



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

2023
FIRST
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 THREE MONTHS ENDED 31 MARCH 2023 (UNAUDITED)

The board of Directors (the “Board”) is hereby to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 31 March 2023 (the “Current Period”) together with the comparative unaudited figures for the corresponding period in 2022 (the “Prior Period”), as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2023

	Notes	Three months ended 31 March	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Revenue	4	25,263	20,580
Cost of sales and services rendered		(16,268)	(9,163)
Gross profit		8,995	11,417
Fair value gain/(loss) on financial assets measured at fair value through profit or loss (“FVTPL”)		833	(1,548)
Other income and other net gains		2,030	644
Selling expenses		(1,238)	(1,414)
Administrative expenses		(7,272)	(6,505)
Other operating expenses		(4)	(1)
Profit from operations		3,344	2,593
Finance costs		(534)	(500)
Profit before taxation		2,810	2,093
Income tax expense	5	(926)	(775)

	Three months ended	
	31 March	
	2023	2022
Notes	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	1,884	1,318
Other comprehensive income/(expense) for the period, net of income tax	1,836	(1,337)
Total comprehensive income/ (expense) for the period, net of income tax	3,720	(19)
Profit/(loss) for the period attributable to:		
Owners of the Company	1,957	722
Non-controlling interests	(73)	596
	1,884	1,318
Total comprehensive income/ (expense) attributable to:		
Owners of the Company	3,088	(504)
Non-controlling interests	632	485
	3,720	(19)
Earnings per share		
Basic and diluted (RMB cents)	7	0.26
		0.10

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2023

	Attributable to owners of the Company											Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Statutory reserve	Statutory surplus reserve	Properties revaluation reserve	Foreign currency translation reserve	Share-based compensation reserves	Other reserve	Accumulated losses	Total		
	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 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
Profit for the period	-	-	-	-	-	-	-	-	-	722	722	596	1,318
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(1,226)	-	-	-	(1,226)	(111)	(1,337)
Other comprehensive expense	-	-	-	-	-	-	(1,226)	-	-	-	(1,226)	(111)	(1,337)
Total comprehensive (expense)/income for the period	-	-	-	-	-	-	(1,226)	-	-	722	(504)	485	(19)
Contributions from non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	21,000	21,000
At 31 March 2022 (unaudited)	69,218	220,633	(16,261)	790	12,058	5,495	(17,901)	-	361	(160,289)	114,104	12,465	126,569
At 31 December 2022 (audited) and at 1 January 2023 (unaudited)	69,218	220,633	(16,261)	790	12,058	5,152	(18,775)	1,900	361	(161,858)	113,218	17,599	130,817
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	1,957	1,957	(73)	1,884
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	1,131	-	-	-	1,131	705	1,836
Other comprehensive expense	-	-	-	-	-	-	1,131	-	-	-	1,131	705	1,836
Total comprehensive income for the period	-	-	-	-	-	-	1,131	-	-	1,957	3,088	632	3,720
At 31 March 2023 (unaudited)	69,218	220,633	(16,261)	790	12,058	5,152	(17,644)	1,900	361	(159,901)	116,306	18,231	134,537

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2023

1. GENERAL INFORMATION

Sino-Life Group Limited (the “Company”) was incorporated on 24 February 2005 in the 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 of Hong Kong Limited (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 services on stem cells and immunocytes in the PRC and sales of advanced biotechnical machinery and other electronic products in Hong Kong. The Company and its subsidiaries are herein collectively referred to as the “Group”. The address of the Company’s registered office is The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands. The address of the Company’s principal place of business is 18/F, Ovest, No. 77 Wing Lok Street, Sheung Wan, Hong Kong.

2. BASIS OF PREPARATION

The Group’s unaudited condensed consolidated first quarterly financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

These unaudited condensed consolidated first quarterly financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”). These unaudited condensed consolidated first quarterly financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022 (the “2022 Annual Financial Statements”), which have been prepared in accordance with HKFRSs.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. These unaudited condensed consolidated first quarterly financial statements have been prepared in accordance with the same accounting policies adopted in the 2022 Annual Financial Statements, except for the changes in accounting policies that are expected to be reflected in the annual consolidated financial statements for the year ending 31 December 2023.

