



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

第三季業績報告
Third Quarterly Report

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

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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. Yeung David Wai Chow
楊煒秋醫生
Dr. Cheng Faat Ting Gary
(appointed on 1 September 2020)
鄭發丁博士(於二零二零年九月一日委任)
Mr. Kwok Chi Shing
(resigned on 1 September 2020)
郭志成先生(於二零二零年九月一日辭任)
Mr. Chan Kin Sang
陳健生先生

Audit Committee 審核委員會

Dr. Cheng Faat Ting Gary
(*Chairman*) (appointed on 1 September 2020)
鄭發丁博士(主席)
(於二零二零年九月一日委任)
Mr. Kwok Chi Shing (*Chairman*)
(resigned on 1 September 2020)
郭志成先生(主席)
(於二零二零年九月一日辭任)
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

Dr. Cheng Faat Ting Gary
(*Chairman*) (appointed on 1 September 2020)
鄭發丁博士(主席)
(於二零二零年九月一日委任)
Mr. Kwok Chi Shing (*Chairman*)
(resigned on 1 September 2020)
郭志成先生(主席)
(於二零二零年九月一日辭任)
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

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<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 FUTURE PROSPECTS

Our Group is a medical device group specialised in the research and development, manufacture and sales 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 the nine months ended 30 September 2020, our Group experienced a significant decrease in revenue from the sales of our male fertility IVD reagent products, which were our major products. Our Board is of the view that such significant decrease was mainly attributable to the significant decline in the sales in the PRC 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. The Epidemic also led our PRC factory to halt productions and sales for around five weeks. As a result of the Epidemic, our business was seriously affected in the first half of 2020. Following a series of management improvements and business revamp after July 2020, our revenue improved in the third quarter of 2020 as we recorded a revenue of approximately RMB6.9 million for the three months ended 30 September 2020, slightly increased by approximately RMB115,000 or approximately 1.7% for the three months ended 30 September 2020 compared with the same period last year.

業務回顧及未來展望

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。

截至二零二零年九月三十日止九個月，本集團主要銷售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銷售大幅倒退。因為自從新型冠狀病毒(COVID-19)疫情(「疫情」)爆發，中國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。疫情亦令我們的中國工廠停止生產及銷售約五個星期。由於疫情，我們的業務於二零二零年上半年受到嚴重影響。跟隨二零二零年七月後一系列管理改進及業務改造，我們的銷售於二零二零年第三季獲改善，二零二零年九月三十日止三個月我們錄得約人民幣6.9百萬元的銷售，較去年同期輕微增加約人民幣115,000元或約1.7%。

For the development of vitamins and supplements businesses, as at the date of this Report, our Group has been granted 14 natural health product licences by the Natural Health Products Directorate of Health Canada for our self-developed healthcare supplements under our Canadian brand “Nutronic”. On 3 June 2020, our Group entered into a legally binding shareholders’ agreement with Smartac International Holdings Limited (stock code: 0395.HK) to set up a company (namely Smartronic Limited), in which we hold 49% of its equity interests, for the purposes of sales, marketing and distribution of Nutronic’s healthcare supplements through cross-border e-commerce platform(s) and channels in the PRC, such as Tmall, JD.com, Xiaohongshu and Wechat mini program. As at the date of this Report, our Group has already commenced the sales of vitamins and related supplements. Our Board believes that the aforesaid sales of vitamins and supplements will bring new stream of revenues to the Group.

To better capture market opportunities, our Group’s strategy is to further increase our product competitiveness by continuously devoting our focus into research and development and increasing our efforts in market promotion. Our Group aims 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. Part of the original expansion plan as disclosed in our prospectus dated 30 November 2018 (the “**Prospectus**”) was delayed in the first half of 2020 due to the impact of the Epidemic. Please refer to the supplemental announcement to the annual report for the year ended 31 December 2019 announced on 25 August 2020 for further details.

就發展維他命和保健品業務，截止本報告日，本集團旗下加拿大品牌「Nutronic」下自主開發的健康保健品已獲得加拿大衛生部天然健康產品管理委員會授予14個天然健康產品牌照。於二零二零年六月三日，本集團與環球智能控股有限公司(股份代號：0395.HK)訂立具法律約束力的股東協議以成立公司(即智能創力有限公司)(我們持有其49%的股份權益)旨在透過跨境電子商務平台及渠道於中國(如天貓、京東、小紅書及微信小程序)從事有關銷售、營銷及分銷品牌「Nutronic」的健康保健品。截止本報告日，本集團已展開銷售維他命及相關保健品的銷售將為本集團帶來新的銷售來源。

為更好把握市場機遇，本集團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。本集團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。據二零一八年十一月三十日的招股章程(「招股章程」)所披露的原有擴張計劃的部分計劃因受疫情影響而在二零二零上半年延遲。請參考二零二零年八月二十五日公告之截止二零一九年十二月三十一日止年度之補充公告以了解更多詳情。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Our Group continually endeavors to explore other means of cooperation after the lapses of the two non-legally binding memoranda of understanding in relation to the establishment of joint venture companies (as respectively disclosed in our voluntary announcements on 25 October 2019 and 8 April 2020) for, among other things, (i) the research, development and registration of technology, devices and products in relation to assisted reproductive treatment in the PRC; and (ii) 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 in the PRC. In this connection, our Group is in the progress of establishing a laboratory in Beijing. In the meantime, our Group has also commenced conducting in-depth feasibility studies, which were advised by our medical advisor, Dr. Tian Long, on the relevant matters contemplated under the two said memoranda of understanding.

