



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

2020

第一季業績報告
First Quarterly Report

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

香港聯合交易所有限公司(「聯交所」)GEM之特色

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report (“**Report**”), make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Report.

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。

由於**GEM**上市公司通常為中小型公司，於**GEM**買賣之證券可能會較於聯交所主板買賣之證券承受較大之市場波動風險，及無法保證於**GEM**買賣之證券會有高流通市場。

香港交易及結算有限公司及聯交所對本報告(「**本報告**」)的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不對因本報告全部或任何部分內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。

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。



CONTENTS 目錄

| | |
|---|----|
| Corporate Information 公司資料 | 3 |
| Management Discussion and Analysis 管理層討論及分析 | 4 |
| Other Information 其他資料 | 12 |
| 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 | 20 |
| Unaudited Condensed Consolidated Statement of Changes in Equity 未經審核簡明綜合權益變動表 | 21 |
| Notes to the Unaudited Condensed Consolidated Financial Statements 未經審核簡明綜合財務報表附註 | 22 |



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

Mr. He Jiaming

何嘉明先生

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

長雄證券有限公司

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

Tung, Ng, Tse & Lam Solicitors

董吳謝林律師事務所

Auditor 核數師

Mazars CPA Limited

中審眾環(香港)會計師事務所有限公司

Registered Office

註冊辦事處

Cricket Square,

Hutchins Drive,

P.O. Box 2681,

Grand Cayman, KY1-1111,

Cayman Islands

Principal Place of Business

在香港主要營業地點

香港主要營業地點

3rd Floor, Effectual Building,

16 Hennessy Road,

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,

Cayman Islands

Hong Kong Share Registrar and Transfer Branch Office

香港股份過戶登記分處

Tricor Investor Services Limited

Level 54, Hopewell Centre,

183 Queen's Road East,

Hong Kong

卓佳證券登記有限公司

香港

皇后大道東183號

合和中心54樓

Company's Websites

公司網址

<http://www.huakangbiomedical.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 People's Republic of China (the "PRC") and particularly focused on the PRC male fertility IVD reagent market.

For three months ended 31 March 2020, our Group experienced a significant decrease in revenue from sales of our male fertility IVD reagent products, which were our major products. Our Directors are of the view that such significant decrease was mainly attributable to the significant decline in sales revenue in the markets within the PRC as since the outbreak of the novel coronavirus (COVID-19) epidemic (the "Epidemic"), a number of provinces and municipalities in the PRC have taken emergency public health measures and various actions to prevent the spread of the Epidemic, including crowd-control and/or stay-home policies or orders. 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.

業務回顧及展望

本集團是一家專注於在中華人民共和國(「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。

截至二零二零年三月三十一日止三個月，本集團銷售主要產品男性體外診斷試劑產品的收益顯著減少。董事認為該顯著減少乃主要由於中國的地區銷售收入大幅倒退因為自從新型冠狀病毒(COVID-19)疫情(「疫情」)爆發，中國之多個省市已採取緊急公共衛生措施，並採取各種行動預防疫情傳播，包括採取人群控制或居家政策或命令。然而，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。與此同時，我們預期中國男性不育體外診斷試劑市場的增長將受以下原因所驅動：不孕不育率上升、輔助生育治療獲廣泛接納、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。

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 three non-legally binding memorandum of understanding in relation to the establishment of joint venture companies for, among other things, (i) the research, development and registration of technology, devices and products in relation to assisted reproductive treatment in the PRC; (ii) setting up and operating cross-border e-commerce platform(s) for sales, marketing and distribution of the product in the PRC and Hong Kong; and (iii) the research and development in relation to the use and application of microfluidic technology and Point-Of-Care (POC) biomedical testing for the male fertility diagnosis. We are actively finalising the relevant cooperation arrangement.

The Group will also proactively seek potential business opportunities that may broaden the Group's source of income and enhance value to the shareholders of the Company. Looking forward, the Group will continue to manage its expenditures, review its business strategies and look for opportunities in a cautious and prudent manner.

