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# HUAKANG BIOMEDICAL HOLDINGS COMPANY LIMITED

## 華康生物醫學控股有限公司

(於開曼群島註冊成立的有限公司)

(股份代號：8622)

### 截至二零一九年十二月三十一日止年度的 年度業績公告

華康生物醫學控股有限公司(「本公司」，及其附屬公司，「本集團」)董事(「董事」)會(「董事會」)欣然宣佈本集團截至二零一九年十二月三十一日止年度的經審核綜合財務業績(「二零一九年年度報告」)。本公告載列本集團二零一九年年度報告全文，並遵守香港聯合交易所有限公司GEM(「GEM」)證券上市規則(「GEM上市規則」)中有關年度業績初步公告隨附資料的相關規定。二零一九年年度報告的電子版本將適時公佈於GEM網站www.hkgem.com及本公司網站www.huakangbiomedical.com，而印刷版本將不遲於二零二零年四月九日(星期四)寄發予本公司股東。

代表董事會  
華康生物醫學控股有限公司  
主席及執行董事  
張曙光

香港，二零二零年三月三十一日

於本公告日期，執行董事為張曙光先生、張春光先生、潘禮賢先生及何嘉明先生；及獨立非執行董事為楊煒秋醫生、郭志成先生及陳健生先生。

本公告的資料乃遵照《香港聯合交易所有限公司的GEM證券上市規則》而刊載，旨在提供有關本公司的資料；董事願就本公告的資料共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所信，本公告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，且並無遺漏任何事項，足以令致本公告或其所載任何陳述產生誤導。

本公告將自其刊發日期起計最少一連七日刊載於GEM網站www.hkgem.com的「最新公司公告」內。本公告亦將刊載於本公司網站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聯交所主板買賣之證券承受較大之市場波動風險，及無法保證於**GEM**買賣之證券會有高流通市場。

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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。

A large, abstract green graphic composed of many thin, overlapping lines that form a circular, swirling pattern, resembling a stylized leaf or a modern logo. It is positioned in the upper left and right corners of the page.

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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  
Mr. Kwok Chi Shing 郭志成先生  
Mr. Chan Kin Sang 陳健生先生

#### Audit Committee 審核委員會

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

#### Remuneration Committee 薪酬委員會

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

#### Nomination Committee 提名委員會

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

#### Compliance Adviser 合規顧問

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

#### Company Secretary 公司秘書

Mr. Chau Lai Ki 周麗麒先生

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

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

#### Compliance Officer 合規主任

Mr. Poon Lai Yin Michael  
潘禮賢先生

#### Legal Advisers as to Hong Kong laws 有關香港法例的法律顧問

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

#### Auditor 核數師

Mazars CPA Limited  
中審眾環(香港)會計師事務所有限公司

#### Registered Office 註冊辦事處

Cricket Square,  
Hutchins Drive,  
P.O. Box 2681,  
Grand Cayman, KY1-1111,  
Cayman Islands

#### Principal Place of Business in Hong Kong 香港主要營業地點

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

#### Principal Place of Business in the PRC 中國主要營業地點

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

#### Principal Share Registrar and Transfer Office in the Cayman Islands 開曼群島股份過戶登記處

Conyers Trust Company (Cayman) Limited  
Cricket Square,  
Hutchins Drive,  
P.O. Box 2681,  
Grand Cayman KY1-1111,  
Cayman Islands

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

Tricor Investor Services Limited  
Level 54, Hopewell Centre,  
183 Queen's Road East,  
Hong Kong  
卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心54樓

#### Company's Websites 公司網址

<http://www.huakangbiomedical.com>

#### Stock code 股份代號

8622





# CHAIRMAN'S STATEMENT

## 主席報告

Dear Shareholders,

It is with great pleasure that, on behalf of the board of directors (the “**Board**”) of Huakang Biomedical Holdings Company Limited, I hereby present the Group’s annual results for the year ended 31 December 2019 to all the shareholders.

This is the first full year after the Company’s successful listing on the GEM of the Stock Exchange (the “**Listing**”) on 13 December 2018 (the “**Listing Date**”). The Group, in upholding the principle of “striving to break new ground”, earnestly implemented the resolutions of the Board and actively carried out various business activities focusing on its principal business. During the year, the Group continued to focus on (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) carrying out international cooperation. The Group faced intensifying competition, overcame challenges due to various unfavourable factors, and vigorously explored new commercial opportunities and new mechanism. The Group developed smoothly, and continued to enhance the daily operation management methods and promoted the execution capability, and actively improved the internal mechanism in an effort to increase our competitiveness. In the increasingly competitive and changing market, we successfully managed to overcome various unfavourable factors and courageously advanced forward with innovation in an unyielding spirit. We have successfully developed the cost-efficient sales-centred philosophy that places the best interests of our shareholders, maintained a stable employee base, and served the community with heart.

As a medical device group specialising in the research and development, manufacturing and sales of a wide range of in-vitro diagnostic (“**IVD**”) reagents in the People’s Republic of China (the “**PRC**”) and leveraging our technical know-how and vast experience, our Group continued to focus on the PRC male fertility IVD reagent market, revenue from which amounted to approximately RMB19.4 million (2018: approximately RMB21.0 million), accounted for approximately 76.3% (2018: approximately 73.2%) of our Group’s total revenue for the year ended 31 December 2019.

親愛的股東：

本人謹代表華康生物醫學控股有限公司董事會（「**董事會**」），欣然向全體股東提呈本集團截至二零一九年十二月三十一日止年度之年度業績。

此乃本公司於二零一八年十二月十三日（「**上市日期**」）於聯交所GEM成功上市（「**上市**」）後的首個完整年度。本集團秉承「力創新群」的原則，認真執行董事會決議，積極開展以主營業務為核心的各項經營活動。年內，本集團繼續專注於(i)拓展我們的產品組合及改善我們現有的產品種類；(ii)加強我們的研發能力；(iii)擴大及整合我們的銷售及分銷網絡；(iv)培養及招聘人才；及(v)開展國際合作。本集團面臨日益激烈的競爭，克服各種不利因素帶來的挑戰，積極探索新商機與新機制。本集團發展順利，不斷加強日常經營管理方式及提升執行力的同時，積極完善內部機制，致力提升我們的競爭力。於競爭日趨激烈以及瞬息萬變的市場中，我們成功地克服各種不利因素，以不屈不撓的精神向前推進。我們成功建立具成本效益並以銷售為本的理念，以此為股東帶來最大利益，穩定員工隊伍及用心服務社會。

作為一家在中華人民共和國（「**中國**」）研發、生產及銷售各種體外診斷（「**體外診斷**」）試劑的醫療器械集團，憑藉我們的專業技術及豐富經驗，本集團持續專注於中國男性不育體外診斷試劑市場，錄得截至二零一九年十二月三十一日止年度的收益約人民幣19.4百萬元（二零一八年：約人民幣21.0百萬元），約佔本集團總收益之76.3%（二零一八年：約73.2%）。

## CHAIRMAN'S STATEMENT

### 主席報告

On the other hand, in view of the rapidly changing marcoeconomic and political environment and the possible impacts to the economy, the spending power and the spending pattern of the customers may be unfavourably affected. The Group will be cautious in running and further expanding our business by exercising due care in identifying and examining opportunities and planning.

According to the original expansion plan which was disclosed in the prospectus dated 30 November 2018 (the "**Prospectus**"), a developing auxiliary reproductive supplies business was scheduled to be commenced in the second half of 2019. There was a delay in the schedule because the Company is still analysing the market demand of targeted medium and outlook of the PRC auxiliary reproductive supply market.

During the year, we actively explored the opportunity of international cooperation in Australia, Canada and Thailand. We have learnt and understood new technologies and techniques in auxiliary reproduction technology ("**ART**"), some of which may fit to our expansion plan. Looking ahead, our team will continue to devote our efforts into the research and development of the ART products. We look forward to introducing the state-of-the-art ART into the PRC and we will continue to expand along the supply chain of the ART market, and hence to create values to the society.

At the same time, we obtained a natural product licence granted by Health Canada, Natural Health Products Directorate, for our independent development product "Fertimale" under the brand "Nutronic" in Canada in December 2019. Fertimale contains a proprietary blend of powerful ingredients which is formulated to optimize the critical factors of sperm count, motility, morphology, and overall integrity. The Fertimale formulation improves sperm quality, which could improve pregnancy outcome.

另一方面，鑒於宏觀經濟及政治環境急速變化，以及可能對經濟造成的衝擊，客戶的購買力及消費模式或會因而受到影響。本集團將審慎經營，於進一步擴展業務時，謹慎識別及審視機會及規劃。

根據日期為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，發展輔助生育用品業務原定於二零一九年下半年開展。由於本公司仍對培養基的市場需求及中國輔助生育用品供應市場的前景進行分析，計畫因而推遲。

年內，我們積極探索於澳洲、加拿大及泰國的國際合作機會。我們已學習並瞭解輔助生育的新技術與設備(「輔助生育技術」)，部分技術或會適合我們的擴張計劃。展望未來，我們的團隊將繼續致力研發輔助生育技術產品。我們期待將最先進的輔助生育技術引入中國，並將繼續沿輔助生育技術市場的供應鏈擴張，從而為社會創造價值。

與此同時，於二零一九年十二月，我們的加拿大品牌「Nutronic」自主開發產品「Fertimale」獲加拿大衛生部天然健康產品管理委員會授予天然產品牌照。Fertimale含強效專利成份，可改善精子數量、活力、形態及整體完整性的關鍵因素。Fertimale配方能夠改善精子質素，有助提升受孕機會。

In January 2020, the Group appointed Dr. Tian Long (“**Dr. Tian**”) as the medical advisor, who has focused on andrology clinical and basic research for more than 18 years and has extensive working experience in the field of urology. Dr. Tian is primarily responsible for advisory service on research and development of male fertility IVD reagents and auxiliary reproductive supplies, and business development of the Group in such industries. We believe Dr. Tian will strengthen the research and development capacity of the Group and bring benefits to us.

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

Lastly, on behalf of the Board, I would like to take this opportunity to thank the Group’s management and employees for their dedicated contributions and unwavering commitment to deliver the best service to our customers over the years. My appreciation also goes to all shareholders, business associates, partners and valued customers for their generous support and confidence in the Company, and to the Board members for their leadership and guidance. I look forward to your commitment and continued support as we continue to generate satisfactory returns to our shareholders.

