



Huakang Biomedical Holdings Company Limited 華康生物醫學控股有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 8622

第三季度業績報告 THIRD QUARTERLY REPORT

20
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This Report, for which the directors (the “Directors”) of Huakang Biomedical Holdings Company Limited (the “Company”, and together with its subsidiaries, the “Group”, “we” or “our”) 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 Group. 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.

GEM乃為較其他於聯交所上市之公司帶有較高投資風險之中小型公司提供一個上市之市場。有意投資者應了解投資於該等公司之潛在風險，並應經過審慎周詳考慮後方作出投資決定。

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本報告乃遵照聯交所GEM證券上市規則(「GEM上市規則」)之規定而提供有關華康生物醫學控股有限公司(「本公司」，連同其附屬公司統稱「本集團」或「我們」)的資料，本公司董事(「董事」)願就本報告共同地及個別地承擔全部責任。董事經作出一切合理查詢後確認，就彼等所深知及確信，本報告所載資料在各重大方面均為準確及完整，且無誤導或欺詐成分及並無遺漏任何其他事項致使本公告或當中所載任何陳述產生誤導。

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CORPORATE INFORMATION

公司資料

Board of Directors 董事會

Executive Directors 執行董事

Mr. Zhang Shuguang (Chairman)
張曙光先生(主席)
Mr. Zhang Chunguang
張春光先生
Mr. Poon Lai Yin Michael
潘禮賢先生

Independent Non-executive Directors 獨立非執行董事

Dr. Yeung David Wai Chow
楊煒秋醫生
Mr. Kwok Chi Shing 郭志成先生
Mr. Chan Kin Sang 陳健生先生

Audit Committee

審核委員會

Mr. Kwok Chi Shing (Chairman)
郭志成先生(主席)
Dr. Yeung David Wai Chow
楊煒秋醫生
Mr. Chan Kin Sang 陳健生先生

Remuneration Committee

薪酬委員會

Mr. Kwok Chi Shing (Chairman)
郭志成先生(主席)
Dr. Yeung David Wai Chow
楊煒秋醫生
Mr. Zhang Chunguang
張春光先生

Nomination Committee

提名委員會

Mr. Zhang Shuguang (Chairman)
張曙光先生(主席)
Dr. Yeung David Wai Chow
楊煒秋醫生
Mr. Chan Kin Sang 陳健生先生

Compliance Adviser

合規顧問

Ever-Long Securities Company Limited (appointed on 31 May 2019)
長雄證券有限公司
(於二零一九年五月三十一日獲委任)
RHB Capital Hong Kong Limited (resigned on 31 May 2019)
興業金融融資有限公司
(於二零一九年五月三十一日辭任)

Company Secretary

公司秘書

Mr. Chau Lai Ki 周麗麒先生

Authorised Representatives (for the purposes of the GEM Listing Rules) 授權代表(就GEM上市規則而言)

Mr. Poon Lai Yin Michael
潘禮賢先生
Mr. Zhang Shuguang
張曙光先生

Compliance Officer

合規主任

Mr. Poon Lai Yin Michael
潘禮賢先生

Legal Advisers as to Hong Kong laws

有關香港法例的法律顧問

Miao & Co. (in Association with Han Kun Law Offices)
繆氏律師事務所(與漢坤律師事務所聯營)

Auditor 核數師

Deloitte Touche Tohmatsu
德勤•關黃陳方會計師行

Registered Office

註冊辦事處

Cricket Square,
Hutchins Drive,
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Cayman Islands

Principal Place of Business in Hong Kong

香港主要營業地點

3rd Floor, Effectual Building,
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Wanchai,
Hong Kong
香港
灣仔
軒尼詩道16號宜發大廈3樓

Principal Place of Business in the PRC

中國主要營業地點

1-3/F, Building D, Shenzhen Junxuan,
No.16 Yinkui Road,
Kui Xin Community,
Kui Chong Office,
Dapeng New District,
Shenzhen,
The PRC
中國
深圳市
大鵬新區
葵涌街道
葵新社區
銀葵路16號
深圳君軒D棟一至三層

Principal Share Registrar and Transfer Office in the Cayman Islands

開曼群島股份過戶登記處

Conyers Trust Company (Cayman) Limited
Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman KY1-1111,
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Hong Kong Share Registrar and Transfer Branch Office

香港股份過戶登記分處

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Level 54, Hopewell Centre,
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卓佳證券登記有限公司
香港
皇后大道東183號
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Company's Websites

公司網址

<http://www.szhuakang.com>

Stock code

股份代號

8622

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW AND OUTLOOK

Our Group is a medical device group specialised in the research and development, manufacture and sale of a wide range of IVD reagents in the PRC and particularly focused on the PRC male fertility IVD reagent market.

For the nine months ended 30 September 2019, our Group experienced a decrease in revenue from sales of our male fertility IVD reagent products, which was our major product. Our Directors are of the view that such decrease was mainly due to: (i) the recent decrease in birth rates of the PRC according to the statistics published by the National Bureau of Statistics of the PRC; and (ii) the increase in price sensitivity of some of the customers of the Group. Nevertheless, we anticipate that the PRC Government will continue to focus on and support the development of biomedical industry. In the meantime, the growth of the PRC male fertility IVD reagent market is also expected to be driven by an increasing rate of infertility incidences, widespread acceptance of assisted reproductive treatment, rising per capita income and expenditures on healthcare, the implementation of a universal two-child policy, favourable policies by the PRC Government in support of a hierarchical diagnosis and treatment system, and the increasing coverage for the country's basic medical insurance system.

To better capture market opportunities, our strategy is to further increase our product competitiveness by continuously devoting our focus into research and development and increasing our efforts in market promotion. We aim to grow our business through pursuing the following business strategies: (i) expanding our product portfolio and improving our existing product offerings; (ii) strengthening our product research and development capabilities; (iii) expanding and consolidating our sales and distribution network; (iv) cultivating and recruiting talented employees; and (v) developing our auxiliary reproductive supply business.

The Group has already signed a non-legally binding memorandum of understanding in relation to the establishment of a joint venture company in Hong Kong with one of Australia's leading fertility groups for, among other things, (i) the research, development and registration of technology, devices and products in relation to assisted reproductive treatment in the PRC;

業務回顧及展望

本集團是一家專注於在中國研發、生產及銷售各種體外診斷試劑的醫療器械集團，尤其專注於中國男性不育體外診斷試劑市場。

於截至二零一九年九月三十日止九個月，本集團的男性不育體外診斷試劑產品銷售收入減少，其為我們主要產品。我們的董事認為這種減少是由於：(i)根據中國國家統計局發佈之資料，中國最近期的生育率下降；及(ii)本集團若干客戶之價格敏感度增加。儘管如此，但我們預期中國政府將繼續關注及支持生物醫學產業的發展。同時亦預期中國男性不育體外診斷試劑市場之增長受以下因素的驅動：不孕發生率上升、普遍接受輔助生育治療、人均收入及醫療開支增加、全面二孩政策的實施、中國政府支持分級診療制度的優惠政策及國家基本醫療保險體系覆蓋率不斷提升。

為更好把握市場機遇，我們的戰略是透過持續致力於研發以進一步提升產品競爭力，及加大市場推廣力度。我們擬透過採取下列主要業務策略發展我們的業務：(i)拓展我們的產品組合及改善我們現有的產品種類；(ii)加強我們的研發能力；(iii)擴大及整合我們的銷售及分銷網絡；(iv)培養及招聘人才；及(v)發展我們輔助生育用品業務。

本集團已與一澳洲領先的生育醫療集團簽訂一項無法律約束力的諒解備忘錄，內容有關於香港成立一間合營公司，以(其中包括) (i)在中國開展與輔助生育治療相關的技

and (ii) the sale and export of such devices and products in the PRC, countries in Asia Pacific region and other territories.