為更好把握市場機遇，我們的戰略是透過持續研發及加大市場推廣，從而進一步增加產品的競爭力。我們擬採取下列業務策略拓展我們的業務：(i)擴大我們的產品組合並改善我們現有產品的種類；(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)發展我們的輔助生育產品業務。

本集團已訂立三項無法律約束力的諒解備忘錄，內容有關於成立合營企業，以(其中包括) (i)在中國開展與輔助生育治療相關的技術、設備及產品的研究、開發及註冊；(ii)設立及經營跨境電子商務平台，以供於中國及香港銷售、營銷及分銷產品；及(iii)以微流控技術和即時檢驗生物醫學測試的使用及應用於診斷男性生育能力的相關研發。我們正積極完成有關合作安排。

本集團亦將積極物色潛在業務機會，擴闊本集團收入來源，提高本公司股東之價值。展望將來，本集團會繼續管理開支，檢討其業務策略，並以審慎的態度尋找機會。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Revenue

The Group's revenue significantly decreased by approximately RMB3.0 million, or approximately 59.5%, to approximately RMB2.1 million for the three months ended 31 March 2020 as compared to approximately RMB5.1 million for three months ended 31 March 2019. The decrease in revenue was mainly due to a significantly decrease in sales of male fertility IVD reagents.

Male fertility IVD reagents product remained our major product for the three months ended 31 March 2020, accounting for approximately 74.6% of our total revenue for the period. Revenue from this segment for the period was approximately RMB1.5 million, representing a significant decrease of approximately RMB2.7 million, or approximately 64.2% from approximately RMB4.3 million for the three months ended 31 March 2019. Our Directors are of the view that such significant decrease was mainly attributable to the significant decline in sales revenue in the markets within the PRC as since the outbreak of the Epidemic, a number of provinces and municipalities in the PRC have taken emergency public health measures and various actions to prevent the spread of the Epidemic, including crowd-control and/or stay-home policies or orders.

財務回顧

收益

本集團於截至二零二零年三月三十一日止三個月較去年錄得收益顯著地減少約人民幣3.0百萬元或約59.5%至約人民幣2.1百萬元，比較截至二零一九年三月三十一日止三個月約人民幣5.1百萬元。收入減少主要來自男性不育體外診斷試劑的銷售顯著地減少。

男性體外診斷試劑產品於截至二零二零年三月三十一日止三個月仍為我們的主要產品，佔我們期內總收益約74.6%。期內來自此分部的收入約為人民幣1.5百萬元，相當於較截至二零一九年三月三十一日止三個月約人民幣4.3百萬元顯著減少約人民幣2.7百萬元或64.2%。董事認為該顯著減少乃主要由於中國的地區銷售收入大幅倒退因為自從疫情爆發，中國之多個省市已採取緊急公共衛生措施，並採取各種行動預防疫情傳播，包括採取人群控制或居家政策或命令。

Gross Profit and Gross Profit Margin

The Group recorded a gross profit of approximately RMB1.5 million for the three months ended 31 March 2020, representing a significantly decrease of approximately RMB2.3 million or approximately 60.5% from approximately RMB3.8 million for the three months ended 31 March 2019.

The Group's gross profit margin remained relatively stable at approximately 73.8% for the three months ended 31 March 2020 as compared to the gross profit margin of approximately 74.0% for the three months ended 31 March 2019.

Other Income and Other Gains and Losses

Our other income slightly increased by approximately RMB18,000, or by approximately 39.1%, from approximately RMB46,000 for the three months ended 31 March 2019 to approximately RMB64,000 for the three months ended 31 March 2020.

We recorded other gains of approximately RMB391,000 for the three months ended 31 March 2020, whereas we recorded other losses of approximately RMB668,000 for the three months ended 31 March 2019. Such change was mainly attributable to an favourable conditions in foreign currency translated to RMB.

Impairment losses

We recorded impairment losses on trade receivables for approximately RMB610,000 for the three months ended 31 March 2020, as compared to reversal of impairment losses on trade receivables of approximately RMB618,000, for the three months ended 31 March 2019, mainly because the repayment ability of the Company's customers deteriorated since the outbreak of the Epidemic.

