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Hong Kong Life Sciences and Technologies Group Limited

香港生命科學技術集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8085)

DISCLOSEABLE TRANSACTION FITTING-OUT CONTRACTS FOR THE NEW OFFICE AND CUSTOMER SERVICE CENTRE

FITTING-OUT CONTRACT

On 9 May 2019 (after trading hours), ZMAY, a direct wholly-owned subsidiary of the Company accepted the Fitting-Out Contract of the Contractor in respect of the Fitting-Out Works to be carried out at the New Office and Customer Service Centre at the Contract Price.

The Contract Price is HK\$8,619,688.00 which was determined after arm's length negotiations between ZMAY and the Contractor on normal commercial terms with reference to the standard and materials chosen by the Group under the Fitting-Out Works, the experience and the expected quality of the works.

The Contract Price will be financed by internal resources of the Group which the Company considers would be sufficient for the purpose.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios under the GEM Listing Rules in respect of the Fitting-Out Contract exceeds 5% but is less than 25%, the transaction under the Fitting-Out Contract constitutes a discloseable transaction of the Company and therefore is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

On 9 May 2019 (after trading hours), ZMAY, a direct wholly-owned subsidiary of the Company accepted the Fitting-Out Contract of the Contractor in respect of the Fitting-Out Works to be carried out at the New Office and Customer Service Centre at the Contract Price.

FITTING-OUT CONTRACT

Date of offer: 28 March 2019

Date of acceptance: 9 May 2019

Parties: (1) ZMAY; and
(2) the Contractor

The Contractor is principally engaged in undertaking installation and renovation work in Hong Kong, and based on public search records from the Hong Kong Housing Authority, it is listed as one of the decoration contractors named in the Reference List of Decoration Contractors of the Hong Kong Housing Authority.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Contractor and its ultimate beneficial owner is a third party independent of the Company and its connected persons.

Fitting-Out Works

Under the Fitting-Out Contract, the Contractor agreed to undertake the fitting-out works in the New Office and Customer Service Centre according to the floor layout plan, key finish plan & material schedule, and door schedule which include but are not limited to (i) installation of partition walls, doors, floor finishing, skirting, wall finishing and ceiling finishing, etc.; and (ii) provision of materials, lighting systems and built-in furniture.

Contract sum and terms of payment

The Contract Price is HK\$8,619,688.00 which was determined after arm's length negotiations between ZMAY and the Contractor on normal commercial terms with reference to the standard and materials chosen by the Group under the Fitting-Out Works, the experience and the expected quality of the works.

The Contract Price shall be paid by ZMAY to the Contractor by cheque or by such other method as agreed between the parties in the following manner:

- a. 50% of the Contract Price, i.e. HK\$4,309,844.00 as deposit shall be paid upon acceptance and confirmation of the Fitting-Out Contract by ZMAY;
- b. 30% of the Contract Price, i.e. HK\$2,585,906.40, shall be paid on the 30th day after the Fitting-Out Works commenced;
- c. 15% of the Contract Price, i.e. HK\$1,292,953.20, shall be paid on the 60th day after the Fitting-Out Works commenced; and
- d. Balance of the Contract price, being 5%, i.e. HK\$430,984.40, shall be paid within 30 calendar days after the Fitting-Out Works are practically completed.

The Contract Price will be financed by internal resources of the Group which the Company considers would be sufficient for the purpose.

Duration of the Fitting-Out Works

ZMAY had earlier entered into the BS Installation Contract with the Contractor in respect of the New Office and Customer Service Centre for the installations of the various building systems, including but not limited to air conditioning system, electrical, plumbing and drainage system, mechanical ventilation system, etc. The contract price of the BS Installation Contract was HK\$4,543,155.50 which was determined after arm's length negotiations between ZMAY and the Contractor on normal commercial terms with reference to the standard and materials chosen by the Group under the BS Installation Contract, the experience and the expected quality of the works. 95% of the contract price had already been paid as deposit and the balance 5% will be payable after works have practically been completed. The contract price will also be financed by internal resources of the Group which the Company considers would be sufficient for the purpose.

It is expected that the Fitting-Out Works shall commence on or about mid-May 2019 after the various building systems which requires to be installed in advance have been so installed and it is expected that the Fitting-Out Works will be completed on or about late June 2019.

REASONS FOR AND BENEFITS OF THE FITTING-OUT CONTRACT

The Group is principally engaged in (i) anti-aging and stem cell technology businesses; (ii) trading business; (iii) money lending business; and (iv) securities investment business.

As reported in the 2018–2019 Third Quarterly Report of the Group, the Group had signed a new lease for a new laboratory situate at Kowloon Bay in order to capture the potential business upside following the recent market development and clarification after the Hong Kong Court's judgment on another market player's beauty treatment death case and the Consultation Report issued by the Department of Health on 30 October 2018 relating to the Regulation of Advanced Therapy Products which are applicable to the anti-aging and stem cell technology business of the Group.

