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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)

(Stock code: 8622)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2021

The board (the “**Board**”) of directors (the “**Directors**”) of Huakang Biomedical Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited condensed consolidated financial results of the Group for the three months ended 31 March 2021 (“**2021 First Quarterly Report**”) together with the unaudited comparative figures for the corresponding periods in 2020. This announcement, containing the full text of the 2021 First Quarterly Report of the Group, complies with the relevant requirements of the Rules Governing the Listing of Securities (the “**GEM Listing Rules**”) on GEM of The Stock Exchange of Hong Kong Limited (“**GEM**”) in relation to information to accompany preliminary announcements of quarterly results. Printed version of the 2021 First Quarterly Report will be dispatched to the shareholders of the Company and available for viewing on the website of GEM at www.hkgem.com and of the Company at www.huakangbiomedical.com in due course.

By Order of the Board
Huakang Biomedical Holdings Company Limited
Zhang Shuguang
Chairman and Executive Director

Hong Kong, 11 May 2021

As at the date of this announcement, the Executive Directors are Mr. Zhang Shuguang, Mr. Zhang Chunguang, Mr. Poon Lai Yin Michael and Mr. He Jiaming; and the Independent Non-executive Directors are Dr. Chow Kwok Fai Joseph, Dr. Cheng Faat Ting Gary and Mr. Chan Kin Sang.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of publication and on the Company’s website at www.huakangbiomedical.com.

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.

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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。

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。

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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報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
Mr. He Jiaming
何嘉明先生

Independent Non-executive Directors

獨立非執行董事

Dr. Chow Kwok Fai Joseph
周國輝博士
Dr. Cheng Faat Ting Gary
鄭發丁博士
Mr. Chan Kin Sang
陳健生先生

Audit Committee 審核委員會

Dr. Cheng Faat Ting Gary
(*Chairman*)
鄭發丁博士(主席)
Dr. Chow Kwok Fai Joseph
周國輝博士
Mr. Chan Kin Sang
陳健生先生

Remuneration Committee 薪酬委員會

Dr. Cheng Faat Ting Gary
(*Chairman*)
鄭發丁博士(主席)
Dr. Chow Kwok Fai Joseph
周國輝博士
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. Chow Kwok Fai Joseph
周國輝博士
Mr. Chan Kin Sang
陳健生先生

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

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

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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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香港
灣仔
軒尼詩道16號
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中國主要營業地點

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Kui Chong Office,
Dapeng New District,
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The PRC
中國
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大鵬新區
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葵新社區
銀葵路16號
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Principal Share Registrar and Transfer Office in the Cayman Islands 開曼群島股份過戶登記處

Conyers Trust Company
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Cayman Islands

Hong Kong Share Registrar and Transfer Branch Office 香港股份過戶登記分處

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183 Queen's Road East,
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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 Website 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

In-Vitro Diagnostic (“IVD”) Reagents Business

Our Group specialises in the research and development, manufacture and sales of a wide range of IVD reagents in the People’s Republic of China (the “**PRC**”), particularly focusing on the PRC male fertility IVD reagent market. The Group’s product portfolio offers 23 biological reagents, including 20 male fertility IVD reagents, 2 parasite antibody detection reagents and 1 Epstein-Barr virus (the “**EBV**”) antibody detection reagent.

For the three months ended 31 March 2021 (the “**Reporting Period**”), the IVD reagents business operated by the Company’s principal subsidiary in the PRC experienced a significant increase of approximately 127.9% in revenue from the sales of IVD reagents and auxiliary reproductive supplies and equipment. During the three months ended 31 March 2020, being the corresponding period to the Reporting Period in the previous year (the “**Corresponding Period**”), there were more than five weeks’ sales and productions halt (the “**Relevant Halt**”) of the Group’s factory in the PRC as a result of the outbreak of the novel coronavirus (COVID-19) epidemic (the “**Epidemic**”). The aforesaid significant increase in revenue was mainly attributable to the Reporting Period not having suffered any similar impact.

Healthcare Products and Supplements Business

Our Group has diversified its business to healthcare products and supplements for the markets in the PRC, Hong Kong and overseas.

During the Reporting Period and up to date of this Report, our Group has had a total of 24 natural health product licence granted by the Natural Health Product Directorate of Health Canada under our registered brand “Nutronic” and our Group already launched 11 products in the market.