毛利及毛利率

本集團截至二零二零年三月三十一日止三個月錄得毛利約人民幣1.5百萬元，較截至二零一九年三月三十一日止三個月之約人民幣3.8百萬元顯著地減少約人民幣2.3百萬元或約60.5%。

本集團的毛利率保持相對穩定由截至二零二零年三月三十一日止三個月約73.8%對比截至二零一九年三月三十一日止三個月約74.0%。

其他收入及其他虧損

其他收入由截至二零一九年三月三十一日止三個月約人民幣46,000元輕微增加約人民幣18,000元或約39.1%至截至二零二零年三月三十一日止三個月約人民幣64,000元。

我們於截至二零二零年三月三十一日止三個月錄得其他收益約人民幣391,000元，而我們於截至二零一九年三月三十一日止三個月錄得其他虧損約人民幣668,000元。有關變動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

我們於截至二零二零年三月三十一日止三個月錄得貿易應收款項減值虧損約人民幣610,000元，比較截至二零一九年三月三十一日止三個月貿易應收款項回撥減值虧損約人民幣618,000元，主要乃由於自疫情爆發以來，本公司客戶的還款能力惡化。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Expenses

Our selling and distribution expenses remained relatively stable for the three months ended 31 March 2020 and 2019 in amount of approximately RMB1.4 million.

Administrative expenses increased from approximately RMB2.1 million for the three months ended 31 March 2019 to approximately RMB2.3 million for the three months ended 31 March 2020, representing an increase of approximately RMB200,000 or approximately 9.7% during the period. Such increase was mainly attributable to purchasing epidemic prevention supplies and addition depreciation charges arising from the equipment acquired in late 2019.

Research and development expenses slightly increase from approximately RMB310,000 for the three months ended 31 March 2019 to approximately RMB417,000 for the three months ended 31 March 2020.

Loss for the period

For the three months ended 31 March 2020, the loss and total comprehensive expenses for the period attributable to the owners of the Company was approximately RMB2.8 million, as compared to approximately RMB148,000 for the three months ended 31 March 2019. The decrease was mainly due to the reason mentioned above in relation to a significant decrease of revenue. Basic loss per share for the period was RMB0.69 cents, as compared to RMB0.04 cents for the three months ended 31 March 2019.

Taxation

The PRC enterprise income tax rate applicable to the Group's subsidiaries is 15% (three months ended 31 March 2019: 15%), whereas no assessable profit arising from Hong Kong for the three months ended 31 March 2020 (three months ended 31 March 2019: Nil).

開支

我們的銷售及分銷開支保持相對穩定約人民幣1.4百萬元於截至二零二零及二零一九年三月三十一日止三個月。

行政開支由截至二零一九年三月三十一日止三個月約人民幣2.1百萬元增加至截至二零二零年三月三十一日止三個月約人民幣2.3百萬元，期內增加約人民幣200,000或9.7%。該增加乃主要由於購買防疫用品及於二零一九年未所購買之設備而產生的折舊費用增加。

研發開支輕微增加，截至二零一九年三月三十一日止三個月約為人民幣310,000元，截至二零二零年三月三十一日止三個月約為人民幣417,000元。

期內虧損

截至二零二零年三月三十一日止三個月，本集團擁有人應佔期內虧損及全面開支總額約人民幣2.8百萬元，比較截至二零一九年三月三十一日止三個月約人民幣148,000元。減少乃主要以上提及有關銷售收入顯著減少。期內每股基本虧損為人民幣0.69分，比較截至二零一九年三月三十一日止三個月人民幣0.04分。

稅項

本集團附屬公司適用之中國企業所得稅率為15%（截至二零一九年三月三十一日止三個月：15%），而截止二零二零年三月三十一日止三個月並無在香港產生應課稅溢利（截至二零一九年三月三十一日止三個月：無）。

USE OF PROCEEDS FROM SHARE OFFER

The shares of the Company (the “Shares”) were listed on the GEM (the “Listing”) of the Stock Exchange on 13 December 2018 (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 estimated expenses payable by the Company in connection with the Share Offer, amounted to approximately HK\$16.6 million. During the period from Listing Date to 31 March 2020, 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”).

