



SINO-LIFE GROUP LIMITED
中國生命集團有限公司

Incorporated in the Cayman Islands with limited liability
Stock Code : 8296

資本服務科技

科技創造價值

2022
THIRD QUARTERLY
REPORT

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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Sino-Life Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company.

The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or in this report misleading.

CONDENSED CONSOLIDATED QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

The board (the “Board”) of Directors hereby presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and the nine months ended (the “Period”) 30 September 2022 together with the comparative unaudited figures for the corresponding periods in 2021 (the “Prior Period”), as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Three months ended 30 September		Nine months ended 30 September	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue	4	20,022	16,482	57,171	53,753
Cost of sales and services rendered		(8,788)	(7,649)	(25,924)	(23,219)
Gross profit		11,234	8,833	31,247	30,534
Fair value loss on financial assets measured at fair value through profit or loss (“FVTPL”)		(3,056)	–	(2,474)	–
Other income and other net gains	5	3,094	659	4,400	1,569
Selling expenses		(1,369)	(1,241)	(4,307)	(4,037)
Administrative expenses		(5,697)	(6,364)	(24,836)	(20,128)
Other operating expenses		(20)	(134)	(298)	(305)
Profit from operations		4,186	1,753	3,732	7,633
Finance costs		(475)	(536)	(1,457)	(1,705)
Profit before taxation		3,711	1,217	2,275	5,928
Income tax expense	6	(1,826)	(886)	(6,850)	(3,782)
Profit/(loss) for the period		1,885	331	(4,575)	2,146
Other comprehensive (expenses)/income for the period					
Item that will not be reclassified to profit or loss:					
Deficit on revaluation of land and buildings held for own use		–	(2)	–	(5)
Item that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		(2,339)	1,240	(3,319)	2,976
Other comprehensive (expenses)/income for the period, net of income tax		(2,339)	1,238	(3,319)	2,971
Total comprehensive (expenses)/income for the period, net of income tax		(454)	1,569	(7,894)	5,117

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	Note	Three months ended		Nine months ended	
		30 September		30 September	
		2022	2021	2022	2021
		RMB'000	RMB'000	RMB'000	RMB'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(loss) attributable to:					
Owners of the Company		1,700	442	(4,662)	2,787
Non-controlling interests		185	(111)	87	(641)
		1,885	331	(4,575)	2,146
Total comprehensive (expenses)/income attributable to:					
Owners of the Company		(638)	1,750	(7,544)	5,607
Non-controlling interests		184	(181)	(350)	(490)
		(454)	1,569	(7,894)	5,117
Earnings/(loss) per share					
Basic and diluted (RMB cents)	7	0.23	0.06	(0.63)	0.38

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of the Company

	Share	Share	Merger	Statutory	Statutory	Properties	Foreign	Share-based	Other	Accumulated	Total	Non-	Total
	capital	premium	reserve	reserve	surplus	revaluation	currency	compensation	reserve	losses		controlling	equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2020 (Audited) and At 1 January 2021 (Unaudited)	69,218	220,633	(16,261)	790	12,058	3,141	(19,170)	-	-	(151,139)	119,270	(7,544)	111,726
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	2,787	2,787	(641)	2,146
Deficit on revaluation of land and buildings held for own use	-	-	-	-	-	(5)	-	-	-	-	(5)	-	(5)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	2,825	-	-	-	2,825	151	2,976
Other comprehensive income	-	-	-	-	-	(5)	2,825	-	-	-	2,820	151	2,971
Total comprehensive (expenses)/income for the period	-	-	-	-	-	(5)	2,825	-	-	2,787	5,607	(490)	5,117
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	5,780	5,780
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	245	245	(1,288)	(963)
At 30 September 2021 (Unaudited)	69,218	220,633	(16,261)	790	12,058	3,136	(16,345)	-	-	(148,107)	125,122	(3,462)	121,660
At 31 December 2021 (Audited) and At 1 January 2022 (Unaudited)	69,218	220,633	(16,261)	790	12,058	5,495	(16,675)	-	361	(161,011)	114,608	(9,020)	105,588
(Loss)/profit for the period	-	-	-	-	-	-	-	-	-	(4,662)	(4,662)	87	(4,575)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(2,882)	-	-	-	(2,882)	(437)	(3,319)
Other comprehensive income	-	-	-	-	-	-	(2,882)	-	-	-	(2,882)	(437)	(3,319)
Total comprehensive expenses for the period	-	-	-	-	-	-	(2,882)	-	-	(4,662)	(7,544)	(950)	(7,894)
Equity-settled share-based transactions	-	-	-	-	-	-	-	1,900	-	-	1,900	-	1,900
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	26,400	26,400
At 30 September 2022 (Unaudited)	69,218	220,633	(16,261)	790	12,058	5,495	(19,537)	1,900	361	(165,673)	108,964	17,030	125,994

