



Sinopharm Tech Holdings Limited
國藥科技股份有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8156)

2022/2023

First Quarterly Report

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*This report, for which the directors (the “**Directors**”) of Sinopharm Tech Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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 this report misleading.*

QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2022

RESULTS

The board of Directors of the Company (the “**Board**”) announces that the unaudited consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 September 2022 (the “**Period 2022**”), together with the comparative unaudited figures for the corresponding period in 2021 (the “**Period 2021**”), are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		(Unaudited) Three months ended 30 September	
	<i>Notes</i>	2022 HK\$'000	2021 HK\$'000
Revenue	2	5,627	1,679
Costs of sales and services		<u>(4,127)</u>	<u>(1,317)</u>
Gross profit		1,500	362
Other income and gains	3	10,679	8,770
Selling and distribution expenses		(82)	(164)
Administrative and operating expenses		(5,257)	(13,772)
Share of (loss)/profit of associates		<u>(531)</u>	<u>62</u>
Operating profit/(loss)		6,309	(4,742)
Finance costs		<u>(1,815)</u>	<u>(4,632)</u>
Profit/(Loss) before tax	4	4,494	(9,374)
Income tax expense	5	—	—
Profit/(Loss) for the period		<u>4,494</u>	<u>(9,374)</u>
Profit/(Loss) for the period attributable to:			
Equity holders of the Company		4,382	(9,395)
Non-controlling interests		<u>112</u>	<u>21</u>
		<u>4,494</u>	<u>(9,374)</u>

QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2022

		(Unaudited)	
		Three months ended	
		30 September	
	<i>Notes</i>	2022	2021
		HK\$'000	HK\$'000
Other comprehensive (loss)/income for the period, net of tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of overseas operations		(509)	(238)
Total comprehensive income/(loss) for the period		3,985	(9,612)
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the Company		4,617	(9,633)
Non-controlling interests		(632)	21
		3,985	(9,612)
		HK Cents	HK Cents
Earnings/(loss) per share attributable to equity holders of the Company			
Basic	6	0.10	(0.21)
Diluted		N/A	N/A

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2022

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited consolidated results have been prepared in accordance with accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of GEM Listing Rules.

Except as described below, the accounting policies and methods of computation used in the unaudited consolidated financial results for the three months ended 30 September 2022 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2022.

The Group has adopted all of the new and revised standards, amendments and interpretations which are relevant to its operations and effective for the accounting period beginning on 1 July 2022. The adoption of these new and revised standards, amendments and interpretation does not have significant impact on the accounting policies of the Group, and the amounts reported for the current period and prior periods.

The Group has not early applied any new and revised HKFRSs that have been issued but are not yet effective.

2. REVENUE

The principal activities of the Group are provision of (i) lottery-related services, (ii) internet plus services (solution and supply chain) and (iii) manufacturing and distribution of personal protective equipment.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2022

2. REVENUE — CONTINUED

Revenue represents income from the following services rendered by the Group, net of returns, discounts allowed or sales taxes:

	(Unaudited) Three months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Point in time		
Internet plus services (supply chain)		
— Trading of goods	3,547	—
Manufacturing and distribution of personal protective equipment	2,080	1,255
	5,627	1,255
Over time		
Lottery-related services	—	424
Total	5,627	1,679

3. OTHER INCOME AND GAINS

	(Unaudited) Three months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Compensation income from sales of locked-up consideration shares (<i>Note a</i>)	9,785	—
Government subsidies (<i>Note b</i>)	311	—
Gain on disposal of subsidiaries	—	8,680
Others	583	90
	10,679	8,770

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2022

3. OTHER INCOME AND GAINS — CONTINUED*Notes:*

- a. Pursuant to the sale and purchase agreement dated 4 January 2019, the Purchaser (a wholly-owned subsidiary of the Company) had the right to sell the locked-up consideration shares for the compensation of the shortfall of guaranteed profit. For the three months ended 30 September 2022, the Company exercised the right and sold 232 million locked-up consideration shares in return for the compensation income of approximately HK\$9.8 million. For details, please refer to the announcement dated 4 January 2019 and the circular dated 2 April 2019 issued by the Company.
- b. There were no unfulfilled conditions or contingencies relating to substantial amount of the government subsidies.

4. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been arrived at after charging/(crediting):

	(Unaudited)	
	Three months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
Cost of services	—	64
Cost of inventories sold	4,127	1,253
Depreciation of property, plant and equipment	197	257
Depreciation of right-of-use assets	180	240
Exchange gain, net	—	(3)
Interest on convertible bonds	1,787	4,050

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2022

5. INCOME TAX EXPENSE

For the three months ended 30 September 2022, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5% (Period 2021: Nil).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

6. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic and diluted earnings/(loss) per share attributable to the ordinary equity holders of the Company is based on the following data:

Profit/(loss)

	(Unaudited)	
	Three months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
Profit/(loss) for the period attributable to the equity holders of the Company	4,382	(9,395)

Number of shares

	'000	'000
Weighted average number of ordinary shares for the purposes of basic earnings/loss per share	4,537,688	4,403,983

For the three months ended 30 September 2022, outstanding share options and convertible bonds of the Company have been anti-dilutive (three months ended 30 September 2021: anti-dilutive) since their exercise or conversion would result in an increase in earnings per share (three months ended 30 September 2021: decrease in loss per share).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2022

7. MOVEMENT OF RESERVES

For the three months ended 30 September 2022

	Attributable to equity holders of the Company										Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Share option reserve HK\$'000	Translation reserve HK\$'000	Convertible bonds reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000		
At 1 July 2022 (audited)	56,721	2,702,002	1,484	15,694	8,256	8,573	(1)	28,633	(2,988,139)	(166,777)	(6,620)	(173,397)
Profit for the period	—	—	—	—	—	—	—	—	4,382	4,382	112	4,494
Exchange differences arising from translation of financial statements of overseas operations	—	—	—	—	235	—	—	—	—	235	(744)	(509)
Total comprehensive income/ (loss) for the period	—	—	—	—	235	—	—	—	4,382	4,617	(632)	3,985
Recognition of equity-settled share-based payments	—	—	—	535	—	—	—	—	—	535	—	535
Disposal of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—
At 30 September 2022 (unaudited)	56,721	2,702,002	1,484	16,229	8,491	8,573	(1)	28,633	(2,983,757)	(161,625)	(7,252)	(168,877)

For the three months ended 30 September 2021

	Attributable to equity holders of the Company										Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Share option reserve HK\$'000	Translation reserve HK\$'000	Convertible bonds reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000		
At 1 July 2021 (audited)	55,050	2,675,328	1,484	11,290	7,968	4,507	(1)	10,184	(2,904,690)	(138,880)	(1,676)	(140,556)
Loss for the period	—	—	—	—	—	—	—	—	(9,395)	(9,395)	21	(9,374)
Exchange differences arising from translation of financial statements of overseas operations	—	—	—	—	(238)	—	—	—	—	(238)	—	(238)
Total comprehensive (loss)/ income for the period	—	—	—	—	(238)	—	—	—	(9,395)	(9,633)	21	(9,612)
Recognition of equity-settled share-based payments	—	—	—	2,235	—	—	—	—	—	2,235	—	2,235
Disposal of subsidiaries	—	—	—	—	—	—	—	—	—	—	1,343	1,343
At 30 September 2021 (unaudited)	55,050	2,675,328	1,484	13,525	7,730	4,507	(1)	10,184	(2,914,085)	(146,278)	(312)	(146,590)

8. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS

The unaudited condensed consolidated first quarterly financial statements were approved and authorised for issue by the Board on 14 November 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For Period 2022, the Group recorded an unaudited consolidated revenue of HK\$5.6 million, increased by 235% compared to HK\$1.7 million for Period 2021. The gross profit ratio increased to about 27% as compared with 22% for Period 2021. For Period 2022, the Group recorded a net profit attributable to equity holders of HK\$4.4 million, as compared with the Group recorded a loss attributable to equity holders of HK\$9.4 million for Period 2021. Selling and distribution expenses and administrative expenses in Period 2022 amounted to HK\$5.3 million, which decreased 62% as compared to HK\$13.9 million in Period 2021. Finance costs for Period 2022 decreased 61% to HK\$1.8 million as compared to HK\$4.6 million for Period 2021.