Furthermore, the Group plans to develop and sell our auxiliary reproductive products in the PRC and overseas markets. We are currently collaborating with a Canadian natural health product manufacturer to develop auxiliary reproductive products in enhancing male fertility functions.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately RMB2.6 million, or 12.4%, to approximately RMB18.4 million for the nine months ended 30 September 2019 as compared to approximately RMB21.0 million for the nine months ended 30 September 2018. The decrease in revenue was mainly due to a decrease in revenue in sales of parasite antibody detection reagents, male fertility IVD reagents and auxiliary reproductive supplies and equipment.

The decrease in sales of parasite antibody detection reagents of approximately RMB1.2 million, or 36.6%, was primarily due to a decrease in purchases of our detection kits for IgG antibody to *Schistosoma japonicum* by some of our distributors for the nine months ended 30 September 2019.

Male fertility IVD reagents products remained our major product for the nine months ended 30 September 2019, accounting for approximately 78.8% of our total revenue for the period. Revenue from this segment for the period was approximately RMB14.5 million, representing a decrease of approximately RMB1.0 million or 6.5% from approximately RMB15.5 million for the nine months ended 30 September 2018, resulting from a decrease in sales to some of the Group's direct sales customers and distributors during the period. Our Directors are of the view that such a decrease was mainly attributable to: (i) the recent decrease in birth rates of the PRC according to the statistics published by the National Bureau of Statistics of the PRC; and (ii) the increase in price sensitivity of some of the customers of the Group.

術、設備及產品的研究、開發及註冊；及(ii)在中國、亞太地區國家及可能同意的其他地區銷售及出口有關設備及產品。

此外，本集團計劃於在中國及海外市場發展及銷售輔助生育產品。我們現時正與一家加拿大的天然保健品生產商合作發展男性生育功能的輔助生育產品。

財務回顧

收益

本集團於截至二零一九年九月三十日止九個月較去年錄得收益減少約人民幣2.6百萬元或約12.4%至約人民幣18.4百萬元，比較截至二零一八年九月三十日止九個月約人民幣21.0百萬元。收入減少主要因為寄生蟲系列檢測試劑、男性不育體外診斷試劑及輔助生育用品和設備的銷售減少。

寄生蟲系列檢測試劑的銷售減少約人民幣1.2百萬元或36.6%主要是截至二零一九年九月三十日止九個月我們若干新增分銷商減少採購日本血吸蟲IgG抗體檢測試劑盒。

男性體外診斷試劑產品於截至二零一九年九月三十日止九個月仍為我們的主要產品，佔我們期內總收益約78.8%。期內來自此分部的收入約為人民幣14.5百萬元，相當於較截至二零一八年九月三十日止九個月約人民幣15.5百萬元減少約人民幣1.0百萬元或6.5%，主要原因是本集團部份客戶的銷售下跌，包括經銷商及終端客戶。董事認為該減少乃主要由於(i)根據中國國家統計局發佈之資料，中國最近期的生育率下降；及(ii)本集團若干客戶之價格敏感度增加。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The decrease in sales of auxiliary reproductive supplies and equipment of approximately RMB398,000, or 27.8%, was primarily attributable to the decrease in sales of the assembly-line type of full automatic enzyme-linked immunologic workstation which were purchased by our customers for diagnostic tests purposes as needed.

Gross Profit and Gross Profit Margin

The Group recorded a gross profit of approximately RMB13.2 million for the nine months ended 30 September 2019, representing a decrease of approximately RMB2.8 million, or approximately 17.5%, from approximately RMB16.0 million for the nine months ended 30 September 2018.

The Group's gross profit margin remained relatively stable at approximately 71.6% for the nine months ended 30 September 2019 as compared to the gross profit margin of approximately 75.8% for the nine months ended 30 September 2018.

Other Income and Other Gains and Losses

Our other income slightly decreased by approximately RMB39,000 or 16.5%, from approximately RMB236,000 for the nine months ended 30 September 2018 to approximately RMB197,000 for the nine months ended 30 September 2019.

We recorded other gains of approximately RMB753,000 for the nine months ended 30 September 2019, whereas we recorded other gains of approximately RMB225,000 for the nine months ended 30 September 2018. The increase of approximately RMB528,000, or 234.7%, was mainly due to favourable conditions in foreign currency translated to RMB.

Impairment losses

We recorded reversal of impairment losses on trade and other receivables of approximately RMB534,000 for the nine months ended 30 September 2019, as compared to approximately RMB129,000 for the nine months ended 30 September 2018, mainly because most of the impaired trade and other receivables as at 31 December 2018 have been subsequently settled by the date of this report.

輔助生育用品和設備的銷售減少約人民幣398,000元或27.8%主要是我們的客戶減少根據其診斷測試的需求購買的流水線式全自動酶聯免疫工作站。

毛利及毛利率

本集團截至二零一九年九月三十日止九個月錄得毛利約人民幣13.2百萬元，較截至二零一八年九月三十日止九個月之約人民幣16.0百萬元減少約人民幣2.8百萬元或約17.5%。

本集團的毛利率保持相對穩定由截至二零一九年九月三十日止九個月約71.6%對比截至二零一八年九月三十日止九個月約75.8%。

其他收入及其他虧損

其他收入由截至二零一八年九月三十日止九個月約人民幣236,000元輕微減少約人民幣39,000元或16.5%至截至二零一九年九月三十日止九個月約人民幣197,000元。

我們於截至二零一九年九月三十日止九個月錄得其他收益約人民幣753,000元，而我們於截至二零一八年九月三十日止九個月錄得其他收益約人民幣225,000元。增加約人民幣528,000或234.7%主要由於外幣兌換為人民幣的匯率有利情況導致。

減值虧損

我們於截至二零一九年九月三十日止九個月錄得貿易及其他應收款項回撥減值虧損約人民幣534,000元，比較截至二零一八年九月三十日止九個月約人民幣129,000元，主要乃由於大部份於二零一八年十二月三十一日已減值的貿易及其他應收款項已於本報告日前回款。

Expenses

Our selling and distribution expenses increased from approximately RMB2.6 million for the nine months ended 30 September 2018 to approximately RMB4.6 million for the nine months ended 30 September 2019, representing a growth of approximately RMB2.0 million or 76.9% during the period. The growth was primarily attributable to (i) an increase in staff cost by RMB852,000, or 73.3%, to facilitate the expansion of our sales and marketing team (including the recruitment of senior sales and marketing personnel) and an increase in their average salaries as determined by the supply and demand conditions of the local labor market; and (ii) an increase in marketing expenses and travel and transportation expenses of approximately RMB977,000, or 118.7%, as a result of our exploration of new business opportunities and potential international cooperation.

Administrative expenses increased from approximately RMB3.4 million for the nine months ended 30 September 2018 to approximately RMB6.4 million for the nine months ended 30 September 2019, representing an increase of approximately RMB3.0 million or 88.2% during the period. Such an increase was mainly attributable to (i) an increase in audit and other professional fees of approximately RMB1.6 million to comply with the GEM Listing Rules after the Listing; (ii) an increase in staff cost of approximately RMB819,000, or 44.9%, as a result of an increase in average salaries of our administrative personnel as determined by the supply and demand conditions of the local labor market and the appointment of our some of our Directors after the listing of our shares on GEM (the “**Listing**”) on 13 December 2018 (the “**Listing Date**”), (iii) a payment of a one-off special bonus in the amount of approximately RMB169,000 during the nine months ended 30 September 2019 to employees based on their performance, and (iv) an increase in rental and utilities expenses in the amount of approximately RMB445,000 for new office in Hong Kong since February 2019.