Note 3 of these unaudited condensed consolidated first 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 first quarterly financial statements.

These unaudited condensed consolidated first quarterly financial statements have been prepared under the historical cost basis, except that the following assets 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 at FVTPL.

The preparation of these unaudited condensed consolidated first quarterly financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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 2022 Annual Financial Statements.

These unaudited condensed consolidated first quarterly financial statements contain 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 2022 Annual Financial Statements. These unaudited condensed consolidated first 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.

Items included in these unaudited condensed consolidated first quarterly financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is United States dollars ("US\$"). The functional currencies are Renminbi ("RMB"), Taiwan dollars ("NTD"), Hong Kong dollars ("HK\$") and Vietnamese dong ("VND") for subsidiaries established/incorporated in the PRC, Taiwan, Hong Kong and Vietnam respectively. These unaudited condensed consolidated first quarterly financial statements are presented in RMB, rounded to the nearest thousand, except when otherwise indicated, which is different from the functional currency of the Company as majority of the Group's transactions are denominated in RMB.

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 first quarterly consolidated financial statements have not been audited by the Company's auditor, but have been reviewed by the Company's audit committee.

3. APPLICATION OF AMENDMENTS TO HKFRSs

3.1 Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2023 for the preparation of these unaudited condensed consolidated first quarterly financial statements:

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

The Group has not applied any new standard or amendment that is not yet effective for the current accounting period. The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these unaudited condensed consolidated first quarterly financial statements.

3.2 New standards and amendments to standards issued but not yet effective for the accounting period beginning on 1 January 2023 and not early adopted by the Group

		Effective for accounting periods beginning on or after
HKAS 1	Non-current Liabilities with Covenants	1 January 2024
HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Asset between an investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on these unaudited condensed consolidated first quarterly financial statements.

4. REVENUE

The amount of each significant category of revenue recognised in revenue for each of the Current Period and the Prior Period is as follows:

	Three months ended 31 March	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Funeral services and cremation services provided in funeral parlours and funeral services centres under the Group's management	21,205	19,354
Funeral arrangement and related consultancy services	984	839
Sales of burial plots and tombstones	112	243
Provision of advisory service on stem cells and immunocytes	2,962	144
	25,263	20,580

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

Revenues from external customers

	Three months ended 31 March	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The PRC	21,205	19,354
Taiwan	644	400
Hong Kong	3,302	583
Vietnam	112	243
Total	25,263	20,580

5. INCOME TAX EXPENSE

- (a) Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first 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%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profit above HK\$2,000,000.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits in Hong Kong for both the Current Period and the Prior Period.

- (b) The Group is not subject to any taxation under the jurisdiction of the Cayman Islands, Independent State of Samoa and British Virgin Islands for both the Current Period and the Prior Period.
- (c) During the Current Period and Prior Period, all subsidiaries operating in the PRC are subject to Enterprise Income Tax rate at 25% in accordance with the Law of the PRC on Enterprises Income Tax.
- (d) Bau Shan Life Science Technology Co., Ltd. (“Bau Shan”), a direct subsidiary of the Company, Bao De Life Enterprise Co., Ltd. (“Bau De”) and Bu Lao Lin Limited (“BLL”), both of which are indirect subsidiaries of the Company, are subject to Taiwan Enterprise Income Tax at 17% for both the Current Period and the Prior Period 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 has accumulated tax losses brought forward which exceed the estimated assessable profits for both the Current Period and the Prior Period, and Bau De and BLL have no assessable profits for both the Current 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%, 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 both the Current Period and the Prior Period.