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme pursuant to an ordinary resolution passed by the shareholders in the extraordinary general meeting on 13 January 2020 (the “Share Option Scheme”). The Share Option Scheme is a long-term incentive scheme of the Company to reward its employees, Directors and other eligible participants for their contributions to the Group and to assist the Group in its recruitment and retention of high calibre employees and other eligible participants who are instrumental to the growth and development of the Group.

As at 31 March 2020, no share option had been granted under the Share Option Scheme.

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 ordinary shares. As at 31 March 2020, the Company’s issued share capital was HK\$4 million and the number of its issued shares was 400,000,000 of HK\$0.01 each.

股份發售所得款項用途

本公司股份(「股份」)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」)，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估計開支)為約16.6百萬港元。自上市日期至二零二零年三月三十一日期間，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。

購股權計劃

本公司已根據股東於二零二零年一月十三日的股東特別大會上通過的一項普通決議案採納購股權計劃(「購股權計劃」)。購股權計劃乃本公司的長期激勵計劃，旨在獎勵其僱員、董事及其他合資格參與者對本集團作出貢獻，同時協助本集團招聘及挽留高素質僱員及其他對本集團成長及發展至關重要的合資格參與者。

截至二零二零年三月三十一日，根據購股權計劃並無授出任何購股權。

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。於二零二零年三月三十一日，本公司已發行股本為港幣4百萬元，其已發行股本數目為400,000,000股每股0.01港元之股份。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

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 three months ended 31 March 2020. The management will closely monitor 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.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

For the three months ended 31 March 2020, the Group did not make any material acquisitions or disposals of subsidiaries and affiliated companies.

SIGNIFICANT INVESTMENT HELD

As at 31 March 2020, the Group did not hold any significant investment.

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二零二零年三月三十一日止三個月的外匯風險。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。

重大收購及出售附屬公司及關聯公司

截至二零二零年三月三十一日止三個月，本集團並無作出任何重大收購及出售附屬公司及關聯公司。

重大投資持有

於二零二零年三月三十一日，本集團並無持有任何重大投資。

PLEDGE OF ASSETS

As at 31 March 2020, the Group did not pledge any of its material assets (31 December 2019: Nil).

CONTINGENT LIABILITIES

As at 31 March 2020, the Company had no outstanding corporate guarantee (31 December 2019: Nil). As at 31 March 2020, the Group had no banking facilities and did not have any significant contingent liabilities (31 December 2019: 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 and capital assets as at the date of this Report.

DIVIDEND

The Directors does not recommend the payment of any dividend for the three months ended 31 March 2020 (three months ended 31 March 2019: Nil).

SUBSEQUENT EVENT

Grant of Share Options

On 9 April 2020, the Company announced the granting of an aggregate of 26,008,000 share options, subject to the acceptance by the grantees, at an exercise price of HK\$0.125 per share of the Company to the eligible persons under the Share Option Scheme. The market price of the Company's shares at the date of grant was HK\$0.125 per share. All of the share options are exercisable from the date of acceptance by a grantee to 8 April 2030 (both days inclusive). Each of the grantees has paid HK\$1 to the Company on acceptance of the offer of share option. Details are set out in the Company's announcement dates 9 April 2020.

The Company is currently assessing the impact of the grants of options on the Group's consolidated financial statements for the year ending 31 December 2020 in accordance with the Group's accounting policy.

資產抵押

於二零二零年三月三十一日，本集團並無抵押任何重大資產(二零一九年十二月三十一日：無)。

或然負債

於二零二零年三月三十一日，本公司概無尚未償還公司擔保(二零一九年十二月三十一日：無)。於二零二零年三月三十一日，本集團概無銀行融資及並無任何重大或然負債(二零一九年十二月三十一日：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及資本資產的計劃。

股息

董事不建議派付截至二零二零年三月三十一日止三個月的任何股息(截止二零一九年三月三十一日止三個月：零)。

期後事項

授出購股權

於二零二零年四月九日，本公司公佈根據購股權計劃向合資格人士授出合共26,008,000份購股權，惟受限於承授人接納，行使價為每股本公司股份0.125港元。於授出日期，本公司股份的市價為每股股份0.125港元。全部購股權可由承授人接納日至二零二零年四月八日行使(包括首尾兩日)。各承授人已於接納購股權要約時向本公司支付1港元。有關詳情載於本公司日期為二零二零年四月九日的公告。