業務回顧

體外診斷(「體外診斷」)試劑業務

本集團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，尤其專注於中國男性不育體外診斷試劑市場。本集團產品組合有23種生物試劑，包括20種男性不育體外診斷試劑，2種寄生蟲系列檢測試劑和1種EB病毒(「**EB病毒**」)檢測試劑。

於截至二零二一年三月三十一日止三個月(「**報告期間**」)，體外診斷試劑業務由本公司之主要中國附屬公司營運，其銷售體外診斷試劑及輔助生育用品和設備的收益顯著增加約127.9%。截至二零二零年三月三十一日止三個月，即去年相同時期的報告期間(「**去年同期**」)，本集團在中國內工廠因自新型冠状病毒(COVID-19)疫情(「**疫情**」)爆發暫停生產及銷售多於五週(「**有關暫停**」)。前述的收益顯著增加乃主要由於於報告期間未有同樣的影響。

健康產品及保健品業務

本集團將其業務多元化至銷售健康產品及保健品產品到中國、香港及海外的市場。

於報告期間直至本報告日，本集團註冊品牌「Nutronic」已獲得合共24份加拿大衛生部天然健康產品管理委員會授予的天然保健產品牌照及本集團已有11種產品推出市場。

During the Report Period, our Group recognised the public's heightened concerns over their health as well as the rising popularity of the online retailing in the wake of social distancing measures imposed since the Epidemic. In order to seize the golden opportunities presented by the aforesaid trends, we distributed our healthcare products and supplements through our websites (at www.nutronic.ca and www.nutronic.hk) and associate company's e-commerce platform(s) and channels, such as Tmall, JD.com, Xiaohongshu, Wechat mini program, Amazon and HKTVmall.

FUTURE PROSPECTS

Our Group will complete the PRC's medical devices registration for some of the research projects that will be launched to the market in late 2021. In particular, with a satisfactory result for the production of rapid Point-Of-Care diagnostic testing ("POCT") under immunoassay techniques, the Group intended to further invest in the research and development of POCT, including purchasing raw materials and equipment as well as setting up a new production line for further production expansion.

The Group will continuously seek business opportunities that will broaden the Group's source of income and enhance value to the shareholders of the Company.

FINANCIAL REVIEW

Revenue

The Group's revenue significantly increased by approximately RMB2.8 million, or approximately 137.7%, to approximately RMB4.9 million during the Reporting Period as compared to approximately RMB2.1 million during the Corresponding Period. The increase in revenue was mainly due to the resumption of the Group's PRC factory's normal production and sales in the Reporting Period (as compared to the Relevant Halt during the Corresponding Period); and the commencement of sales of healthcare products and supplements by our Group during the Reporting Period, whereas there was no such business in the Corresponding Period.

在報告期間，本集團了解到大眾越來越關注健康以及自疫情以來，因實施的社交距離措施，令線上零售更為普及。以把握上述趨勢的黃金機會，我們將我們的健康產品及保健品在我們的網站(在www.nutronic.ca及www.nutronic.hk)及聯營公司的電子商務平台及渠道(如天貓、京東、小紅書、微信小程序、亞馬遜及香港電視網上購物)作銷售。

未來前景

本集團將就將於二零二一年後期面市的部分研究項目完成中國醫療器械註冊。尤其是，由於免疫測定技術進行快速即時檢驗(「即時檢驗」)生產取得令人滿意的結果，本集團擬進一步投資研發即時檢驗，包括採購原材料及設備以及設立新生產線以進一步擴張生產。

本集團會持續物色商業機會，擴闊本集團收入來源，提升本公司股東之價值。

財務回顧

收益

於報告期間，本集團錄得的收益較去年同期的約人民幣2.1百萬元顯著地增加約人民幣2.8百萬元或約137.7%至約人民幣4.9百萬元。收入增加主要由於於報告期間，我們集團位於中國的工廠回復正常生產及銷售(相對去年同期的有關暫停)；及我們集團於報告期間開始銷售健康產品及保健品，相對去年同期並無有關業務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Sales of male fertility IVD reagents products remained our major products which accounted for approximately 80.7% of our total revenue for the Reporting Period. Revenue from this segment during the Reporting Period was approximately RMB3.9 million, which represented a sharply increase of approximately RMB2.4 million or approximately 157.0% from approximately RMB1.5 million during the Corresponding Period.

Sales of auxiliary reproductive supplies and equipment, EBV antibody detection reagents and parasite antibody detection reagents generated approximately RMB743,000 in total during the Reporting Period, which represented approximately 15.2% of our total revenue, increased from approximately RMB522,000 in total during the Corresponding Period.