NOTES TO THE CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

For the nine months ended 30 September 2022

1. GENERAL

The Company was incorporated on 24 February 2005 in Cayman Islands as an exempted company with limited liability under the Cayman Islands Companies Law. Its shares are listed on GEM of the Stock Exchange on 9 September 2009.

The Company is principally engaged in investment holding. The subsidiaries are mainly engaged in the provision of funeral and related services in the People's Republic of China (the "PRC"), Taiwan and Hong Kong Special Administrative Region, the PRC ("Hong Kong"), sale of burial plots and tombstones and provision of cemetery maintenance services in Socialist Republic of Vietnam ("Vietnam"), provision of advisory service on stem cells and immunocytes in both the PRC and Hong Kong, and sales of advance biotechnical machineries and other electronic products in Hong Kong. The Company and its subsidiaries are herein collectively referred to as the "Group".

The addresses of the Company's registered office and principal place of business are The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands and Unit 601, 6/F., Ovest, No. 77 Wing Lok Street, Sheung Wan, Hong Kong respectively.

2. BASIS OF PREPARATION

These unaudited condensed consolidated third quarterly financial statements have been prepared in accordance with the applicable disclosure requirements set out in Chapter 18 of the GEM Listing Rules and Hong Kong Financial Reporting Standards ("HKFRS(s)") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These unaudited condensed consolidated third quarterly financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules. These unaudited condensed consolidated third quarterly financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2021 (the "2021 Annual Financial Statements"), which have been prepared in accordance with HKFRSs.

The HKICPA has issued certain new and amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. These unaudited condensed consolidated third quarterly financial statements have been prepared in accordance with the same accounting policies adopted in the 2021 Annual Financial Statements, except for the changes in accounting policies that are expected to be reflected in the annual financial statements for the year ending 31 December 2022. Note 3 of these unaudited condensed consolidated third quarterly financial statements provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these unaudited condensed consolidated third quarterly financial statements.

These unaudited condensed consolidated third quarterly financial statements have been prepared under the historical cost convention, except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investment properties;
- freehold land and buildings; and
- financial assets measured as at FVTPL.

The preparation of these unaudited condensed consolidated third quarterly financial statements in conformity with the HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2021 Annual Financial Statements.

These unaudited condensed consolidated third quarterly financial statements contains unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 Annual Financial Statements. These unaudited condensed consolidated third quarterly financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

These unaudited condensed consolidated third quarterly financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand, unless otherwise stated.

With a review of financial statements presentation, certain items in these unaudited condensed consolidated third quarterly financial statements were reclassified which would result in a more appropriate presentation of events or transactions.

All intra-group assets and liabilities, equity, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

These unaudited condensed consolidated third quarterly financial statements have not been audited by the Company’s auditor, but have been reviewed by the Company’s audit committee (the “Audit Committee”).

3. CHANGES IN ACCOUNTING POLICIES

3.1 New and amended standards adopted by the Group

The Group has adopted the following new and revised HKFRSs (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA for the first time for these unaudited condensed consolidated third quarterly financial statements.

HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before intended use
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract
HKFRS 3 (Amendments)	Conceptual Framework for Financial Reporting
Amendments to HKFRSs	Annual improvements to HKFRS Standards 2018-2020 Cycle

The Group concluded that the adoption of these new and revised standards in the current period has had no material impact on the amounts reported and/or disclosures set out in these unaudited condensed consolidated third quarterly financial statements.

3.2 New standards and amendments to standards issued but not yet effective for the accounting period beginning on 1 January 2022 and not early adopted by the Group

	Effective for accounting periods beginning on or after
HKFRS 17, <i>Insurance Contracts and the related Amendment</i>	1 January 2023
Amendments to HKAS 1, <i>Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020)</i>	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2, <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to HKAS 8, <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to HKAS 12, <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
HK-Int 5, <i>Amendments in relation to Amendments to HKAS 1</i>	1 January 2023
Amendments to HKFRS 10 and HKAS 28, <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The Group is in the process of making an assessment on the impact of these new standards and amendments to standards and preliminary results showed that their application are not expected to have material impact on the financial performance and the financial position of the Group.