本公司目前正在根據本集團的會計政策評估授出購股權對本集團截至二零二零年十二月三十一日止年度的綜合財務報表的影響。



OTHER INFORMATION

其他資料

Directors' and Controlling Shareholders' Interest in Contracts

Apart from the contracts 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) ("**Controlling Shareholder**") of the Company and their respective connected parties had a material interest, whether directly or indirectly, subsisted at any time for the three months ended 31 March 2020.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 March 2020, the interests and short positions of the Directors and their associates 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 the GEM on 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，於截至二零二零年三月三十一日止三個月內任何時間，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)(「**控股股東**」)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股份、相關股份及債權證的權益及淡倉

於二零二零年三月三十一日，董事及彼等各自之聯繫人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：

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 張曙光先生 | Interests of controlled corporation and concert party ⁽³⁾ 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 31 March 2020.
 - (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 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) 所有所列權益均為好倉。
 - (2) 此乃基於二零二零年三月三十一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。

OTHER INFORMATION

其他資料

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：所有所列權益均為好倉。

Saves as disclosed above, as at 31 March 2020, 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，於二零二零年三月三十一日，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。

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

As at 31 March 2020, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interest or short position in Shares or underlying Shares which fell to be disclosed to the Company and the Stock Exchange under the provision of Division 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

於二零二零年三月三十一日，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分部之條文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⁾ | | |

OTHER INFORMATION

其他資料

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. Zhang Shuguang is deemed to be interested under the SFO; and (ii) 95,424,000 Shares held by 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.
- (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（由張賢陽先生全資擁有之公司）持有之95,424,000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。
- (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 three months ended 31 March 2020 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 Interest

The Directors confirm that none of the Controlling Shareholders or the Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by our Group which competes or is like to compete, directly or indirectly, with our Group's business during the three months ended 31 March 2020 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，於截至二零二零年三月三十一日止三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，於截至二零二零年三月三十一日止三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。

Interest of Compliance Adviser

As at 31 March 2020, as notified by Ever-Long Securities Company Limited (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, any interest in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at 31 March 2020.

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 period from the Listing Date to 31 March 2020.

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.

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 three months ended 31 March 2020 and up to the date of this Report (the “**Relevant Period**”).

合規顧問的權益

於二零二零年三月三十一日，誠如長雄證券有限公司(「合規顧問」)告知，除(i)本公司與合規顧問就作為合規顧問收取費用而於二零一九年五月三十一日訂立之合規顧問協議，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賬簿管理人之一外，合規顧問或其董事、員工或緊密聯繫人(定義見GEM上市規則)於二零二零年三月三十一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，自上市日期起至二零二零年三月三十一日止期間，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。

本公司已應用GEM上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。

本公司自截止二零二零年三月三十一日止三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。

OTHER INFORMATION

其他資料

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 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 enquiries to all the Directors, all of them confirmed that they had 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.

Audit Committee and Review of Quarterly Results

The audit committee of the Company has been established 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 ("Audit Committee"). 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.

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。

審核委員會及審閱季度業績

本公司審核委員會已告成立，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」)。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。

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

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潜在不當行為提出關注的安排。

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 three months ended 31 March 2020 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.

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二零二零年三月三十一日止三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。

On behalf of the Board

代表董事會

Zhang Shuguang

Chairman and Executive Director

張曙光

主席兼執行董事

Hong Kong, 13 May 2020

香港，二零二零年五月十三日



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 ended 31 March 2020 截至二零二零年三月三十一日止三個月

The Board of the directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Group for the three months ended 31 March 2020 together with the unaudited comparative figures for the three months ended 31 March 2019 as follows.