**Zhang Shuguang**  
*Chairman*

Hong Kong, 31 March 2020

於二零二零年一月，本集團委任田龍醫生（「**田醫生**」）為醫學顧問，彼專注於男科臨床及基礎研究逾十八年，以及於泌尿科領域擁有豐富的工作經驗。田醫生主要負責男性不育體外診斷試劑及輔助生育用品的研發諮詢服務，以及本集團在該等行業的業務發展。我們相信田醫生將加強本集團的研發能力並為我們帶來利益。

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

最後，本人謹代表董事會，藉此機會感謝本集團管理層及僱員多年來不遺餘力、堅定不移地致力為客戶提供最優質的服務。本人亦感謝所有股東、業務夥伴、合作夥伴及重要客戶對本公司的慷慨支持和信任，並感謝董事會成員的領導及引領，期待各位的貢獻及持續的支持，讓我們能繼續為股東帶來理想回報。

**張曙光**  
*主席*

香港，二零二零年三月三十一日



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

#### Revenue

The Group's revenue decreased by approximately RMB3.2 million, or 11.1%, to approximately RMB25.5 million for the year ended 31 December 2019 as compared to approximately RMB28.7 million for the year ended 31 December 2018. The decrease in revenue was mainly due to a decrease in revenue in sales of male fertility IVD reagents, parasite antibody detection reagents and auxiliary reproductive supplies and equipment.

Male fertility IVD reagents products remained our major product for the year ended 31 December 2019, accounting for approximately 76.3% of our total revenue for the year. Revenue from this segment for the year ended 31 December 2019 was approximately RMB19.4 million, representing a decrease of approximately RMB1.6 million or 7.6% from approximately RMB21.0 million for the year ended 31 December 2018, resulting from a decrease in sales to some of the Group's direct sales customers and distributors during the year. Our Directors are of the view that such a decrease was mainly attributable to the further decrease in birth rates of the PRC from 10.94% for 2018 to 10.48% for 2019, according to the statistics published by the National Bureau of Statistics of the PRC in January 2020; and the increase in price sensitivity of some of the customers of the Group.

The decrease in sales of parasite antibody detection reagents of approximately RMB1.1 million, or 23.1%, from approximately RMB4.5 million for the year ended 31 December 2018 was primarily due to a decrease in purchases of our detection kits for IgG antibody to *Schistosoma japonicum* by some of our distributors for the year ended 31 December 2019.

The decrease in sales of auxiliary reproductive supplies and equipment of approximately RMB648,000, or 33.0%, from approximately RMB2.0 million for the year ended 31 December 2018 was primarily attributable to the decrease in sales of the assembly-line type of full automatic enzyme-linked immunologic workstation which were purchased by our customers for diagnostic tests purposes as needed.

#### 財務回顧

#### 收益

本集團於截至二零一九年十二月三十一日止年度較去年錄得收益減少約人民幣3.2百萬元或約11.1%至約人民幣25.5百萬元，比較截至二零一八年十二月三十一日止年度約人民幣28.7百萬元。收入減少主要是男性不育體外診斷試劑、寄生蟲系列檢測試劑及輔助生育用品和設備的銷售減少所致。

男性體外診斷試劑產品於截至二零一九年十二月三十一日止年度仍為我們的主要產品，佔我們年度總收益的約76.3%。截至二零一九年十二月三十一日止年度，來自此分部的收益約為人民幣19.4百萬元，相當於較截至二零一八年十二月三十一日止年度約人民幣21.0百萬元減少約人民幣1.6百萬元或7.6%，此乃由於年內向部分本集團的直銷客戶及經銷商的銷售減少所致。董事認為該減少乃主要由於根據中國國家統計局於二零二零年一月發佈之資料，中國的生育率由二零一八年的10.94%進一步降至二零一九年的10.48%，以及本集團若干客戶之價格敏感度增加。

寄生蟲系列檢測試劑的銷售由截至二零一八年十二月三十一日止年度約人民幣4.5百萬元減少約人民幣1.1百萬元或23.1%，主要是由於截至二零一九年十二月三十一日止年度，我們若干分銷商減少採購我們的日本血吸蟲IgG抗體檢測試劑盒。

輔助生育用品和設備的銷售由截至二零一八年十二月三十一日止年度約人民幣2.0百萬元減少約人民幣648,000元或33.0%，主要是我們的客戶減少購買流水線式全自動酶聯免疫工作站做診斷測試。



### Gross Profit and Gross Profit Margin

The Group recorded a gross profit of approximately RMB17.9 million for the year ended 31 December 2019, representing a decrease of approximately RMB3.7 million, or approximately 17.1%, from approximately RMB21.6 million for the year ended 31 December 2018.

The Group's gross profit margin remained relatively stable at approximately 70.2% for the year ended 31 December 2019 as compared to the gross profit margin of approximately 75.3% for the year ended 31 December 2018.

### Other Income and Other Gains and Losses

Our other income slightly decreased by approximately RMB57,000 or 18.0%, from approximately RMB317,000 for the year ended 31 December 2018 to approximately RMB260,000 for the year ended 31 December 2019.

We recorded other gains of approximately RMB508,000 for the year ended 31 December 2019, whereas we recorded other losses of approximately RMB162,000 for the year ended 31 December 2018. Such change of approximately RMB670,000, or 413.6%, was mainly due to favourable conditions in foreign currency translated to RMB.

### Impairment Losses

We recorded reversal of impairment losses on trade and other receivables of approximately RMB289,000 for the year ended 31 December 2019, while recorded provision for impairment losses on trade and other receivables of approximately RMB1.4 million for the year ended 31 December 2018, mainly because (i) most of the provision made for trade and other receivables as at 31 December 2018 have been settled during the year ended 31 December 2019 and (ii) decrease in gross carrying amounts of trade receivables as at 31 December 2019 compared to that of as at 31 December 2018..

### 毛利及毛利率

本集團截至二零一九年十二月三十一日止年度錄得毛利約人民幣17.9百萬元，較截至二零一八年十二月三十一日止年度之約人民幣21.6百萬元減少約人民幣3.7百萬元或約17.1%。

本集團的毛利率保持相對穩定，截至二零一九年十二月三十一日止年度為約70.2%，對比截至二零一八年十二月三十一日止年度約75.3%。

### 其他收入及其他收益及虧損

其他收入由截至二零一八年十二月三十一日止年度約人民幣317,000元輕微減少約人民幣57,000元或18.0%至截至二零一九年十二月三十一日止年度約人民幣260,000元。

我們於截至二零一九年十二月三十一日止年度錄得其他收益約人民幣508,000元，而我們於截至二零一八年十二月三十一日止年度錄得其他虧損約人民幣162,000元。約人民幣670,000元或413.6%的有關變動主要由於外幣兌換為人民幣的匯率有利情況導致。

### 減值虧損

我們於截至二零一九年十二月三十一日止年度錄得貿易及其他應收款項減值虧損撥回約人民幣289,000元，於截至二零一八年十二月三十一日止年度錄得貿易及其他應收款項減值虧損撥備約人民幣1.4百萬元，主要乃由於(i)大部份於二零一八年十二月三十一日就貿易及其他應收款項計提撥備已於截至二零一九年十二月三十一日止年度回款及(ii)與二零一八年十二月三十一日相比，於二零一九年十二月三十一日的貿易應收款項總賬面值減少。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### Selling and Distribution Expenses

Our selling and distribution expenses increased from approximately RMB4.1 million for the year ended 31 December 2018 to approximately RMB6.8 million for the year ended 31 December 2019, representing a growth of approximately RMB2.7 million or 65.9% during the year. The growth was primarily attributable to (i) an increase in staff cost by RMB1.5 million, or 83.3%, to facilitate the expansion of our sales and marketing team (including the recruitment of senior sales and marketing personnel) and an increase in their average salaries as determined by the supply and demand conditions of the local labor market; and (ii) an increase in marketing expenses and travel and transportation expenses of approximately RMB1.1 million, or 78.6%, as a result of our exploration of new business opportunities and potential international cooperation.

#### Administrative Expenses

Administrative expenses increased from approximately RMB5.7 million for the year ended 31 December 2018 to approximately RMB9.7 million for the year ended 31 December 2019, representing an increase of approximately RMB4.0 million or 70.2% during the year. Such an increase was mainly attributable to (i) an increase in professional fees of approximately RMB1.8 million to comply with the GEM Listing Rules after the Listing; (ii) an increase in staff costs of approximately RMB1.1 million, or 37.9%, as a result of an increase in average salaries of our administrative personnel as determined by the supply and demand conditions of the local labor market and the appointment of our some of our Directors after the Listing, (iii) a payment of an one-off special bonus in the amount of approximately RMB169,000 during the year ended 31 December 2019 to employees based on their performance, and (iv) an increase in rental and utilities expenses in the amount of approximately RMB520,000 for a new office premises in Hong Kong since February 2019.

#### 銷售及分銷開支

我們的銷售及分銷開支由截至二零一八年十二月三十一日止年度約人民幣4.1百萬元增加至截至二零一九年十二月三十一日止年度約人民幣6.8百萬元，年內增長約人民幣2.7百萬元或65.9%。該增長主要由於(i)員工成本增加人民幣1.5百萬元或83.3%，以促進擴大我們的銷售及營銷團隊(包括聘請資深銷售及營銷人員)及按本地勞動力市場供求狀況釐定我們的銷售及營銷人員平均薪資有所上升而增加；及(ii)探索新商業機會及潛在國際合作導致產生的營銷開支及差旅運輸開支增加約人民幣1.1百萬元或78.6%。

#### 行政開支

行政開支由截至二零一八年十二月三十一日止年度約人民幣5.7百萬元增加至截至二零一九年十二月三十一日止年度約人民幣9.7百萬元，年內增加約人民幣4.0百萬元或70.2%。該增加乃主要由於(i)上市後就符合GEM上市規則而增加的專業費用約人民幣1.8百萬元；(ii)員工成本增加約人民幣1.1百萬元或37.9%，此乃由於按本地勞動力市場供求狀況釐定我們的行政人員平均薪資有所上升而增加及自本公司於上市後新聘請幾名董事，(iii)基於僱員表現截至二零一九年十二月三十一日止年度所派發的一次性特別花紅約人民幣169,000元，及(iv)自二零一九年二月我們香港新辦公室物業的租金及公用事業開支約人民幣520,000元。

### Research and Development Expenses

Research and development expenses increased from approximately RMB1.5 million for the year ended 31 December 2018 to approximately RMB1.8 million for the year ended 31 December 2019, representing an increase of approximately RMB288,000 or 19.5%. Such an increase was mainly due to increased research projects commenced during the year ended 31 December 2019.

