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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
ACQUISITION OF ENTIRE INTEREST IN A TAIWAN
COMPANY AND CHANGE IN USE OF PROCEEDS**

THE CONTRACT

On 8 December 2015 (after trading hours), Bau Shan entered into the Contract with the Vendor, pursuant to which Bau Shan has agreed to purchase and the Vendor has agreed to sell the Sale Equity, representing the entire equity interest in the Target Company, at a Consideration of NT\$92.0 million (equivalent to approximately RMB18.2 million) payable by cash.

THE GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

CHANGE IN THE USE OF PROCEEDS

Reference is made to the Prospectus. The Board has resolved to change the use of the remaining net proceeds of the Placing of approximately RMB29.9 million in the manner as set out in this announcement.

ACQUISITION

INTRODUCTION

On 8 December 2015 (after trading hours), Bau Shan entered into the Contract with the Vendor, pursuant to which Bau Shan has agreed to purchase and the Vendor has agreed to sell the Sale Equity, representing entire the equity interest in the Target Company, at a Consideration of NT\$92.0 million (equivalent to approximately RMB18.2 million) payable by cash. The principal terms of the Contract are summarised below:

CONTRACT

- Date: 8 December 2015
- Parties: Bau Shan (Purchaser)
Mr. Wang Hsien Ting (Vendor)
- Subject matter: The Sale Equity which represents the entire equity interest in the Target Company, which is wholly owned by the Vendor.
- Consideration: NT\$92.0 million by cash or spot cheque of which NT\$80.0 million was payable during the signing of the Contract and remaining NT\$12.0 million was payable after the completion of the change of the member registry (the “Registry”) of the Target Company.
- Completion Date: The completion of change of the Registry of the Target Company should be on or before 31 March 2016. If the change of the Registry of the Target Company is not completed on the Completion Date, as mutually agreed by both parties, the Completion Date could be postponed by negotiation.
- Other term: The Vendor shall refund without interest to the Purchaser the entire amount of Consideration paid by the Purchaser to the Vendor on condition that the change of the Registry of the Target Company cannot be completed.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Vendor and the Target Company and their respective ultimate beneficial owners are third parties independent of, and not connected with, the Company and its connected persons. The Consideration was arrived at arm’s length negotiations between the Purchaser and the Vendor, with reference to: (i) prepared by an independent valuer appointed by Bau Shan; and (ii) the reasons and benefits for the Acquisition as described below.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company with limited liability established in Taiwan on 12 October 2015. As at the date of this announcement, the aggregate capital of the Target Company is NT\$15.0 million (equivalent to approximately RMB3.0 million). The scope of business of the Target Company includes provision of elderly housing service; provision of leisure activities venues; retail sale of information software; and so on. The Target Company is the beneficial owner of the Land in the name of the Vendor. The Vendor has also signed a letter of commitment which the Vendor commits to transfer the ownership and title of the Land and change the name of the title of the Land to the Purchaser or the person designated by the Purchaser before the Completion Date. The Target Company also owned a search report on strategic planning for golden-ager industry.

According to the management accounts of the Target Company as provided by the Vendors, for the period from 12 October 2015, being the date of incorporation of the Target Company, to 30 November 2015, it recorded a net loss of approximately NT\$60,000 (equivalent to approximately RMB12,000). The net assets of the Target Company as at 30 November 2015 were approximately NT\$14.9 million (equivalent to approximately RMB2.9 million).

INFORMATION ON THE GROUP AND THE PARTIES TO THE CONTRACT

The Group is mainly engaged in the provision of funeral and related services, sales of burial plots and provision of cemetery maintenance services in Taiwan, Hong Kong, Vietnam and the PRC.

Bau Shan is a directly wholly owned subsidiary of the Company incorporated in Taiwan and is principally engaged in provision of funeral services, sale of funeral service deeds and investment holding.

REASONS FOR THE ACQUISITION

The Target Company is the beneficial owner of the Land and the owner of a research report on strategic planning for golden-ager industry. The Acquisition enables the Group to develop the business for the golden-ager and further penetrate the elderly care business market which leads to a vertical expansion of the Group's existing business.