開支

我們的銷售及分銷開支由截至二零一八年九月三十日止九個月約人民幣2.6百萬元增加至截至二零一九年九月三十日止九個月約人民幣4.6百萬元，期內增長約人民幣2.0百萬元或76.9%。該增長主要由於(i)員工成本增加人民幣852,000元或73.3%，促進擴大我們的銷售及營銷團隊(包括聘請資深銷售及營銷人員)及按本地勞動力市場供求狀況釐定我們的銷售及營銷人員平均薪資有所上升而增加；及(ii)探索新商業機會及潛在國際合作導致產生的營銷開支及差旅運輸開支增加約人民幣977,000元或118.7%。

行政開支由截至二零一八年九月三十日止九個月約人民幣3.4百萬元增加至截至二零一九年九月三十日止九個月約人民幣6.4百萬元，期內增加約人民幣3.0百萬元或88.2%。該增加乃主要由於(i)上市後就符合GEM上市規則而增加的相關審計及其他專業費用約人民幣1.6百萬元；(ii)員工成本增加約人民幣819,000元或44.9%，主要由於按本地勞動力市場供求狀況釐定我們的行政人員平均薪資有所上升而增加及自本公司於二零一八年十二月十三日(「**上市日期**」)於聯交所GEM上市(「**上市**」)後新聘請幾名董事；(iii)基於僱員表現截至二零一九年九月三十日止九個月所派發的一次性特別花紅約人民幣169,000元，及(iv)自二零一九年二月我們香港新辦公室的租金及公用事業開支約人民幣445,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Research and development expenses increased from approximately RMB1.1 million for the nine months ended 30 September 2018 to approximately RMB1.2 million for the nine months ended 30 September 2019, representing an increase of approximately RMB66,000 or 6.0%. Such an increase was mainly due to increased research projects commenced during the nine months ended 30 September 2019.

Profit for the period

For the nine months ended 30 September 2019, the profit and total comprehensive income attributable to the owners of the company was approximately RMB1.7 million, as compared to approximately RMB4.0 million for the nine months ended 30 September 2018. Basic earnings per share for the period was RMB0.43 cents, as compared to RMB1.32 cents for the nine months ended 30 September 2018.

Excluding non-recurring listing expenses, the Group recorded a profit before tax for the period of approximately RMB2.6 million, as compared to approximately RMB9.5 million for the nine months ended 30 September 2018. The decrease was mainly due to the reasons mentioned above in relation to a decrease in revenue and an increase in our selling and distribution expenses and administrative expenses.

Taxation

The PRC enterprise income tax rate applicable to the Group's subsidiaries is 15% (nine months ended 30 September 2018: 15%).

USE OF PROCEEDS FROM SHARE OFFER

The shares of the Company (the "Shares") were listed on GEM of the Stock Exchange on the Listing Date at HK\$0.5 per Share. The net proceeds from the Share Offer (as defined in the Prospectus), after deduction of underwriting fees and commission, and other expenses payable by the Company in connection with the Share Offer, amounted to approximately HK\$16.6 million. During the period from the Listing Date to 30 September 2019, the Group did not change its plans on use of proceeds as stated in the section headed "Future Plans and Use of Proceeds" in the prospectus dated 30 November 2018 (the "Prospectus").

研發開支由截至二零一八年九月三十日止九個月約為人民幣1.1百萬元增加至截至二零一九年九月三十日止九個月約為人民幣1.2百萬元，期內增加約人民幣66,000元或6.0%。該增加主要由於研發項目開始於截至二零一九年九月三十日止九個月有所增加。

期內溢利

截至二零一九年九月三十日止九個月，本公司擁有人應佔期內溢利及全面收益總額約人民幣1.7百萬元，比較截至二零一八年九月三十日止九個月約人民幣4.0百萬元。期內每股基本盈利為人民幣0.43分，比較截至二零一八年九月三十日止九個月人民幣1.32分。

撇除非經常性上市開支後，本集團期內錄得除稅前溢利約人民幣2.6百萬元，比較截至二零一八年九月三十日止九個月約人民幣9.5百萬元。減少乃主要以上提及有關收益減少及我們的銷售及分銷開支及行政開支增加所導致。

稅項

本集團附屬公司適用之中國企業所得稅率為15%（截至二零一八年九月三十日止九個月：15%）。

股份發售所得款項用途

本公司股份（「股份」）於上市日期於聯交所GEM上市，每股股份為0.5港元。股份發售（定義見招股章程）所得款項淨額（經扣除包銷費用及佣金以及本公司就股份發售應付的其他開支）為約16.6百萬港元。自上市日期至二零一九年九月三十日期間，本集團並無改變其於日期為二零一八年十一月三十日的招股章程（「招股章程」）「未來計劃及所得款項用途」一節所述所得款項用途計劃。

CAPITAL STRUCTURE

The Company's issued Shares were successfully listed on GEM of the Stock Exchange on the Listing Date. There has been no change in the Company's capital structure since the Listing Date. The share capital of the Group only comprises of ordinary shares. As at 30 September 2019, the Company's issued share capital was HK\$4,000,000 and the number of its issued shares was 400,000,000 shares of HK\$0.01 each.

PRINCIPAL RISKS AND UNCERTAINTIES

We believe that there are certain risks and uncertainties involved in the operations, some of which are beyond the Group's control. A detailed discussion of the risk factors is set forth in the section headed "Risk Factors" in the Prospectus.

FOREIGN EXCHANGE EXPOSURE

The functional currencies of our operations, assets and liabilities are mostly denominated in Renminbi ("RMB"). Therefore, we were not exposed to any significant foreign exchange risk, except for our Hong Kong Dollar ("HK\$") denominated bank balances and net proceeds from the Share Offer that are denominated in HK\$. The Group currently does not have a foreign currency hedging policy. The Group did not engage in any derivatives agreements and did not commit to any financial instruments to hedge its foreign exchange exposure throughout the nine months ended 30 September 2019. The management will closely monitor its foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

TREASURY POLICIES

The Group will continue to employ prudent treasury policies in managing the Group's cash balances and maintain strong and healthy liquidity ratios to ensure that the Group is well placed to take advantage of future growth opportunities.

資本架構

本公司的已發行股份已於上市日期在聯交所GEM成功上市。自上市日期起，本公司的資本架構並無任何變動。本公司的股本僅包括普通股。於二零一九年九月三十日，本公司已發行股本為人民幣4,000,000元，其已發行股本數目為400,000,000股每股0.01港元之股份。

主要風險及不明朗因素

我們認為營運涉及若干風險及不明朗因素，其中有一部分乃本集團無法控制。有關風險因素的詳細討論載於招股章程「風險因素」一節。

外匯風險

我們營運、資產及負債的功能貨幣大部分以人民幣(「人民幣」)計值。因此，除我們的港元(「港元」)計值銀行結餘及港元計值股份發售所得款項淨額外，我們並無面臨任何重大外匯風險。本集團現時並無外匯對沖政策。本集團並無參與任何衍生工具協議，且並無承諾任何金融工具以對沖其於截至二零一九年九月三十日止九個月的外匯風險。管理層將密切監控外匯風險，並將於有需要時考慮對沖重大的外幣風險。

庫務政策

本集團將繼續採用審慎的庫務政策管理本集團的現金結餘，並維持穩健的流動資金比率，以確保本集團作好準備把握日後的增長機遇。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

For the nine months ended 30 September 2019, the Group did not make any material acquisitions or disposals of subsidiaries and affiliated companies.

SIGNIFICANT INVESTMENT HELD

As at 30 September 2019, the Group did not hold any significant investment.

PLEDGE OF ASSETS

As at 30 September 2019, the Group did not pledge any of its material assets (31 December 2018: Nil).

CONTINGENT LIABILITIES

As at 30 September 2019, the Company had no outstanding corporate guarantee (31 December 2018: Nil). As at 30 September 2019, the Group had no banking facilities and did not have any significant contingent liabilities (31 December 2018: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Group does not have other plans for material investments or capital assets as at the date of this Report.

DIVIDEND

The Directors does not recommend the payment of any dividend for the nine months ended 30 September 2019 (nine months ended 30 September 2018: Nil).