### Finance Costs

Finance costs represented the interest on lease liabilities upon application of HKFRS 16 during the year, in amount of approximately RMB72,000 (2018: Nil).

### Results for the Year

The loss attributable to owners of the Company was approximately RMB284,000 for the year ended 31 December 2019 as compared to approximately RMB459,000 for the year ended 31 December 2018. Excluding non-recurring listing expenses of RMB7.8 million in 2018, the Group recorded a profit before tax of approximately RMB9.1 million for the year ended 31 December 2018. The decrease was mainly due to the reasons mentioned above in relation to a decrease in revenue and an increase in our selling and distribution expenses and administrative expenses.

Basic loss per share for the year was RMB0.07 cents, as compared to RMB0.15 cents for the year ended 31 December 2018.

### Taxation

The PRC enterprise income tax rate applicable to the Group's operating subsidiary in the PRC is 15% (2018: 15%).

### 研發開支

研發開支由截至二零一八年十二月三十一日止年度約為人民幣1.5百萬元增加至截至二零一九年十二月三十一日止年度約為人民幣1.8百萬元，增幅為約人民幣288,000元或19.5%。該增加主要由於開展的研發項目於截至二零一九年十二月三十一日止年度有所增加。

### 融資成本

融資成本指於年內應用香港財務報告準則第16號後租賃負債的利息約人民幣72,000元（二零一八年：無）。

### 年度業績

截至二零一九年十二月三十一日止年度，本公司擁有人應佔虧損為約人民幣284,000元，對比截至二零一八年十二月三十一日止年度約人民幣459,000元。撇除於二零一八年非經常性上市開支人民幣7.8百萬元後，本集團於截至二零一八年十二月三十一日止年度錄得除稅前溢利約人民幣9.1百萬元。該跌幅乃主要由於上述原因，其有關於收益減少、銷售及分銷開支以及行政開支增加。

本年度每股基本虧損為人民幣0.07仙，對比截至二零一八年十二月三十一日止年度每股人民幣0.15仙。

### 稅項

本集團於中國營運的附屬公司適用之中國企業所得稅率為15%（二零一八年：15%）。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### Dividend

The Board did not recommend payment of the final dividend for the year ended 31 December 2019 (2018: Nil).

The declaration, payment, and amount of future dividend will be decided by the Board and will depend upon, among other things, the Group's results of operations, capital requirements, cash flows, general financial condition and such other factors as the Board may consider important.

#### BUSINESS REVIEW AND OUTLOOK

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

For the year ended 31 December 2019, our Group experienced a decrease in revenue from sales of our male fertility IVD reagent products, which was our major product. Our Directors are of the view that such decrease was mainly due to: (i) the further decrease in birth rates of the PRC from 10.94‰ for 2018 to 10.48‰ for 2019, according to the statistics published by the National Bureau of Statistics of the PRC in January 2020; and (ii) the increase in price sensitivity of some of the customers of the Group. Nevertheless, we anticipate that the PRC government will continue to focus on and support the development of biomedical industry. In the meantime, the growth of the PRC male fertility IVD reagent market is also expected to be driven by an increasing rate of infertility incidences, widespread acceptance of assisted reproductive treatment, rising per capita income and expenditures on healthcare, the implementation of a universal two-child policy, favourable policies by the PRC government in support of a hierarchical diagnosis and treatment system, and the increasing coverage for the country's basic medical insurance system.

#### 股息

董事會不建議派付截至二零一九年十二月三十一日止年度之末期股息(二零一八年：無)。

日後是否宣派股息，以及支付股息之方法及金額，均由董事會決定，並將視乎(其中包括)本集團之經營業績、資本需要、現金流量、整體財務狀況及董事會認為重要之其他因素而定。

#### 業務回顧及前景

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

截至二零一九年十二月三十一日止年度，本集團銷售主要產品男性體外診斷試劑產品的收益減少。董事認為該減少乃主要由於：(i)根據中國國家統計局於二零二零年一月發佈之資料，中國的生育率由二零一八年的10.94‰進一步降至二零一九年的10.48‰，及(ii)本集團若干客戶之價格敏感度增加。然而，我們預期中國政府將繼續關注及支持生物醫學產業的發展。與此同時，我們預期中國男性不育體外診斷試劑市場的增長將受以下原因所驅動：不孕不育率上升、輔助生育治療獲廣泛接納、人均收入及醫療開支增加、全面二孩政策的實施、中國政府支持分級診療制度的優惠政策及國家基本醫療保險體系覆蓋率不斷提升。

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

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

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

### Sales and Distribution

We market and sell all our IVD reagents within the PRC. We regularly visit and directly sell our products to hospitals and medical institutions. In addition, we sell our products to distributors who, in turn, sell our products to hospitals and medical institutions, either directly or through their sub-distributors.

為更好把握市場機遇，我們的戰略是透過持續研發及加大市場推廣，從而進一步增加產品的競爭力。我們擬採取下列業務策略拓展我們的業務：(i)擴大我們的產品組合並改善我們現有產品的種類；(ii)加強我們的研發能力；(iii)擴大及整合我們的銷售及分銷網絡；(iv)培養及招聘人才；及(v)發展我們的輔助生育產品業務。

本集團已訂立一項無法律約束力的諒解備忘錄，內容有關於香港與一家澳洲領先的生育醫療集團成立一家合營企業，以(其中包括)(i)在中國開展與輔助生育治療相關的技術、設備及產品的研究、開發及註冊；及(ii)在中國、亞太地區國家及其他地區銷售及出口有關設備及產品。

此外，本集團計劃在中國及海外市場研發及銷售我們的輔助生育產品。我們目前正與一家加拿大天然保健產品製造商合作開發輔助生育產品，以增強男性生育功能。

### 銷售及分銷

我們所有的體外診斷劑產品於中國境內營銷及銷售。我們定期訪問醫院及醫療機構，並向其直接出售我們的產品。此外，我們亦向分銷商出售產品，而該等分銷商則直接或透過其次級分銷商向醫院及醫療機構出售我們的產品。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

In 2019, the Group continued to extend its business reach in the PRC. For example, during the year ended 31 December 2019, the Company sold products to 15 new direct sale customers and 80 new distributors.

The number of sales and marketing personnel of the Company increased from 25 in 2018 to 30 in 2019. The expansion of workforce mainly served to assist in the preparation of tender materials and participation of centralised purchasing procedure in public hospitals and medical institutions in the PRC, communicate with our customers to help better understand the purpose and characteristics of our products, review qualifications of distributors, collect feedback from customers and end-users, provide customer services and coordinate international cooperation.

#### Direct Sales

Direct sales revenue dropped from approximately RMB14.1 million in 2018 to approximately RMB13.0 million in 2019, representing a decrease of RMB1.1 million or 7.8%. The decrease was mainly due to a decrease in sales of male fertility IVD reagents.

#### Distribution

The number of distributors increased from 184 at the beginning of 2019 to 202 at the end of 2019. With our extensive distribution network, we benefited from the proven distribution channels and resources of our distributors, thereby saving the cost of establishing a broad sales network in the PRC and increasing the efficiency of distribution and sales of products to target markets in a short period of time.

Revenue from sale of products to distributors decreased by approximately RMB2.1 million or 14.6%, from approximately RMB14.6 million in 2018 to approximately RMB12.4 million in 2019. The decrease was mainly due to a decrease in revenue from the sale of our parasite antibody detection reagents.

於二零一九年，本集團繼續擴展其於中國的業務範圍。例如於截至二零一九年十二月三十一日止年度，本公司向15名新的直銷客戶及80名新的分銷商出售產品。

本公司的銷售及營銷人員數量從二零一八年的25名增至二零一九年的30名。擴充人手主要是為了協助準備投標材料及參與中國公立醫院及醫療機構的集中採購程序、與我們的客戶溝通以協助他們更好地了解我們產品的用途及特點、審查分銷商的資格、收集客戶及終端用戶的回饋、提供客戶服務，以及協調國際合作。

#### 直銷

直銷收益由二零一八年的約人民幣14.1百萬元降至二零一九年的約人民幣13.0百萬元，跌幅為人民幣1.1百萬元或7.8%。該減少乃主要由於男性不育體外診斷試劑銷售減少。

#### 分銷

分銷商的數量由二零一九年初的184名增至二零一九年底的202名。憑藉我們廣闊的分銷網絡，我們受惠於分銷商成熟的分銷渠道及資源，從而節省了於中國設立廣泛的銷售網絡的成本，並在短時間內提高向目標市場分銷及銷售產品的效率。

向分銷商銷售產品的收益由二零一八年的約人民幣14.6百萬元減少約人民幣2.1百萬元或14.6%至二零一九年的約人民幣12.4百萬元。該減少主要是由於寄生蟲系列檢測試劑銷量所得收益減少所致。

## Product

We price our products based on a number of factors, such as sales channels, cost of sales, expected demands of customers and end users for our products, selling prices of comparable or similar products of our competitors, sales regions and government policies. In 2019, selling prices for some of our products decreased slightly in general, while we observed a significant decrease in the average sales volume of our male fertility IVD reagent products and detection kit for IgG antibody to *Schistosoma japonicum* by approximately 14.6% and 65.2% respectively.

Also, the sales of auxiliary reproductive supplies and equipment decreased from approximately RMB2.0 million in 2018 to approximately RMB1.3 million in 2019, primarily due to an decrease in sales of the assembly-line type of full-automatic enzyme-linked immunologic workstation.

## Research and Development

We are devoted to our product research and development and have been recognised as a High and New Technology Enterprise of the State\* (國家高新技術企業) in the PRC since 2011. All of our research and development personnel have been trained in immunology, biotechnology, biological engineering and biomedical engineering. We conduct our research and development activities through our internal research and development department, which is mainly focused on developing products that address growing diagnostic needs in the areas of male and female infertility, as well as improving the effectiveness and quality of our existing products.

The research and development expenses was approximately RMB1.8 million in 2019 (2018: RMB1.5 million). This was mainly due to the fact that we had ten active research projects in 2019 (2018: seven).