BUSINESS REVIEW

The Group continues to carry out the overall planning and layout of the “Internet Plus” business. With the Group’s many years of experience in the “Internet Plus” business, the Group is actively exploring cooperation models with various platform operators, jointly developing market shares and gradually building a supply chain service map in the “Internet Plus” business.

During the period under review, under the leadership of senior management with extensive experience in supply chain business and e-commerce, the Group is fully developing the business related to the service agreement signed with the platform operator in Mainland China. Through the operator’s affiliated company platforms, including “Xiaodian Platform” (小店平台), “Global Shopping Platform” (全球購平台), “Toutiao” (今日頭條), “TikTok” (抖音) and “Xigua” (西瓜視頻), the Group provides one-stop product supply chain services. The Group’s subsidiary has successfully injected into the “Global Preferred Imported Supermarket” on the “TikTok” (抖音) platform and become a selected supplier. The Group conducts online sales channels through various live e-commerce channels and short video platforms, and also provides services such as warehousing and logistics through logistics providers, thereby establishing a high-quality supply chain management system to bring consumers a pleasant shopping experience. The Group has also obtained a Chinese patent medicine wholesaler license through its subsidiary, providing a starting role for the cross-border supply chain business of supplying over-the-counter (OTC) medicines. This indicates that the Group is accelerating the development of cross-border supply chain business.

MANAGEMENT DISCUSSION AND ANALYSIS

During the period under review, the Coronavirus Disease (COVID-19) continued to affect the normal operation of the society and daily economic activities. However, the Group concentrated its strength and experience according to its own conditions to develop epidemic prevention-oriented business, personal protective equipment manufacturing and distribution business to meet the current epidemic prevention needs and continued to provide each customer with high-quality and strongly protective equipment products. This business also provided the Group with a stable source of income.

FUTURE OUTLOOK

The Group is discussing continuously the room for cooperation with major beauty brands and manufacturers of health care products and over-the-counter (OTC) medicines, to expand the types of goods on the platform, and to provide the platform with reliable products and supply chain services. On the other hand, the Group is also discussing with other domestic platform operators to provide cross-border supply chain services for the newly established live broadcast marketing platform, and to create a one-stop business model for the Group by expanding the supply channels and product portfolio. At the same time, the Group continues to explore other opportunities for the development of the “Internet Plus” business, including negotiating with industry players on “Internet Plus” solutions and discussing in the fields of medical and health products. It is believed that this can expand new revenue sources and development opportunities for the Group.

DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 30 September 2022 (three months ended 30 September 2021: Nil).

GENERAL INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2022, the interests and short positions of the Directors and chief executive in the ordinary share(s) of HK\$0.0125 each of the Company (the "Share(s)"), 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 (the "SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Long Positions in the Shares of the Company or Any of Its Associated Corporation

Name of Directors	The Company/ Name of Associated Corporation	Interest in Controlled Corporation	Number of Shares Held				Approximate Percentage of Shareholding
			Personal Interest (ordinary shares)	Personal Interest (underlying shares) (Note)	Interest of Spouse	Total Interest	
Mr. CHAU Wai Wah Fred	The Company	—	3,800,000	3,600,000	—	7,400,000	0.16%
Mr. HO Kam Kin	The Company	—	—	5,400,000	—	5,400,000	0.12%
Ms. KWOK Shuk Yi	The Company	—	—	5,000,000	—	5,000,000	0.11%
Dr. CHENG Yanjie	The Company	—	1,965,000	3,600,000	—	5,565,000	0.12%
Dr. LIU Ta-pei	The Company	—	—	3,600,000	—	3,600,000	0.08%

Note:

These share options were granted by the Company on 7 January 2020 under the share option scheme adopted by the Company on 31 January 2013.