董事會(「董事會」)欣然公佈本集團截至二零二零年三月三十一日止三個月的未經審核簡明綜合業績，連同截至二零一九年三月三十一日止三個月的未經審核比較數字如下。

| | | Three months ended 31 March 截至三月三十一日止三個月 | | |
|---|-----------------------|---|--|--|
| | | | 2020 二零二零年 (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 |
| | | NOTES 附註 | | |
| Revenue | 收入 | 3 | 2,056 | 5,071 |
| Cost of sales | 銷售成本 | | (539) | (1,318) |
| Gross profit | 毛利 | | 1,517 | 3,753 |
| Other income | 其他收入 | 4 | 64 | 46 |
| Other gains and losses | 其他收益及虧損 | 5 | 391 | (668) |
| Impairment losses on trade receivables, net of reversal | 貿易應收款項減值虧損，扣除撥回 | 6 | (610) | 641 |
| Selling and distribution expenses | 銷售及分銷開支 | | (1,428) | (1,364) |
| Administrative expenses | 行政開支 | | (2,255) | (2,055) |
| Research and development expenses | 研發開支 | | (417) | (310) |
| Finance costs | 融資成本 | | (15) | (8) |
| (Loss)/Profit before tax | 除稅前(虧損)/溢利 | | (2,753) | 35 |
| Income tax expense | 所得稅開支 | 7 | - | (183) |
| Loss and total comprehensive (expense) for the period attributable to the owners of the Company | 本公司擁有人應佔期內虧損及全面(開支)總額 | 8 | (2,753) | (148) |
| Loss per share | 每股虧損 | | | |
| Basic (RMB cents) | 基本(人民幣分) | 10 | (0.69) | (0.04) |



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

未經審核簡明綜合權益變動表

For the three months ended 31 March 2020 截至二零二零年三月三十一日止三個月

| | | Share capital | Share premium | Capital reserve | Statutory reserve | Translation reserve | Accumulated profits | Sub-total | Total |
|---|---------------------|---------------|---------------|-----------------|-------------------|---------------------|---------------------|-----------|---------|
| | | 股本 | 股份溢價 | 資本儲備 | 法定儲備 | 匯兌儲備 | 累計溢利 | 小計 | 總計 |
| | | RMB'000 | RMB'000 | 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 | 人民幣千元 | 人民幣千元 |
| 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 | 67,512 | 71,021 |
| Loss and total comprehensive expense for the period | 期內虧損及全面開支總額 | - | - | - | - | - | (148) | (148) | (148) |
| At 31 March 2019 (unaudited) | 於二零一九年三月三十一日 (未經審核) | 3,509 | 47,248 | 1,943 | 1,734 | - | 16,439 | 67,364 | 70,873 |
| At 1 January 2020 (audited) | 於二零二零年一月一日 (經審核) | 3,509 | 47,248 | 1,943 | 2,302 | (52) | 15,735 | 67,176 | 70,685 |
| Loss and total comprehensive expense for the period | 期內虧損及全面開支總額 | - | - | - | - | (8) | (2,753) | (2,761) | (2,761) |
| At 31 March 2020 (unaudited) | 於二零二零年三月三十一日 (未經審核) | 3,509 | 47,248 | 1,943 | 2,302 | (60) | 12,982 | 64,415 | 67,924 |



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

未經審核簡明綜合財務報表附註

For the three months ended 31 March 2020 截至二零二零年三月三十一日止三個月

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 and Mr. Chang Yim Yang, who act in concert and hold equity interests in the Company indirectly through Crystal Grant Limited (“**Crystal Grant**”, wholly owned by Mr. Zhang Shuguang), a limited liability company incorporated in the British Virgin Islands (“**BVI**”) and Ever Charming Inc. (“**Ever Charming**”, wholly owned by Mr. Chang Yim Yang), 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 this 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, 深圳華康生物醫學工程有限公司 (Shenzhen Huakang Bio-Medical Engineering Limited*) (“**Shenzhen Huakang**”), a limited liability company established in the PRC on 26 June 1992.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Group and rounded to the nearest thousand unless otherwise stated.