4. REVENUE

Revenue represents the fair value of consideration received and receivables for the services rendered to customers and goods sold to customers. The amount of each significant category of revenue during the Period and the Prior Period are as follows:

	Nine months ended	
	30 September	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Funeral services and cremation services provided in funeral parlours and funeral services centres under the Group's management	54,352	51,065
Funeral arrangement and related consultancy services	2,130	1,809
Sales of burial plots and tombstones	484	146
Provision of advisory services on stem cells and immunocytes	205	733
	57,171	53,753

The following table sets out information about the geographical locations of the Group's revenue from external customers.

Revenue from external customers

	Nine months ended	
	30 September	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
The PRC	54,352	51,798
Taiwan	1,145	1,045
Hong Kong	1,190	764
Vietnam	484	146
Total	57,171	53,753

5. OTHER INCOME AND OTHER NET GAINS

	Nine months ended	
	30 September	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest income on bank deposits	173	278
Rental income from investment properties	901	881
Loss on disposal of property, plant and equipment	–	(18)
Gains on disposals of financial assets measured at FVTPL	2,948	–
Net exchange gains/(losses)	49	(13)
Sundry income	329	441
	4,400	1,569

6. INCOME TAX EXPENSE

- (a) Under the two-tiered profits tax rates regime, the first Hong Kong dollars (“HK\$”) 2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong profits tax has been made as the Group has no assessable profits in Hong Kong for the Period and the Prior Period.

- (b) The Group is not subject to any taxation under the jurisdiction of the Cayman Islands and British Virgin Islands (“BVI”) for the Period and the Prior Period.

- (c) The subsidiaries operating in the PRC are subject to enterprise income tax (“EIT”) rate at 25% for both the Period and the Prior Period in accordance with the Law of the People’s Republic of China on Enterprises Income Tax (中華人民共和國企業所得稅法) except that Chongqing Xizhou Funeral Service Company Limited (“Chongqing Xizhou”), an indirect wholly owned subsidiary of the Company, is entitled to a preferential tax rate of 15% (The Prior Period: 15%) for the EIT in accordance with 西部大開發企業所得稅優惠, which is applied to Chongqing Xizhou from January 2011 and, provided that the conditions precedent to entitlement of preferential tax rate are fulfilled by Chongqing Xizhou in each of subsequent years, the preferential tax rate can be applied to Chongqing Xizhou up to December 2020. Pursuant to 《關於延續西部大開發企業所得稅政策的公告》 (Announcement No. 23 of the Ministry of Finance in 2020) issued in April 2020, Chongqing Xizhou was subject to a preferential tax rate of 15% from 1 January 2021 to 30 December 2030, when the annual revenue from the encouraged business exceeded 60% of Chongqing Xizhou total revenue in a fiscal year.
- (d) Bau Shan Life Science Technology Co., Ltd. (“Bau Shan”), a direct subsidiary of the Company, and Bao De Life Enterprise Co., Ltd. (“Bao De”) and Bu Lao Lin Limited (“BLL”), both indirect subsidiaries of the Company, are subject to Taiwan Enterprise Income Tax at 17% (The Prior Period: 17%) on taxable profits determined in accordance with the Income Tax Act and other relevant laws in Taiwan. No provision for Taiwan Enterprise Income Tax has been made as Bau Shan, Bao De and BLL have no assessable profits for both the Period and the Prior Period.
- (e) Bao Son Life Company Limited (“Bao Son Life”) and Hoan Loc Viet Duc Hoa Corporation (“HLV Duc Hoa”), the indirect non-wholly-owned subsidiaries of the Company, are subject to Vietnam Corporate Income Tax at 20% and 20% (The Prior Period: 20%), respectively, on taxable profits determined in accordance with the relevant laws and regulations in Vietnam. No provision for Vietnam Corporate Income Tax has been made as Bao Son Life and HLV Duc Hoa have no assessable profits for the Period and the Prior Period.
- (f) PRC withholding tax of 10% shall be levied on the dividends declared by the companies established in the PRC to their foreign investors out of their profits earned after 1 January 2008.

7. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share for the three months and nine months ended 30 September 2022 and 2021 are as follow:

	Three months ended		Nine months ended	
	30 September		30 September	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(loss) attributable to the owners of the Company (RMB'000)	1,700	442	(4,662)	2,787
Weighted average number of ordinary shares	742,500,000	742,500,000	742,500,000	742,500,000
Basic earnings/(loss) per share (RMB cents)	0.23	0.06	(0.63)	0.38

(b) Diluted earnings/(loss) per share

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the three months and nine months ended 30 September 2022 and 2021 as the impact of the share options had anti-dilutive effect on the basic earnings/(loss) per share amounts presented. Therefore, the diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share.

8. DIVIDENDS

The Directors do not recommend payment of any dividend for the Period (The Prior Period: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the nine months ended 30 September 2022 (the “Current Period”), despite coronavirus disease (“COVID-19”) pandemic in the People’s Republic of China (the “PRC”) resurged in the second quarter and continued to impact the market in the third quarter of the year, the revenue from the operation of Sino-Life Group Limited (the “Company”) and its subsidiaries (collectively the “Group”) in the PRC and Taiwan remained relatively steady as compared with the corresponding year in 2021 (the “Prior Period”), while performance in Hong Kong Special Administrative Region, the PRC (“Hong Kong”) and Socialist Republic of Vietnam (“Vietnam”) recorded an outstanding improvement during the Current Period.

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

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

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

	Nine months ended 30 September			
	2022		2021	
	RMB'000	%	RMB'000	%
The PRC	54,352	95.1	51,798	96.4
Taiwan	1,145	2.0	1,045	1.9
Hong Kong	1,190	2.1	764	1.4
Vietnam	484	0.8	146	0.3
	57,171	100.0	53,753	100.0

The PRC

Business in the PRC continues to be the major source of income of the operations of the Group during the Current Period. The Group's revenue derived from the PRC market was approximately RMB54,352,000 for the Current Period (The Prior Period: RMB51,798,000), representing an increase of approximately 4.9% from the Prior Period.

In the PRC, the Group is principally engaged in provision of funeral, cremation and cemetery services in funeral parlours and funeral service centres under the Group's management in Chongqing. The Group also carried out the advisory service on the stem cell and immunocytes under an agency agreement in Guangzhou city, Guangdong province.

During the Current Period, the impact of COVID-19 was less severe than expected as less control measures were adopted in Chongqing as compared to those of the Prior Period and recorded a 4.9% year-on-year increase as compared with the Prior Period. The provision of funeral, cremation and cemetery services business contributed approximately RMB54,352,000 (The Prior Period: RMB51,065,000) during the Current Period, representing a 6.4% year-on-year increase as compared to the Prior Period.

On the other hand, there had been a sanitary restrictions in Guangzhou due to another round of spread of Omicron of COVID-19 pandemic during the Current Period, the Group's advisory service on stem cells and immunocytes was unavoidably penalized and the service of this business segment was forced to temporarily suspend during the Current Period. During the Prior Period, the Group's immunocytes business recorded RMB733,000 of revenue in the PRC.

Taiwan and Hong Kong

In Taiwan and Hong Kong, the Group is principally engaged in the sales of funeral services deeds, which was accounted for by the Group as receipt in advance, and provision of funeral arrangement services to the deed holders and non-funeral services deed holders, which are accounted for by the Group as revenue. The Group also carries out sales of advance biotechnical machineries and other electronic products in Hong Kong.

Despite of the outbreak of Omicron of the COVID-19 pandemic, the impact of COVID-19 pandemic was less severe than expected and less control measures were adopted in Taiwan compared with those of the Prior Period. Revenue from the Taiwan market recorded a 9.6% year-on-year increase to approximately RMB1,145,000 during the Current Period.

On the other hand, despite of the continuing sanitary restrictions in Hong Kong, the business in Hong Kong strongly bounced back during the Current Period, and recorded revenue of approximately RMB1,190,000 for the Current Period (The Prior Period: RMB764,000), representing a year-on-year increase of approximately 55.8% from the Prior Period.

During the Current Period, the Group carried out the provision of advisory services on stem cells and immunocytes business for the first time in Hong Kong and generated revenue of approximately RMB205,000 (The Prior Period: RMB nil), and the funeral arrangement and related consultancy services contributed approximately RMB985,000 (The Prior Period: RMB764,000) to the Group's revenue in Hong Kong.