GENERAL INFORMATION

Save as disclosed above, as at 30 September 2022, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) that were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURE

Save as disclosed in the paragraph headed “Directors’ and chief executive’s interests and short positions in shares, underlying shares and debentures of the Company or any associated corporation” above, at no time during the period was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors and chief executive of the Company to acquire benefits by means of acquisition of the Shares in, or debentures of, the Company or any body corporate, and none of the Directors and chief executive or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such right during the three months ended 30 September 2022.

GENERAL INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2022, according to the register kept by the Company pursuant to Section 336 of the SFO, and so far as was known to any Directors or chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had, or were deemed or taken to have, interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, as follows:

Long Positions in the Shares

Name of Shareholders	Capacity	Number of Shares Held	Approximate Percentage of the Shareholding
Best Frontier Investments Limited (" Best Frontier ") & its concert parties (<i>Note 1</i>)	Beneficial Owner	697,364,364	15.37%
Integrated Asset Management (Asia) Limited (" Integrated Asset ") & its concert parties (<i>Note 2</i>)	Beneficial Owner	542,363,000	11.95%
Sinopharm Traditional Chinese Medicine Overseas Holdings Limited (<i>Note 3</i>)	Beneficial Owner	418,000,000	9.21%
Mr. Tse Siu Hoi	Beneficial Owner	310,650,000	6.85%

Notes:

1. The 697,364,364 Shares were held by Best Frontier which was wholly owned by Mr. LAM Yui Keung.

GENERAL INFORMATION

2. The 542,363,000 Shares were owned by Integrated Asset which was wholly-owned by Mr. YAM Tak Cheung. 8% coupon convertible bonds in aggregate amount of HK\$89,625,000 (the "CBs") for a term of six months maturing on 17 July 2017 were issued to Integrated Asset pursuant to the first amendment agreement dated 18 January 2017 approved by the Shareholders of the Company (the "**Shareholders**") at the extraordinary general meeting of the Company held on 29 March 2017. The Company received a written consent from Integrated Asset, on which the maturity date of the CBs would be extended for further six months to 17 January 2018. A maximum number of 249,651,810 Shares would be allotted and issued to Integrated Asset upon conversion of the CBs in full. The amended conversion price was HK\$0.359 per conversion share subject to adjustment.

Pursuant to the second amendment agreement approved by the Shareholders at the extraordinary general meeting of the Company held on 18 April 2018, the amendments were that the maturity date of the CBs was extended for six months from 17 January 2018 to 17 July 2018, and further extended to 17 January 2019 upon a prior written consent from Integrated Asset. Such written consent from Integrated Asset has been received by the Company. A maximum number of 249,651,810 Shares would be allotted and issued to Integrated Asset upon conversion of the CBs in full.

Pursuant to the third amendment agreement approved by the Shareholders at the extraordinary general meeting of the Company held on 19 March 2019, the amendments were that the maturity date of the CBs was extended for six months from 17 January 2019 to 17 July 2019, and further extended to 17 January 2020 upon a prior written consent from Integrated Asset. Such written consent from Integrated Asset has been received by the Company. A maximum number of 249,651,810 Shares would be allotted and issued to Integrated Asset upon conversion of the CBs in full.

As a result of the adjustments of the CBs on 10 May 2019 upon the allotment and issue of the consideration shares to Sinopharm Traditional Chinese Medicine Overseas Holdings Limited, a maximum number of 263,602,941 Shares would be allotted and issued to Integrated Asset upon conversion of the CBs in full. The adjusted conversion price was HK\$0.34 per conversion share subject to further adjustment.