Sales of healthcare products and supplements were a new business that generated approximately RMB202,000 during the Reporting Period, whereas there was no such business in the Corresponding Period.

Gross Profit and Gross Profit Margin

The Group recorded a gross profit of approximately RMB3.5 million during the Reporting Period, representing a significant increase of approximately RMB2.0 million, or approximately 130.7%, from approximately RMB1.5 million during the Corresponding Period.

The Group's gross profit margin slightly decreased from 73.8% during the Corresponding Period to approximately 71.6% during the Reporting Period, which was mainly due to the lower margin of sales of healthcare products and supplements.

Other Income and Other Gains

Other income slightly increased from approximately RMB64,000 during the Corresponding Period to approximately RMB87,000 during the Reporting Period.

男性不育體外診斷試劑產品仍為我們的主要產品，其於報告期間之銷售額佔本集團總銷售額約80.7%。該分部於報告期間之收益約為人民幣3.9百萬元，較去年同期的約人民幣1.5百萬元顯著增加約人民幣2.4百萬元或約157.0%。

輔助生育用品和設備、EB病毒檢測試劑及寄生蟲系列檢測試劑之銷售所產生之銷售總額由去年同期人民幣522,000元增加至報告期間約人民幣743,000元，佔本集團總銷售額約15.2%。

銷售健康產品及保健品乃一項新業務，其於報告期間產生之銷售額約為人民幣202,000元，相對去年同期並無有關業務。

毛利及毛利率

本集團報告期間錄得毛利約人民幣3.5百萬元，較去年同期之約人民幣1.5百萬元顯著地增加約人民幣2.0百萬元或約130.7%。

本集團的毛利率由去年同期約73.8%輕微減少至報告期間約71.6%，主要由於銷售健康產品及保健品之毛利率較低。

其他收入及其他收益

其他收入由去年同期約人民幣64,000元輕微增加至報告期間約人民幣87,000元。

We recorded other gains of approximately RMB101,000 during the Reporting Period, representing a decrease from approximately RMB391,000 during the Corresponding Period. Such decrease was mainly attributable to the fluctuations in foreign exchange rate between foreign currency and RMB during the Corresponding Period better than during the Reporting Period.

Impairment Losses

The Group recorded impairment losses on trade receivables (net of reversal) for approximately RMB60,000 during the Reporting Period, as compared to approximately RMB610,000 during the Corresponding Period, mainly because most of the impaired trade receivables as at 31 December 2020 have been subsequently settled up to the date of this Report.

Expenses

Selling and distribution expenses significant increased approximately RMB579,000 or approximately 40.5%, from approximately RMB1.4 million during the Corresponding Period to approximately RMB2.0 million during the Reporting Period. The increase was primarily attributable to significant increase the Group's sales and marketing activities to expand our sales network.

Administrative expenses slightly decreased from RMB2.3 million during the Corresponding Period to approximately RMB2.2 million during the Reporting Period.

Research and development expenses slightly increased from approximately RMB417,000 during the Corresponding Period to approximately RMB552,000 during the Reporting Period.

During the Reporting Period, finance costs representing the interest on lease liabilities under application of Hong Kong Financial Reporting Standard ("HKFRS") 16 was approximately RMB26,000 as compared to approximately RMB15,000 during the Corresponding Period.

我們於去年同期錄得其他收益約人民幣391,000元減少至報告期間約人民幣101,000元。有關減少主要由於去年同期的外幣兌換為人民幣的匯率變動較報告期間理想。

減值虧損

本集團於報告期間錄得貿易應收款項減值虧損(扣除撥回)約人民幣60,000元，比較去年同期約人民幣610,000元，主要乃由於大部分於二零二零年十二月三十一日已減值的貿易應收款項已於本報告日前回款。

開支

銷售及分銷開支由去年同期約人民幣1.4百萬元著增加約人民幣579,000元或約40.5%至報告期間約人民幣2.0百萬元。該增長乃主要歸因於顯著增加了本集團的銷售和營銷活動以擴大我們的銷售網絡。

行政開支由去年同期約人民幣2.3百萬元輕微減少至報告期間約人民幣2.2百萬元。

研發開支由去年同期約為人民幣417,000元輕微增加至報告期間約為人民幣552,000元。

報告期間，融資成本指於應用香港財務報告準則(「香港財務報告準則」)第16號後租賃負債的利息約為人民幣26,000元，而去年同期則約為人民幣15,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Loss for the Period

During the Reporting Period, the loss for the period attributable to owners of the Company was approximately RMB1.1 million, as compared to approximately RMB2.8 million during the Corresponding Period. The decrease was mainly due to the reason mentioned above in relation to a significant increase of the Group's revenue during the Reporting Period.