Vietnam

The Group's revenue derived from the sales of burial plots in Vietnam was approximately RMB484,000 for the Current Period (The Prior Period: RMB146,000), representing an increase of approximately 231.5% from the Prior Period. The increase was mainly resulted from the resumption of Group's operation during the Current Period while temporary lockdown was implemented by the local government in Vietnam in the Prior Period.

FINANCIAL REVIEW

During the Current Period, the revenue of the Group was approximately RMB57,171,000 (the Prior Period: RMB53,753,000), representing an increase of approximately 6.4% as compared with the Prior Period. The increase was mainly contributed by the provision of funeral, cremation and cemetery services business of the Group in Chongqing, the PRC since the impact of the COVID-19 pandemic was less severe than expected as less control measures were adopted in Chongqing compared with the Prior Period.

Cost of sales for the Current Period was approximately RMB25,924,000 (The Prior Period: RMB23,219,000), increased by approximately 11.6% as compared with the Prior Period. The increase in cost of sales for the Current Period was in line with the increase in revenue of the Group.

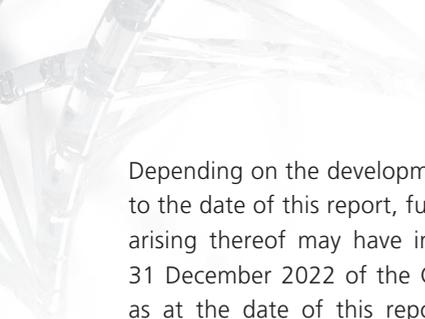
The Group recorded other income and other net gains of approximately RMB4,400,000 during the Current Period and represented an increase of approximately 180.4% as compared with the Prior Period of approximately RMB1,569,000. The increase was mainly contributed by the gains on disposals of financial assets measured at FVTPL of approximately RMB2,948,000 during the Current Period, while no such gains was recorded in the Prior Period.

Compared with the Prior Period, selling expenses for the Current Period increased by approximately 6.7% to approximately RMB4,307,000 as the result of the increasing sales activities during the Current Period.

Administrative expenses, which accounted for approximately 43.4% (The Prior Period: 37.4%) of revenue, increased by approximately 23.4% to approximately RMB24,836,000 (The Prior Period: RMB20,128,000) during the Current Period. The increase in the administrative expenses were mainly contributed by the grant of the share options amounted to approximately RMB1,900,000 by the Company under the Group's share option scheme that was adopted on 22 April 2021 and a special bonus of approximately RMB2,983,000 paid to Company's executive director and senior management personnel during the Current Period.

As the result of the cumulative effect from the above-mentioned factors, the loss attributable to the owners of the Company for the Current Period was approximately RMB4,662,000, against the profit attributable to the owners of the Company RMB2,787,000. Loss per share for the Current Period was approximately RMB0.63 cents, while earnings per share of approximately RMB0.38 cents was recorded by the Prior Period.

The outbreak of COVID-19 pandemic had impact on the global business environment. Up to the date of this report, COVID-19 pandemic has not caused material financial difficulties to the Group. The Group remained in a healthy and sound liquidity position as at 30 September 2022.



Depending on the development and spread of COVID-19 pandemic, subsequent to the date of this report, further changes in economic conditions for the Group arising thereof may have impact on the financial results for the year ending 31 December 2022 of the Group, the extent of which could not be estimated as at the date of this report. The Group will keep continuous attention on the situation of COVID-19 pandemic and react actively to its impact on the financial position and operating results of the Group.

SIGNIFICANT INVESTMENTS HELD

As at 30 September 2022, the Group had investments in equity securities listed outside Hong Kong of approximately RMB21,070,000 (31 December 2021: RMB4,093,000). None of the listed equity securities, held by the Group individually, equaled or exceeded 5% of the Group's total assets, but in aggregate, represented 5.5% of the Group's total assets as at 30 September 2022.

SIGNIFICANT ACQUISITIONS AND DISPOSAL OF INVESTMENTS

The Group did not have any significant acquisitions and disposal of investments during the Current Period.

PROSPECTS

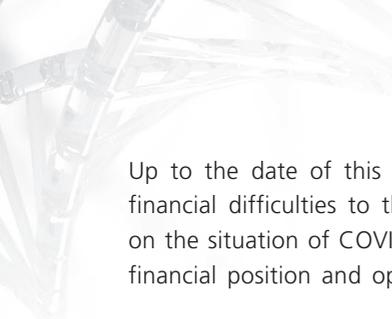
Since January 2020, the outbreak of the COVID-19 pandemic has continued to adversely affect the global economic environment. Given the ongoing and dynamic nature of the circumstances surrounding COVID-19 pandemic, it is difficult to predict how significant the impact of this coronavirus outbreak, including any responses to it, will be on the global economy, the Group's customers and businesses or for how long disruptions are likely to continue.