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及張賢陽先生(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報告「公司資料」一節。本集團主要透過其附屬公司，深圳華康生物醫學工程有限公司(「**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。

綜合財務報表以人民幣(「**人民幣**」)呈列，與本集團之功能貨幣相同，且除另有註明外，均四捨五入至最接近之千位數。

* The English name is for identification purpose

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

未經審核簡明綜合財務報表附註

For the three months ended 31 March 2020 截至二零二零年三月三十一日止三個月

2. BASIS OF PRESENTATION

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**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

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

The unaudited condensed consolidated financial statements have not been audited by the Company’s auditor, but have been reviewed by the Audit Committee.

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, 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.

2. 呈列基準

未經審核簡明綜合財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈的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(以下統稱為「香港財務報告準則」)而編製。

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核，但已由審核委員會審閱。

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。

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

For the three months ended 31 March 2020 截至二零二零年三月三十一日止三個月

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

以下為對本集團收益之分析：

(a) Revenue from major products

| | | Three months ended 31 March 截至三月三十一日止三個月 | |
|--|-------------|--|--|
| | | 2020 二零二零年 (unaudited) RMB'000 人民幣千元 | 2019 二零一九年 (unaudited) RMB'000 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 | 1,534 | 4,281 |
| Parasite antibody detection reagents | 寄生蟲系列檢測試劑 | 314 | 332 |
| Epstein-Barr Virus antibody detection reagents | EB病毒檢測試劑 | 105 | 195 |
| Sales of auxiliary reproductive supplies and equipment | 銷售輔助生育用品和設備 | 103 | 263 |
| Total | 總計 | 2,056 | 5,071 |

(a) 主產品收益

(b) Types of customers

| | | Three months ended 31 March 截至三月三十一日止三個月 | |
|------------------|------|--|--|
| | | 2020 二零二零年 (unaudited) RMB'000 人民幣千元 | 2019 二零一九年 (unaudited) RMB'000 人民幣千元 |
| Distributors | 分銷商 | 1,186 | 2,425 |
| Non-distributors | 非分銷商 | 870 | 2,646 |
| Total | 總計 | 2,056 | 5,071 |

(b) 客戶類別

(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 the Group's non-current assets (except for right-of-use assets which is mainly located in Hong Kong) are located in the PRC by physical location of assets.

(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(主要位於香港的使用權資產除外)主要位於中國，故並無呈列地域分部資料。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

未經審核簡明綜合財務報表附註

For the three months ended 31 March 2020 截至二零二零年三月三十一日止三個月

(d) Information about major customers

Details of the customers (including entities under common control) individually accounting for 10% or more of the Group's total revenue are as follows:

(d) 有關主要客戶的資料

單獨佔本集團總收益10%或以上的客戶(包括受共同控制實體)的詳情如下:

| | | Three months ended 31 March 截至三月三十一日止三個月 | |
|------------|-----|--|--|
| | | 2020 二零二零年 (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 |
| Customer A | 客戶A | 279 | 726 |

4. OTHER INCOME

4. 其他收入

| | | Three months ended 31 March 截至三月三十一日止三個月 | |
|----------------------|--------|--|--|
| | | 2020 二零二零年 (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 |
| Bank interest income | 銀行利息收入 | 42 | 35 |
| Government grants | 政府補助 | 22 | 11 |
| | | 64 | 46 |

5. OTHER GAINS AND LOSSES

5. 其他收益及虧損

| | | Three months ended 31 March 截至三月三十一日止三個月 | |
|--------------------------------------|------------|--|--|
| | | 2020 二零二零年 (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 |
| Foreign exchange gains/(losses), net | 匯兌淨收益/(虧損) | 391 | (668) |

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

For the three months ended 31 March 2020 截至二零二零年三月三十一日止三個月

6. IMPAIRMENT LOSSES, NET OF REVERSAL 6. 減值虧損，扣除撥回

| | Three months ended 31 March 截至三月三十一日止三個月 | |
|---|--|--|
| | 2020 二零二零年 (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 |
| Impairment losses recognised (reversed) on 已確認(已撥回)減值虧損 | | |
| – trade receivables 一貿易應收款項 | 610 | (618) |
| – other receivables 一其他應收款項 | - | (23) |
| | 610 | (641) |