SUBSEQUENT EVENTS

The Board is not aware of any significant event subsequent to 30 September 2019 and up to the date of this Report.

重大收購及出售附屬公司及關聯公司

截至二零一九年九月三十日止九個月，本集團並無作出任何重大收購或出售附屬公司及關聯公司。

重大投資持有

於二零一九年九月三十日，本集團並無持有任何重大投資。

資產抵押

於二零一九年九月三十日，本集團並無抵押任何重大資產(二零一八年十二月三十一日：無)。

或然負債

於二零一九年九月三十日，本公司概無尚未償還公司擔保(二零一八年十二月三十一日：無)。於二零一九年九月三十日，本集團概無銀行融資及並無任何重大或然負債(二零一八年十二月三十一日：無)。

有關重大投資或資本資產的日後計劃

除招股章程「未來計劃及所得款項用途」一節所披露者外，本集團於本報告日期並無其他有關重大投資或資本資產的計劃。

股息

董事不建議派付截至二零一九年九月三十日止九個月的任何股息(截至二零一八年九月三十日止九個月：零)。

期後事項

於二零一九年九月三十日後及直至本報告日期，董事會並不知悉任何重大事項。

OTHER INFORMATION

其他資料

Directors' and Controlling Shareholders' Interest in Contracts

Apart from the contracts in relation to the reorganisation of our Group in relation to the Listing, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, or any of its holding company or subsidiaries was a party and in which a Director, controlling shareholders (as defined in the GEM Listing Rules) of the Company and their respective connected parties had a material interest, whether directly or indirectly, subsisted at any time for the nine months ended 30 September 2019.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation

As at 30 September 2019, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which, once the Shares are listed on GEM of the Stock Exchange, will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short positions which they are taken or deemed to have under such provision of the SFO) or will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, will be as follows:

董事及控股股東於合約的權益

除有關本集團就上市進行重組的合約外，於截至二零一九年九月三十日止九個月內任何時間，本公司或其任何控股公司或附屬公司概無參與訂立與本集團業務有關，而本公司董事、控股股東(定義見GEM上市規則)及彼等各自關連人士於當中直接或間接擁有重大權益的重大交易、安排及合約。

董事及最高行政人員於本公司及其相關法團之股份、相關股份及債權證的權益及淡倉

於二零一九年九月三十日，董事及本公司最高行政人員於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中，擁有(一旦股份於聯交所GEM上市後)須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例有關條文彼等被當作或被視為擁有的任何權益或淡倉)，或根據證券及期貨條例第352條須登記於該條所指的登記冊內的權益及淡倉，或根據有關董事進行證券交易的GEM上市規則第5.46至5.67條上市發行人董事進行證券交易之標準守則須知會本公司及聯交所的權益及淡倉如下：

OTHER INFORMATION

其他資料

Long Positions in the Shares

於股份之好倉

Ordinary shares of HK\$0.01 each of the Company

本公司每股面值0.01港元之普通股

| Name of Directors/ Chief Executive 董事／最高行政人員姓名 | Capacity/Nature of Interest 身份／權益性質 | Number of ordinary shares held ⁽¹⁾ 所持普通股數目 ⁽¹⁾ | Percentage of shareholding ⁽²⁾ 股權百分比 ⁽²⁾ |
|--|---|--|--|
| Mr. Zhang Shuguang | Interests of controlled corporation and concert party ⁽³⁾ | 240,000,000 | 60.0% |
| 張曙光先生 | 受控法團權益及一致行動人士 ⁽³⁾ | 240,000,000 | 60.0% |

Notes:

附註：

- (1) All interest stated are long positions.
 - (2) The calculation is based on the total number of 400,000,000 Shares in issue as at 30 September 2019.
 - (3) On 16 November 2017, Mr. Zhang Shuguang and Mr. Chang Yim Yang entered into the Acting-in-concert Confirmation (“**Confirmation**”) to acknowledge and confirm, among other things, that they have been and will be actively cooperating, communicating, and acting in concert with each other with respect to their interest in or the business of the relevant members of our Group since they became shareholders of the Company and will continue to act in concert after the signing of the Confirmation. For further details, please refer to the section headed “History and Reorganisation” in the Prospectus. The aggregate of 240,000,000 Shares is deemed to be interested by them in aggregate under the SFO, consist of (i) 144,576,000 Shares held by Crystal Grant Limited (“**Crystal Grant**”), a company wholly owned by Mr. Zhang Shuguang, in which Mr. Zhang Shuguang is deemed to be interested under the SFO; and (ii) 95,424,000 Shares held by Ever Charming Inc. (“**Ever Charming**”), a company wholly owned by Mr. Chang Yim Yang, in which Mr. Zhang Shuguang is deemed to be interested as a result of being a party acting in concert with Mr. Chang Yim Yang.
- (1) 所有列權益均為好倉。
 - (2) 此乃基於二零一九年九月三十日的已發行股份總數400,000,000股計算。
 - (3) 於二零一七年十一月十六日，張曙光先生及張賢陽先生訂立一項一致行動確認書（「**確認書**」），以承認並確認（其中包括）彼等於成為本公司股東後一直並將就彼等於本集團有關成員公司之權益或相關業務積極合作溝通並彼此保持一致行動，且將於簽署確認書後繼續保持一致行動。有關進一步詳情，請參閱招股章程「歷史及重組」一節。根據證券及期貨條例，彼等合計被視為於合共240,000,000股股份中擁有權益，其中包括(i)Crystal Grant Limited（「**Crystal Grant**」，由張曙光先生全資擁有之公司）持有之144,576,000股股份，根據證券及期貨條例張曙光先生被視為於其中擁有權益；及(ii)Ever Charming Inc.（「**Ever Charming**」，由張賢陽先生全資擁有之公司）持有之95,424,000股股份，由於張曙光先生為與張賢陽先生一致行動之人士，故其被視為於該等股份中擁有權益。

Long Position in the Ordinary Shares of Associated Corporations 於相聯法團普通股之好倉

| Name of Directors/ Chief Executive 董事／最高行政人員姓名 | Name of Associated Corporation 相聯法團名稱 | Capacity/ Nature of Interest 身份／權益性質 | Number of ordinary shares held ^(Note) 所持普通股數目(附註) | Percentage of shareholding 股權百分比 |
|--|---|--|--|--|
| Mr. Zhang Shuguang 張曙光先生 | Crystal Grant Limited | Beneficial owner 實益擁有人 | 100 shares of US\$1.00 each 100股每股1.00美元之 股份 | 100% |

Note: All interest stated are long positions.

附註：所有列權益均為好倉。

Saves as disclosed above, as at 30 September 2019, none of the Directors and the chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provision of the SFO) or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which would be required pursuant to Part XV of the SFO or Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

除上文所披露者外，於二零一九年九月三十日，概無董事及本公司最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的任何權益或淡倉(包括根據證券及期貨條例有關條文彼被當作或視為擁有之權益或淡倉)，或根據證券及期貨條例第352條須登記於該條所述登記冊的任何權益或淡倉，或根據證券及期貨條例第XV部或GEM上市規則第5.46條至第5.67條須知會本公司及聯交所的任何權益或淡倉。

OTHER INFORMATION

其他資料

Substantial Shareholders' and Others Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 September 2019, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interest or short position in the Shares or underlying Shares which fell to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