GENERAL INFORMATION

Pursuant to the fourth amendment agreement approved by the Shareholders at the extraordinary general meeting of the Company held on 25 March 2020, the amendments were that the maturity date of the CBs was extended for six months from 17 January 2020 to 17 July 2020, and further extended to 17 January 2021 upon a prior written consent from Integrated Asset. Such written consent from Integrated Asset has been received by the Company. A maximum number of 263,602,941 Shares would be allotted and issued to Integrated Asset upon conversion of the CBs in full.

Pursuant to the fifth amendment agreement approved by the Shareholders at the extraordinary general meeting of the Company held on 22 March 2021, the Company amended some principal terms of the CBs, including to extend the maturity date of the CBs for one year from 17 January 2021 to 17 January 2022. Its conversion price shall be amended from HK\$0.34 to HK\$0.221 per conversion share (subject to adjustment), which can be converted into the maximum number of 405,542,986 Shares. The interest rate of the CBs shall be increased to 10% per annum and paid annually (the “**Fifth Amendments**”). Save for the Fifth Amendments, all other terms and conditions of the CBs shall remain unchanged.

Integrated Asset has not exercised any of its conversion right for the Company's shares and has no conversion right of the CBs which have been matured since 17 January 2022. Therefore, the CBs have not been convertible since then.

As at the date of this report, the Company has not received any notice of event of default from Integrated Asset demanding immediate repayment. The Company is still in the progress of negotiating with Integrated Asset for the renewal of or further extension on the CBs and will disclose further developments on the above matters by way of further announcement(s) in a timely manner in accordance with regulatory requirements.

3. The 418,000,000 Shares were held by Main Key Investments Limited which was wholly owned by Mr. Guo Lei.

Save as disclosed above, as at 30 September 2022, the Directors or chief executive of the Company were not aware of any person (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Old Share Option Scheme**”) on 31 January 2013 under which the Board may, at its discretion, invite eligible persons to take up share options to subscribe for the Shares. The purpose of the Old Share Option Scheme is to enable the Company to grant share options to selected eligible persons as incentives or rewards for their contribution to the Group. Eligible persons shall include any employee, any Director (including executive, non-executive and independent non-executive Directors) and any consultant of the Company or of any subsidiary of the Company or such other persons who, at the sole determination of the Board, have contributed to the Group at the time when an option is granted to such persons. The Old Share Option Scheme will remain valid for a period of 10 years commencing from the date of its adoption. The Old Share Option Scheme was terminated on 9 June 2021.

The Company adopted a new share option scheme (the “**New Share Option Scheme**”) on 9 June 2021 under which the Board may, at its discretion, invite eligible persons to take up share options to subscribe for the Shares. The purpose of the New Share Option Scheme is to enable the Group to grant the share options to selected eligible persons (the “**Eligible Persons**”) as incentives or rewards for their contribution to the Group. The New Share Option Scheme will provide the Eligible Persons with an opportunity to acquire proprietary interests in the Company with the view to achieving the following principal objectives: (i) motivate the Eligible Persons (in case of the Eligible Employees, as defined below) to optimise their performance and efficiency for the benefit of the Group; (ii) attract and retain or otherwise maintain ongoing business relationship with the Eligible Persons (in case of the Eligible Consultants, as defined below) whose contributions are, will be or are expected to be beneficial to the Group; and (iii) align the interests of the Eligible Persons with the Shareholders. Eligible persons shall include any employee and any Director (including executive, non-executive and independent non-executive Directors) (both collectively, the “**Eligible Employee(s)**”) and any consultant (collectively, the “**Eligible Consultant(s)**”) of the Company or of any subsidiary of the Company or such other persons who, at the sole determination of the Board, have contributed to the Group at the time when an option is granted to such persons. The New Share Option Scheme will remain valid for a period of 10 years commencing from the date of its adoption.