The New Office and Customer Service Centre will utilize part of the areas of the new laboratory. The total area of the new laboratory is approximately 24,794 square feet, out of which approximately 12,400 square feet will be used as the New Office and Customer Service Centre. The Fitting-Out Works will be carried out on the New Office and Customer Service Centre in order to facilitate the use of the New Office and Customer Service Centre by the Group for the anti-aging and stem cell technology business.

As explained in the 2018–2019 Third Quarterly Report, the Company intends to fulfil the anticipated new regulatory standard and hence signed a new lease for a new laboratory, which the New Office and Customer Service Centre forms part. Therefore, the Company has sought quotations from several potential contractors and finally chose the Contractor to carry out the works contemplated under the BS Installation Contract and the Fitting-Out Contract.

The Directors (including the independent non-executive Directors) consider the terms of the transactions contemplated under both the BS Installation Contract and the Fitting-Out Contract are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios under the GEM Listing Rules in respect of the Fitting-Out Contract exceeds 5% but is less than 25%, the transaction under the Fitting-Out Contract constitutes a discloseable transaction of the Company and therefore is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

The BS Installation Contract and the Fitting-Out Contract are entered into between the same contracting parties, i.e. ZMAY and the Contractor, in respect of the same asset, i.e. the New Office and Customer Service Centre, the BS Installation Contract and the Fitting-Out Contract are required to be aggregated and treated as one transaction under Rules 19.22 and 19.23 of the GEM Listing Rules. When aggregated, one of the applicable percentage ratios under the GEM Listing Rules in respect of the Renovation Contracts exceeds 5% but is less than 25% and they still only constitute a discloseable transaction of the Company. However, none of the applicable percentage ratios exceeds 5% in respect of the BS Installation Contract entered into earlier and therefore it is not subject to any notification and announcement requirements under Chapter 19 of the GEM Listing Rules when it was entered into.

WARNINGS

Reference is made to the announcements of the Company dated 21 December 2018, 2 January 2019, 20 March 2019 and 28 March 2019 that the Company has requested for a review to the GEM Listing (Review) Committee against the decision made by the Stock Exchange to cancel the listing of the shares of the Company under GEM Listing Rule 9.14 and as at the date of this announcement, the review has not yet taken place, and the outcome of such review is uncertain. **Shareholders who have queries about the implication of the delisting of the shares of the Company are advised to seek appropriate professional advice.**

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Board”	the board of Directors
“BS Installation Contract”	the quotation offer made by the Contractor to ZMAY dated 5 March 2019 which was accepted and confirmed by ZMAY on 19 March 2019 in respect of the building systems works carried out at the New Office and Customer Service Centre at the price of HK\$4,543,155.50
“Company”	Hong Kong Life Sciences and Technologies Group Limited, a company incorporated in the Cayman Islands with limited liability, its issued shares are listed on GEM (Stock Code: 8085)

“Contract Price”	HK\$8,619,688.00, being the total price of the Fitting-Out Works but would be adjusted subject to detail drawings and materials finally utilized
“Contractor”	Chester Construction Co. Limited, a company incorporated in Hong Kong with limited liability
“Directors”	directors of the Company
“Fitting-Out Contract”	a quotation offer made by the Contractor to ZMAY dated 28 March 2019 which was accepted and confirmed by ZMAY on 9 May 2019 in respect of the Fitting-Out Works to be carried out at the New Office and Customer Service Centre at the Contract Price
“Fitting-Out Works”	the fitting-out works to be carried out under the Fitting-Out Contract
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“New Office and Customer Service Centre”	the premises at Room 2202, 22/F, OCTA Tower, 8 Lam Chak Street, Kowloon Bay, Hong Kong, which the Group intends to use as its new office and customer service centre
“Renovation Contracts”	collectively the BS Installation Contract and the Fitting-Out Contract
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ZMAY”	ZMAY Holdings Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company

By order of the Board
Hong Kong Life Sciences and Technologies Group Limited
Lu Zhiqiang
Executive Director and Chief Executive Officer

Hong Kong, 9 May 2019

As at the date of this announcement, the Board comprises (i) six executive Directors, namely Mr. Lu Zhiqiang, Mr. Chui Kwong Kau, Mr. Zhang James Jian Yuan, Dr. Sun Yu, Mrs. Cheung Fan Karen and Mr. Lau Ngai Cheung; and (ii) three independent non-executive Directors, namely Mr. Hung Yat Ming, Mr. Chan Yun Hing and Mr. Tang Hua.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for a minimum period of seven days from the date of its publication and on the Company’s website at <http://www.hklifesciences.com>.