## 產品

我們基於多項因素進行產品定價，包括銷售渠道、銷售成本、產品的客戶及終端用戶的預期需求、競爭對手的可比較或類似產品售價、銷售區域及政府政策等。於二零一九年，部分產品的售價整體略有下降，而我們亦留意到男性不育體外診斷試劑及日本血吸蟲IgG抗體檢測試劑盒的平均銷量分別大幅減少約14.6%及65.2%。

此外，輔助生育用品和設備銷量由二零一八年的約人民幣2.0百萬元減少至二零一九年的約人民幣1.3百萬元，此乃主要由於流水線式全自動酶聯免疫工作站銷量減少。

## 研發

我們致力於產品研發並自二零一一年起已獲認可為中國國家高新技術企業。我們的全部研發人員均已接受免疫學、生物科技、生物工程及生物醫學工程訓練。我們透過內部研發部門進行研發活動，該部門主要專注於開發產品解決不斷增長的男性不育及女性不孕領域的診斷需求，並提升我們現有產品的效用及質量。

二零一九年研發開支約為人民幣1.8百萬元(二零一八年：人民幣1.5百萬元)。此乃主要由於我們於二零一九年有十個活躍研究項目(二零一八年：七個)。

\* The English name is for identification purpose

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Our Group has funded the liquidity for FY2019 and capital requirements primarily through internally generated fund from operating activities and proceeds from the Listing.

As at 31 December 2019, our Group has total cash and bank balances of approximately RMB48.8 million compared to approximately RMB54.8 million as at 31 December 2018, which were placed with major banks in the PRC and Hong Kong and denominated in RMB and Hong Kong Dollars (“**HK\$**”) respectively. The decrease was mainly due to the payment of daily operating expenses.

As at 31 December 2019, the lease liabilities upon application of HKFRS 16 during the year was approximately RMB1.6 million (2018: Nil). The gearing ratio of our Group calculated based on the lease liabilities divided by total equity as at 31 December 2019 was approximately 2.3% (2018: Nil).

There has been no change in the capital structure of the Company since the Listing. The capital structure of the Group comprises of issued share capital and reserves. The equity attributable to owners of the Company amounted to approximately RMB70.7 million as at 31 December 2019 (2018: RMB71.0 million).

#### EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2019 the Group has 73 full-time employees (2018: 70). Staff costs recognised in profit or loss amounted to approximately RMB10.2 million (2018: RMB6.6 million) for the year ended 31 December 2019 (including directors and other employee salaries and retirement benefits). Remuneration policies and packages for the Group’s employees are based on individual qualifications, performance, experience, and conditions prevailing in the industry. In addition, various training sessions are offered to employees to enhance their product and market knowledge.

#### 流動資金、財務資源及資本架構

本集團主要透過經營活動所產生的內部資金及上市所得款項，為二零一九財政年度的流動資金及資本需求提供資金。

於二零一九年十二月三十一日，本集團之現金及銀行結餘總額約為人民幣48.8百萬元，而於二零一八年十二月三十一日，本集團之現金及銀行結餘總額約為人民幣54.8百萬元，分別存放於中國及香港主要銀行，並分別以人民幣及港元(「港元」)計值。該減少乃主要由於日常營運開支付款。

於二零一九年十二月三十一日，於年內應用香港財務報告準則第16號後的租賃負債約為人民幣1.6百萬元(二零一八年：無)。於二零一九年十二月三十一日，本集團的資本負債比率(按租賃負債除以權益總額計算)約為2.3%(二零一八年：無)。

自上市起，本公司的資本架構並無任何變動。本集團的資本架構包括已發行股本及儲備。本公司擁有人應佔權益於二零一九年十二月三十一日約為人民幣70.7百萬元(二零一八年：人民幣71.0百萬元)。

#### 僱員及薪酬政策

於二零一九年十二月三十一日，本集團擁有73名全職僱員(二零一八年：70名)。截至二零一九年十二月三十一日止年度，於損益確認的員工成本為約人民幣10.2百萬元(二零一八年：人民幣6.6百萬元)(包括董事及其他僱員薪金及退休福利)。本集團僱員的薪酬政策及待遇乃按照僱員個別資歷、表現、經驗及業界當時情況而定。此外，僱員獲提供多項培訓以提高其產品及市場知識。

## 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 HK\$ and United State Dollars denominated bank balances. 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 year ended 31 December 2019. The management will closely monitor foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

## TREASURY POLICIES

The Group will continue to employ a prudent treasury policies in managing the Group's cash balances and maintain a strong and healthy liquidity 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 year ended 31 December 2019, the Group did not make any material acquisitions or disposals of subsidiaries and affiliated companies.

## SIGNIFICANT INVESTMENT HELD

As at 31 December 2019, the Group did not hold any significant investment.

## 主要風險及不明朗因素

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

## 外匯風險

我們營運、資產及負債的功能貨幣大部分以人民幣（「人民幣」）計值。因此，除我們的港元及美元計值銀行結餘外，我們並無面臨任何重大外匯風險。本集團現時並無外匯對沖政策。本集團並無參與任何衍生工具協議，且並無承諾任何金融工具以對沖其於截至二零一九年十二月三十一日止年度的外匯風險。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。

## 重大收購及出售附屬公司及關聯公司

截至二零一九年十二月三十一日止年度，本集團並無進行任何重大收購或出售附屬公司及關聯公司。

## 所持重大投資

於二零一九年十二月三十一日，本集團並無持有任何重大投資。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### PLEDGE OF ASSETS

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

#### CAPITAL COMMITMENTS

As at 31 December 2019, the Group had capital commitments of approximately RMB78,000 (2018: 329,000) in respect of the acquisition of property, plant and equipment.

#### CONTINGENT LIABILITIES

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

#### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

#### 資產抵押

於二零一九年十二月三十一日，本集團並無抵押任何重大資產(二零一八年：無)。

#### 資本承擔

於二零一九年十二月三十一日，本集團就購買物業、廠房及設備擁有資本承擔約人民幣78,000元(二零一八年：人民幣329,000元)。

#### 或然負債

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

#### 有關重大投資或資本資產的日後計劃

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



**Comparison of Business Objectives with Actual Business Progress**      **業務目標與實際業務進度比較**

The proceeds raised from the Listing are intended to be used for further strengthening our market position and expanding our market shares by pursuing our business strategies. An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the period from the Listing Date up to 31 December 2019 is set out below:

上市所得款項旨在透過按照我們的業務策略進一步增強我們的市場地位及擴大我們的市場份額。招股章程所載業務目標與本集團自上市日期直至二零一九年十二月三十一日止之實際業務進度比較分析載列如下：

<b>Business objectives as set out in the Prospectus</b> 招股章程所載業務目標	<b>Actual business progress for the period from the Listing Date to 31 December 2019</b> 自上市日期至二零一九年十二月三十一日之實際業務進度
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Development of new products  
開發新產品

(i) The Group has completed the clinical trials of vitro diagnostic reagents for sperm nuclear DNA integrity reagent and is planning to proceed with registration; (ii) spermatozoa diagnostic reagent, sperm mitochondrial diagnostic reagent and anti-mullerian hormone with the application of chemiluminescence technology were in the preliminary phase, and we carried out works such as data collecting, sourcing of materials and equipment, and undergoing the demonstration stage of the research and development program; (iii) we conducted in-depth discussion with the development partner to solve the technical problem of the fully automated sperm dyeing detection equipment; and (iv) the Group has completed the debug of the prototype of semen biochemical immunoassay equipment.

(i)本集團已完成精子核DNA完整性體外診斷試劑的臨牀試驗，並計劃進行註冊；(ii)應用化學發光技術的精子診斷試劑、精子線粒體診斷試劑及抗苗勒氏管激素處於初步階段，我們已進行數據收集、物料及設備採購等工作，並正進行研究及開發計劃示範階段；(iii)我們與開發夥伴進行深入討論以解決全自動精子染色檢測設備的技術問題；及(iv)本集團已完成調查精液生化免疫檢測設備原型。

As at 31 December 2019, the Group has filled up the position of two research and development personnel (one external recruitment and one internal transfer), two technicians (both internal transfer) and two production workers (one external recruitment and one internal transfer). The Group was unable to hire the expected number of suitable research and development personnel, technicians and production workers whose experience and qualifications meet the requirements of relevant positions as a result of the limited supply of suitable personnel in the market.

於二零一九年十二月三十一日，本集團已填補兩名研發人員（一名外部招聘及一名內部調任）、兩名技術人員（內部調任）及兩名生產人員（一名外部招聘及一名內部調任）的職位。由於市場上適當人選供應有限，本集團未能聘請預期數目的具備符合相關職位所要求經驗及資格的合適研發人員、技術人員及生產人員。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### Business objectives as set out in the Prospectus

##### 招股章程所載業務目標

Improving existing products  
改良我們的現有產品

Expanding our sales network and enhancing our marketing activities

擴展我們的銷售網絡及加強我們的營銷活動

Developing auxiliary reproductive supply business  
發展輔助生育產品業務

#### Actual business progress for the period from the Listing Date to 31 December 2019

##### 自上市日期至二零一九年十二月三十一日之實際業務進度

The Group has submitted the Class II medical device registration to Guangdong Food and Drug Administration for the improved products “seminal plasma fructose quantitative assay kit” and “seminal plasma neutral alpha-glucosidase quantitative assay kit”;

本集團已就改良產品「精漿果糖定量檢測試劑盒」及「精漿中性 $\alpha$ -葡萄糖苷酶定量檢測試劑盒」向廣東省食品藥品監督管理局提交第二類醫療器械註冊；

As at 31 December 2019, the Group was unable to hire suitable research and development personnel, technicians and production workers whose experience and qualifications meet the requirements of the relevant positions as a result of the limited supply of suitable personnel in the market. Our Group's existing staff took up the work on a temporary basis.

於二零一九年十二月三十一日，由於市場上適當人選供應有限，本集團未能聘請具備符合相關職位所要求經驗及資格的合適研發人員、技術人員及生產人員。本集團現有員工可暫時負責有關工作。

Our staff (i) explored and paid visits to a number of potential and new customers located in the northern part of the PRC and (ii) provided pre-sales products consulting and after-sales products maintenance services; and (iii) participated in 21 annual conferences and academic conferences held throughout China.

我們的員工(i)已物色及拜訪中國北部的若干潛在客戶並向其(ii)提供售前產品諮詢及售後產品維護服務；及(iii)參與於全國各地舉行的21次年度會議和學術會議。

As at 31 December 2019, the Group has recruited four sales and marketing personnel and two technicians. The Group was unable to hire the expected number of suitable sales and marketing personnel whose experience and qualifications meet the requirements of relevant positions as a result of the limited supply of suitable personnel in the market.