主要股東及其他人士於股份及相關股份之權益及淡倉

於二零一九年九月三十日，據董事所知，以下人士（既非董事亦非本公司最高行政人員）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司及聯交所披露，或記錄於本公司根據證券及期貨條例第336條須存置之登記冊內的權益或淡倉：

| Name of Shareholders 股東姓名／名稱 | Capacity/Nature of Interest 身份／權益性質 | Number of ordinary shares held 所持普通股數目 | Percentage of shareholding 股權百分比 |
|---|--|--|--|
| Crystal Grant | Beneficial owner and concert party ⁽¹⁾ | 240,000,000 | 60.0% |
| Crystal Grant | 實益擁有人及一致行動人士 ⁽¹⁾ | | |
| Ever Charming | Beneficial owner and concert party ⁽¹⁾ | 240,000,000 | 60.0% |
| Ever Charming | 實益擁有人及一致行動人士 ⁽¹⁾ | | |
| Mr. Chang Yim Yang | Interests of controlled corporation ⁽¹⁾ | 240,000,000 | 60.0% |
| 張賢陽先生 | 受控法團權益 ⁽¹⁾ | | |
| Gallizul Global Investments Incorporated ("Gallizul") | Beneficial owner | 36,000,000 | 9.0% |
| Gallizul Global Investments Incorporated (「Gallizul」) | 實益擁有人 | | |
| Huang Yan | Interests of controlled corporation ⁽²⁾ | 36,000,000 | 9.0% |
| 黃豔 | 受控法團權益 ⁽²⁾ | | |

Notes:

- (1) On 16 November 2017, Mr. Zhang Shuguang and Mr. Chang Yim Yang entered into the Confirmation to acknowledge and confirm, among other things, that they have been and will be actively cooperating, communicating, and acting in concert with each other with respect to their interest in or the business of the relevant members of our Group since they became shareholders of the Company and will continue to act in concert after the signing of the Confirmation. For further details, please refer to the section headed "History and Reorganisation" in the Prospectus. The aggregate of 240,000,000 Shares is deemed to be interested by them in aggregate under the SFO, consist of (i) 144,576,000 Shares held by Crystal Grant, a company wholly owned by Mr. Zhang Shuguang, in which Mr. Chang Yim Yang is deemed to be interested as a result of being a party acting in concert with Mr. Zhang Shuguang; and (ii) 95,424,000 Shares held by Ever Charming, a company wholly owned by Mr. Chang Yim Yang, in which Mr. Chang Yim Yang is deemed to be interested under the SFO.

- (2) As Gallizul is owned as to 50% by Ms. Huang Yan, she is deemed to be interested in all the shares held by Gallizul

附註：

- (1) 於二零一七年十一月十六日，張曙光先生及張賢陽先生訂立確認書，以承認並確認（其中包括）彼等於成為本公司股東後一直並將就彼等於本集團有關成員公司之權益或相關業務積極合作溝通並彼此保持一致行動，且將於簽署確認書後繼續保持一致行動。有關進一步詳情，請參閱招股章程「歷史及重組」一節。根據證券及期貨條例，彼等合計被視為於合共240,000,000股股份中擁有權益，其中包括(i)Crystal Grant（由張曙光先生全資擁有之公司）持有之144,576,000股股份，由於張賢陽先生為與張曙光先生一致行動之人士，故其被視為於該等股份中擁有權益；及(ii)Ever Charming（由張賢陽先生全資擁有之公司）持有之95,424,000股股份，根據證券及期貨條例張賢陽先生被視為於其中擁有權益。

- (2) 由於Gallizul由黃豔女士擁有50%，故彼被視為於Gallizul持有的所有股份中擁有權益。

Directors' Rights to Acquire Shares or Debentures

Save as otherwise disclosed in this Report, at no time during the nine months ended 30 September 2019 and up to the date of this Report, have the Directors and the chief executive of the Company and their respective close associates (as defined in the GEM listing rules) had any interests in, or had been granted, or exercised any rights to acquire benefits by means of the acquisition of shares in, or debentures of, the Company and/or its associated corporations (within the meaning of SFO).

Competing Interests

The Directors confirm that none of the Controlling Shareholders or the Directors and their respective close associates (as defined in the GEM Listing Rules) are interested in any business apart from the business operated by our Group which competes or is likely to compete, directly or indirectly, with our Group's business during the nine months ended 30 September 2019 and up to the date of this Report.

董事收購股份或債權證的權利

除本報告另有披露者外，於截至二零一九年九月三十日止九個月任何時間直至本報告日期，董事及本公司最高行政人員及彼等各自之緊密聯繫人（定義見GEM上市規則）概無於本公司及／或其相聯法團（定義見證券及期貨條例）之股份或債權證中擁有任何權益或獲授予或行使可藉收購本公司及／或其相聯法團股份或債權證而獲取利益之任何權利。

競爭權益

董事確認，於截至二零一九年九月三十日止九個月直至本報告日期，概無控股股東或董事或彼等各自之緊密聯繫人（定義見GEM上市規則）於本集團經營業務以外且直接或間接與本集團業務構成競爭或可能構成競爭的任何業務中擁有權益。

OTHER INFORMATION

其他資料

Interest of Compliance Adviser

On 25 September 2017, in accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed RHB Capital Hong Kong Limited (“**RHB Capital**”) as its compliance adviser. RHB Capital, being the sole sponsor to the Listing, has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules.

With effect from 31 May 2019, RHB Capital and the Company have mutually agreed to terminate the compliance adviser agreement and Ever-Long Securities Company Limited (“**Ever-Long**” or “**Compliance Adviser**”) has been appointed as the new compliance adviser on the same day.

As at 30 September 2019, as notified by the Compliance Adviser, save for (i) the compliance adviser agreement dated 31 May 2019 entered into between the Company and the Compliance Adviser regarding the receipt of fees for acting as the Compliance Adviser, and (ii) the participation as one of the joint bookrunners in relation to the Listing as disclosed in the Prospectus, neither the Compliance Adviser nor its directors or employees or close associates (as defined under the GEM Listing Rules) had or may have had any interest in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities which require notification to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at 30 September 2019).

Purchase, Sales or Redemption of Listed Securities

There were no purchases, sales or redemptions of the Company’s listed securities by the Company or any of its subsidiaries during the nine months ended 30 September 2019.

Corporate Governance Practices

The Board is committed to achieving high corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

合規顧問的權益

於二零一七年九月二十五日，根據GEM上市規則第6A.19條，本公司委任興業金融融資有限公司(「興業金融融資」)為合規顧問。興業金融融資為上市之獨家保薦人，已根據GEM上市規則聲明其獨立性。

自二零一九年五月三十一日起，興業金融融資與本公司已雙方同意終止合規顧問協議。於同日，長雄證券有限公司(「長雄」)或「合規顧問」已被任命為新的合規顧問。

於二零一九年九月三十日，誠如合規顧問告知，除(i)本公司和合規顧問於二零一九年五月三十一日訂立的合規顧問協議有關收取擔任合規顧問的費用，以及(ii)披露於本公司招股章程內有關作為參與本公司上市的聯席帳簿管理人之一外，合規顧問或其董事、員工或緊密聯繫人(定義見GEM上市規則)於二零一九年九月三十日於本公司或本集團旗下任何其他公司的證券中概無擁有須根據GEM上市規則第6A.32條知會本集團的任何權益(包括可認購該等證券的購股權或權利)。

購買、出售或贖回上市證券

期內，截止二零一九年九月三十日止九個月期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

企業管治常規

董事會致力於持守較高的企業管治標準。

董事會相信，良好的企業管治標準對為本公司提供框架以保障股東利益、提升企業價值、制定業務策略及政策，以及提高透明度及問責性是必不可少的。

The Company has applied the principles and code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 15 of the GEM Listing Rules.

The Company adopted and complied with, where applicable, the CG Code during the nine months ended 30 September 2019 and up to the date of this Report (the “Relevant Period”).

The Board will continue to monitor and review the Company’s corporate governance practices to ensure compliance with the CG Code.

The Board conducted reviews of the system of internal controls of the Group to ensure that an effective and adequate internal control system is in place. The Board also convened meetings to discuss financial, operational and risk management control.

Model Code for Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “Model Code”) as its own code governing securities transactions of the Directors (the “Required Standard”). Having made specific enquiry of all the Directors, all of them confirm that they have fully complied with the Required Standard during the Relevant Period.

