 2017 Annual Report, which has been prepared in accordance with IFRSs. The principal accounting policies adopted to prepare this unaudited consolidated financial information are consistent with those adopted to prepare to the Company's 2017 Annual Report.

The IASB has issued a number of new or revised IFRSs which are first effective for accounting period beginning on 1 January 2018, save for the adoption of IFRS 9, the adoption of these new or revised IFRSs has no material impact on how the Group's financial performance and financial position for the current and prior periods have been prepared and presented.

Following adoption of IFRS 9, the Group's investments in equity securities previously classified as available-for-sale investments are now classified as financial assets at fair value through profit or loss, of which the fair value changes are recognised through profit or loss.

The Group has not early adopted the new or revised IFRSs which have been issued but are not yet effective.

3. REVENUE AND OTHER NET INCOME

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.

Other net income mainly comprises interest income, gain on deemed disposal of equity interest in an associate and net foreign exchange gains.

4. TAXATION

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits arising in Hong Kong for the three months ended 31 March 2018 and 2017.

The Group's subsidiaries operating in the People's Republic of China (the "PRC") are subject to PRC Enterprise Income Tax at the tax rate of 25%. One of the Group's major operating subsidiary, 上海威搜游科技有限公司 (Shanghai VSOYOU Technology Co., Ltd.*), 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 three months ended 31 March 2018 and 2017.

Deferred tax credit relating to the amortisation of intangible assets was recognised in profit or loss for the three months ended 31 March 2018 and 2017; while no recognition of potential deferred tax assets relating to tax losses of the Group has been made as the recoverability of the potential tax assets is uncertain.

5. MOVEMENTS IN RESERVES

	Share premium HK\$'000	Convertible		Capital reserve HK\$'000	Capital redemption reserve HK\$'000	Share-based compensation reserve HK\$'000	Remuneration share reserve HK\$'000	Investment revaluation reserve HK\$'000	Foreign exchange reserve HK\$'000	Other reserve HK\$'000	Statutory surplus reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
		Capital reduction reserve HK\$'000	bonds equity reserve HK\$'000										
At 1 January 2018 (Audited)	756,387	702,955	1,921	2,112	601	62,165	7,820	(2,876)	(839)	(21,619)	5,163	(382,320)	1,131,470
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	(48,053)	(48,053)
Other comprehensive income:													
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	2,455	-	-	-	2,455
Total comprehensive income for the period	-	-	-	-	-	-	-	-	2,455	-	-	(48,053)	(45,598)
Remuneration shares issued for consultancy service	-	-	-	-	-	-	2,933	-	-	-	-	-	2,933
Lapse of share options	-	-	-	-	-	(4,902)	-	-	-	-	-	4,902	-
At 31 March 2018 (Unaudited)	756,387	702,955	1,921	2,112	601	57,263	10,753	(2,876)	1,616	(21,619)	5,163	(425,471)	1,088,805
At 1 January 2017 (Audited)	802,660	-	1,921	2,112	601	49,355	-	(962)	(4,902)	(21,619)	4,931	(88,554)	745,543
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	(10,076)	(10,076)
Other comprehensive income:													
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	964	-	-	-	964
Share of other comprehensive income of an associate	-	-	-	-	-	-	-	(388)	641	-	-	-	253
Total comprehensive income for the period	-	-	-	-	-	-	-	(388)	1,605	-	-	(10,076)	(8,859)
Share-based compensation	-	-	-	-	-	2,807	-	-	-	-	-	-	2,807
Lapse of share options	-	-	-	-	-	(1,705)	-	-	-	-	-	1,705	-
At 31 March 2017 (Unaudited)	802,660	-	1,921	2,112	601	50,457	-	(1,350)	(3,297)	(21,619)	4,931	(96,925)	739,491

6. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic loss per share

Basic 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 three months ended 31 March 2018 and 2017.

	Unaudited Three months ended 31 March	
	2018	2017
<i>(HK\$'000)</i>		
Consolidated loss attributable to owners of the Company	<u>(48,053)</u>	<u>(10,076)</u>
<i>(Number)</i>		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u>10,707,140,110</u>	<u>9,257,611,734</u>
<i>(HK cents)</i>		
Basic loss per share	<u>(0.45)</u>	<u>(0.11)</u>

(b) Diluted loss per share

No diluted loss per share for the three months ended 31 March 2018 and 2017 are shown, as the outstanding share options and convertible bonds are anti-dilutive or have no dilutive effect.