Basic loss per share during the Reporting Period was RMB0.29 cents, as compared to RMB0.69 cents during the Corresponding Period.

Taxation

The PRC enterprise income tax rate applicable to the Group's subsidiaries is 15% (during the Corresponding Period: 15%), whereas no assessable profit arising from Hong Kong during the Reporting Period (during the Corresponding Period: Nil).

USE OF PROCEEDS FROM SHARE OFFER

The shares of the Company (the "Shares") were listed on GEM (the "Listing") of the Stock Exchange on the 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, out of which approximately HK\$9.2 million remained unutilized as of 1 January 2021. During the period from the Listing Date to 31 March 2021, 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. For the expected timeline of unutilised proceeds, please refer to the annual report ended 31 December 2020 announced on 30 March 2021.

期內虧損

報告期間，期內本公司擁有人應佔虧損約人民幣1.1百萬元，比較去年同期約人民幣2.8百萬元。減少乃主要以上提及有關報告期間本集團銷售收入顯著增加。

報告期間每股基本虧損為人民幣0.29分，比較去年同期人民幣0.69分。

稅項

本集團附屬公司適用之中國企業所得稅率為15% (去年同期：15%)，而報告期間並無在香港產生應課稅溢利(去年同期：無)。

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(經扣除包銷費用估計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。其中約9.2百萬港元於二零二一年一月一日尚未動用。自上市日期至二零二一年三月三十一日期間，本集團並無改變其招股章程「未來計劃及所得款項用途」一節所述所得款項用途計劃。就未動用所得款項的預期時間表，請參考二零二一年三月三十日公告之截至二零二零年十二月三十一日的年度報告。

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.

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 dated 9 April 2020.

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。

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，惟受限於承受人接納，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。全部購股權可由承接人接納日至二零二零年四月八日行使（包括首尾兩日）。各承受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。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The movement during the period and the options outstanding as at 31 March 2021 were as follows:

截至二零二一年三月三十一日止期間尚未行使購股權的變動情況如下：

Category of grantees	Number of share options 購股權數目				At 31 March 2021 於 二零二一年 三月三十一日
	At 1 January 2021 於 二零二一年 一月一日	Granted during the period 在此期間 獲授	Exercised during the period 在此期間 行使	Forfeited during the period 在此期間 被沒收	
Executive Directors 執行董事					
Mr. Zhang Shuguang 張曙光先生	4,000,000	—	—	—	4,000,000
Mr. Zhang Chunguang 張春光先生	4,000,000	—	—	—	4,000,000
Mr. Poon Lai Yin Michael 潘禮賢先生	4,000,000	—	—	—	4,000,000
Mr. He Jiaming 何嘉明先生	4,000,000	—	—	—	4,000,000
Other employees 其他員工	9,504,000	—	—	(2,000,000)	7,504,000
Total 總計	25,504,000	—	—	(2,000,000)	23,504,000

Note:

附註：

The closing price of the shares immediately before the date on which the options were granted is HK\$0.125. The exercise price is HK\$0.125. The exercise period during which the options may be exercised is the period from the date of acceptance to 8 April 2030 (both days inclusive). The date of grant was 9 April 2020.

於所授出之購股權的當日前之股份收市價為0.125港幣。行使價為0.125港元。可行使購股權之行使期由接納購股權當日至二零二零四月八日(首尾兩天包括在內)。授出日期為二零二零四月九日。

All the existing share options of the Company are vested upon granting. Forfeiture of share options are transferred from share option reserve to accumulated profits or losses within the equity of the Company.

本公司之所有現有購股權乃於授出時歸屬。沒收之購股權由購股權儲備轉撥至本公司權益內的累計損益中。

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 during the Reporting Period, which only comprises ordinary shares. As at 31 March 2021, 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group believed that there were certain risks and uncertainties involved in the operations, some of which were beyond the Group's control. A detailed discussion of the risk factors was set forth in the section headed "Risk Factors" in our prospectus dated 30 November 2018 (the "Prospectus").

FOREIGN EXCHANGE EXPOSURE

The functional currencies of our operations, assets and liabilities were mostly denominated in RMB. Therefore, we were not exposed to any significant foreign exchange risk for realised losses, except for our HK\$, US\$ and CAD\$ denominated bank balances. The Group currently did 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 Reporting Period. The management will closely monitor foreign currency exposure and will consider hedging significant foreign currency exposure should the need arises.