GENERAL INFORMATION

The details of the movements in share options under the Old Share Option Scheme during the three months ended 30 September 2022 were as follows:

Name/Category of Participants	Grant Date	Exercise Price per Share (HK\$)	Vesting Period	Exercise Period	Number of Share Options				As at 30 September 2022	
					As at 1 July 2022	Granted	Exercised	Cancelled		Lapsed
Directors										
Mr. CHAU Wai Wah Fred	07/01/2020	0.33	07/01/2020-31/05/2020	01/06/2020-31/12/2022	1,080,000	—	—	—	1,080,000	
	07/01/2020	0.33	07/01/2020-28/02/2021	01/03/2021-31/12/2022	1,080,000	—	—	—	1,080,000	
	07/01/2020	0.33	07/01/2020-30/11/2021	01/12/2021-31/12/2022	1,440,000	—	—	—	1,440,000	
Mr. HO Kam Kin <i>(appointed on 5 September 2022)</i>	07/01/2020	0.33	07/01/2020-31/05/2020	01/06/2020-31/12/2022	1,620,000	—	—	—	1,620,000	
	07/01/2020	0.33	07/01/2020-28/02/2021	01/03/2021-31/12/2022	1,620,000	—	—	—	1,620,000	
	07/01/2020	0.33	07/01/2020-30/11/2021	01/12/2021-31/12/2022	2,160,000	—	—	—	2,160,000	
Ms. KWOK Shuk Yi <i>(appointed on 5 September 2022)</i>	07/01/2020	0.33	07/01/2020-31/05/2020	01/06/2020-31/12/2022	1,500,000	—	—	—	1,500,000	
	07/01/2020	0.33	07/01/2020-28/02/2021	01/03/2021-31/12/2022	1,500,000	—	—	—	1,500,000	
	07/01/2020	0.33	07/01/2020-30/11/2021	01/12/2021-31/12/2022	2,000,000	—	—	—	2,000,000	
Dr. CHENG Yanjie	07/01/2020	0.33	07/01/2020-31/05/2020	01/06/2020-31/12/2022	1,080,000	—	—	—	1,080,000	
	07/01/2020	0.33	07/01/2020-28/02/2021	01/03/2021-31/12/2022	1,080,000	—	—	—	1,080,000	
	07/01/2020	0.33	07/01/2020-30/11/2021	01/12/2021-31/12/2022	1,440,000	—	—	—	1,440,000	
Dr. LU Ta-pei	07/01/2020	0.33	07/01/2020-31/05/2020	01/06/2020-31/12/2022	1,080,000	—	—	—	1,080,000	
	07/01/2020	0.33	07/01/2020-28/02/2021	01/03/2021-31/12/2022	1,080,000	—	—	—	1,080,000	
	07/01/2020	0.33	07/01/2020-30/11/2021	01/12/2021-31/12/2022	1,440,000	—	—	—	1,440,000	
Madam CHEUNG Kwai Lan <i>(resigned on 1 August 2022)</i>	07/01/2020	0.33	07/01/2020-31/05/2020	01/06/2020-31/12/2022	1,200,000	—	—	—	1,200,000	
	07/01/2020	0.33	07/01/2020-28/02/2021	01/03/2021-31/12/2022	1,200,000	—	—	—	1,200,000	
	07/01/2020	0.33	07/01/2020-30/11/2021	01/12/2021-31/12/2022	1,600,000	—	—	—	1,600,000	
Mr. CHAN Ting <i>(resigned on 1 August 2022)</i>	07/01/2020	0.33	07/01/2020-31/05/2020	01/06/2020-31/12/2022	1,200,000	—	—	—	1,200,000	
	07/01/2020	0.33	07/01/2020-28/02/2021	01/03/2021-31/12/2022	1,200,000	—	—	—	1,200,000	
	07/01/2020	0.33	07/01/2020-30/11/2021	01/12/2021-31/12/2022	1,600,000	—	—	—	1,600,000	
Mr. CHEUK Ka Chun <i>(Kevin resigned on 5 September 2022)</i>	07/01/2020	0.33	07/01/2020-31/05/2020	01/06/2020-31/12/2022	6,166,500	—	—	—	6,166,500	
	07/01/2020	0.33	07/01/2020-28/02/2021	01/03/2021-31/12/2022	6,166,500	—	—	—	6,166,500	
	07/01/2020	0.33	07/01/2020-30/11/2021	01/12/2021-31/12/2022	8,222,000	—	—	—	8,222,000	
Mr. LIAO Zhe <i>(resigned on 5 September 2022)</i>	07/01/2020	0.33	07/01/2020-31/05/2020	01/06/2020-31/12/2022	690,000	—	—	—	690,000	
	07/01/2020	0.33	07/01/2020-28/02/2021	01/03/2021-31/12/2022	690,000	—	—	—	690,000	
	07/01/2020	0.33	07/01/2020-30/11/2021	01/12/2021-31/12/2022	920,000	—	—	—	920,000	
Directors' Associates										
Ms. CHAN Siu Sarah	07/01/2020	0.33	07/01/2020-31/05/2020	01/06/2020-31/12/2022	1,080,000	—	—	—	1,080,000	
	07/01/2020	0.33	07/01/2020-28/02/2021	01/03/2021-31/12/2022	1,080,000	—	—	—	1,080,000	
	07/01/2020	0.33	07/01/2020-30/11/2021	01/12/2021-31/12/2022	1,440,000	—	—	—	1,440,000	
				Sub-total	55,655,000	—	—	—	34,455,000	21,200,000
Employees										
	07/01/2020	0.33	07/01/2020-31/05/2020	01/06/2020-31/12/2022	9,718,500	—	—	—	8,218,500	1,500,000
	07/01/2020	0.33	07/01/2020-28/02/2021	01/03/2021-31/12/2022	9,718,500	—	—	—	8,218,500	1,500,000
	07/01/2020	0.33	07/01/2020-30/11/2021	01/12/2021-31/12/2022	12,958,000	—	—	—	10,958,000	2,000,000
				Sub-total	32,395,000	—	—	—	27,395,000	5,000,000