7. LOAN OF LISTED SECURITIES

On 22 March 2018, the Group entered into a Stock Borrowing Agreement (“Agreement”) with HMV Digit China as the Borrower, whereas the Group has agreed to make available to the Borrower a loan of the Loaned Securities up to 300,000,000 shares in HMV Digit China, that were held by a subsidiary of the Group, in favour of an investor as a security for performance of certain obligations by HMV Digit China, in relation to its issuance of Convertible Bonds and Notes to the investor. Under the Agreement, HMV Digit China has agreed to pay a borrowing fee on the value of the Loaned Securities at a rate of 3.5% per annum. The Loan is guaranteed and indemnified by an executive director of HMV Digit China against all costs, losses, damages, demands and expenses in which the Group may sustain or incur as a result of the whole or any of the obligations being defaulted or becoming irrecoverable from the Borrower. As at 31 March 2018, the fair value of Loaned Securities was HK\$71.7 million by reference to market value.

8. EVENTS AFTER THE REPORTING PERIOD

Pursuant to a special resolution duly passed at the extraordinary general meeting of the Company held on 7 May 2018, the English name of the Company to be changed from “Healthoo International Technology Holdings Limited” to “AID Life Science Holdings Limited” and adopt the Chinese name of “滙友生命科學控股有限公司” in place of its existing Chinese name “海滙國際科技控股有限公司” which has been used for identification purposes only (the “Proposed Change of Company Name”).

The Proposed Change of Company Name is subject to the satisfaction of the approval from the Registrar of Companies in the Cayman Islands. The Proposed Change of Company Name will take effect from the date of entry of the new English name of the Company on the register maintained by the Registrar of Companies in the Cayman Islands.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2018 (three months ended 31 March 2017: Nil).

DISCLOSURE OF INTERESTS

(A) Directors' Interests

As at 31 March 2018, the interests of the Directors or any chief executive of the Company in the ordinary shares of the Company (the "Shares") and underlying Shares or any of its associated corporations as recorded in the register were:

(i) Interests in the Shares

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)	28,488,000	2,098,797,090	165,600,000	2,292,885,090	21.41
Ms. Chan Suet Ngan	397,000	–	–	397,000	0.003
Mr. Hu Kenneth (Note 3)	–	–	12,600,000	12,600,000	0.11
Ms. Qian Alexandra Gaochuan ("Ms. Qian") (Note 3)	12,600,000	–	–	12,600,000	0.11
Mr. Yuen Kwok On ("Mr. Yuen")	1,980,000	–	–	1,980,000	0.01

Notes:

1. Mr. Wu owns 28,488,000 Shares. Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited own 507,888,000 Shares, 909,090,909 Shares and 681,818,181 Shares, respectively. Mr. Wu, is deemed to have interests in 507,888,000 Shares, 909,090,909 Shares and 681,818,181 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 he 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 165,600,000 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 held by Billion Express.
3. Ms. Qian, the spouse of Mr. Hu Kenneth holds 12,600,000 Shares. Accordingly, Mr. Hu Kenneth is deemed to be interested in 12,600,000 Shares.