6. DIVIDENDS

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

7. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the Current Period and the Prior Period are as follow:

	Three months ended 31 March	
	2023 (Unaudited)	2022 (Unaudited)
Profit attributable to the owners of the Company (RMB'000)	1,957	722
Weighted average number of ordinary shares	742,500,000	742,500,000
Basic earnings per share (RMB cents)	0.26	0.10

(b) Diluted earnings per share

For both the Current Period and the Prior Period, the computation of diluted earnings per share did not assume the exercise of share options because the share options had an anti-dilutive effect on the basic earnings per share.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The COVID-19 pandemic has had a significant impact on China's consumer market and service companies, as evidenced by the results for the three months ended 31 March 2022 (the "Prior Period"). Despite these challenges, the long-term fundamentals of consumer development have remained unchanged.

With the optimal implementation of pandemic prevention and control policies and the orderly recovery of the consumption scene, the service industry's economic activeness has continued to rise, and the consumer market has shown signs of recovery and improvement. As a result, the Group's revenue from the operation of Sino-Life Group Limited ("the Company") and its subsidiaries (the "Group") in the People's Republic of China ("PRC") and Taiwan have recorded impressive improvement during the three months ended 31 March 2023 (the "Current Period"), as compared with the Prior Period.

However, performance in Hong Kong Special Administrative Region, the PRC ("Hong Kong"), and Socialist Republic of Vietnam ("Vietnam") showed downward adjustments during the Current Period. Despite these challenges, the Group remains committed to pursuing new opportunities for growth and expansion.

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, biotechnology is also the Group's long-term focus for its business development.

With the gradual elimination of the impact of the COVID-19 pandemic, the advanced biotechnical machineries distributed by the Group will gradually be delivered and installed during the Current Period. In order to further promote the rapid development of the biotechnology business, the Group established a specialized and comprehensive investment platform in December 2021, mainly focusing on the biotechnology industry and emerging industries with development prospects for equity and securities investment, 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:

	Three months ended 31 March			
	2023		2022	
	RMB'000	%	RMB'000	%
The PRC	21,205	83.9	19,354	94.0
Taiwan	644	2.5	400	2.0
Hong Kong	3,302	13.1	583	2.8
Vietnam	112	0.4	243	1.2
Total	25,263	100.0	20,580	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 that was derived from the PRC market recorded on year-on-year increase of 9.6% to approximately RMB21,205,000 to the Group for the Current Period from approximately RMB19,354,000 of 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 stem cells and immunocytes under an agency agreement in Guangzhou city, Guangdong province.

Benefiting from the continuous adjustment of policies on pandemic prevention and control, the performance of the Group's funeral services in the PRC continued to improve during the Current Period. The provision of funeral, cremation and cemetery services business contributed approximately RMB21,205,000 (The Prior Period: RMB19,354,000) during the Current Period, representing a year-on-year increase of 9.6% as compared to the Prior Period.

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 contract liabilities, 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 biotechnical machineries and other electronics products in Hong Kong during the Current Period.

The sanitary restrictions in Taiwan continued to relax during the Current Period. Business in Taiwan strongly bounced back and recorded revenue of approximately RMB644,000 for the Current Period (The Prior period: RMB400,000), representing a year-on-year increase of approximately 61.0% from the Prior Period.

On the other hand, during the Current Period, business in Hong Kong recorded revenue of approximately RMB3,302,000, of which approximately RMB2,962,000 (the Prior Period: RMB144,000) and RMB340,000 (the Prior Period: RMB439,000) were derived from the Group's stem cells and immunocytes business and funeral business respectively.

During the Prior Period, particularly in February and March 2022, the Group's funeral arrangement and related consultancy services experienced an unexpected surge in demand in Hong Kong. However, the demand for these services returned to normal levels during the Current Period. Consequently, the revenue generated from funeral business of the Group in Hong Kong market for the Current Period amounted to approximately RMB340,000, which represents a year-on-year decrease of approximately 22.6% as compared to the Prior Period's revenue of RMB439,000.

Meanwhile, with the easing of the COVID-19 sanitary restrictions, an advanced biotechnical machinery has successfully installed and fulfilled the revenue recognition criteria, revenue amounted to approximately RMB2,666,000 was recognized in respect of the Group's sales of advanced biotechnical machinery and other electronics products business in Hong Kong during the Current Period. As at 31 March 2023, the Group recorded approximately RMB4,040,000 unearned revenue in connection to its sales of advanced biotechnical machinery and other electronics products in Hong Kong during the Current Period.