於二零一九年十二月三十一日，本集團已聘請四名銷售及營銷人員及兩名技術人員。由於市場上適當人選供應有限，本集團未能聘請預期數目的具備符合相關職位所要求經驗及資格的合適銷售及營銷人員。

The Group is still analysing the market demand of targeted medium and outlook of the PRC auxiliary reproductive supply market.

本公司仍對培養基的市場需求及中國輔助生育用品供應市場的前景進行分析。

## USE OF PROCEEDS FROM SHARE OFFER

The shares of the Company (the “Shares”) were listed on the GEM of the Stock Exchange on the Listing Date at HK\$0.5 per Share. The net proceeds from the Share Offer (as defined in the Prospectus), after deduction of underwriting fees and commission, and other estimated expenses payable by the Company in connection with the Share Offer, amounted to approximately HK\$16.6 million. During the period from Listing Date to 31 December 2019, the Group did not change its plans on use of proceeds as stated in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

The utilisation of net proceeds from the Share Offer by the Group is set out below:

## 股份發售所得款項用途

本公司股份(「股份」)於上市日期於聯交所GEM上市，每股股份為0.5港元。股份發售(定義見招股章程)所得款項淨額(經扣除包銷費用及佣金以及本公司就股份發售應付的其他估計開支)為約16.6百萬港元。自上市日期至二零一九年十二月三十一日期間，本集團並無改變其於招股章程「未來計劃及所得款項用途」一節所述所得款項用途計劃。

本集團對股份發售所得款項淨額的使用情況載列如下：

Use of Net Proceeds	Amount of Net Proceeds allocated upon listing		Percentage of net proceeds	Use of proceeds from the Listing Date to 31 December 2019		Balance as at 31 December 2019
	(HK\$ million) <sup>(1)</sup> (百萬港元) <sup>(1)</sup>	(RMB'000) <sup>(2)</sup> (人民幣千元) <sup>(2)</sup>		Planned use 計劃用途 (RMB'000) (人民幣千元)	Actual use 實際用途 (RMB'000) (人民幣千元)	於二零一九年十二月三十一日的結餘 (RMB'000) (人民幣千元)
所得款項淨額用途			所得款項淨額百分比	自上市日期至二零一九年十二月三十一日的所得款項用途		
Developing new products, improving our existing products and carrying out international cooperation projects						
開發新產品、改良我們的現有產品及開展國際合作項目	6.9	6,087	41.5%	2,142	1,377	4,710
Expanding our sales network and enhancing our marketing activities						
擴展我們的銷售網絡及加強我們的銷售及市場推廣活動	4.5	4,011	27.3%	2,804	2,560	1,451
Developing auxiliary reproductive supply business						
發展輔助生育產品業務	4.6	4,100	27.9%	755	-	4,100
Working capital						
營運資金	0.6	481	3.3%	200	200	281
Total						
總計	16.6	14,679	100.0%	5,901	4,137	10,542

Notes:

附註：

- (1) The net proceeds from the Share Offer based on the Offer Price of HK\$0.50 per Offer Share.
- (2) Translation based on the exchange rate of RMB1.00 to HK\$1.13.

- (1) 基於每股發售股份之發售價0.50港元之股份發售所得款項淨額。
- (2) 基於人民幣1.00元兌1.13港元之匯率換算。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

The remaining unused net proceeds as at 31 December 2019 were placed as bank balances with licensed banks in Hong Kong and PRC and the Directors are not aware of any material change to the planned use of proceeds as of the date of this report.

#### SUBSEQUENT EVENTS

Save as disclosed elsewhere in the consolidated financial statements, there were no significant events affecting the Company that have occurred since the end of the year.

招股章程所述的業務目標、未來計劃及所得款項計劃用途乃基於本集團於編製招股章程時對未來市場狀況所作的最佳估計及假設，而所得款項則根據本集團業務及行業的實際發展動用。

於二零一九年十二月三十一日，剩餘未動用所得款項淨額已作為銀行結餘存放於香港及中國的持牌銀行，而董事並不知悉於本報告日期所得款項計劃用途有任何重大改變。

#### 期後事項

除綜合財務報表其他部分所披露者外，自年底以來並無發生影響本公司的重大事件。



# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層之履歷

### Executive Directors

**Mr. Zhang Shuguang**, aged 49, is our executive Director and chairman of our Board. He joined our Group in September 2003 and was appointed as our Director on 3 August 2017 and was re-designated as our Executive Director on 25 September 2017. He is mainly responsible for the management of our Board, giving strategic advice and guidance on the business and operations of our Group.

Mr. Zhang Shuguang held a master's degree in engineering from Nippon Institute of Technology, Japan and has over 15 years of experience in the IVD reagents industry in the PRC.

Mr. Zhang Shuguang is the brother of Mr. Zhang Chunguang, who is an executive Director and the chief executive officer of our Group. Mr. Zhang Shuguang is also the brother of Mr. Chang Yim Yang, who is our Controlling Shareholder and a member of our senior management.

**Mr. Zhang Chunguang**, aged 52, is our executive Director and chief executive officer of our Group. He joined our Group in July 2008 and was appointed as our Director on 3 August 2017 and re-designated as our executive Director on 25 September 2017. He is mainly responsible for our business operations and the day-to-day management of our Group.

Mr. Zhang Chunguang graduated from Hubei Institute of Economics, in the PRC, majoring in economic English and has over 10 years of experience in the IVD reagents industry in the PRC.

Mr. Zhang Chunguang is the brother of Mr. Zhang Shuguang, who is an executive Director and the chairman of our Board. Mr. Zhang Chunguang is also the brother of Mr. Chang Yim Yang, who is a Controlling Shareholder and a member of our senior management.

### 執行董事

張曙光先生，49歲，為我們的執行董事及董事會主席。彼於二零零三年九月加入本集團並於二零一七年八月三日獲委任為我們的董事並於二零一七年九月二十五日調任為我們的執行董事。彼主要負責管理董事會、就本集團之業務及營運提供戰略建議及指導。

張曙光先生持有日本工業大學工程學碩士學位及於中國體外診斷試劑行業擁有逾15年經驗。

張曙光先生為本集團執行董事及行政總裁張春光先生之胞弟。張曙光先生亦為控股股東及我們的高級管理層成員張賢陽先生之胞弟。

張春光先生，52歲，為本集團的執行董事及行政總裁。彼於二零零八年七月加入本集團並於二零一七年八月三日獲委任為我們的董事並於二零一七年九月二十五日獲調任為我們的執行董事。彼主要負責本集團的業務營運及日常管理。

張春光先生畢業於中國湖北經濟管理大學，主修經濟英語及於中國體外診斷試劑行業擁有逾10年經驗。

張春光先生為執行董事及董事會主席張曙光先生之胞兄。張春光先生亦為控股股東及我們的高級管理層成員張賢陽先生之胞弟。



## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層之履歷

**Mr. Poon Lai Yin Michael**, aged 48, is our executive Director, chief financial officer and compliance officer of our Group. He joined our Group as our Director on 3 August 2017. On 25 September 2017, he was designated as our executive Director and appointed as our compliance officer. He is responsible for the financial management of our Group.

Mr. Poon Lai Yin Michael held a master's degree in practising accounting from Monash University, Australia. He has been a fellow member of Hong Kong Institute of Certified Public Accountants ("HKICPA") since July 2009, and a member with CPA Australia since March 2000 respectively. He passed the qualification examination of Asset Management Association of China in 2016. He has over 20 years of experience in financial reporting, business advisory, auditing, taxation, accounting, merger and acquisition.

Mr. Poon Lai Yin Michael is currently an independent non-executive director in a number of Hong Kong listed companies and a Singapore listed company, namely China Uptown Group Company Limited (stock code: 2330.HK) since November 2006, Smartac Group China Holdings Limited (formerly known as Sino Dragon New Energy Holdings Limited, China Zirconium Limited and Asia Zirconium Limited) (stock code: 0395.HK) since January 2010, Teamway International Group Holdings Limited (formerly known as Jin Bao Bao Holdings Limited) (stock code: 1239.HK) since 19 March 2019, and LFG Investment Holdings Limited (stock code: 3938.HK) since 10 September 2019, the shares of these companies are listed on the main board of the Stock Exchange, and Niche-Tech Group Limited (stock code: 8490.HK) since 28 June 2019, the shares of the Company are listed on GEM.

潘禮賢先生，48歲，為本集團的執行董事、首席財務官兼合規主任。彼於二零一七年八月三日加入本集團擔任我們的董事。於二零一七年九月二十五日獲指派為我們的執行董事及獲委任為我們的合規主任。彼負責本集團的財務管理。

潘禮賢先生持有澳洲莫納什大學會計學基礎碩士學位。彼自二零零九年七月及二零零零年三月起分別為香港會計師公會(「香港會計師公會」)資深會員及澳洲會計師公會會員。彼於二零一六年通過中國證券投資基金業協會從業資格考試。彼於財務申報、業務諮詢、審計、稅務、會計、併購方面擁有逾20年經驗。

潘禮賢先生現時為若干香港上市公司及一間新加坡上市公司之獨立非執行董事，即自二零零六年十一月起於中國上城集團有限公司(股份代號：2330.HK)，自二零一零年一月起於中國智能集團控股有限公司(前稱中國龍新能源控股有限公司、中國鋳業有限公司及亞洲鋳業有限公司)(股份代號：0395.HK)，自二零一九年三月十九日起於Teamway International Group Holdings Limited (前稱金寶寶控股有限公司)(股份代號：1239.HK)及自二零一九年九月十日起於LFG投資控股有限公司(股份代號：3938.HK)任職，該等公司之股份於聯交所主板上市，以及自二零一九年六月二十八日起於駿碼科技集團有限公司(股份代號：8490.HK)任職，該公司之股份於GEM上市。

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層之履歷

**Mr. He Jiaming**, aged 34, is our executive Director. He joined our Group as a business development director in January 2019. He is mainly responsible for evaluating and developing new products in connection with male fertility and exploring overseas business cooperation opportunities.

Mr. He Jiaming graduated from University of Manchester in the United Kingdom in 2010, with a combined bachelor and master degree in chemistry and has over four years of experience in the fields of biochemistry and international trading.

### Independent Non-executive Directors

**Dr. Yeung David Wai Chow**, aged 73, was appointed as our independent non-executive Director on 26 November 2018. He is responsible for supervising our Group's compliance, corporate governance matters and providing independent advice to our Group.