(ii) *Interests in the underlying Shares*

(a) *Outstanding share options*

Name of Director	Date of grant (dd/mm/yyyy)	Exercise price HK\$	Exercise period (Notes)	Balance as at 1 January 2018	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Balance as at 31 March 2018
Mr. Wu	20/06/2014	0.16	(1)	26,884,000	-	-	-	26,884,000
	01/04/2016	0.247	(2)	70,000,000	-	-	-	70,000,000
	19/05/2017	0.078	(3)	9,000,000	-	-	-	9,000,000
				<u>105,884,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,884,000</u>
Ms. Chan Suet Ngan	01/04/2016	0.247	(2)	4,000,000	-	-	-	4,000,000
	19/05/2017	0.078	(3)	12,000,000	-	-	-	12,000,000
				<u>16,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,000,000</u>
Mr. Hu Kenneth	01/04/2016	0.247	(2)	4,000,000	-	-	-	4,000,000
	19/05/2017	0.078	(3)	28,000,000	-	-	-	28,000,000
				<u>32,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,000,000</u>
Ms. Qian	01/04/2016	0.247	(2)	4,000,000	-	-	-	4,000,000
	19/05/2017	0.078	(3)	28,000,000	-	-	-	28,000,000
				<u>32,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,000,000</u>
Mr. Yuen	01/04/2016	0.247	(2)	3,000,000	-	-	-	3,000,000
	19/05/2017	0.078	(3)	2,000,000	-	-	-	2,000,000
				<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>
Ms. Fong Janie	01/04/2016	0.247	(2)	3,000,000	-	-	-	3,000,000
	19/05/2017	0.078	(3)	5,000,000	-	-	-	5,000,000
				<u>8,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,000,000</u>

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 or any associated corporation.

Save as disclosed above, as at 31 March 2018, none of the Directors or chief executive 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 the Directors.

(B) Substantial Shareholders and Other Persons

As at 31 March 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 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)	2,292,885,090	105,884,000	22.40
Ms. Li Mau (Notes 1 and 5)	2,292,885,090	105,884,000	22.40
Mr. Ho Gilbert Chi Hang (“Mr. Ho”) (Notes 2 and 5)	2,099,061,090	106,342,000	20.59
Mr. Chang Tat Joel (“Mr. Chang”) (Notes 3 and 5)	2,098,797,090	41,342,000	19.98
AID Cap II (Note 5)	2,098,797,090	–	19.60
AID Partners GP2, Ltd. (Note 5)	2,098,797,090	–	19.60
Hong Kong HNA Holding Group Co. Limited (Note 4)	1,636,360,000	430,769,230	19.30

Name	Aggregate long position in Shares	Aggregate long position in underlying shares	Approximate percentage of the issued share capital of the Company %
Mr. David Tin	909,088,000	–	8.49
Billion Power Management Limited (<i>Note 5</i>)	2,098,797,090	–	19.60
Elite Honour Investments Limited (<i>Note 5</i>)	2,098,797,090	–	19.60
Genius Link Assets Management Limited (<i>Note 5</i>)	2,098,797,090	–	19.60
Leader Fortune International Limited (<i>Note 5</i>)	2,098,797,090	–	19.60
Abundant Star Ventures Limited (<i>Note 5</i>)	909,090,909	–	8.49
Vantage Edge Limited (<i>Note 5</i>)	681,818,181	–	6.36
Mr. Wong Kwok Ho (“Mr. Wong”) (<i>Notes 6 and 7</i>)	452,876,000	480,000,000	8.71
Ms. Chau Mui (<i>Notes 6 and 7</i>)	452,876,000	480,000,000	8.71

Notes:

1. Mr. Wu, the Chairman, the Chief Investment Officer and Executive Director of the Company, owns 28,488,000 Shares and Billion Express owns 165,600,000 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 26,884,000 share options, 70,000,000 share options and 9,000,000 share options at an exercise price of HK\$0.16 per Share, HK\$0.247 per Share and HK\$0.078 per Share, respectively, to subscribe for Shares. Mr. Wu is deemed to have interest in 507,888,000 Shares, 909,090,909 Shares and 681,818,181 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 264,000 Shares and is interested in 27,342,000 share options, 70,000,000 share options and 9,000,000 share options at an exercise price of HK\$0.16 per Share, HK\$0.247 per Share and HK\$0.078 per Share, respectively, to subscribe for Shares. Mr. Ho is also deemed to have interest in 507,888,000 Shares, 909,090,909 Shares and 681,818,181 Shares as mentioned in note 5 below, respectively.
3. Mr. Chang is interested in 27,342,000 share options, 5,000,000 share options and 9,000,000 share options at an exercise price of HK\$0.16 per Share, HK\$0.247 per Share and HK\$0.078 per Share, respectively, to subscribe for Shares. Mr. Chang is also deemed to have interest in 507,888,000 Shares, 909,090,909 Shares and 681,818,181 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 approximately 99% by HNA Investment Holding Co. Ltd. (“HNA Investment”). HNA Investment is owned as to approximately 73% by Hainan HNA Holding Co., Ltd. (“Hainan HNA”). Hainan HNA is owned as to approximately 51% by HNA Holding Group Co., Ltd. (“HNA Holding”) and is owned as to approximately 22% by HNA Group Co., Ltd. (“HNA Group”). HNA Holding is wholly-owned by HNA Group. HNA Group 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. Ltd. (“Sheng Tang”). Sheng Tang is owned as to 35% by Tang Dynasty Development Co. Ltd. (“Tang Dynasty”). 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 507,888,000 Shares, 909,090,909 Shares and 681,818,181 Shares. Mr. Wu, Mr. Ho and Mr. Chang are deemed to have interest in 507,888,000 Shares, 909,090,909 Shares and 681,818,181 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 326,496,000 Shares and is interested in 90,000,000 share options at an exercises price of HK\$0.078 per Share to subscribe for Shares. Faithful Talent Limited (“Faithful”) owns 7,000,000 Shares. Mr. Wong is deemed to be interested in these shares through his 100% interests in Faithful. Mr. Wong is deemed to be interested in 97,500,000 Shares and 390,000,000 underlying shares as mentioned in Note 7 below. Ms. Chau Mui, as the spouse of Mr. Wong, owns 21,880,000 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 to Sky March on 25 May 2017 and 390,000,000 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 as recorded in the register required to be kept under section 336 of the SFO.

Save as disclosed above, as at 31 March 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 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 March 2018, no other person had interests which were recorded in the register required to be kept under section 336 of the SFO.

(C) Competing Interests

So far as the Directors were aware, none of the other Directors or their respective associates were interested in any business which competes or is likely to compete, whether directly or indirectly, with the business of the Group.

(D) Share Option Schemes

The Company's share option scheme which was adopted on 27 March 2002 (the "2002 Share Option Scheme") was expired and a new share option scheme (the "2014 Share Option Scheme") was adopted by an ordinary resolution passed by the shareholders at the extraordinary general meeting of the Company on 15 April 2014 (the "Adoption Date"). The 2014 Share Option Scheme constitutes a share option scheme governed by Chapter 23 of the GEM Listing Rules and will remain in force for 10 years from the Adoption Date.

Upon the expiry of the 2002 Share Option Scheme, no further option can be offered thereunder but any options granted prior to such expiry but not yet exercised shall continue to be valid and exercisable.

The Company operates both the 2002 Share Option Scheme and the 2014 Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. Pursuant to the 2014 Share Option Scheme, the Directors of the Company may grant options to eligible participants persons (as defined in the 2014 Share Option Scheme) to subscribe for shares in the Company subject to the terms and conditions stipulated therein.

2002 Share Option Scheme

The remaining share options granted under the 2002 Share Option Scheme are for other eligible participants and are exercisable as follows:

- (a) the first 30% of the options between the first and tenth anniversary of the date of grant;
- (b) the next 30% of the options between the second and tenth anniversary of the date of grant; and
- (c) the remaining options between the third and tenth anniversary of the date of grant.

The following table sets out information relating to the 2002 Share Option Scheme:

Date of grant (dd/mm/yyyy)	Grantees	Exercise period (dd/mm/yyyy)	Exercise price per share HK\$	Number of share options					
				Balance as at 1 January 2018	Granted during the period	Exercised during the period	Cancelled/Lapsed during the period	Balance as at 31 March 2018	
11/02/2008	Former directors and former employees	11/02/2009 to 10/02/2018	2.22	4,256,683	-	-	(4,256,683)	-	
29/12/2008	Former directors and former employees	29/12/2009 to 28/12/2018	0.22	818,336	-	-	-	818,336	
07/10/2010	Former directors and former employees	07/10/2011 to 06/10/2020	0.20	2,370,561	-	-	-	2,370,561	
16/03/2012	Former directors and former employees	16/03/2013 to 15/03/2022	0.20	5,342,580	-	-	-	5,342,580	
14/05/2012	Former directors and former employees	14/05/2013 to 13/05/2022	0.19	5,859,368	-	-	-	5,859,368	
				Total	18,647,528	-	-	(4,256,683)	14,390,845

No option was granted or exercised under the 2002 Share Option Scheme during the three months ended 31 March 2018.