Vietnam

During the fourth quarter of 2021, the Group's product demand was adversely impacted by strengthened sanitary restrictions in Vietnam. However, with the relaxation of COVID-19 pandemic control measures in the first quarter of 2022, product demand picked up and exceeded expectations, leading to higher-than-anticipated revenue during the Prior Period.

However, during the Current Period, the demand for the Group's products returned to normal levels, resulting in a decrease in revenue from sales of burial plots in Vietnam. Specifically, the Group's revenue from this segment decreased by 53.9% approximately RMB112,000, compared to the Prior Period's revenue of RMB243,000.

Financial Review

For the Current Period, the Group's revenue was approximately RMB25,263,000 (The Prior Period: RMB20,580,000), representing a year-on-year increase of approximately 22.8% for the Prior Period.

The increase in revenue during the Current Period was primarily driven by two factors, fueled by the adjustment of pandemic prevention and control policies. Firstly, the demand for the Group's funeral, cremation, and cemetery services in Chongqing (PRC) and Taiwan continued to increase and resulted in increased revenue from funeral business segment. Secondly, the Group's sales of advanced biotechnical machinery and other electronics products business in Hong Kong fulfilled the revenue recognition criteria following the successful installment of an advanced biotechnical machinery, contributing to the increased revenue from the stem cells and immunocytes business segment. These two factors were supported by the Group's ability to adapt to changing circumstances and adjust its policies accordingly, ultimately contributing to the growth in revenue.

Cost of sales for the Current Period was approximately RMB16,268,000 (The Prior Period: RMB9,163,000), increased by approximately 77.5% as compared with the Prior Period. The increase in cost of sales for the Current Period was mainly due to (i) the increased cost of services for the Group's funeral, cremation, and cemetery services, contributed by the increase in the service provided and the inflationary pressure; and (ii) the increase in cost of machineries as the result of the fulfillment of the revenue recognition criteria of the Group's sales of advanced biotechnical machinery and other electronics products in Hong Kong.

Other income and other net gain for the Current Period was approximately RMB2,030,000, representing a 215.2% year-on-year increase as compared with approximately RMB644,000 for the Prior Period. The increase was mainly contributed by the gains on disposal of financial assets measured at fair value through profit or loss of approximately RMB1,929,000 (The Prior Period: RMB65,000) during the Current Period.

Compared with the Prior Period, the Group decreased its selling expenses by 12.4% year on year to approximately RMB1,238,000 in response to the decreased selling activities during the Current Period as the result of the stricter control on marketing activities to reduce costs and improved efficiency of marketing expenses during the Current Period. Administrative expenses increased by approximately 11.7% year on year to approximately RMB7,272,000 due to the general increase in the salaries paid during the Current Period as compared with the Prior Period.

Finance costs of the Group mainly consisted of the interest expenses on the bank borrowings and the interest expenses on the lease liabilities under HKFRS 16. The finance costs increased to approximately RMB534,000 from that of the Prior Period of approximately RMB500,000. The increase in finance costs was mainly due to increase in the interest expenses of bank borrowing during the Current Period.

The profit attributable to the owners of the Company for the Current Period was approximately RMB1,957,000, as compared with approximately RMB722,000 for the Prior Period. Earnings per share for the Current Period was approximately RMB0.26 cents (The Prior Period: RMB0.10 cents).

Capital Commitment And Contingent Liabilities

Capital commitments outstanding at 31 March 2023 and 31 December 2022 not provided for in these unaudited condensed consolidated financial statements are as follows:

	31 March 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Capital expenditure contracted but not provided for:		
– Investments in associates	2,460	2,460
– Investment in a joint venture	6,500	6,500
	8,960	8,960

The Group did not have any contingent liabilities as at both 31 March 2023 and 31 December 2022.

Save as disclosed above, the Group had no other material capital commitments, material contracts, contingent liabilities or significant investment plans.

It is the Group's policy to adopt a prudent financial management strategy and maintain a suitable level of liquidity facilities to meet operation requirements and acquisition opportunities.