Dr. Yeung David Wai Chow obtained a bachelor's degree in medicine and surgery and master's degree in social sciences (behavioural health) from the University of Hong Kong in October 1971 and November 2010, respectively. He currently holds medical practitioner licences in Hong Kong and California, the United States respectively. He also obtained a certificate from the American Board of Nuclear Medicine, American Board of Pediatrics and American Board of Integrative Holistic Medicine in the United States in December 1975, September 1976 and December 2016, respectively.

Dr. Yeung David Wai Chow has over 40 years of experience in nuclear medicine and management. He had worked in several hospitals and a university with respect to nuclear medicine. He is currently the honorary professor of the department of diagnostic radiology of the University of Hong Kong.

**何嘉明先生**，34歲，為本集團的執行董事。彼於二零一九年一月加入本集團擔任業務發展董事。彼主要負責評估及開發與男性不育相關的新產品，以及尋找海外業務合作機會。

何嘉明先生於二零一零年畢業於英國曼徹斯特大學，持有化學學士及碩士學位，在生物化學及國際貿易領域擁有逾四年的經驗。

### 獨立非執行董事

**楊煒秋醫生**，73歲，於二零一八年十一月二十六日獲委任為我們的獨立非執行董事。彼負責監察本集團的合規、企業管治事宜及向本集團提供獨立意見。

楊煒秋醫生分別於一九七一年十月及二零一零年十一月取得香港大學內外全科醫學士學位以及社會科學(行為健康)碩士學位。彼目前分別持有香港及美國加州的醫療執業牌照。彼亦於一九七五年十二月、一九七六年九月及二零一六年十二月於美國分別獲取美國核醫學委員會、美國兒科委員會及美國整合整體醫學委員會頒發的專科文憑。

楊煒秋醫生於核醫學及管理擁有逾40年經驗。彼於數家醫院及一間大學擔任核醫學相關職位。彼目前為香港大學放射診斷學系名譽教授。

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層之履歷

**Mr. Kwok Chi Shing**, aged 58, was appointed as our independent non-executive Director on 26 November 2018. He is responsible for supervising our Group's compliance, corporate governance matters and providing independent advice to our Group.

Mr. Kwok Chi Shing obtained master's degree in arts in economics with accountancy from The University of Aberdeen, the United Kingdom in July 1986. He has been a chartered accountant in Scotland, the United Kingdom since November 1989. He has been a certified public accountant, certified tax advisor and certified financial planner in Hong Kong since January 1991, June 1992 and October 2001 respectively. He became a member of China Mergers & Acquisitions Association in March 2014. He has more than 20 years of experience in audit assurance, cross border taxation and project finance. He is currently the director of LKKC C.P.A. Limited.

Mr. Kwok Chi Shing has been a director of Pok Oi Hospital, Hong Kong since 2015 and he was appointed as the founding second vice president of the Lions Club of Hong Kong New Territories West Limited in 2015.

Mr. Kwok Chi Shing is currently an independent non-executive director in a number of Hong Kong listed companies and a Singapore listed company, namely Grand Ocean Advanced Resources Co. Ltd (stock code: 65.HK) (formerly known as Angel Technology Co Ltd), the shares of which are listed on the main board of the Stock Exchange since 27 January 2006, Speed Apparel Holding Limited (stock code: 8183.HK) since 23 January 2017, and Hang Chi Holdings Limited (stock code: 8405.HK) since June 2017, the shares of both are listed on GEM.

郭志成先生，58歲，於二零一八年十一月二十六日獲委任為我們的獨立非執行董事。彼負責監察本集團的合規、企業管治事宜及向本集團提供獨立意見。

郭志成先生於一九八六年七月取得英國蘇格蘭亞巴甸大學經濟及會計學文學碩士學位。彼於一九八九年十一月起為英國蘇格蘭特許會計師公會會員。彼分別自一九九一年一月、一九九二年六月及二零零一年十月起為香港執業會計師、註冊稅務顧問及認可財務策劃師。彼於二零一四年三月成為中國併購公會會員。彼於審計核證、跨境稅務及項目融資方面擁有逾20年的經驗。彼現時擔任國信會計師事務所有限公司之董事。

郭志成先生自二零一五年起為香港博愛醫院之董事，並自二零一五年起獲委任為香港新界西獅子會有限公司創會第二副會長。

郭志成先生目前為數家香港上市公司及一間新加坡上市公司之獨立非執行董事，即自二零零六年一月二十七日起於弘海高新資源有限公司(前稱英君技術有限公司)(股份代號：65.HK)任職，其股份於聯交所主板上市，自二零一七年一月二十三日起於尚捷集團控股有限公司(股份代號：8183.HK)及自二零一七年六月起於恒智控股有限公司(股份代號：8405.HK)任職，該兩間公司股份於GEM上市。

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層之履歷

**Mr. Chan Kin Sang**, aged 68, was appointed as our independent non-executive Director on 26 November 2018. He is responsible for supervising our Group's compliance, corporate governance matters and providing independent advice to our Group.

Mr. Chan Kin Sang graduated from the University of Hong Kong with a bachelor's degree in laws in November 1979. He was admitted as a notary public in April 1997. He is currently a fellow of the Hong Kong Institute of Directors, a China-appointed attesting officer and a practising solicitor in Hong Kong. He has over 30 years of experience in legal practice in Hong Kong and he is currently the partner of the Peter K.S. Chan & Co.

Mr. Chan Kin Sang is currently an independent non-executive director in a number of Hong Kong listed companies and a Singapore listed company, namely China Fortune Financial Group Limited (stock code: 290.HK) since July 2014, and Pak Tak International Limited (stock code: 2668.HK) since April 2018, the shares of them are listed on the main board of the Stock Exchange. Mr. Chan Kin Sang is currently also a director of Guanghe Landscape Culture Communication Co., Limited (stock code: 600234.SH) since June 2016, a company listed on the Shanghai stock exchange.

陳健生先生，68歲，於二零一八年十一月二十六日獲委任為我們的獨立非執行董事。彼主要負責監管本集團之合規、企業管治事宜及為本集團提供獨立意見。

陳健生先生於一九七九年十一月畢業於香港大學，獲得法學學士學位。彼於一九九七年四月獲認可為公證人。彼現為香港董事學會資深會員、中國委託公證人及香港執業律師。彼於香港法律實務方面擁有逾30年經驗及現時為陳健生律師行合夥人。

陳健生先生目前為數家香港上市公司及一間新加坡上市公司之獨立非執行董事，即自二零一四年七月起於中國富強金融集團有限公司(股份代號：290.HK)及自二零一八年四月起於百德國際有限公司(股份代號：2668.HK)任職，該等公司股份於聯交所主板上市。陳健生先生目前亦為山西廣和山水文化傳播股份有限公司(股份代號：600234.SH)之董事，自二零一六年六月起任職，該公司於上海證券交易所上市。

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層之履歷

#### Senior Management

**Mr. Chang Yim Yang**, aged 57, is vice chairman and a director of 深圳華康生物醫學工程有限公司 (Shenzhen Huakang Bio-Medical Engineering Limited\*) (“**Shenzhen Huakang**”) and a director of King Grace Company Limited (“**King Grace**”). He joined our Group in September 2003 and has been mainly responsible for the general management and business development of Shenzhen Huakang. He has over 16 years of experience in mergers and acquisitions as well as capital market operations.

Mr. Chang Yim Yang is the brother of Mr. Zhang Shuguang, who is our Controlling Shareholder, our executive Director and chairman of our Board. Mr. Chang Yim Yang is also the brother of Mr. Zhang Chunguang, who is an executive Director and the chief executive officer of our Group.

**Mr. Chau Lai Ki**, aged 36, is the financial controller of our Group and our company secretary. He is mainly responsible for the financial management and company secretarial matters of our Group. He joined our Group and appointed as company secretary of our Company on 25 September 2017. He was further appointed as financial controller of our Group on 7 November 2017.

Mr. Chau Lai Ki held a master’s degree in professional accounting from The Hong Kong Polytechnic University. He is a practising member of the HKICPA and has over 14 years of experience in the finance and accounting industry.

#### 高級管理層

**張賢陽先生**，57歲，為深圳華康生物醫學工程有限公司(「**深圳華康**」)副主席及董事以及King Grace Company Limited (「**King Grace**」)董事。彼於二零零三年九月加入本集團及主要負責深圳華康的整體管理及業務發展。彼於併購及資本市場運作方面擁有逾16年經驗。

張賢陽先生為控股股東、執行董事兼董事會主席張曙光先生之胞兄。張賢陽先生亦為本集團執行董事及行政總裁張春光先生之胞兄。

**周麗麒先生**，36歲，為本集團財務總監及公司秘書。彼主要負責本集團的財務管理及公司秘書事宜。彼於二零一七年九月二十五日加入本集團並獲委任為本公司公司秘書。彼於二零一七年十一月七日進一步獲委任為本集團財務總監。

周麗麒先生持有香港理工大學專業會計碩士學位。彼為香港會計師公會執業會員及於財務及會計行業擁有逾14年經驗。

\* The English name is for identification purpose



## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層之履歷

**Mr. Fu Jianhua**, aged 54, is the deputy general manager and chief technology officer of Shenzhen Huakang. He joined our Group in January 2014 and is mainly responsible for the technology research and development of our Group.

Mr. Fu Jianhua held a bachelor's degree in science from Wuhan University, the PRC and has over 18 years of experience in the medical devices and IVD reagents industry in the PRC.

**Mr. Zeng Zhouxiang**, aged 42, is the deputy general manager of Shenzhen Huakang. He joined our Group in September 2003 and is mainly responsible for the day-to-day management and assisting on corporate governance matters of our Group.

Mr. Zeng Zhouxiang held a bachelor's degree of engineering from South China University of Technology, the PRC and has over 16 years of experience in the IVD reagents industry in the PRC.

### Compliance Officer

**Mr. Poon Lai Yin Michael** was appointed as the compliance officer of our Company on 25 September 2017. For his qualifications and experience, please refer to the paragraph headed "Executive Directors" in this section.

### Company Secretary

**Mr. Chau Lai Ki** was appointed as our company secretary on 25 September 2017. He is also the financial controller of our Group. For his qualifications and experience, please refer to the paragraph headed "Senior Management" in this section.