Pursuant to Rule 5.66 of the Model Code, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company (the “relevant employees”) who, because of his office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he would be prohibited from dealing by the Model Code as if he were a Director. No incident of non-compliance of the Required Standard by the relevant employees was noted by the Company.

本公司已應用GEM市規則附錄十五所載企業管治守則(「企業管治守則」)載列的原則及守則條文。

本公司自截至二零一九年九月三十日止九個月至本報告日期止期間(「有關期間」)已採納及遵守(如適用)企業管治守則。

董事會將持續監察及檢討本公司的企業管治常規，以確保遵守企業管治守則。

董事會已檢討本集團的內部監控系統，以確保建立有效及充分的內部監控系統。董事會亦召開會議討論財務、營運及風險管理監控。

進行證券交易的標準守則

本公司已採納一套有關董事進行證券交易的操守守則作為其本身監管董事證券交易的守則(「必守標準」)，其條款嚴格程度並不遜於GEM上市規則第5.48至5.67條所載有關董事進行證券交易的必守標準(「標準守則」)。經向全體董事作出特定查詢後，全體董事均已確認彼等於有關期間內已遵守必守標準。

根據標準守則第5.66條，董事亦已要求本公司的任何僱員、或本公司附屬公司的任何董事或僱員(「有關僱員」)，不利用彼等因在本公司或附屬公司的職務或工作而可能管有與本公司證券有關的內幕消息，在標準守則禁止董事買賣證券之期間買賣本公司的證券。本公司並無獲悉有關僱員違反必守標準的事件。

OTHER INFORMATION

其他資料

Audit Committee and Review of Quarterly Results

The Board has established the audit committee (the “**Audit Committee**”) with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules, and code provisions C.3.3 and C.3.7 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Kwok Chi Shing (Chairman), Dr. Yeung David Wai Chow and Mr. Chan Kin Sang.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The financial information in this report has not been reviewed nor audited by the Company’s auditor, but the Audit Committee has reviewed the unaudited condensed consolidated financial results of the Group for the nine months ended 30 September 2019 and is of the opinion that the preparation of such statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

On behalf of the Board

Zhang Shuguang

Chairman and Executive Director

Hong Kong, 8 November 2019

審核委員會及審閱季度業績

董事會已告成立審核委員會，並遵照GEM上市規則第5.28條至第5.33條及企業管治守則條文第C.3.3及C.3.7條訂明其職權範圍。審核委員會由三名獨立非執行董事組成，即郭志成先生(主席)、楊煒秋醫生及陳健生先生。

審核委員會的主要職責包括協助董事會審閱財務資料和申報程序、風險管理和內部監控系統、內部審核職能的有效性、審核範圍和委任外聘核數師，以及讓本公司僱員可對有關本公司財務申報、內部監控或其他事宜的潛在不當行為提出關注的安排。

本報告中的財務信息尚未經過本公司審計師審閱或審核，但審核委員會成員已審閱截至二零一九年九月三十日止九個月集團未經審核簡明綜合財務業績，及認為該等報表的編製符合適用的會計準則、創業板上市規則的規定及其他適用的法律規定，並已作出充分披露。

代表董事會

張曙光

主席兼執行董事

香港，二零一九年十一月八日

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

未經審核簡明綜合損益及其他全面收入表

For the three months and nine months ended 30 September 2019 截至二零一九年九月三十日止三個月及九個月

The Board of the Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2019 together with the unaudited comparative figures for the three months and nine months ended 30 September 2018 as follows:

董事會(「董事會」)欣然公佈本集團截至二零一九年九月三十日止三個月及九個月的未經審核簡明綜合業績，連同截至二零一八年九月三十日止三個月及九個月的未經審核比較數字如下：

| | | Three months ended 30 September | | Nine months ended 30 September | | |
|--|-------------------------|------------------------------------|-------------|-----------------------------------|-------------|---------|
| | | 截至九月三十日止三個月 | | 截至九月三十日止九個月 | | |
| | | 2019 | 2018 | 2019 | 2018 | |
| | | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 | |
| | | (unaudited) | (unaudited) | (unaudited) | (unaudited) | |
| | | (未經審核) | (未經審核) | (未經審核) | (未經審核) | |
| NOTES | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | |
| 附註 | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | |
| Revenue | 收入 | 3 | 6,776 | 7,685 | 18,412 | 21,049 |
| Cost of sales | 銷售成本 | | (2,046) | (1,786) | (5,231) | (5,093) |
| Gross profit | 毛利 | | 4,730 | 5,899 | 13,181 | 15,956 |
| Other income | 其他收入 | 4 | 81 | 136 | 197 | 236 |
| Other gains and losses | 其他收益及虧損 | 5 | 922 | 44 | 753 | 225 |
| Impairment losses on trade and other receivables, net of reversal | 貿易及其他應收款項減值虧損，扣除撥回 | 6 | 38 | - | 534 | 129 |
| Selling and distribution expenses | 銷售及分銷開支 | | (1,673) | (984) | (4,591) | (2,582) |
| Administrative expenses | 行政開支 | | (1,886) | (1,210) | (6,360) | (3,384) |
| Research and development expenses | 研發開支 | | (325) | (392) | (1,157) | (1,091) |
| Listing expenses | 上市開支 | | - | (1,015) | - | (4,074) |
| Profit before tax | 除稅前溢利 | | 1,887 | 2,478 | 2,557 | 5,415 |
| Income tax expense | 所得稅開支 | 7 | (389) | (560) | (836) | (1,464) |
| Profit and total comprehensive income (expense) for the period attributable to the owners of the Company | 本公司擁有人應佔期內溢利及全面收益(開支)總額 | 8 | 1,498 | 1,918 | 1,721 | 3,951 |
| Earnings per share | 每股盈利 | | | | | |
| Basic (RMB cents) | 基本(人民幣分) | 10 | 0.37 | 0.64 | 0.43 | 1.32 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

未經審核簡明綜合權益變動表

For the nine months ended 30 September 2019 截至二零一九年九月三十日止九個月

| | | Combined capital/share capital | Share premium | Capital reserve | Statutory reserve | Accumulated profits | Total |
|---|-----------------------|--------------------------------------|------------------|--------------------|----------------------|------------------------|---------|
| | | 合併資本/ 股本 | 股份溢價 | 資本儲備 | 法定儲備 | 累計溢利 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 1 January 2018 (audited) | 於二零一八年一月一日 (經審核) | - | 16,667 | 1,943 | 1,734 | 17,046 | 37,390 |
| Profit and total comprehensive expense for the period | 期內虧損及全面開支總額 | - | - | - | - | 3,951 | 3,951 |
| At 30 September 2018 (unaudited) | 於二零一八年九月三十日 (未經審核) | - | 16,667 | 1,943 | 1,734 | 20,997 | 41,341 |
| At 1 January 2019 (audited) | 於二零一九年一月一日 (經審核) | 3,509 | 47,248 | 1,943 | 1,734 | 16,587 | 71,021 |
| Loss and total comprehensive expense for the period | 期內虧損及全面開支總額 | - | - | - | - | 1,721 | 1,721 |
| At 30 September 2019 (unaudited) | 於二零一九年九月三十日 (未經審核) | 3,509 | 47,248 | 1,943 | 1,734 | 18,308 | 72,742 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

未經審核簡明綜合財務報表附註

For the nine months ended 30 September 2019 截至二零一九年九月三十日止九個月

1. GENERAL

Huakang Biomedical Holdings Company Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company under the laws of the Cayman Islands with limited liability on 3 August 2017 and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 December 2018. The Company is controlled by Mr. Zhang Shuguang (“**Mr. Zhang**”) and Mr. Chang Yim Yang (“**Mr. Chang**”), who act in concert and hold equity interests in the Company indirectly through Crystal Grant Limited (“**Crystal Grant**”, wholly owned by Mr. Zhang), a limited liability company incorporated in the British Virgin Islands (“**BVI**”) and Ever Charming Inc. (“**Ever Charming**”, wholly owned by Mr. Chang), a limited liability company incorporated in the BVI, respectively.