Prospects

Under the pressure of multiple factors, the world economy has experienced a relatively obvious stagflation. China's economy faced a series of challenges such as the COVID-19 pandemic, the Russian-Ukrainian conflict, the adjustment of the real estate market, the significant interest rate hike by the Federal Reserve, and geopolitical rivalry, which led to an increase in the complexity, severity and uncertainty of the development environment.

Meanwhile, despite of the relaxation of the "zero-COVID" policy near year end of 2022, there are still uncertainties on the road of the society's return to normal.

In light of the current economic environment, the Company continues to closely monitor the developments of the China's economy in the post-pandemic era and the Russian-Ukrainian conflict, 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 uncertainties surrounding the road of the society's return to normal, China's economy has been under increasing downward pressure. In order to achieve stable growth, China has continued to make its best effort to restore the normal production and living in order, during the post pandemic era, 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. Further changes in economic conditions for the Group arising thereof may have impact on the financial results for the year ending 31 December 2023 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 and react actively if any circumstances arose that may impact on the financial position and operating results of the Group.

Biotechnology is the Group's long-term focus for its business development. In order to further promote the rapid development of the biotechnology business, 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.

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 31 March 2023, 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 (Note 3)	-	-	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 Houp 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.
3. Mr. SUN Fei has resigned as an independent non-executive Director on 3 April 2023.

Save as disclosed above, as at 31 March 2023, 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 31 March 2023, 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 interest	Number of Shares held	Approximate percentage of the issued share capital of the Company
HK Gaoqi	Beneficial Owner	220,475,000	29.69%
Ms. QIU Qi	Interests of controlled corporation (<i>Note 2</i>)	220,475,000	29.69%

Notes:

- 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 the HBT Limited, and in turn is interested in 9.78% of HK Gaoqi.
- 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.

Save as disclosed above and the Directors' interests as disclosed in "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or its Associated Corporations", no person had interests or short positions in the Shares or Underlying Shares of the Company which are required to be recorded in the register to be kept by the Company pursuant to section 336 of the Securities and Futures Ordinance as at 31 March 2023.

DIRECTORS' INTERESTS IN CONTRACTS

No transaction, arrangement or contract that is significant in relation to the Group's business to which the Company or any of its subsidiaries, fellow subsidiaries or parent company was a party and in which a Director or his connected entity had, directly or indirectly, a material interest subsisted as at 31 March 2023 and at any time during the Current 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 the Shares, Underlying Shares and Debentures of the Company or its Associated Corporations" above, at no time during the Current Period was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or 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.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Current Period.

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 Current Period.

DIRECTORS' INTEREST IN A 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.

If the Capital Increase and the Formation of the JV Company are crystallised, 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 Current 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) is interested in a 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.

CHANGES IN INFORMATION OF DIRECTORS

The changes in Directors' information during the Current 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
Mr. Sun Fei ("Mr. Sun")	Resigned as an independent non-executive Director, the chairman and member of Audit Committee and member of each of nomination committee and remuneration committee of the Company on 3 April 2023.
Mr. Chai Chung Wai	Appointed as the chairman of Audit Committee on 3 April 2023.

NON-COMPLIANCE WITH THE GEM LISTING RULES

The Board further announces that following the resignation of Mr. Sun, the Company will only have two Independent non-executive Directors. The number and composition of Independent non-executive Directors fail to meet the requirements under (i) Rule 5.05(1) of the GEM Listing Rules which requires the board of directors must include at least 3 independent non-executive directors; and (ii) Rule 5.28 of the GEM Listing Rules which requires the audit committee to comprise a minimum of three members.

The Company is endeavoring to identify suitable candidate to fill the vacancies with the expectation within 3 months from the effective date of the resignation of Mr. Sun.

The Company will make further announcement(s) as and when appropriate.

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 the date of this report, the Audit Committee comprises two independent non-executive Directors, namely Mr. CHAI Chung Wai (chairman of the Audit Committee) and Dr. YANG Jingjing.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the Current 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

12 May 2023

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 and Dr. YANG Jingjing being independent non-executive Directors.