**傅劍華先生**，54歲，為深圳華康的副總經理及首席技術官。彼於二零一四年一月加入本集團及主要負責本集團的技術研發。

傅劍華先生持有中國武漢大學理學士學位及於中國醫療器械及體外診斷試劑行業擁有逾18年經驗。

**曾周祥先生**，42歲，為深圳華康之副總經理。彼於二零零三年九月加入本集團及主要負責本集團日常管理及協助本集團的企業管治事宜。

曾周祥先生持有中國華南理工大學工程學士學位及於中國體外診斷試劑行業擁有逾16年經驗。

### 合規主任

**潘禮賢先生**於二零一七年九月二十五日獲委任為本公司的合規主任。有關彼之資歷，請參閱本節「執行董事」一段。

### 公司秘書

**周麗麒先生**於二零一七年九月二十五日獲委任為我們的公司秘書，彼亦為本集團之財務總監。有關彼之資歷，請參閱本節「高級管理層」一段。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Pursuant to Rule 18.44 of the GEM Listing Rules, the Board is pleased to present this corporate governance report for the year ended 31 December 2019. This report highlights the key corporate governance practices of the Company.

### 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 year ended 31 December 2019 and 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 an effective and adequate internal control system is in place. The Board also convened meetings to discuss financial, operational and risk management control.

根據GEM上市規則第18.44條，董事會欣然提呈截至二零一九年十二月三十一日止年度的企業管治報告。本報告概述本公司的主要企業管治常規。

### 企業管治常規

董事會致力於持守較高的企業管治標準。

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

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

本公司自截至二零一九年十二月三十一日止年度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 confirmed that they had fully complied with the Required Standard during the Relevant Period.

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

### Non-Competition Undertaking

In order to maintain a clear delineation of the businesses between our Group and our controlling shareholders, the latter have entered into a deed of non-competition in favour of our Company (for ourselves and as trustee for each of our subsidiaries from time to time) on 27 November 2018 (the “**Deed of Non-Competition**”) to the effect that each of them will not, and will procure each of their respective close associates (as defined in the GEM Listing Rules) not to, directly or indirectly participate in, or hold any right or interest, or otherwise be involved in any business which may be in competition with our businesses.

For details of the Deed of Non-Competition, please refer to the section headed “Relationship with our Controlling Shareholders – Non-competition Undertakings from Our Controlling Shareholders” in the Prospectus.

### 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。

### 不競爭承諾

為保證本集團與控股股東之間的業務劃分明確，控股股東已於二零一八年十一月二十七日訂立以本公司(為本身及作為我們不時的各附屬公司的受託人)為受益人的不競爭契據(「**不競爭契據**」)，據此，彼等各自將不會並將促使彼等各自的緊密聯繫人(定義見GEM上市規則)不會直接或間接參與任何可能與我們的業務構成競爭的業務或於其中持有任何權利或權益，或以其他方式從事任何有關業務。

有關不競爭契據的詳情，請參閱招股章程「與控股股東的關係－控股股東之不競爭承諾」一節。

The Company has received a written confirmation from the controlling shareholders that they have complied with the terms of the Deed of Non-Competition in the year ended 31 December 2019. The independent non-executive Directors have also reviewed the status of compliance and written confirmation from the controlling shareholders, and noted that all the undertakings under the Deed of Non-Competition have been complied with by each of the controlling shareholders for the year ended 31 December 2019.

### **Board of Directors**

The overall management of the Group's business is vested in the Board which assumes the responsibility of leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising its affairs. All Directors make decisions objectively in the interests of the Group.

The Board formulates strategies and sets directions for the Group's activities to develop its business and enhance shareholders' value. The Board also assumes the responsibilities for maintaining high standard of corporate governance, including among others, reviewing the Company's policies and practices on corporate governance, and reviewing and monitoring the Company's policies and practices in compliance with legal and regulatory requirements.

The Board has established board committees with specific written terms of reference which deal clearly with the committees' authority and duties. Details of the respective committee's terms of reference are available at the websites of the Company and the Stock Exchange.

The day-to-day management, administration and operation of the Group are delegated to the executive Directors and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board for significant transactions.

本公司已收到控股股東的書面確認，表示彼等於截至二零一九年十二月三十一日止年度已遵守不競爭契據的條款。獨立非執行董事亦已檢討控股股東的遵守情況及書面確認，並認為各控股股東於截至二零一九年十二月三十一日止年度已遵守不競爭契據項下的所有承諾。

### **董事會**

董事會負責本集團業務的整體管理，負有領導及監控本集團的責任，並集體負責統管並監督本集團事務以促使本集團成功。全體董事應客觀地作出符合本集團利益的決策。

董事會為本集團的活動制定策略及訂立方向，以發展本集團業務及提升股東價值。董事會亦負有維持高標準的企業管治的責任，包括(其中包括)審閱本公司的企業管治政策及常規，及審閱和監管本公司於遵守法律及監管規定方面的政策及常規。

董事會已設立董事會委員會，並訂明具體的書面職權範圍，清楚說明委員會的職權和責任。各委員會的職權範圍詳情可於本公司及聯交所網站查閱。

本集團的日常管理、行政及營運工作已轉授予執行董事及高級管理層負責。所轉授職能及工作任務會定期進行檢討。彼等進行任何重大交易前須獲得董事會的批准。

### Board Composition

During the Relevant Period, the Board comprises seven Directors of which four are executive Directors and three are independent non-executive Directors. The composition of the Board during the Relevant Period is as follows:

#### Executive Directors

Mr. Zhang Shuguang (*Chairman*)  
Mr. Zhang Chunguang (*Chief Executive Officer*)  
Mr. Poon Lai Yin Michael (*Chief Financial Officer*)  
Mr. He Jiaming (*Business Development Director*)  
(appointed on 14 January 2020)

#### Independent Non-executive Directors

Dr. Yeung David Wai Chow  
Mr. Kwok Chi Shing  
Mr. Chan Kin Sang

The biographical information of the Directors and relationships between the members of the Board are set out in the section headed "Biographies of Directors and Senior Management" on pages 21 to 27 of this report. Mr. Zhang Shuguang, Mr. Zhang Chunguang and Mr. Chang Yim Yang (one of our senior management) are brother, and Mr. Zhang Shuguang and Mr. Chang Yim Yang are our controlling shareholder.

### 董事會的組成

於有關期間，董事會由七名董事組成，其中四名為執行董事及三名為獨立非執行董事。於有關期間，董事會的組成如下：

#### 執行董事

張曙光先生(*主席*)  
張春光先生(*行政總裁*)  
潘禮賢先生(*首席財務官*)  
何嘉明先生(*業務發展董事*)  
(於二零二零年一月十四日獲委任)

#### 獨立非執行董事

楊煒秋醫生  
郭志成先生  
陳健生先生

董事的履歷資料及董事會成員之間的關係載於本報告第21至27頁「董事及高級管理層之履歷」一節。張曙光先生、張春光先生及張賢陽先生(高級管理層之一)為兄弟，而張曙光先生及張賢陽先生為控股股東。



### **Board and Committee Meetings**

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors. At least 14 days' notice is given for a regular Board meeting. For all other Board meetings, notice will be given in a reasonable time in advance. The Directors are allowed to include any matter in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at each of the Board meetings and to make informed decisions, an agenda and the accompanying Board papers will be sent to all Directors at least three days before the intended date of the Board meeting, or such other period as agreed. The company secretary is responsible for keeping all Board meetings' minutes. Draft and final versions of the minutes will be circulated to the Directors for comments and record respectively within a reasonable time after each meeting and the final version is open for the Directors' inspection.

### **董事會及委員會會議**

董事會定期會議應每年召開至少四次，每次會議皆有大部分董事親身出席，或透過電子通訊方法積極參與。定期會議通知於最少十四天前發出。有關所有其他董事會會議，將事先於合理時間發出通知。董事獲准將任何其他須於會上討論及議決的事宜納入議程。為確保董事均適當知悉每次董事會會議上出現的問題並做出明智的決定，將在擬召開董事會會議的日期至少三天之前(或約定的其他期限)向所有董事發送議程和隨附的董事會文件。公司秘書負責保存所有董事會會議記錄。會議記錄草案及定稿將於每次會議之後的合理時間內向董事傳閱以供其發表意見及記錄，定稿可供董事查閱。

The attendance records of each Director at Board and Committee meetings, at the annual general meeting (“AGM”) and extraordinary general meeting (“EGM”) during the year ended 31 December 2019 are as follows:

在有關期間，各董事在董事會及委員會會議、股東周年大會(「股東週年大會」)及股東特別大會(「股東特別大會」)的出席記錄如下：

Name of Directors	董事姓名	Number of meetings attended/eligible to attend 出席/可參加的會議次數					
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	AGM 股東週年大會	EGM 股東特別大會
Executive Directors: 執行董事：							
Mr. Zhang Shuguang	張曙光先生	4/4	N/A	N/A	2/2	1/1	1/1
Mr. Zhang Chunguang	張春光先生	4/4	N/A	2/2	N/A	1/1	1/1
Mr. Poon Lai Yin Michael	潘禮賢先生	4/4	N/A	N/A	N/A	0/1	1/1
Mr. He Jiaming (appointed with effect from 14 January 2020)	何嘉明先生(於二零二零年一月十四日獲委任)	0/0	N/A	N/A	N/A	N/A	N/A
Independent non-executive Directors: 獨立非執行董事：							
Dr. Yeung David Wai Chow	楊煒秋醫生	4/4	4/4	2/2	2/2	1/1	1/1
Mr. Kwok Chi Shing	郭志成先生	4/4	4/4	2/2	N/A	1/1	0/1
Mr. Chan Kin Sang	陳健生先生	4/4	4/4	N/A	2/2	1/1	1/1
Total meeting(s) held during the year ended 31 December 2019	截至二零一九年十二月三十一日止年度內舉行的會議總數	4	4	2	2	1	1

### Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The positions of chairman and chief executive officer are held by Mr. Zhang Shuguang and Mr. Zhang Chunguang respectively. The roles of the chairman and the chief executive officer have been separated and assumed by different individuals to ensure a balance of power and authority so that power is not concentrated in any member of the Board. The chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The chief executive officer focuses on the Company's business development and daily management and operations generally.

### 主席及行政總裁

企業管治守則守則條文A.2.1條規定，主席與行政總裁的角色應有區分，並不應由一人同時兼任。

主席與行政總裁兩個職位分別由張曙光先生及張春光先生擔任。主席與行政總裁的角色已區分並由不同人士擔任，以確保權力和授權分佈均衡，不致權力僅集中於董事會的任何成員。主席負責領導，並負責董事會的有效運作和領導。行政總裁主要負責本公司的整體業務發展及日常管理和營運。

### Independent Non-executive Directors

During the Relevant Period, the Board at all times met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive directors, accounting for at least one-third of the Board, with at least one independent non-executive director possessing the appropriate professional qualifications or accounting or related financial management expertise.