Despite rapidly changing macroeconomic and political environment and the spread of the Epidemic are highly unpredictable for the rest of 2020, the PRC government will continue to support the development of biomedical and healthcare industry, 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 decreased by approximately RMB4.3 million, or approximately 23.4%, to approximately RMB14.1 million for the nine months ended 30 September 2020 as compared to approximately RMB18.4 million for the last corresponding period. The decrease in revenue was mainly due to a significant decrease in sales of male fertility IVD reagents in the PRC.

本集團繼續致力探索任何其他合作方式就有關兩個已失效的無法律約束力的諒解備忘錄，內容有關於成立合營企業（如分別於我們在二零一九年十月二十五日及二零二零年四月八日的自願公告所披露），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；及(ii)在中國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。就此，本集團現正於北京進行建立實驗室的工作。與此同時，本集團亦諮詢我們的醫療顧問田龍醫生就上述兩項諒解備忘錄的事項進行深入的可行性研究。

儘管二零二零年餘下日子，我們將面對難以預測的宏觀經濟及政治環境急速變化以及疫情擴散，但中國政府將繼續支持生物醫學及保健產業的發展，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

截至二零二零年九月三十日止九個月，本集團錄得的收益較去年同期的約人民幣18.4百萬元顯著地減少約人民幣4.3百萬元或約23.4%至約人民幣14.1百萬元。收入減少主要來自中國的男性不育體外診斷試劑的銷售顯著地減少。

Male fertility IVD reagents products remained our major product for the nine months ended 30 September 2020, accounting for approximately 76.5% of our total revenue for the period. Revenue from this segment for the period was approximately RMB10.8 million, representing a decrease of approximately RMB3.7 million or approximately 25.7% from approximately RMB14.5 million for the nine months ended 30 September 2019. Our Directors are of the view that such significant decrease was mainly attributable to the significant decline in sales in the PRC markets since the outbreak of the Epidemic.

Gross Profit and Gross Profit Margin

The Group recorded a gross profit of approximately RMB9.9 million for the nine months ended 30 September 2020, representing a significant decrease of approximately RMB3.3 million, or approximately 25.2%, from approximately RMB13.2 million for the nine months ended 30 September 2019.

The Group's gross profit margin remained relatively stable at approximately 70.0% for the nine months ended 30 September 2020; the gross profit margin of approximately 71.6% for the nine months ended 30 September 2019.

Other Income and Other Gains and Losses

Other income significantly increased by approximately RMB366,000 or by approximately 185.8%, from approximately RMB197,000 for the nine months ended 30 September 2019 to approximately RMB563,000 for the nine months ended 30 September 2020. It is primarily because the Group received the grants from Hong Kong Government under Employment Support Scheme.

男性體外診斷試劑產品於截至二零二零年九月三十日止九個月仍為我們的主要產品，佔我們期內總收益約76.5%。期內來自此分部的收入約為人民幣10.8百萬元，較截至二零一九年九月三十日止九個月約人民幣14.5百萬元顯著減少約人民幣3.7百萬元或25.7%。董事認為收益下降主要由於疫情爆發而導致本集團中國地區銷售收入大幅倒退。

毛利及毛利率

本集團截至二零二零年九月三十日止九個月錄得毛利約人民幣9.9百萬元，較截至二零一九年九月三十日止九個月之約人民幣13.2百萬元顯著地減少約人民幣3.3百萬元或約25.2%。

本集團的毛利率保持相對穩定，截至二零二零年九月三十日止九個月為約70.0%，截至二零一九年九月三十日止九個月約71.6%。

其他收入及其他虧損

其他收入由截至二零一九年九月三十日止九個月約人民幣197,000元大幅增加約人民幣366,000元或約185.8%至截至二零二零年九月三十日止九個月約人民幣563,000元。主要由於本集團收到香港政府於保就業計劃下的補貼。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

We recorded other losses of approximately RMB189,000 for the nine months ended 30 September 2020, whereas we recorded other gains of approximately RMB753,000 for the nine months ended 30 September 2019. Such change from gains to losses was mainly attributable to an unfavourable condition in foreign currency translated to RMB.

Impairment losses

We recorded impairment losses on trade receivables for approximately RMB744,000 for the nine months ended 30 September 2020, as compared to reversal of impairment losses on trade receivables of approximately RMB534,000 for the nine months ended 30 September 2019, mainly because the repayment ability of the Company's customers deteriorated since the outbreak of the Epidemic.

Expenses

Selling and distribution expenses remained relatively stable for the nine months ended 30 September 2020 in the amount of approximately RMB4.6 million.