TREASURY POLICIES

The Group will continue to employ a prudent treasury policies in managing the Group's cash balances and maintain strong and healthy liquidity 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。於報告期間，本公司的資本架構並無任何變動。其股本僅包括普通股。於二零二一年三月三十一日，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。

主要風險及不明朗因素

本集團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日期為二零一八年十一月三十日之招股章程（「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計值。因此，除我們的港元、美元及加元計值銀行結餘外，我們並無面臨任何變現損失的重大外匯風險。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報告期間的外匯風險。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，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 Reporting Period, the Group did not make any material acquisitions and disposals of subsidiaries and affiliated companies.

SIGNIFICANT INVESTMENT HELD

As at 31 March 2021, the Group did not have any significant investment held.

PLEDGE OF ASSETS

As at 31 March 2021, the Group pledged a motor vehicle for lease liabilities with aggregate net carrying amount of approximately RMB407,000 (31 December 2020: approximately RMB434,000).

CAPITAL COMMITMENTS

As at 31 March 2021, the Group did not have any capital commitments (31 December 2020: approximately RMB26,000) in respect of the acquisition of property, plant and equipment.

CONTINGENT LIABILITIES

As at 31 March 2021, the Group did not have any significant contingent liabilities (31 December 2020: 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.

重大收購及出售附屬公司及關聯公司

於報告期間，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

於二零二一年三月三十一日，本集團並無持有任何重大投資。

資產抵押

於二零二一年三月三十一日，本集團就租賃負債抵押汽車總賬面淨值約人民幣407,000元(二零二零年十二月三十一日：約人民幣434,000元)。

資本承擔

於二零二一年三月三十一日，本集團就購買物業、廠房及設備，沒有任何資本承擔(二零二零年十二月三十一日：約人民幣26,000元)。

或然負債

於二零二一年三月三十一日，本集團並無任何重大或然負債(二零二零年十二月三十一日：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。

DIVIDEND

The Directors does not recommend the payment of any dividend for the three months ended 31 March 2021 (three months ended 31 March 2020: Nil).

SUBSEQUENT EVENTS

Save as disclosed elsewhere in the Report, since 31 March 2021 up to the date of this Report no significant events affecting the Company have taken place.

股息

董事不建議派付截至二零二一年三月三十一日止三個月的任何股息(截至二零二零年三月三十一日止三個月：無)。

期後事項

除於本報告其他部分所披露者外，自二零二一年三月三十一日直至本報告日並無發生影響本公司的重大事件。

OTHER INFORMATION 其他資料

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS

Apart from the contracts relatively 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 Shareholders**") of the Company and their respective connected parties had a material interest, whether directly or indirectly, subsisted at any time for Reporting Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2021, the interests and short positions of the Directors and chief executive 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 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，於報告期間內的任何時間，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

於二零二一年三月三十一日，董事及最高行政人員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	Capacity/Nature of Interest	Number of ordinary shares held ⁽¹⁾	Number of share options held ⁽⁴⁾	Total interest	Percentage of shareholding ⁽²⁾
董事/最高行政人員姓名	身份/權益性質	所持普通股數目 ⁽¹⁾	所持購股權數目 ⁽⁴⁾	權益總計	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	4,000,000	244,000,000	61.0%
Mr. Zhang Chunguang 張春光先生	Beneficial Owner 實益擁有人	-	4,000,000	4,000,000	1.0%
Mr. Poon Lai Yin Michael 潘禮賢先生	Beneficial Owner 實益擁有人	-	4,000,000	4,000,000	1.0%
Mr. He Jiaming 何嘉明先生	Beneficial Owner 實益擁有人	-	4,000,000	4,000,000	1.0%

Notes:

附註：

- All interest stated are long positions.
- The calculation is based on the total number of 400,000,000 Shares in issue as at 31 March 2021.
- 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 and 4,000,000 share options are 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; and (iii) 4,000,000 share options granted to Mr. Zhang Shuguang on 9 April 2020.

- 所有所列權益均為好倉。
- 此乃基於二零二一年三月三十一日的已發行股份總數400,000,000股計算。
- 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股股份和4,000,000股購股權中擁有權益，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；及(iii)在二零二零年四月九日授於張曙光先生4,000,000股購股權。

OTHER INFORMATION

其他資料

- (4) Details of the underlying shares of the Company held by the Director/chief executives are set out in the section headed "Share Option Scheme".
- (4) 董事／最高行政人員持有之本公司相關股份的詳情載於「購股權計劃」一節。

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.