The addresses of the registered office and principal place of business of the Company are set out in the section headed “Corporate Information” to the annual report. The Group is principally engaged in research and development, manufacture, marketing and sale of biological reagents and auxiliary reproductive supplies and equipment in the PRC through its subsidiary, Shenzhen Huakang, a limited liability company established in the PRC on 26 June 1992.

The unaudited condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company and its subsidiaries (the “**Group**”).

1. 一般資料

華康生物醫學控股有限公司(「**本公司**」)於二零一七年八月三日根據開曼群島法律於開曼群島註冊成立為一間獲豁免有限公司，其股份於二零一八年十二月十三日在香港聯合交易所有限公司(「**聯交所**」) GEM上市。本公司受張曙光先生(「**張曙光先生**」)及張賢陽先生(「**張賢陽先生**」)(為一致行動人士，分別透過一間於英屬處女群島(「**英屬處女群島**」)註冊成立的有限公司Crystal Grant Limited(「**Crystal Grant**」，由張曙光先生全資擁有)及一間於英屬處女群島註冊成立的有限公司Ever Charming Inc.(「**Ever Charming**」，由張賢陽先生全資擁有)間接於持有本公司權益)控制。

本公司之註冊辦事處及主要營業地點地址載於本年報「公司資料」一節。本集團主要透過其附屬公司深圳華康(於一九九二年六月二十六日在中國成立的有限公司)於中國從事生物製劑及輔助生育用品和設備的研發、生產、營銷及銷售。

未經審核簡明綜合財務報表以人民幣(「**人民幣**」)列示，人民幣亦是本公司及其附屬公司(統稱「**本集團**」)之功能貨幣。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 未經審核簡明綜合財務報表附註

For the nine months ended 30 September 2019 截至二零一九年九月三十日止九個月

2. GROUP REORGANISATION AND BASIS OF PRESENTATION 2. 集團重組及呈列基準

Pursuant to a group reorganisation (the “**Reorganisation**”) in connection with the listing of the Company’s shares on the Stock Exchange, the Company became the holding company of the subsidiaries now comprising the Group on 28 November 2017.

Details of the Reorganisation are set out in the paragraph headed “Reorganisation” in the section headed “History and Reorganisation” in the Company’s prospectus dated 30 November 2018. The Group was under the common control of the Controlling Shareholders prior to and after the Reorganisation. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity.

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS**”) and the disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong). In addition, the unaudited condensed consolidated financial statements include applicable disclosures required by the GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis.

The unaudited condensed consolidated financial statements have not been reviewed nor audited by the Company’s auditor, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

根據就本公司股份於聯交所上市而進行的集團重組(「**重組**」)，本公司於2017年11月28日成為本集團現時旗下附屬公司的控股公司。

重組的詳情載於本公司日期為2018年11月30日的招股章程「歷史及重組」一節中「重組」一段。本集團於重組前後均由控股股東共同控制。重組所產生由本公司及其附屬公司組成的本集團被視為一個持續經營實體。

未經審核簡明綜合財務報表乃根據所有適用香港財務報告準則(「**香港財務報告準則**」)、香港會計準則(「**香港會計準則**」)及詮釋(下文統稱為「**香港財務報告準則**」)以及香港法例第622章香港公司條例的披露規定而編製。此外，未經審核簡明綜合財務報表包括GEM上市規則規定的適用披露。

未經審核簡明綜合財務報表乃根據歷史成本基準編製。

未經審核簡明綜合財務報表尚未由本公司核數師審閱或審核，但已由審核委員會審閱。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

未經審核簡明綜合財務報表附註

For the nine months ended 30 September 2019 截至二零一九年九月三十日止九個月

3. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on research and development, manufacturing and sales of biological reagents and auxiliary reproductive supplies and equipment. This operating segment has been identified on the basis of internal management reports prepared in accordance with the Group's accounting policies. Information reported to the directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment focuses on revenue analysis by major products. No other discrete financial information is provided other than the Group's results and financial position as a whole.

The following is an analysis of the Group's revenue:

3. 收益及分部資料

本集團的經營活動歸屬於單一的經營分部，專注於研發、生產及銷售生物製劑及輔助生育用品和設備。此經營分部乃以根據本集團之會計政策編製之內部管理報告為基準識別。就資源分配及評估而向本公司董事（即主要經營決策者）報告的資料著重按主要產品劃分的收益分析。除本集團整體業績及財務狀況外，概無單獨提供其他財務資料。

以下為對本集團收益之分析：

(a) Revenue from major products

(a) 主產品收益

| | | Three months ended 30 September | | Nine months ended 30 September | |
|--|-------------|------------------------------------|-------------|-----------------------------------|-------------|
| | | 截至九月三十日止三個月 | | 截至九月三十日止九個月 | |
| | | 2019 | 2018 | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 |
| | | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | | (未經審核) | (未經審核) | (未經審核) | (未經審核) |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Sales of biological reagents | 銷售生物製劑 | | | | |
| Male fertility IVD reagents | 男性不育體外診斷試劑 | 4,893 | 4,647 | 14,517 | 15,508 |
| Parasite antibody detection reagents | 寄生蟲系列檢測試劑 | 1,079 | 2,120 | 2,119 | 3,342 |
| Epstein-Barr Virus antibody detection reagents | EB病毒檢測試劑 | 377 | 334 | 740 | 765 |
| Sales of auxiliary reproductive supplies and equipment | 銷售輔助生育用品和設備 | 427 | 584 | 1,036 | 1,434 |
| Total | 總計 | 6,776 | 7,685 | 18,412 | 21,049 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 未經審核簡明綜合財務報表附註

For the nine months ended 30 September 2019 截至二零一九年九月三十日止九個月

(b) Types of customers

| | | (b) 客戶類別 | | | |
|------------------|------|--|-------------|---|-------------|
| | | Three months ended 30 September | | Nine months ended 30 September | |
| | | 截至九月三十日止三個月 | | 截至九月三十日止九個月 | |
| | | 2019 | 2018 | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 |
| | | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | | (未經審核) | (未經審核) | (未經審核) | (未經審核) |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Distributors | 分銷商 | 2,615 | 3,796 | 8,938 | 10,796 |
| Non-distributors | 非分銷商 | 4,161 | 3,889 | 9,474 | 10,253 |
| Total | 總計 | 6,776 | 7,685 | 18,412 | 21,049 |

(c) Geographical information

No geographical segment information is presented as the Group's revenue is all derived from the PRC based on the location of goods delivered and all of the Group's non-current assets are located in the PRC by physical location of assets.

(d) Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total sales of the Group are as follows:

(c) 地域資料

由於按貨品交付的地區劃分本集團之收益均來自中國及按資產的所在位置劃分本集團之非流動資產均位於中國，故並無呈列地域分部資料。

(d) 有關主要客戶的資料

相應期內收益佔本集團總銷售10%以上的客戶如下：

| | | Three months ended 30 September | | Nine months ended 30 September | |
|------------|-----|--|-------------|---|-------------|
| | | 截至九月三十日止三個月 | | 截至九月三十日止九個月 | |
| | | 2019 | 2018 | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 |
| | | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | | (未經審核) | (未經審核) | (未經審核) | (未經審核) |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Customer A | 客戶A | 747 | 759 | 2,302 | 2,833 |

Other than Customer A, there was no revenue from other customers individually contributing over 10% of the total revenue of the Group for the nine months ended 30 September 2019 and 2018.