Administrative expenses increased from approximately RMB6.3 million for the nine months ended 30 September 2019 to approximately RMB9.6 million for the nine months ended 30 September 2020, representing an increase of approximately RMB3.3 million or approximately 51.9% during the period. Such increase was mainly attributable to (i) a non-cash item, equity-settled share option expense arising from share option granted on 9 April 2020 in the amount of approximate RMB2.6 million, (ii) purchasing epidemic prevention supplies in the amount of approximate RMB348,000, (iii) appointment of the medical advisor with effect from 31 January 2020 in the amount of approximate RMB300,000 and (iv) management training class in relation to medicine and healthcare in the amount of approximate RMB200,000.

我們於截至二零二零年九月三十日止九個月錄得其他虧損約人民幣189,000元，而我們於截至二零一九年九月三十日止九個月錄得其他收益約人民幣753,000元。有關由收益至虧損的變動主要由於外幣兌換為人民幣的匯率不利情況導致。

減值虧損

我們於截至二零二零年九月三十日止九個月錄得貿易應收款項減值虧損約人民幣744,000元，比較截至二零一九年九月三十日止九個月貿易應收款項回撥減值虧損約人民幣534,000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。

開支

銷售及分銷開支保持相對穩定，截至二零二零年九月三十日止九個月錄得人民幣4.6百萬元。

行政開支由截至二零一九年九月三十日止九個月約人民幣6.3百萬元增加至截至二零二零年九月三十日止九個月約人民幣9.6百萬元，期內增加約人民幣3.3百萬元或51.9%。該增加乃主要由於(i)二零二零年四月九日授出購股權所產生以股權結算的購股權開支(非現金項目)約人民幣2.6百萬元，(ii)購買防疫用品約人民幣348,000元，(iii)於二零二零年一月三十一日委任之醫療顧問約人民幣300,000元及(iv)有關醫學及健康管理人員訓練課程約人民幣200,000元。

Research and development expenses increased from approximately RMB1.2 million for the nine months ended 30 September 2019 to approximately RMB1.5 million for the nine months ended 30 September 2020, representing an increase of approximately RMB351,000 or 30.3% during the period. Such increase was mainly attributable to purchasing raw materials and equipment for research and development of the product application of chemiluminescence technology and formulating vitamins and supplements.

Loss for the period

For the nine months ended 30 September 2020, the loss for the period attributable to the owners of the Company was approximately RMB6.6 million, excluding non-recurring equity settled share option expenses, the Group recorded the adjusted loss approximately RMB4.0 million, as compared to the profit attributable to the owners of the Company of approximately RMB1.7 million for the nine months ended 30 September 2019. The decrease was mainly due to the reason mentioned above in relation to a significant decrease of revenue of the first half of 2020. Basic loss per share for the period was RMB1.64 cents, as compared to earnings per share of RMB0.43 cents for the nine months ended 30 September 2019.

Taxation

The PRC enterprise income tax rate applicable to the Group's subsidiaries is 15% (nine months ended 30 September 2019: 15%), whereas no assessable profit arising from Hong Kong for the nine months ended 30 September 2020 (the nine months ended 30 September 2019: Nil).

研發開支由截至二零一九年九月三十日止九個月約為人民幣1.2百萬元增加至截至二零二零年九月三十日止九個月約為人民幣1.5百萬元，期內增加約人民幣351,000元或30.3%。該增加主要由於研發應用化學發光技術的產品而採購所用的原材料及設備，及配製維他命及保健品。

期內虧損

截至二零二零年九月三十日止九個月，期內本公司擁有人應佔虧損約人民幣6.6百萬元，撇除非經常性以股權結算的購股權開支，本集團錄得調整虧損為約人民幣4百萬元，比較截至二零一九年九月三十日止九個月期內本公司擁有人應佔溢利約人民幣1.7百萬元。減少乃主要以上提及有關二零二零年上半年銷售收入顯著減少。期內每股基本虧損為人民幣1.64分，比較截至二零一九年九月三十日止九個月每股盈利為人民幣0.43分。

稅項

本集團附屬公司適用之中國企業所得稅率為15%（截至二零一九年九月三十日止九個月：15%），而截至二零二零年九月三十日止九個月並無在香港產生應課稅溢利（截至二零一九年九月三十日止六個月：無）。

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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\$11.9 million remained unutilised as of 1 January 2020. During the period from the Listing Date to 30 September 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. For the expected timeline of unutilised proceeds, please refer to the supplemental announcement to the annual report for the year ended 31 December 2019 announced on 25 August 2020.

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.

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11.9百萬港元於二零二零年一月一日尚未動用。自上市日期至二零二零年九月三十日期間，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，請參考二零二零年八月二十五日公告之截止二零一九年十二月三十一日止年度之補充公告。

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。

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The movement during the period and the options outstanding as at 30 September 2020 were as follows: 截至二零二零年九月三十日止期間尚未行使購股權的變動情況如下：

Category of grantees 合資格人士類別	Number of share options 購股權數目				
	At 1 January 2020 在二零二零年 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/lapsed during the period 在此期間被 沒收／作廢	At 30 September 2020 在二零二零年 九月三十日
Executive Directors 執行董事					
Mr. Zhang Shuguang (note) 張曙光先生(附註)	–	4,000,000	–	–	4,000,000
Mr. Zhang Chunguang (note) 張春光先生(附註)	–	4,000,000	–	–	4,000,000
Mr. Poon Lai Yin Michael (note) 潘禮賢先生(附註)	–	4,000,000	–	–	4,000,000
Mr. He Jiaming (note) 何嘉明先生(附註)	–	4,000,000	–	–	4,000,000
Other employees (note) 其他員工(附註)	–	10,008,000	–	(504,000)	9,504,000
Total 總計	–	26,008,000	–	(504,000)	25,504,000

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Note:

The closing price of the shares immediately before the date on which the options were granted during the nine months ended 30 September 2020 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.