GENERAL INFORMATION

Name/Category of Participants	Grant Date	Exercise Price per Share (HK\$)	Vesting Period	Exercise Period	Number of Share Options					
					As at 1 July 2022	Granted	Exercised	Cancelled	Lapsed	As at 30 September 2022
Other eligible participants (Note)	14/08/2019	0.33	14/08/2019-31/12/2019	01/01/2020-31/12/2022	11,600,000	—	—	—	—	11,600,000
	14/08/2019	0.33	14/08/2019-31/05/2020	01/06/2020-31/12/2022	18,540,000	—	—	—	—	18,540,000
	14/08/2019	0.33	14/08/2019-31/08/2020	01/09/2020-31/12/2022	8,700,000	—	—	—	—	8,700,000
	14/08/2019	0.33	14/08/2019-28/02/2021	01/03/2021-31/12/2022	18,540,000	—	—	—	—	18,540,000
	14/08/2019	0.33	14/08/2019-30/04/2021	01/05/2021-31/12/2022	8,700,000	—	—	—	—	8,700,000
	14/08/2019	0.33	14/08/2019-30/11/2021	01/12/2021-31/12/2022	24,720,000	—	—	—	—	24,720,000
				Sub-total	90,800,000	—	—	—	—	90,800,000
				Total	178,850,000	—	—	—	61,850,000	117,000,000

Note:

Other eligible participants include certain consultants of the Group.

The details of the movements in share options under the New Share Option Scheme during the three months ended 30 September 2022 were as follows:

Name/Category of Participants	Grant Date	Exercise Price per Share (HK\$)	Vesting Period	Exercise Period	Number of Share Options					
					As at 1 July 2022	Granted	Exercised	Cancelled	Lapsed	As at 30 September 2022
Employees	27/08/2021	0.25	27/08/2021-30/09/2021	01/10/2021-30/09/2024	25,200,000	—	—	—	—	25,200,000
	27/08/2021	0.25	27/08/2021-31/12/2021	01/01/2022-30/09/2024	18,900,000	—	—	—	—	18,900,000
	27/08/2021	0.25	27/08/2021-31/12/2022	01/01/2023-30/09/2024	18,900,000	—	—	—	—	18,900,000
				Sub-total	63,000,000	—	—	—	—	63,000,000
Other eligible participants (Note)	27/08/2021	0.25	27/08/2021-30/09/2021	01/10/2021-30/09/2024	5,600,000	—	—	—	—	5,600,000
	27/08/2021	0.25	27/08/2021-31/12/2021	01/01/2022-30/09/2024	4,200,000	—	—	—	—	4,200,000
	27/08/2021	0.25	27/08/2021-31/12/2022	01/01/2023-30/09/2024	4,200,000	—	—	—	—	4,200,000
				Sub-total	14,000,000	—	—	—	—	14,000,000
				Total	77,000,000	—	—	—	—	77,000,000

Note:

Other eligible participants include certain consultants of the Group.

GENERAL INFORMATION

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

During the three months ended 30 September 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Shares.

COMPETING INTERESTS

As at 30 September 2022, none of the Directors, the substantial shareholders nor the controlling shareholders of the Company or any of their respective close associates (as defined under the GEM Listing Rules) have any interest in any business which competes or is likely to compete, directly or indirectly, with the business of the Group.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company (the "**Articles of Association**") or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted and complied with the applicable code provisions as set out in Appendix 15 to the GEM Listing Rules (the "**CG Code**") during the three months ended 30 September 2022, except for the following deviations which are summarized below:

Code Provision C.2.1

The chairperson of the Company is responsible for overseeing the functions of the Board and formulating the overall strategies and policies of the Company. The chief executive officer of the Company is responsible for the day-to-day management of the business of the Group, implementing major strategies, making day-to-day decisions and the overall coordination of business operations. For the three months ended 30 September 2022, the roles of the chairperson and chief executive officer were exercised by the executive Directors collectively. The responsibilities of both roles are the same as mentioned above. The Board considers that vesting the roles of chairperson and chief executive officer in the executive Directors collectively is beneficial to the business prospects and management of the Group. The Board will review the need of appointing suitable candidates to assume the roles of the chairperson and the chief executive officer when necessary.

GENERAL INFORMATION

The corporate governance practices of the Company will be reviewed and updated from time to time in order to comply with the GEM Listing Rules requirements when the Board considers appropriate.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct (the “**Code of Conduct**”) regarding the Directors' securities transaction in the Shares. Having made specific enquires, the Company has confirmed with all Directors that they have complied with the required standard as set out in the Code of Conduct during the three months ended 30 September 2022.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the GEM Listing Rules. For the three months ended 30 September 2022, the Audit Committee comprised three independent non-executive Directors of the Company, namely, Mr. LAU Fai Lawrence, Dr. LIU Taipei, Mr. LAM Kit Sun (appointed on 1 August 2022) and Mr. CHAU Wai Wah Fred (ceased to be the Audit Committee member after re-designation to executive Director of the Company on 1 August 2022). Mr. LAU has been appointed as the chairperson of the Audit Committee.

The primary duties of the Audit Committee are to review the Company's annual report and accounts, interim report and quarterly reports and to provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the Company's financial reporting, risk management and internal control systems.

GENERAL INFORMATION

The Group's unaudited results for the three months ended 30 September 2022 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results has complied with applicable accounting standards and requirements and that adequate disclosures have been made.

By Order of the Board
Sinopharm Tech Holdings Limited
國藥科技股份有限公司
CHAU Wai Wah Fred
Executive Director

Hong Kong, 14 November 2022

As at the date of this report, the Board comprises Mr. CHAU Wai Wah Fred, Mr. HO Kam Kin and Ms. KWOK Shuk Yi as executive Directors, and Dr. CHENG Yanjie as non-executive Director, and LAU Fai Lawrence, Dr. LIU Ta-pei and Mr. LAM Kit Sun as independent non-executive Directors.