Save as disclosed above, as at 31 March 2021, 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.

附註：

所有所列權益均為好倉。

除上文所披露者外，於二零二一年三月三十一日，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 Persons' Interests and Short Positions in Shares and Underlying Shares

主要股東及其他人士於股份及相關股份之權益及淡倉

As at 31 March 2021, 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 the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provision of 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:

於二零二一年三月三十一日，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 ⁽³⁾ 所持普通股數目 ⁽³⁾	Number of share options held ⁽⁴⁾ 所持購股權數目 ⁽⁴⁾	Total interest 權益總計	Percentage of shareholding 股權百分比
Crystal Grant	Beneficial owner and concert party ⁽¹⁾	240,000,000	4,000,000	244,000,000	61.0%
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	4,000,000	244,000,000	61.0%
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	4,000,000	244,000,000	61.0%
張賢陽先生	受控法團權益 ⁽¹⁾				
Gallizul Global Investments Incorporated ("Gallizul")	Beneficial owner	30,000,000	-	30,000,000	7.5%
Gallizul Global Investments Incorporated (Gallizul)	實益擁有人				
Huang Yan	Interests of controlled corporation ⁽²⁾	30,000,000	-	30,000,000	7.5%
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 and 4,000,000 share options are 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; (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; and (iii) 4,000,000 share options granted to Mr. Zhang Shuguang on 9 April 2020.
- (2) As Gallizul is owned as to 60% by Ms. Huang Yan, she is deemed to be interested in all the shares held by Gallizul.
- (3) All interests stated are long positions.
- (4) Details of the underlying shares of the Company held by the substantial shareholder are set out in the section headed "Share Option Scheme".

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股股份和4,000,000股購股權中擁有權益，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，根據證券及期貨條例張曙光先生被視為於其中擁有權益；(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，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；及(iii)在2020年4月9日授於張曙光先生4,000,000股購股權。
- (2) 由於Gallizul由黃豔女士擁有60%，故彼被視為於Gallizul持有的所有股份中擁有權益。
- (3) 所有列權益均為好倉。
- (4) 主要股東持有之本公司相關股份的詳情載於「購股權計劃」一節。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this Report, at no time during the Reporting Period 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 OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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 Reporting Period and up to the date of this Report.

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 Reporting Period.

CHANGES IN DIRECTORS INFORMATION

There is no change in information of the Directors required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

董事收購股份或債權證的權利

除本報告另有披露者外，於報告期間的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。

董事及控股股東的競爭權益

董事確認，於報告期間直至本報告日期，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。

購買、出售或贖回上市證券

於報告期間，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。

董事資料變動

概無須根據GEM上市規則第17.50A(1)條予以披露之董事資料變動。

OTHER INFORMATION

其他資料

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 Reporting Period 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.

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。

本公司自報告期間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。

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.

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 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 Dr. Cheng Faat Ting Gary (Chairman), Dr. Chow Kwok Fai Joseph 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 Reporting Period 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, 11 May 2021

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，即鄭發丁博士（主席）、周國輝博士及陳健生先生。

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於報告期間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、GEM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，二零二一年五月十一日

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 2021 截至二零二一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 2021 together with the unaudited comparative figures for the three months ended 31 March 2020 as follows:

董事會(「董事會」)欣然公佈本集團截至二零二一年三月三十一日止三個月的未經審核簡明綜合業績，連同截至二零二零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	
		2021	2020
		二零二一年	二零二零年
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	NOTES 附註		
Revenue	收入	3	4,888
Cost of sales	銷售成本		(1,389)
			2,056
			(539)
Gross profit	毛利		3,499
Other income	其他收入	4	87
Other gains	其他收益	5	101
Impairment losses on trade receivables, net of reversal	貿易應收款項減值虧損，扣除撥回		(60)
Selling and distribution expenses	銷售及分銷開支		(2,007)
Administrative expenses	行政開支		(2,155)
Research and development expenses	研發開支		(552)
Finance costs	融資成本		(26)
Share of results of the associate	分佔聯營公司業務		-
			-
Loss before tax	除稅前虧損	6	(1,113)
Income tax expense	所得稅開支	7	(36)
			(2,753)
			-
Loss for the period attributable to owners of the Company	期內本公司擁有人應佔虧損		(1,149)
			(2,753)
Other comprehensive income: Item that may be reclassified subsequently to profit or loss	其他全面收益：其後可能重新分類至損益的項目		
Exchange difference on consolidation	綜合匯兌差額		(29)
			(8)
Total comprehensive expense for the period attributable to owners of the Company	本公司擁有人應佔期內全面開支總額		(1,178)
			(2,761)
			RMB cents
			人民幣仙
Loss per share Basic and diluted	每股虧損基本及攤薄	9	(0.29)
			(0.69)