All the existing share options of the Company are vested upon granting. Forfeiture of share options are recognised with an adjustment to the reserves of the Company.

During the nine month ended 30 September 2020, share options were granted on 9 April 2020. The fair value of the share options determined at the date of grant using the binomial model was RMB2,660,000.

The following assumptions were used to calculate the fair values of share options:

Grant date share price	HK\$0.125
Exercise price	HK\$0.125
Expected life	ten years
Expected volatility	103.1%
Dividend yield	nil
Risk-free interest rate	0.778%

The binomial model has been used to estimate the fair value of the share options. The value of the share options is subject to the limitations of the binomial model and a number of assumptions which are subjective and difficult to ascertain. Changes in the subjective input assumptions could materially affect the fair value estimate.

附註：

於截至二零二零年九月三十日止九個月內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年四月八日(首尾兩天包括在內)。授出日期為二零二零年四月九日。

本公司之所有現有購股權乃於授出時歸屬。沒收之購股權乃予確認，並對本公司之有關儲備作出調整。

於二零二零年九月三十日止九個月期間，購股權乃於二零二零年四月九日授出。於授出日期使用二項式模式釐定之購股權之公平值為人民幣2,660,000元。

計算購股權之公平值時已使用以下假設：

授出日期之股價	0.125港元
行使價	0.125港元
預期年期	十年
預期波幅	103.1%
股息率	無
無風險利率	0.778%

二項式模式乃用於估計購股權之公平值。購股權之價值受限於二項式模式的限制及多項假設，相關假設屬主觀因素且難以確定。主觀輸入值假設如有變動會對公平值估值造成重大影響。

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 nine months ended 30 September 2020, which only comprises ordinary shares. As at 30 September 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.

PRINCIPAL RISKS AND UNCERTAINTIES

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

FOREIGN EXCHANGE EXPOSURE

The functional currencies of our operations, assets and liabilities are mostly denominated in Renminbi ("RMB"). Therefore, we were not exposed to any significant foreign exchange risk, except for our Hong Kong Dollar ("HK\$") denominated bank balances and net proceeds from the Share Offer that are denominated in HK\$. The Group currently does not have a foreign currency hedging policy. The Group did not engage in any derivatives agreements and did not commit to any financial instruments to hedge its foreign exchange exposure throughout the nine months ended 30 September 2020. The management will closely monitor foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

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。截止二零二零年六月三十日止六個月，本公司的資本架構並無任何變動。其股本僅包括普通股。於二零二零年九月三十日，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

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九月三十日止九個月的外匯風險。管理層將密切監控外匯風險，並將於有需要時考慮對沖重大的外幣風險。

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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 nine months ended 30 September 2020, save as the acquisition of 49% equity interests in Smartronic Limited in relation to the operation of the cross-border e-commerce platforms (details of which are set out in the Company's announcement dated 3 June 2020), the Group did not make any material acquisitions and disposals of subsidiaries and affiliated companies.

SIGNIFICANT INVESTMENT HELD

As at 30 September 2020, the Group did not have any significant investment held.

PLEDGE OF ASSETS

As at 30 September 2020, the Group pledged a motor vehicle for lease liabilities with aggregate net carrying amount of RMB450,000 (31 December 2019: RMB542,000).

CAPITAL COMMITMENTS

As at 30 September 2020, the Group had capital commitments of approximately RMB978,000 (31 December 2019: RMB78,000) in respect of the acquisition of property, plant and equipment and investment in associate.

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

截至二零二零年九月三十日止九個月，除收購有關營運跨境電子商務平台之智能創力有限公司之49%股份權益外(詳情展示於本公司二零二零年六月三日之公告)，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

於二零二零年九月三十日，本集團並無持有任何重大投資。

資產抵押

於二零二零年九月三十日，本集團就租賃負債抵押汽車總賬面淨值約人民幣450,000元(二零一九年十二月三十一日：人民幣542,000元)。

資本承擔

於二零二零年九月三十日，本集團就購買物業、廠房及設備及投資於聯營公司，擁有資本承擔約人民幣978,000元(二零一九年十二月三十一日：人民幣78,000元)。

CONTINGENT LIABILITIES

As at 30 September 2020, the Company had no outstanding corporate guarantee (31 December 2019: Nil). As at 30 September 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 and additional investment in associate as disclosed in capital commitments, the Group does not have other plans for material investments or capital assets as at the date of this Report.

DIVIDEND

The Directors does not recommend the payment of any dividend for the nine months ended 30 September 2020 (nine months ended 30 September 2019: Nil).