The Russia-Ukraine war broke out early this year, and countries led by the United States and the European Union have imposed a series of economic sanctions against Russia, resulting in severe volatility in the global financial market, continued surge in commodity prices and aggravated global inflation, which further dragged down the growth of the global economy.

In light of the current economic environment, the Company continues to closely monitor the developments related to the pandemic and the war, impacts of which will depend on future developments, which are highly uncertain, constantly evolving and difficult to predict. These impacts may differ in magnitude depending on a number of scenarios, which we continue to monitor and take into consideration in our decision making as we continue to assess medium to long-term impacts.

In the face of the complex and ever-changing global economic environment and the outbreak of Omicron of COVID-19 pandemic, China's economy has been under increasing downward pressure. In order to achieve stable growth, on the premise of solidly implementing pandemic prevention and control measures, China has continued to keep normal production and living in order, and minimized the impact of the pandemic on economic and social development, while optimizing the role of counter-cyclical adjustment, continuously supporting stable growth with macro policies and vigorously supporting the development of strategic emerging industries. Industries such as the new energy, new materials, Internet of Things, biotechnology have been developing rapidly.

The Group has formed a business system focusing on traditional funeral services and emerging biotechnology. The Group has made a presence in the biotechnology business since early 2019. After several years of development, the life science instrument sales business has made a substantial progress. The Group as positions one of the Company's subsidiaries, Zhongke Zhenhui (Guangdong) Medical Technology Company Limited* (中科臻慧(廣東)醫療科技有限公司) ("Zhongke Zhenhui") as a specialized and comprehensive investment platform to focus on investment in the development direction of biotechnology, including but not limited to, biomedicine, medical healthcare, life science instruments etc., as well as those emerging industries which could create synergy effect.



Up to the date of this report, COVID-19 pandemic has not caused material financial difficulties to the Group. The Group will keep continuous attention on the situation of COVID-19 pandemic and react actively to its impact on the financial position and operating results of the Group.

Looking forward, the Board remains cautiously optimistic about the prospects of our core businesses, including funeral services business, and life science instrument sales business. The Group will adopt a prudent and diversified business strategy to ensure sustainable business development in 2022. While consolidating the traditional funeral services, the Group will actively seize the significant opportunities arising from the booming development of the emerging biotechnology industry, and allocate more resources to support the development of the Group's biotechnology business. Through commencing equity and securities investment business, which is centered on the development direction of the biotechnology industry, and will actively seek suitable investment goals and opportunities from time to time to expand the investment scale of the Group and maximize the investment income of the Group and the return to shareholders of the Company.

From operational management perspective, the Group will formulate a combination of various incentives to attract and retain cutting-edge talents, management talents and relevant persons who have contributed to the development of the Group, so as to improve the current operating conditions of the Group, optimize the business structure, enhance profitability, and promote the long-term sustainable and high-quality development of the Group's business. Nonetheless, the Group will pay continuous attention on the situation of the COVID-19 pandemic and react actively to its impact on the financial position and operating results of the Group.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or its Associated Corporations

As at 30 September 2022, the interests and short positions held by the Directors or chief executives of the Company in the shares (the "Shares"), underlying shares (the "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 (Cap. 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 any interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Aggregated long positions in the Shares and Underlying Shares

Name of Directors	Number of Shares held		Number of Underlying Shares held pursuant to the share options	Total	Approximate percentage of the total number of Shares in issue
	Personal Interest	Corporate Interest	Personal Interest		
Mr. XU Jianchun ("Mr. Xu")	-	220,475,000 (Note 1)	-	220,475,000	29.69%
Dr. XU Qiang	-	-	3,712,000 (Note 2)	3,712,000	0.50%
Mr. SUN Fei	-	-	3,712,000 (Note 2)	3,712,000	0.50%

Notes:

1. Mr. Xu is interested in 220,475,000 Shares through his controlling interests in Hong Kong Gaoqi Biological Technology Company Limited (“HK Gaoqi”). Mr. Xu is interested in HK Gaoqi through his 25.55% direct beneficial interests and 9.78% through Houpi Bio-Technology Limited (“HBT Limited”), a company incorporated in the British Virgin Islands. HBT Limited has two classes of shares, namely class A and class B, in which shareholders of class A and class B have 30 votes and 1 vote per share in the shareholders’ meeting respectively. Mr. Xu holds 94.07% class A interests and Ms. Qiu Qi (邱琪), the spouse of Mr. Xu, holds 5.93% class A interests and 10.74% class B interests in HBT Limited. By virtue of the SFO, Mr. Xu is taken to be interested in all the shares held by Ms. Qiu Qi, so Mr. Xu collectively holds 86.78% of the total voting rights of HBT Limited, and in turn is interested in 9.78% of HK Gaoqi. Accordingly, Mr. Xu is deemed to be interested in all the Shares held by HK Gaoqi by virtue of SFO.
2. These Shares represent the share options granted by the Company under the share option scheme of the Company on 19 May 2022.

Save as disclosed above, as at 30 September 2022, none of the Directors, chief executive of the Company or their respective associates had any interests or short positions in the Shares, Underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will be 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 and short position which they are taken or deemed to have taken under such provisions of the SFO), or which will be required to be entered into the register kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors of the Company as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares

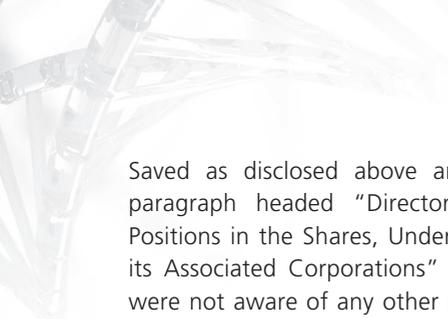
So far as the Directors are aware, as at 30 September 2022, other than the Directors or chief executives of the Company whose interests or short positions are disclosed under the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or its Associated Corporations" above, the following persons and corporations have interests or short position in the Shares or Underlying Shares which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who were expected, directly or indirectly, to be interested in 5% or more of the Shares is listed as follows:

Aggregate long positions in the Shares

Name of Shareholders	Capacity/ Nature of Interests	Number of Shares held	Approximate percentage of the issued share capital of the Company
HK Gaoqi	Beneficial Owner (Note 1)	220,475,000	29.69%
Ms. QIU Qi	Interests of controlled corporation (Note 2)	220,475,000	29.69%

Notes:

1. Mr. Xu is the director of HK Gaoqi, which holds 29.69% Shares, and the director of HBT Limited, which holds 9.78% of equity interests in HK Gaoqi. Mr. Xu is interested in HK Gaoqi through his 25.55% direct beneficial interests and 9.78% through HBT Limited. HBT Limited has two classes of shares, namely class A and class B, in which shareholders of class A and class B have 30 votes and 1 vote per share in the shareholders' meeting respectively, and Mr. Xu holds 94.07% class A interests in HBT Limited and Ms. Qiu Qi, the spouse of Mr. Xu, holds 5.93% class A interests and 10.74% class B interests in HBT Limited. By virtue of the SFO, Mr. Xu is taken to be interested in all the shares held by Ms. Qiu Qi, so Mr. Xu collectively holds 86.78% of the total voting rights of HBT Limited, and in turn is interested in 9.78% of HK Gaoqi.
2. By virtue of the SFO, Ms. Qiu Qi, the spouse of Mr. Xu, is taken to be interested in all the shares held by Mr. Xu.



Saved as disclosed above and the Directors' interests as disclosed in the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or its Associated Corporations" above, as at 30 September 2022, the Directors were not aware of any other person who had, or deemed to have, interests or short positions in the Shares, Underlying Shares which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were expected, directly or indirectly, to be interested in 5% or more of the Shares.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest in, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Period.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the details as disclosed under the heading "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or its Associated Corporations" above, at no time during the Period was the Company, its holding company, or any of its subsidiaries or associated corporations, a party to any arrangement that would enable the Directors and chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Period.

DIRECTORS' INTEREST IN COMPETING BUSINESS

As disclosed in the announcement (the "Announcement") dated 13 September 2021 and the circular (the "Circular") dated 29 October 2021 of the Company with respect to (i) the major and connected transaction in relation to the capital increase in Zhongke Zhenhui; and (ii) the major transaction in relation to the formation of the JV Company, the Company has entered into the Capital Increase Agreement and the JV Agreement on 13 September 2021. Capitalised terms used in this report shall bear the same meanings as those defined in the Announcement and the Circular unless the context requires otherwise.