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 2021 截至二零二一年三月三十一日止三個月

		Reserves							Sub-total	Total
		Capital	Share premium	Capital reserve	Statutory reserve	Translation reserve	Share option reserve	Accumulated profits		
		股本	股份溢價	資本儲備	法定儲備	匯兌儲備	購股權儲備	累計溢利	小計	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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	人民幣千元
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 for the period	期內虧損	-	-	-	-	-	-	(2,753)	(2,753)	(2,753)
Other comprehensive Income:	其他全面收益:									
<i>Item that may be reclassified subsequently to profit or loss</i>	<i>其後可能重分類至損益的項目</i>									
Exchange difference on consolidation	綜合匯兌差額	-	-	-	-	(8)	-	-	(8)	(8)
Total comprehensive expense for the period	期內全面開支總額	-	-	-	-	(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
At 1 January 2021 (audited)	於二零二一年一月一日 (經審核)	3,509	47,248	1,943	2,302	89	2,608	4,160	58,350	61,859
Loss for the period	期內虧損	-	-	-	-	-	-	(1,149)	(1,149)	(1,149)
Other comprehensive Income:	其他全面收益:									
<i>Item that may be reclassified subsequently to profit or loss</i>	<i>其後可能重分類至損益的項目</i>									
Exchange difference on consolidation	綜合匯兌差額	-	-	-	-	(29)	-	-	(29)	(29)
Total comprehensive expense for the period	期內全面開支總額	-	-	-	-	(29)	-	(1,149)	(1,178)	(1,178)
Transaction with owners:	與擁有人之交易:									
Forfeiture of share options	沒收購股權	-	-	-	-	-	(205)	205	-	-
At 31 March 2021 (unaudited)	於二零二一年三月三十一日(未經審核)	3,509	47,248	1,943	2,302	60	2,403	3,216	57,172	60,681

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 2021 截至二零二一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 (wholly owned by Mr. Zhang Shuguang), a limited liability company incorporated in the British Virgin Islands (“**BVI**”) and Ever Charming Inc. (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 Company 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(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. (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，與本公司之功能貨幣相同，且除另有註明外，均四捨五入至最接近之千位數。

* This 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 2021 截至二零二一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 Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. The unaudited condensed consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**Listing Rules**”).

The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statement are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the new and revised HKFRSs issued by the HKICPA that are adopted for the first time for the Group financial period beginning on 1 January 2021.

The adoption of the new and revised HKFRSs has had no significant effect on the unaudited condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in the unaudited condensed consolidated financial statements.

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.

2. 呈列基準

未經審核簡明綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之所有適用個別香港財務報告準則(「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」)以及香港公司條例的披露規定而編製。未經審核簡明綜合財務報表亦遵守聯交所GEM證券上市規則(「上市規則」)之適用披露規定。

編製未經審核簡明綜合財務報表所採納的會計政策與編製本集團截至二零二零年十二月三十一日止年度的年度綜合財務報表所應用者一致，惟於本集團自二零二一年一月一日開始之財政期間首次採用由香港會計師公會頒佈的新訂及經修訂香港財務報告準則除外。

採納新訂及經修訂香港財務報告準則對本未經審核簡明綜合財務報表並無重大財務影響。且本未經審核簡明綜合財務報表所應用之會計政策並無重大變動。

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。

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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.

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

(a) Revenue from major products

		Three months ended 31 March	
		截至三月三十一日止三個月	
		2021	2020
		二零二一年	二零二零年
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Sales of biological reagents	銷售生物製劑		
Male fertility IVD reagents	男性不育體外診斷試劑	3,943	1,534
Parasite antibody detection reagents	寄生蟲系列檢測試劑	316	314
Epstein-Barr Virus antibody detection reagents	EB病毒檢測試劑	168	105
Sales of auxiliary reproductive supplies and equipment	銷售輔助生育用品和設備	259	103
Sales of healthcare products and supplements	銷售健康產品及保健品	202	-
Total	總計	4,888	2,056