SUBSEQUENT EVENTS

In addition to information disclosed elsewhere in the Report, the Group has the following subsequent events after 30 September 2020:

The Group did not enter into any legally binding document for the two non-legally binding memoranda of understanding as stated under the section headed “Business Review and Future Prospects” in relation to the possible joint venture formation (as respectively disclosed in our announcements dated 25 October 2019, 8 April 2020 and 24 April 2020). As no agreement has been entered into for extending their respective validity periods, the two said memoranda of understanding lapsed respectively. The Directors are of the view that the lapses of the said memoranda of understanding do not have any material adverse impact on the business operation and financial position of the Group. The Group and the joint venture parties will continually endeavor to explore any other means of cooperation.

或然負債

於二零二零年九月三十日，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)。於二零二零年九月三十日，本集團概無銀行融資及並無任何重大或然負債(二零一九年十二月三十一日：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」一節所披露者及於資本承擔中有關披露增加投資於聯營公司外，本集團於本報告日期並無其他有關重大投資或資本資產的計劃。

股息

董事不建議派付截至二零二零年九月三十日止九個月的任何股息(截至二零一九年九月三十日止九個月：零)。

期後事項

除於本報告其他地方披露的資料外，本集團於二零二零年九月三十日後，有以下期後事項：

茲提述日期為二零一九年十月二十五日、二零二零年四月八日及二零二零年四月二十四日之公告，本集團並無為於「業務回顧及未來展望」一節中所述的兩份無法律約束力的諒解備忘錄就可能成立合營公司事項訂立具法律約束力文件。由於並無訂立延長各自的有效期之協議，故上述兩份諒解備忘錄已分別失效。董事認為該等諒解備忘錄之失效並不會對本集團之業務營運及財務狀況產生任何重大不利影響。本集團與合營公司訂約方將繼續致力探索任何其他合作方式。

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 the nine months ended 30 September 2020.

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

As at 30 September 2020, 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，於截至二零二零年九月三十日止九個月內任何時間，本公司或其任何控股公司或附屬公司概無參與訂立與本集團業務有關，而本公司董事、控股股東(定義見GEM上市規則)(「**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

於二零二零年九月三十日，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 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⁾	Number of share options held ⁽⁴⁾ 所持購股權數目 ⁽⁴⁾	Total interest 權益總計	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	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：

- (1) All interest stated are long positions. (1) 所有所列權益均為好倉。
- (2) The calculation is based on the total number of 400,000,000 Shares in issue as at 30 September 2020. (2) 此乃基於二零二零年九月三十日的已發行股份總數400,000,000股計算。
- (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 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. (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2020年4月9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.

附註：所有列權益均為好倉。

Save as disclosed above, as at 30 September 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，於二零二零年九月三十日，概無董事及本公司最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的任何權益或淡倉（包括根據證券及期貨條例有關條文彼被當作或視為擁有之權益或淡倉），或根據證券及期貨條例第352條須登記於該條所述登記冊的任何權益或淡倉，或根據證券及期貨條例第XV部或GEM上市規則第5.46條至第5.67條須知會本公司及聯交所的任何權益或淡倉。

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 30 September 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 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:

於二零二零年九月三十日，據董事所知，以下人士（既非董事亦非本公司最高行政人員）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部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 nine months ended 30 September 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 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 nine months ended 30 September 2020 and up to the date of this Report.

INTEREST OF COMPLIANCE ADVISER

As at 30 September 2020, as notified by the 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).

董事收購股份或債權證的權利

除本報告另有披露者外，於截至二零二零年九月三十日止九個月任何時間直至本報告日期，董事及本公司最高行政人員及彼等各自之緊密聯繫人(定義見GEM上市規則)概無於本公司及／或其相聯法團(定義見證券及期貨條例)之股份或債權證中擁有任何權益或獲授予或行使可藉收購本公司及／或其相聯法團股份或債權證而獲取利益之任何權利。

董事及控股股東的競爭權益

董事確認，於截至二零二零年九月三十日止九個月直至本報告日期，概無控股股東或董事或彼等各自之緊密聯繫人(定義見GEM上市規則)於本集團經營業務以外且直接或間接與本集團業務構成競爭或可能構成競爭的任何業務中擁有權益。

合規顧問的權益

於二零二零年九月三十日，誠如長雄證券有限公司(「合規顧問」)告知，除(i)本公司和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的合規顧問協議，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帳簿管理人之一外，合規顧問或其董事、員工或緊密聯繫人(定義見GEM上市規則)於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)。

OTHER INFORMATION

其他資料

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the nine months ended 30 September 2020.

CHANGES IN DIRECTORS INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in information of the Director is set out below:

Dr. Cheng Faat Ting Gary (“**Dr. Cheng**”) has been appointed as an independent non-executive Director and as a member and the chairman of the audit committee and remuneration committee of the Company with effect from 1 September 2020.