Having taken into account the above reasons and benefits, the Directors (including the independent non-executive Directors) consider that the terms of the Contract are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios exceeds 5% but is lower than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

CHANGE IN THE USE OF PROCEEDS

Reference is made to the Prospectus. Unless otherwise defined in this announcement, terms defined in the Prospectus shall have the same meanings when used in this announcement.

USE OF PROCEEDS

It is disclosed in the section headed “Future Plans and Prospects” in the Prospectus that the Company intended to use the net proceeds of the Placing for, inter alia, the following purposes:

1. Expanding funeral services network in other major cities by entering into funeral-services agreement;
2. Developing business in columbarium in Taiwan;
3. Purchase of funeral service equipment and facilities;
4. Refurbishment of new and existing service centres; and
5. Expansion of marketing network.

CHANGE IN THE USE OF PROCEEDS

The Board has resolved to change the application of the remaining net proceeds of approximately RMB\$29.9 million, representing approximately 39.5% of the net proceeds from the Placing, to the following purposes:

1. approximately RMB18.2 million will be used as the consideration for the Acquisition; and
2. approximately RMB11.7 million will be spent on expansion of the business into the market on the golden-ager and elderly care (including but not limited to acquisition of related property, plant and equipment, acquisition of equity interest of company in related business and formation of joint ventures and projects with strategic partners).

REASON FOR THE CHANGES

The negotiation regarding to the agency agreement to sell cubicles and space for urns storage in the columbarium with the new owner is still a stalemate and the plans for the purchase of funeral service equipment and facilities have been delayed. In the meantime, the golden-ager industry, which also enables vertical expansion of the Group’s existing business, will bring huge business opportunities to the Group.

After reviewing the surplus of the remaining net proceeds of the placing, the Board considers that the above change in the use of proceeds will facilitate efficient allocation of financial resources of the Company and strengthen the future development of the Group and is fair and reasonable and in the interests of the Company and its shareholders as a whole.

Details of the use and allocation of net proceeds from the Placing from the years 2009 to June 2015 can be referred to the Annual Report 2014 and Half Yearly Report 2015 of the Company published on 30 March 2015 and 13 August 2015 respectively.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meaning:

“Acquisition”	means the sale and purchase of Sale Equity in the Target Company;
“Bau Shan”	means Bau Shan Life Science Technology Limited, a company incorporated in Taiwan and a directly wholly owned subsidiary of the Company;
“Board”	means the board of Directors;
“Company”	means Sino-Life Group Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange;
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules;
“Contract”	means the Contract for Sale and Purchase of Sale Equity dated 8 December 2015 entered into between Bau Shan and Mr. Wang Hsien Ting in relation to the sale and purchase of the Sale Equity;
“Directors”	means the directors of the Company;
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange;
“Group”	means the Company and its subsidiaries;
“Land”	means the piece of freehold land located in Neimen District, Kaohsiung, Taiwan with an area of 4,929 square metres;
“NT\$”	means New Taiwan Dollar, the lawful currency of Taiwan;
“PRC”	means the People’s Republic of China;

“Prospectus”	means the prospectus issued by the Company dated 2 September 2009 relating to the placing of the Company’s shares for the listing on the Growth Enterprise Market of the Stock Exchange;
“RMB”	means Renminbi, the lawful currency of the PRC;
“Sale Equity”	means the entire interest of the total aggregate capital of the Target Company, and are to be sold to Bau Shan in accordance with the terms of the Contract;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Target Company”	means 不老林有限公司, a company established in Taiwan;
“%”	means percentage.

By order of the Board
Sino-Life Group Limited
Liu Tien-Tsai
Chairman and Executive Director

Hong Kong, 8 December 2015

As at the date hereof, the Board comprises Mr. Liu Tien-Tsai and Mr. Kim Eun Back being executive Directors of the Company; and Mr. Chai Chung Wai, Mr. Ching Clement Yat-biu, and Mr. Lee Koon Hung being independent non-executive Directors of the Company.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM 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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and (ii) there are no other matters the omission of which would make any statement 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 7 days from the date of its posting. This announcement will also be posted on the Company’s website at <http://www.sinolifegroup.com>.