The Capital Increase and the Formation of the JV Company had been approved by the shareholders of the Company at the extraordinary general meeting on 22 November 2021. The Group through (i) the JV Company will engage in equity and/or securities investment business; and (ii) Zhongke Zhenhui engaged in technical development and consultation services, investment activities and business management consultation. The businesses of Nanyue AM are mainly engaged in asset management, investment management, equity investment and investment consulting services through its private equity funds. Mr. Xu is a director of Nanyue AM and, together with his associates, ultimately owned as to approximately 71.25% equity interests of Nanyue AM, therefore, Mr. Xu may be regarded as being interested in the competing business with the business of the Group.

As the Company's management and administrative structure are independent to that of Nanyue AM, and coupled with the diligence of the independent non-executive Directors and the audit committee of the Company (the "Audit Committee"), the Group is capable of carrying its businesses independently on an arm's length basis.

For more details, please refer to the Announcement, the Circular and the announcement dated 22 November 2021 of the Company.

Save as disclosed above, during the Period and up to the date of this report, none of the Directors, the controlling shareholders of the Company, or any of their respective close associates (as defined in the GEM Listing Rules) has interested in any business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the businesses of the Group, and is required to be disclosed pursuant to Rule 11.04 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

CHANGES IN INFORMATION OF DIRECTORS

The changes in Directors' information during the Period and up to the date of this report, as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules, are set out below:

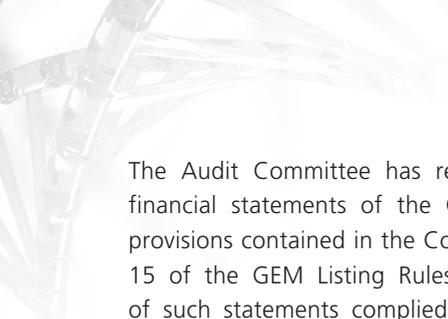
Name of Directors	Details of Changes
Dr. Yang Jingjing	Appointed as an independent non-executive Director, the chairman and member of nomination committee and member of each of Audit Committee and remuneration committee of the Company on 4 March 2022.
Mr. Wang Jun	Resigned as an independent non-executive Director, the chairman and member of nomination committee and member of each of Audit Committee and remuneration committee of the Company on 4 March 2022.

NON-COMPLIANCE WITH FINANCIAL REPORTING PROVISIONS OF THE GEM LISTING RULES

Due to the travel restriction in force in Taiwan and Vietnam to combat the outbreak of COVID-19 pandemic, the audit of the financial statements of the Group for the year ended 31 December 2021 has been affected. The Company was unable to publish and despatch the audited annual results for the financial year ended 31 December 2021 (the “2021 Annual Results”) and the related annual report for the year ended 31 December 2021 (the “2021 Annual Report”) on or before 31 March 2022 as required by the GEM Listing Rules. Such delay has constituted non-compliance with Rules 18.03 and 18.49 of the GEM Listing Rules. However, in accordance with the FURTHER GUIDANCE ON THE JOINT STATEMENT IN RELATION TO RESULTS ANNOUNCEMENTS IN LIGHT OF THE COVID-19 PANDEMIC released on 16 March 2020 (the “Further Guidance”) by The Securities and Futures Commission and the Stock Exchange, an issuer may defer the publication of the annual report initially for up to 60 days from the date of the Further Guidance if, among other things, on or before 15 May 2022. The Company has published its preliminary 2021 Annual Results without its auditors’ agreement pursuant to the Further Guidance on 30 March 2022. The supplemental announcements on the 2021 Annual Results have been published on 14 April 2022 and the 2021 Annual Report has been published and delivered on 26 April 2022.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group. As at 30 September 2022, the Audit Committee comprises three independent non-executive Directors, namely Mr. SUN Fei (chairman of the Audit Committee), Mr. CHAI Chung Wai, and Dr. YANG Jingjing.



The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the Period pursuant to the relevant provisions contained in the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules and was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosures have been made in respect thereof.

By order of the Board
Sino-Life Group Limited
XU Jianchun
Chairman and Executive Director

11 November 2022

As at the date hereof, the Board comprises Mr. XU Jianchun, Mr. LIU Tien-Tsai and Dr. XU Qiang being executive Directors; and Mr. CHAI Chung Wai, Mr. SUN Fei, and Dr. YANG Jingjing being independent non-executive Directors.