Dr. Cheng was an independent non-executive Director of Niche-Tech Group Limited (stock code: 8490) from May 2018 to June 2019 and Smartac International Holdings Limited (stock code: 395) from November 2001. In 2011, Dr. Cheng graduated with a Doctor of Business Administration from the City University of Hong Kong with research area in “Independent Non Executive Director and Corporate Governance”. He is one of few practicing CPA in Hong Kong with DBA degree of research area concentrated in INED study. Dr. Cheng is a Fellow Certified Public Accountant in both Hong Kong and the United States of America (“**USA**”) and a Certified Tax Advisor of the Taxation Institute of Hong Kong. Dr. Cheng received his Bachelor's degree in Accounting (Honours) and Master's degree of Business Administration from Southern Illinois University, USA, in 1992 and 1994 respectively. Dr. Cheng had worked at the audit division of the international accounting firm, PricewaterhouseCoopers, and has over 25 years of experience in financial reporting, business advisory, auditing, accounting, tax investigation and liquidation. Dr. Cheng is currently the managing director of Gary Cheng CPA Limited. For public services, Dr. Cheng currently serves as chairman of CityU Eminence Society, charter president of the Lion Club of Huaxia Hong Kong and committee member of Social Welfare Advisory Committee of HKSAR.

購買、出售或贖回上市證券

截止二零二零年九月三十日止九個月期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

董事資料變更

根據GEM上市規則第17.50A(1)條，董事之資料變動載列如下：

鄭發丁博士已獲委任為獨立非執行董事、本公司審核委員會及薪酬委員會主席及成員，自二零二零年九月一日起生效。

鄭博士於二零一八年五月至二零一九年六月擔任駿碼科技集團有限公司(股份代號：8490)及於二零零零年十一月擔任環球智能控股有限公司(股份代號：395)的獨立非執行董事。於二零一一年，鄭博士畢業於香港城市大學並獲得工商管理學博士，專研「獨立非執行董事及企業管治」範疇。彼為在香港執業會計師當中，擁有工商管理博士學位並專注於獨立非執行董事研究的少數人士之一。鄭博士擁有香港及美國(「**美國**」)資深執業會計師資格，同時為香港稅務學會註冊稅務師。鄭博士分別於一九九二年及一九九四年畢業於美國南伊利諾州大學會計學學士(一級榮譽)及工商管理學碩士。鄭博士曾任職於國際會計師事務所普華永道的審計部，對財務報告、業務顧問、審核、會計、稅務調查及清盤方面擁有逾25年工作經驗。鄭博士現職加多利會計師事務所有限公司董事總經理。公共服務方面，鄭博士現時擔任香港城市大學「城賢匯」主席、香港華都獅子會會長及香港特別行政區社會福利諮詢委員會成員。

Mr. Kwok Chi Shing resigned as an independent non-executive Director and ceased to be the member and the chairman of the Company's audit committee and remuneration committee with effect from 1 September 2020.

Mr. Chan Kin Sang, an independent non-executive Director of the Group, is appointed as non-executive Director of Sino Harbour Holdings Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1663.HK) with effect from 1 April 2020.

Save as disclosed above, there is no other change in information of the Directors required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

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 nine months ended 30 September 2020 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.

郭志成先生辭任本公司獨立非執行董事，並不再擔任本公司審核委員會及薪酬委員會主席及成員，自二零二零年九月一日起生效。

陳健生先生，為本集團獨立非執行董事，擔任漢港控股集團有限公司(其於聯交所主板上市(股份代號:1663.HK))非執行董事，自二零二零年四月一日起生效。

除上述變動外，概無其他須根據GEM上市規則第17.50A(1)條予以披露之資料。

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市規則附錄十五所載企業管治守則(「企業管治守則」)載列的原則及守則條文。

本公司自截至二零二零年九月三十日止九個月至本報告日期止期間(「有關期間」)已採納及遵守(如適用)企業管治守則。

董事會將持續監察及檢討本公司的企業管治常規，以確保遵守企業管治守則。

OTHER INFORMATION

其他資料

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

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

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。

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. Yeung David Wai Chow and Mr. Chan Kin Sang.

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

The financial information in this report has not been reviewed nor audited by the Company’s auditor, but the Audit Committee has reviewed the unaudited condensed consolidated financial results of the Group for the nine months ended 30 September 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.

On behalf of the Board

Zhang Shuguang

Chairman and Executive Director

Hong Kong, 10 November 2020

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）、楊煒秋醫生及陳健生先生。

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

本報告中的財務信息尚未經過本公司審計師審閱或審核，但審核委員會成員已審閱截至二零二零年九月三十日止九個月集團未經審核簡明綜合財務業績，及認為該等報表的編製符合適用的會計準則、創業板上市規則的規定及其他適用的法律規定，並已作出充分披露。

代表董事會

張曙光

主席兼執行董事

香港，二零二零年十一月十日

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

未經審核簡明綜合損益及其他全面收入表

For the three months and nine months ended 30 September 2020 截至二零二零年九月三十日止三個月及九個月

The Board of the Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2020 together with the unaudited comparative figures for the three months and nine months ended 30 September 2019 as follows:

董事會(「董事會」)欣然公佈本集團截至二零二零年九月三十日止三個月及九個月的未經審核簡明綜合業績，連同截至二零一九年九月三十日止三個月及九個月的未經審核比較數字如下：