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) 主產品收益

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(b) Types of customers

		Three months ended 31 March 截至三月三十一日止三個月	
		2021 二零二一年 (unaudited) (未經審核) RMB'000 人民幣千元	2020 二零二零年 (unaudited) (未經審核) RMB'000 人民幣千元
Distributors	分銷商	2,736	1,186
Non-distributors	非分銷商	2,152	870
Total	總計	4,888	2,056

(b) 客戶類別

Three months ended 31 March
截至三月三十一日止三個月

(c) Geographical information

No geographical segment information of the Group's non-current assets is presented as (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，故並無呈列本集團非流動資產之地域分部資料。

(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	
		2021 二零二一年 (unaudited) (未經審核) RMB'000 人民幣千元	2020 二零二零年 (unaudited) (未經審核) RMB'000 人民幣千元
Customer A	客戶A	596	279

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For the three months ended 31 March 2021 截至二零二一年三月三十一日止三個月

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	
		2021 二零二一年 (unaudited) (未經審核) RMB'000 人民幣千元	2020 二零二零年 (unaudited) (未經審核) RMB'000 人民幣千元
Government grants	政府補助	42	22
Bank interest income	銀行利息收入	44	42
Sundry income	雜項收入	1	-
		87	64

5. OTHER GAINS

5. 其他收益

		Three months ended 31 March 截至三月三十一日止三個月	
		2021 二零二一年 (unaudited) (未經審核) RMB'000 人民幣千元	2020 二零二零年 (unaudited) (未經審核) RMB'000 人民幣千元
Foreign exchange gains	匯兌收益	101	391

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6. LOSS BEFORE TAX

6. 除稅前虧損

		Three months ended 31 March 截至三月三十一日止三個月	
		2021 二零二一年 (unaudited) (未經審核) RMB'000 人民幣千元	2020 二零二零年 (unaudited) (未經審核) RMB'000 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	26	15
Staff costs, including directors' remuneration	員工成本，包括董事薪酬		
Directors' emoluments	董事薪酬	419	483
Other staff costs	其他員工成本		
Salaries, bonus and other benefits	薪金、花紅及其他福利	1,956	1,625
Contributions to defined contribution plans	定額供款計劃供款	247	212
		2,622	2,320
Other items	其他項目		
Auditor's remuneration	核數師酬金	146	158
Amortisation of intangible assets (included in cost of sales)	無形資產攤銷 (包含在銷售成本)	31	88
Depreciation of property, plant and equipment	物業、廠房及設備折舊	484	468
Depreciation of right-of-use assets	使用權資產折舊	268	228
Other rental and related expenses – short term lease	其他租賃及有關開支 – 短期租賃	10	12

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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	
		2021 二零二一年 (unaudited) (未經審核) RMB'000 人民幣千元	2020 二零二零年 (unaudited) (未經審核) RMB'000 人民幣千元
Current tax	即期稅項		
PRC Enterprise Income Tax	中國企業所得稅		
– Current period	– 本期	36	–

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 December 2020 for the three years ending 31 December 2023.

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 2021 and 2020.

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 2021 and 2020 or at the end of each reporting period.

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二零二零年十二月，有效期為截至二零二三年十二月三十一日止三年。

由於本集團於截至二零二一年及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，故並無就香港利得稅作出撥備。

由於截至二零二一年及二零二零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。

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For the three months ended 31 March 2021 截至二零二一年三月三十一日止三個月

8. DIVIDEND

No dividend was paid or declared by the Group during the three months ended 31 March 2021 and 2020, nor has any dividend been proposed since the end of the reporting period.

9. LOSS PER SHARE

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

8. 股息

截至二零二一年及二零二零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。

9. 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	
		2021 二零二一年 (unaudited) (未經審核) RMB'000 人民幣千元	2020 二零二零年 (unaudited) (未經審核) RMB'000 人民幣千元
Loss:	虧損：		
Loss for the period attributable to 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	(1,149)	(2,753)
		'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	400,000

Diluted loss per share is the same as basic loss per share as the effect of potential ordinary shares is anti-dilutive during the three months ended 31 March 2021.

Diluted loss per share is the same as basic loss per share as there were no dilutive potential ordinary shares in issue during the three months ended 31 March 2020.

截至二零二一年三月三十一日止三個月，由於普通股具有潛在反攤薄效應，故每股攤薄虧損與每股基本虧損相同。

截至二零二零年三月三十一日止三個月，由於已發行普通股並無潛在攤薄效應，故每股攤薄虧損與每股基本虧損相同。