4,256,683 options were lapsed under the 2002 Share Option Scheme during the three months ended 31 March 2018.

The weighted average remaining contractual life of the options outstanding under the 2002 Share Option Scheme as at 31 March 2018 was approximately 3.61 years.

No share-based compensation expense was recognised under 2002 Share Option Scheme during the three months ended 31 March 2018 and 2017.

2014 Share Option Scheme

The following table sets out information relating to the 2014 Share Option Scheme:

Date of grant (dd/mm/yyyy)	Grantees	Exercise period (Notes)	Exercise price per share HK\$	Number of share options					Balance as at 31 March 2018
				Balance as at 1 January 2018	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Transferred during the period	
15/05/2014	Directors and former directors	(1)	0.16	54,684,000	-	-	-	-	54,684,000
20/06/2014	Directors and former directors	(2)	0.16	32,465,250	-	-	-	-	32,465,250
01/04/2016	Directors and former directors	(3) and (6)	0.247	157,000,000	-	-	-	12,000,000	169,000,000
19/05/2017	Directors and former directors	(5) and (6)	0.078	38,000,000	-	-	-	68,000,000	106,000,000
				<u>282,149,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000,000</u>	<u>362,149,250</u>
20/06/2014	Other eligible participants	(4)	0.16	35,402,750	-	-	-	-	35,402,750
01/04/2016	Other eligible participants	(3) and (6)	0.247	48,416,000	-	-	-	(12,000,000)	36,416,000
19/05/2017	Other eligible participants	(5) and (6)	0.078	304,192,000	-	-	-	(68,000,000)	236,192,000
				<u>388,010,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(80,000,000)</u>	<u>308,010,750</u>
			Total	<u>670,160,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>670,160,000</u>

Notes:

- (1) Exercisable from 15 May 2014 to 14 May 2024.
- (2) Exercisable from 20 June 2014 to 19 June 2024.
- (3) Divided into two tranches exercisable from 1 October 2016 and 1 April 2017, respectively to 31 March 2026.
- (4) Divided into two tranches exercisable from 20 June 2014 and 20 June 2015, respectively to 19 June 2024.
- (5) Exercisable from 19 May 2017 to 18 May 2027.
- (6) Ms. Chan Suet Ngan, Mr. Hu Kenneth and Ms. Qian were appointed as Directors of the Company on 1 January 2018, such share options were transferred from the category of “Other eligible participants” to “Directors”.

No option was granted or exercised under the 2014 Share Option Scheme during the three months ended 31 March 2018.

During the three months ended 31 March 2018, no option was lapsed upon resignation of other eligible participants.

The weighted average remaining contractual life of the options outstanding under the 2014 Share Option Scheme as at 31 March 2018 was approximately 8.25 years.

No share-based compensation expense was recognised under the 2014 Share Option Scheme in the consolidated statement of profit or loss for the three months ended 31 March 2018 (three months ended 31 March 2017: HK\$2,807,000).

AUDIT COMMITTEE

The Company established an Audit Committee on 31 March 2000 with the written 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 9 May 2018. The unaudited consolidated financial information of the Company for the three months ended 31 March 2018 has been reviewed by the Audit Committee.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the three months ended 31 March 2018 and 2017. Neither the Company, nor any of its subsidiaries, has purchased or sold any of the Company's listed securities during the three months ended 31 March 2018 and 2017.

By Order of the Board
Healthoo International Technology Holdings Limited
Wu King Shiu, Kelvin
Chairman

Hong Kong, 9 May 2018

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

*Executive Directors: Wu King Shiu, Kelvin, Chan Suet Ngan,
Hu Kenneth and Qian Alexandra Gaochuan*

Non-Executive Directors: Xu Haohao and Guo Qifei

*Independent Non-Executive Directors: Fong Janie, Yuen Kwok On and
Matsumoto Hitoshi*

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.

The English text for this announcement shall prevail over the Chinese text for the purpose of interpretation.

** For identification purpose only*