		NOTES 附註	Three months ended 30 September 截至九月三十日止三個月		Nine months ended 30 September 截至九月三十日止九個月	
			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	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
Revenue	收入	3	6,891	6,776	14,099	18,412
Cost of sales	銷售成本		(2,189)	(2,046)	(4,235)	(5,231)
Gross profit	毛利		4,702	4,730	9,864	13,181
Other income	其他收入	4	444	81	563	197
Other gains and losses	其他收益及虧損	5	(468)	922	(189)	753
Impairment losses on trade and other receivables, net of reversal	貿易及其他應收款項減值虧損，扣除撥回	6	(134)	38	(744)	534
Selling and distribution expenses	銷售及分銷開支		(1,797)	(1,673)	(4,599)	(4,591)
Administrative expenses	行政開支		(2,508)	(1,877)	(9,617)	(6,333)
Research and development expenses	研發開支		(396)	(325)	(1,508)	(1,157)
Share of results of the associate	分佔聯營公司業務		(39)	-	(44)	-
Finance costs	融資成本		(17)	(9)	(46)	(27)
(Loss)/Profit before tax	除稅前(虧損)/溢利	8	(213)	1,887	(6,320)	2,557
Income tax expense	所得稅開支	7	(282)	(389)	(282)	(836)
(Loss)/Profit for the period attributable to the owners of the Company	期內本公司擁有人應佔(虧損)/溢利		(495)	1,498	(6,602)	1,721
Other comprehensive income: <i>Item that may be reclassified subsequently to profit or loss</i>	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		45	-	42	-
Total comprehensive (expense)/income for the period attributable to the owners of the Company	本公司擁有人應佔期內全面(開支)/收益總額		(450)	1,498	(6,560)	1,721
(Loss)/Earnings per share	每股(虧損)/溢利	11	RMB cents 人民幣仙	RMB cents 人民幣仙	RMB cents 人民幣仙	RMB cents 人民幣仙
Basic and diluted	基本及攤薄		(0.11)	0.37	(1.64)	0.43

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 and nine months ended 30 September 2020 截至二零二零年九月三十日止三個月及九個月

		Reserves							Sub-total	Total
		Capital	Share premium	Capital reserve	Statutory reserve	Translation reserve	Share option reserve	Accumulated profits		
		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 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
Profit and total comprehensive expense for the period	期內溢利及全面開支總額	-	-	-	-	-	-	1,721	1,721	1,721
At 30 September 2019 (unaudited)	於二零一九年九月三十日 (未經審核)	3,509	47,248	1,943	1,734	-	-	18,308	69,233	72,742
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	-	-	-	-	-	-	(6,602)	(6,602)	(6,602)
Other comprehensive income:	其他全面收益：									
Item that may be reclassified subsequently to profit or loss	其後可能重分類至損益的項目									
Exchange difference on consolidation	綜合匯兌差額	-	-	-	-	42	-	-	42	42
Total comprehensive expense for the period	期內全面開支總額	-	-	-	-	42	-	(6,602)	(6,560)	(6,560)
Transaction with owners:	與擁有人之交易：									
Recognition of equity-settled share based payments	確認以股本結算以股份支付之款項	-	-	-	-	-	2,660	-	2,660	2,660
Forfeiture of share options	沒收購股權	-	-	-	-	-	(75)	-	(75)	(75)
At 30 September 2020 (unaudited)	於二零二零年九月三十日 (未經審核)	3,509	47,248	1,943	2,302	(10)	2,585	9,133	63,201	66,710



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 and nine months ended 30 September 2020 截至二零二零年九月三十日止三個月及九個月

1. GENERAL

Huakang Biomedical Holdings Company Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company under the laws of the Cayman Islands with limited liability on 3 August 2017 and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 December 2018. The Company is controlled by Mr. Zhang Shuguang 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年報「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。

* 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 and nine months ended 30 September 2020 截至二零二零年九月三十日止三個月及九個月

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(下文統稱為「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。

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 and nine months ended 30 September 2020 截至二零二零年九月三十日止三個月及九個月

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

(a) 主產品收益

		Three months ended 30 September 截至九月三十日止三個月		Nine months ended 30 September 截至九月三十日止九個月	
		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	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
Sales of biological reagents	銷售生物製劑				
Male fertility IVD reagents	男性不育體外診斷試劑	4,681	4,893	10,790	14,517
Parasite antibody detection reagents	寄生蟲系列檢測試劑	1,264	1,079	1,835	2,119
Epstein-Barr Virus antibody detection reagents	EB病毒檢測試劑	395	377	524	740
Sales of auxiliary reproductive supplies and equipment	銷售輔助生育用品和設備	551	427	950	1,036
Total	總計	6,891	6,776	14,099	18,412

(b) Types of customers

(b) 客戶類別

		Three months ended 30 September 截至九月三十日止三個月		Nine months ended 30 September 截至九月三十日止九個月	
		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	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
Distributors	分銷商	3,863	2,615	7,518	8,938
Non-distributors	非分銷商	3,028	4,161	6,581	9,474
Total	總計	6,891	6,776	14,099	18,412

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 and nine months ended 30 September 2020 截至二零二零年九月三十日止三個月及九個月

(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.