除客戶A外，於截至二零一八年及二零一九年九月三十日止九個月並無收益單獨佔本集團總收益10%以上的其他客戶。

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For the nine months ended 30 September 2019 截至二零一九年九月三十日止九個月

4. OTHER INCOME

| | | Three months ended 30 September 截至九月三十日止三個月 | | Nine months ended 30 September 截至九月三十日止九個月 | |
|----------------------|--------|--|--|--|--|
| | | 2019 二零一九年 (unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (unaudited) (未經審核) RMB'000 人民幣千元 | 2019 二零一九年 (unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (unaudited) (未經審核) RMB'000 人民幣千元 |
| Government grants | 政府補助 | 21 | 105 | 44 | 127 |
| Bank interest income | 銀行利息收入 | 48 | 21 | 132 | 63 |
| Sundry income | 雜項收入 | 12 | 10 | 21 | 46 |
| | | 81 | 136 | 197 | 236 |

4. 其他收入

5. OTHER GAINS AND LOSSES

| | | Three months ended 30 September 截至九月三十日止三個月 | | Nine months ended 30 September 截至九月三十日止九個月 | |
|---|---------------|--|--|--|--|
| | | 2019 二零一九年 (unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (unaudited) (未經審核) RMB'000 人民幣千元 | 2019 二零一九年 (unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (unaudited) (未經審核) RMB'000 人民幣千元 |
| Foreign exchange gains | 匯兌收益 | 912 | 44 | 733 | 225 |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備之收益 | - | - | 10 | - |
| Other gains | 其他收益 | 10 | - | 10 | - |
| | | 922 | 44 | 753 | 225 |

5. 其他收益及虧損

6. IMPAIRMENT LOSSES, NET OF REVERSAL

| | | Three months ended 30 September 截至九月三十日止三個月 | | Nine months ended 30 September 截至九月三十日止九個月 | |
|-------------------------------|----------|--|--|--|--|
| | | 2019 二零一九年 (unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (unaudited) (未經審核) RMB'000 人民幣千元 | 2019 二零一九年 (unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (unaudited) (未經審核) RMB'000 人民幣千元 |
| Impairment losses reversed on | 已撥回減值虧損 | | | | |
| - trade receivables | - 貿易應收款項 | 38 | - | 511 | 120 |
| - other receivables | - 其他應收款項 | - | - | 23 | 9 |
| | | 38 | - | 534 | 129 |

6. 減值虧損，扣除撥回

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For the nine months ended 30 September 2019 截至二零一九年九月三十日止九個月

7. INCOME TAX EXPENSE

7. 所得稅開支

| | Three months ended 30 September 截至九月三十日止三個月 | | Nine months ended 30 September 截至九月三十日止九個月 | |
|---|--|--|--|--|
| | 2019 二零一九年 (unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (unaudited) (未經審核) RMB'000 人民幣千元 | 2019 二零一九年 (unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (unaudited) (未經審核) RMB'000 人民幣千元 |
| PRC Enterprise Income Tax ("EIT") 中國企業所得稅 (「企業所得稅」) | | | | |
| Current tax 即期稅項 | 389 | 560 | 836 | 1,464 |

The Company and the subsidiaries incorporated in BVI are tax-exempted and current tax provision represents provision for PRC EIT. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the entity established in the PRC is 25%. Since Shenzhen Huakang is recognised as "New and High Technology Enterprise" and therefore entitled to apply a tax rate of 15%. The entitlement of this tax benefit is subject to renewal by respective tax bureau in the PRC every three years. The latest approval for Shenzhen Huakang enjoying this tax benefit was obtained in October 2018 for the three years ending 31 December 2020.

於英屬處女群島註冊成立的本公司及附屬公司均免稅，即期稅項撥備指中國企業所得稅撥備。根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，於中國成立之實體的稅率為25%。由於深圳華康獲評為「高新技術企業」，因此可享有15%的優惠稅率。該項稅務優惠資格須每三年獲相關中國稅務局重續。深圳華康最近獲此稅務優惠審批之時間為二零一八年十月，有效期為截至二零二零年十二月三十一日止三年。

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未經審核簡明綜合財務報表附註

For the nine months ended 30 September 2019 截至二零一九年九月三十日止九個月

8. PROFIT FOR THE PERIOD

8. 期內溢利

| | | Three months ended 30 September 截至九月三十日止三個月 | | Nine months ended 30 September 截至九月三十日止九個月 | |
|---|-----------------|---|-------------|--|-------------|
| | | 2019 | 2018 | 2019 | 2018 |
| | | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | | (未經審核) | (未經審核) | (未經審核) | (未經審核) |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Profit for the period has been arrived at after charging: | 期內溢利於扣除下列各項後得出： | | | | |
| Auditor's remuneration | 核數師酬金 | - | 165 | 600 | 495 |
| Amortisation of intangible assets | 無形資產攤銷 | 87 | 87 | 263 | 263 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 410 | 362 | 1,175 | 1,004 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 110 | - | 330 | - |
| Rental expenses in respect of rented premises under operating lease | 經營租賃項下租賃物業之租賃開支 | 105 | 84 | 317 | 328 |
| Directors' emoluments | 董事薪酬 | 264 | 116 | 815 | 344 |
| Other staff costs | 其他員工成本 | | | | |
| Salaries, bonuses and other benefits | 薪金、花紅及其他福利 | 1,449 | 1,245 | 4,930 | 3,897 |
| Retirement benefit schemes contributions | 退休福利計劃供款 | 254 | 193 | 794 | 531 |
| Total staff costs | 員工總成本 | 1,967 | 1,554 | 6,539 | 4,772 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 未經審核簡明綜合財務報表附註

For the nine months ended 30 September 2019 截至二零一九年九月三十日止九個月

9. DIVIDEND

No dividend was paid or declared by the Group during the nine months ended 30 September 2019 and 2018, nor has any dividend been proposed since the end of the reporting period.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

9. 股息

截至二零一八年及二零一九年九月三十日止九個月，本集團概無派付或宣派任何股息，及自報告期末亦無建議派付任何股息。

10. 每股盈利

每股基本盈利的計算乃基於以下數據：

| | Three months ended 30 September 截至九月三十日止三個月 | | Nine months ended 30 September 截至九月三十日止九個月 | |
|--|---|---|--|---|
| | 2019 二零一九年 (unaudited) (未經審核) 人民幣千元 | 2018 二零一八年 (unaudited) (未經審核) 人民幣千元 | 2019 二零一九年 (unaudited) (未經審核) 人民幣千元 | 2018 二零一八年 (unaudited) (未經審核) 人民幣千元 |
| Profit: | 溢利： | | | |
| Profit for the period attributable to the owners of the Company for the purpose of basic earnings per share | 計算每股基本盈利所用本公司擁有人應佔期內溢利 | | | |
| | 1,498 | 1,918 | 1,721 | 3,951 |
| | '000 千股 | '000 千股 | '000 千股 | '000 千股 |
| Number of shares: | 股份數目： | | | |
| Weighted average number of ordinary shares of the Company in issue for the purpose of basic earnings per share | 計算每股基本盈利所用本公司已發行普通股加權平均數 | | | |
| | 400,000 | 300,000 | 400,000 | 300,000 |

The number of ordinary shares of the Company in issue for the purpose of calculating basic loss per share has been determined on the assumption that the Group Reorganisation and Capitalisation Issue has been effective on 1 January 2018.

No diluted loss per share for the nine months ended 30 September 2019 and 2018 was presented as there were no potential ordinary shares in issue during the nine months ended 30 September 2019 and 2018.

計算每股基本虧損所用本公司已發行普通股數目乃假設集團重組及資本化發行於二零一八年一月一日經已生效而釐定。

由於截至二零一八年及二零一九年九月三十日止九個月無潛在已發行普通股，故於截至二零一八年及二零一九年九月三十日止九個月並無呈列每股攤薄虧損。



Huakang Biomedical Holdings Company Limited
華康生物醫學控股有限公司