7. INCOME TAX EXPENSE

7. 所得稅開支

| | Three months ended 31 March 截至三月三十一日止三個月 | |
|--|--|--|
| | 2020 二零二零年 (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 |
| PRC Enterprise Income Tax (“EIT”) 中國企業所得稅 (「企業所得稅」) | | |
| Current tax 即期稅項 | - | 183 |

The Company and the subsidiaries incorporated in the “BVI” are tax-exempted. Entity established in the PRC is subject to PRC Enterprise Income Tax at a statutory rate of 25%. Since the Group’s PRC subsidiary, Shenzhen Huakang is recognised as “New and High Technology Enterprise” and therefore is entitled to a concessional 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.

Hong Kong Profits Tax has not been provided as the Group had no assessable profit arising from Hong Kong for the three months ended 31 March 2020 and 2019.

於英屬處女群島註冊成立的本公司及附屬公司均免稅。於中國成立之實體須按中國企業所得稅法定稅率25%繳納稅項。由於本集團的中國附屬公司深圳華康獲評為「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。

由於本集團於截至二零二零年及二零一九年三月三十一日止三個月並無在香港產生應課稅溢利，故並無就香港利得稅作出撥備。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

未經審核簡明綜合財務報表附註

For the three months ended 31 March 2020 截至二零二零年三月三十一日止三個月

No provision for deferred taxation has been made in the unaudited condensed consolidated financial statements as there were no significant temporary differences arising during the three months ended 31 March 2020 and 2019 or at the end of each reporting period.

由於截至二零二零年及二零一九年三月三十一日止三個月或各報告期末並無重大暫時性差異，因此未經審核簡明綜合財務報表並無計提遞延稅項撥備。

8. LOSS BEFORE TAX

This is stated after charging:

8. 除稅前虧損

此乃經扣除下列各項：

| | | Three months ended 31 March 截止三月三十一日止三個月 | |
|---|--------------------|---|-------------|
| | | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 |
| | | (unaudited) | (unaudited) |
| | | (未經審核) | (未經審核) |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Finance costs | 融資成本 | | |
| Finance charges on lease liabilities | 租賃負債的財務費用 | 15 | 8 |
| Staff costs, including directors' remuneration | 員工成本，包括董事薪酬 | | |
| Directors' emoluments | 董事薪酬 | 483 | 287 |
| Other staff costs | 其他員工成本 | | |
| Salaries, bonus and other benefits | 薪金、花紅及其他福利 | 1,625 | 1,726 |
| Contributions to defined contribution plans | 定額供款計劃供款 | 212 | 191 |
| | | 2,320 | 2,204 |
| Other items | 其他項目 | | |
| Auditor's remuneration | 核數師酬金 | 158 | 300 |
| Amortisation of intangible assets | 無形資產攤銷 | 88 | 88 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 468 | 357 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 228 | 110 |
| Other rental and related expenses | 其他租賃及有關開支 | 12 | 106 |

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

For the three months ended 31 March 2020 截至二零二零年三月三十一日止三個月

9. DIVIDEND

No dividend was paid or declared by the Group during the three months ended 31 March 2020 and 2019, nor has any dividend been proposed since the end of the reporting period.

9. 股息

截至二零二零年及二零一九年三月三十一日止三個月，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. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

10. 每股虧損

本公司擁有人應佔每股基本虧損的計算乃基於以下數據：

| | | Three months ended 31 March 截至三月三十一日止三個月 | |
|--|--------------------------|---|---|
| | | 2020 二零二零年 (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 |
| Loss: | 虧損： | | |
| Loss for the period attributable to the owners of the Company for the purpose of basic loss per share | 計算每股基本虧損所用本公司擁有人應佔期內虧損 | (2,753) | (148) |
| | | '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 loss per share | 計算每股基本虧損所用本公司已發行普通股加權平均數 | 400,000 | 400,000 |

No diluted loss per share for the three months ended 31 March 2020 and 2019 was presented as there were no potential ordinary shares in issue during the three months ended 31 March 2020 and 2019.

由於截至二零二零年及二零一九年三月三十一日止三個月無潛在已發行普通股，故於截至二零二零年及二零一九年三月三十一日止三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