(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:

(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。

(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 30 September 截至九月三十日止三個月		Nine months ended 30 September 截至九月三十日止九個月	
		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	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	670	747	1,554	2,302

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 and nine months ended 30 September 2020 截至二零二零年九月三十日止三個月及九個月

4. OTHER INCOME

		Three months ended 30 September		Nine months ended 30 September	
		截至九月三十日止三個月		截至九月三十日止九個月	
		2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Government grants	政府補助	373	21	407	44
Bank interest income	銀行利息收入	45	48	130	132
Sundry income	雜項收入	26	12	26	21
		444	81	563	197

4. 其他收入

5. OTHER GAINS AND LOSSES

		Three months ended 30 September		Nine months ended 30 September	
		截至九月三十日止三個月		截至九月三十日止九個月	
		2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Foreign exchange (losses)/gains	匯兌(虧損)/收益	(449)	912	(175)	733
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	-	-	10
Other (losses)/gains	其他(虧損)/收益	(19)	10	(14)	10
		(468)	922	(189)	753

5. 其他收益及虧損

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 and nine months ended 30 September 2020 截至二零二零年九月三十日止三個月及九個月

6. IMPAIRMENT LOSSES, NET OF REVERSAL

6. 減值虧損，扣除撥回

		Three months ended 30 September 截至九月三十日止三個月		Nine months ended 30 September 截至九月三十日止九個月	
		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	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	- 貿易應收款項	134	(38)	744	(511)
- other receivables	- 其他應收款項	-	-	-	(23)
		134	(38)	744	(534)

7. INCOME TAX EXPENSE

7. 所得稅開支

		Three months ended 30 September 截至九月三十日止三個月		Nine months ended 30 September 截至九月三十日止九個月	
		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	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	282	389	282	836

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 and nine months ended 30 September 2020 截至二零二零年九月三十日止三個月及九個月

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 nine months ended 30 September 2020 and 2019.

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 nine months ended 30 September 2020 and 2019 or at the end of each reporting period.

於英屬處女群島註冊成立之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。由於本集團之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%之優惠稅率。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九月三十日止九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。

由於截至二零二零年及二零一九年九月三十日止九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。

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 and nine months ended 30 September 2020 截至二零二零年九月三十日止三個月及九個月

8. LOSS BEFORE TAX

8. 除稅前虧損

		Three months ended 30 September 截至九月三十日止三個月		Nine months ended 30 September 截至九月三十日止九個月	
		2020	2019	2020	2019
		二零二零年 (unaudited) (未經審核) RMB'000 人民幣千元	二零一九年 (unaudited) (未經審核) RMB'000 人民幣千元	二零二零年 (unaudited) (未經審核) RMB'000 人民幣千元	二零一九年 (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	17	9	46	27
Staff costs, including directors' remuneration	員工成本，包括董事薪酬				
Directors' emoluments	董事薪酬	443	264	1,430	815
Other staff costs	其他員工成本				
Salaries, bonus and other benefits	薪金、花紅及其他福利	1,841	1,449	5,333	4,930
Contributions to defined contribution plans	定額供款計劃供款	242	254	681	794
Equity-settled share option expenses	以股權結算的購股權開支	(75)	–	2,585	–
		2,451	1,967	10,029	6,539
Other items	其他項目				
Auditor's remuneration	核數師酬金	171	–	489	600
Amortisation of intangible assets	無形資產攤銷	91	87	273	263
Depreciation of property, plant and equipment	物業、廠房及設備折舊	470	410	1,374	1,175
Depreciation of right-of-use assets	使用權資產折舊	250	110	750	330
Other rental and related expenses	其他租賃及有關開支	(2)	105	32	317

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 and nine months ended 30 September 2020 截至二零二零年九月三十日止三個月及九個月

9. DIVIDEND

No dividend was paid or declared by the Group during the nine months ended 30 September 2020 and 2019, nor has any dividend been proposed since the end of the reporting period.

10. LOSS PER SHARE

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

9. 股息

截至二零一九年及二零二零年九月三十日止九個月，本集團概無派付或宣派任何股息，及自報告期末亦無建議派付任何股息。

10. 每股虧損

本公司擁有人應佔每股基本和攤薄虧損的計算乃基於以下數據：

		Three months ended 30 September 截至九月三十日止三個月		Nine months ended 30 September 截至九月三十日止九個月	
		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	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
(Loss)/Profit:	(虧損)/溢利：				
Loss/(Profit) for the period attributable to the owners of the Company for the purpose of basic (loss)/earnings per share	計算每股基本(虧損)/溢利所用本公司擁有人應佔期內(虧損)/溢利	(495)	1,498	(6,602)	1,721
		'000 千股	'000 千股	'000 千股	'000 千股
Number of shares:	股份數目：				
Weighted average number of ordinary shares of the Company in issue for the purpose of basic earnings per share	計算每股基本盈利所用本公司已發行普通股加權平均數	400,000	400,000	400,000	400,000

Diluted loss per share

The computation of diluted loss per share does not assume the exercise of the outstanding share options since the exercise price per share option was higher than the average share price of the Company, respectively.

每股攤薄虧損

計算每股攤薄虧損時並無假設本公司發行的尚未行使購股權獲行使，原因是每份購股權的行使價高於本公司的平均股價。



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