Prior to their respective appointment, each of the independent non-executive Directors has submitted a written statement to the Stock Exchange confirming their independence. The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Board considers that all the independent non-executive Directors to be independent and meet the requirements as set out in Rule 5.09 of the GEM Listing Rules as at 31 December 2019. The Company considers all independent non-executive Directors are independent.

### Appointment and Re-election of Directors

Each of Mr. Zhang Shuguang, Mr. Zhang Chunguang and Mr. Poon Lai Yin Michael, who were appointed on 25 September 2017, has entered into a service contract with the Company commencing from the Listing Date, which has no fixed term and can be terminated by either party giving not less than three months' notice in writing to the other party. Mr. He Jiaming, who was appointed on 14 January 2020, has entered into a service contract with the Company for an initial fixed term of three years commencing from the date of appointment and can be terminated by either party giving not less than three months' notice. Each of the independent non-executive Directors has entered into an appointment letter with our Company for an initial term of three years commencing from the Listing Date unless terminated by either party giving not less than one month's written notice to the other party. Each of the appointments is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles of Association.

### 獨立非執行董事

於有關期間，董事會始終符合GEM上市規則有關委任最少三名獨立非執行董事及必須佔董事會成員人數至少三分之一，且必須至少有一名具備適當的專業資格，或具備適當的會計或相關的財務管理專長的獨立非執行董事的規定。

在獨立非執行董事各自獲委任前，彼等分別已向聯交所呈交書面聲明確認其獨立性。於二零一九年十二月三十一日，本公司已收到各獨立非執行董事根據GEM上市規則第5.09條就其獨立性發出的年度確認，且董事會認為所有獨立非執行董事確屬獨立人士並符合GEM上市規則第5.09條所載規定。本公司認為所有獨立非執行董事確屬獨立人士。

### 董事的委任及重選

張曙光先生、張春光先生及潘禮賢先生(均於二零一七年九月二十五日獲委任)各自已與本公司訂立服務合約，自上市日期起開始，並無固定期限，並可由任何一方向另一方發出不少於三個月的書面通知終止。何嘉明先生(於二零二零年一月十四日獲委任)已與本公司訂立服務合約，自委任日期起開始，初步固定任期為三年，並可由任何一方發出不少於三個月的通知終止。各獨立非執行董事已與本公司訂立委任書，自上市日期起開始初步為期三年，除非任何一方向另一方發出不少於一個月的書面通知終止。各項委任均須遵守其終止條文及組織章程細則所載有關董事輪流退任的條文。

Save as disclosed aforesaid, none of the Directors has entered into any service agreement or letter of appointment with the Company or any of its subsidiaries which is not determinable by the Company within one year without the payment of compensation (other than statutory compensation).

All the Directors, including the independent non-executive Directors, are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association. At each AGM, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at an AGM at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the AGM at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and does not offer himself for re-election. Any further Directors so to retire shall be those of other Directors subject to retirement by rotation who have been the longest in office since their last re-election or appointment and so that as between the persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A Director is not required to retire upon reaching any particular age.

The Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall be subject to retirement by rotation.

除上文所披露外，概無董事與本公司或其任何附屬公司訂立任何服務協議或委任書，而該服務協議或委任書是本公司不可於一年內不支付補償而終止的(法定補償除外)。

所有董事(包括獨立非執行董事)均須根據組織章程細則輪流退任並有資格重選連任。在每屆股東週年大會上，當時三分之一的董事(或倘董事人數並非三的倍數，則為最接近但不少於三分之一的人數)應輪流退任，惟每名董事須至少每三年在股東週年大會上退任一次。退任董事有資格重選連任，並在其退任的股東週年大會期間繼續擔任董事。輪流退任的董事須包括(就有必要確定輪流退任的董事人數而言)任何有意退任的董事及不願重選連任的董事。任何其他須退任的董事應為自上一次重選或獲委任以來在任時間最長的其他須輪流退任的董事，惟倘同日有多名董事獲委任或獲重選，則除非彼等之間另行達成協定，否則以抽籤決定將退任董事人選。並無規定董事屆任何特定年齡後須退任。

本公司可不時於股東大會上藉普通決議案選舉任何人士為董事，以填補臨時空缺或增加董事名額。任何如此獲委任的董事須輪流退任。

The Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his appointment and be subject to reelection at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election. Any such Director appointed shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation at an AGM.

### Responsibilities of the Directors

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

董事會有權不時及隨時委任任何人士為董事，以填補臨時空缺或增加董事名額。由董事會委任以填補臨時空缺的任何董事，任職至其獲委任後本公司的首次股東大會為止，並可於該大會上接受重選連任。由董事會委任以增加現有董事會名額的任何董事，只任職至下屆股東週年大會為止，並於其時有資格重選連任。在決定須於股東週年大會上輪流退任的具體董事或董事人數時，任何如此獲委任的董事不應計算在內。

### 董事會的職責

董事會負有領導及監控本公司的責任，並應集體負責統管並監督本公司的事務。

董事會直接及透過其轄下各委員會間接領導及指示管理層，制定策略並監督其實施、監督本集團的營運和財務表現，並確保建立健全的內部監控及風險管理系統。

所有董事(包括獨立非執行董事)具備廣泛而寶貴的業務經驗、知識及專業精神，有助董事會有效及高效地履行其職能。

獨立非執行董事負責確保本公司監管報告維持高水平，並對董事會發揮平衡作用，在企業行動及營運方面作出有效的獨立判斷。

全體董事均可全面並及時獲得本公司所有資料，並可應要求在適當情況下尋求獨立專業意見以向本公司履行其職責，有關費用由本公司承擔。



The Directors shall disclose to the Company details of other offices held by them.

董事須向本公司披露彼等所任其他職位的詳情。

The Board reserves for its decision on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

董事會保留對所有有關本公司政策事宜、戰略及預算、內部監控及風險管理、重大交易(特別是可能涉及利益衝突的交易)、財務資料、董事委任及其他重要營運事宜的重要事項的決策權。有關執行董事會決策、指導及協調本公司日常運作及管理的職責則轉授予管理層。

### Indemnity of the Directors

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

### 董事的彌償保證

本公司已就董事及高級管理層因公司活動而可能面臨的任何法律行動安排投購適當的董事及高級人員責任保險。保險範圍將會每年進行檢討。

### Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

### 董事持續專業發展

董事應不斷了解監管發展及變動，以便有效履行其職責，並確保對董事會作出適切貢獻。

Every newly appointed Director has received induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

每名新獲委任的董事於首次獲委任時均會獲得入職介紹，以確保其對本公司的業務及運作有適當了解，並完全知悉其在GEM上市規則及相關法定規定下的職責及責任。

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. All Directors are encouraged to attend relevant training courses at the Company's expenses.

董事應參與適當的持續專業發展，以發展及更新彼等的知識及技能。本公司鼓勵所有董事出席相關培訓課程，費用由本公司承擔。

## CORPORATE GOVERNANCE REPORT 企業管治報告

All the Directors were kept informed on a timely basis of major changes that may have affected the Group's business, including relevant rules and regulations. During the year, all Directors have participated in continuous professional development to develop and refresh their knowledge and skills in accordance with code provision A.6.5 contained in the CG Code.

The Company organised training sessions for all Directors. Such training sessions covered a wide range of relevant topics including Directors' duties and responsibilities, corporate governance and updates on GEM Listing Rules, etc. In addition, relevant reading materials including memorandum on the duties and responsibilities of the Directors have been provided to the Directors for their reference and studying.

The record of continuous professional development relating to Director's duties and regulatory and business development that have been received by the Directors for the Relevant Period are summarised as follows:

所有董事均保持適時通報可能影響本集團業務的重大變化，包括相關規則及法規。年內，所有董事均已根據企業管治守則所載守則條文第A.6.5條參加持續專業發展以發展及更新其知識及技能。

本公司為所有董事舉辦的培訓課程。該次培訓課程涵蓋多個相關範疇，包括董事職務和職責、企業管治及GEM上市規則的最新資訊等。此外，董事已獲提供相關閱讀材料，包括董事職務及職責備忘錄，以供彼等參考及研讀。

董事於有關期間所收到有關董事職責及監管與業務發展的持續專業發展記錄概述如下：

Name of Directors	董事姓名	Nature of Continuous Professional Development Programmes (Notes) 持續專業發展課程性質 (附註)
Executive Directors:	執行董事：	
Mr. Zhang Shuguang	張曙光先生	A & B
Mr. Zhang Chunguang	張春光先生	A & B
Mr. Poon Lai Yin Michael	潘禮賢先生	A & B
Mr. He Jiaming	何嘉明先生	A & B
Independent non-executive Directors:	獨立非執行董事：	
Dr. Yeung David Wai Chow	楊煒秋醫生	A & B
Mr. Kwok Chi Shing	郭志成先生	A & B
Mr. Chan Kin Sang	陳健生先生	A & B

Notes:

A: Attending seminars and/or meetings and/or forums and/or briefings

B: Reading materials relevant to corporate governance, director's duties and responsibilities, GEM Listing Rules and other relevant ordinances

附註：

A：參加研討會及／或會議及／或論壇及／或簡報會

B：閱讀與公司治理、董事職責和責任、GEM上市規則及其他相關條例的有關材料

### Board Committees

The Board has established three committees on 26 November 2018, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

The list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2.

### Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Kwok Chi Shing (Chairman), Dr. Yeung David Wai Chow and Mr. Chan Kin Sang.

### 董事委員會

董事會已於二零一八年十一月二十六日成立三個委員會，即審核委員會、薪酬委員會及提名委員會，以監察本公司特定方面的事務。本公司的所有董事委員會均已制訂明確的書面職權範圍，當中訂明其權責。審核委員會、薪酬委員會及提名委員會的職權範圍分別刊載於本公司網站及聯交所網站，並可應要求向股東提供。

各董事委員會的主席及成員名單載於第2頁「公司資料」內。

### 審核委員會

審核委員會由三名獨立非執行董事組成，即郭志成先生(主席)、楊煒秋醫生及陳健生先生。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

The terms of reference of the Audit Committee are in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and paragraph C.3 of the CG Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. 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 Audit Committee shall hold at least two meetings a year.

For the year ended 31 December 2019, 4 meetings have been held for the Audit Committee to review, the quarterly, interim, and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and continuing connected transactions.

The attendance of each member of the Audit Committee is set out in the section headed "Board and Committee Meetings" of this report.

#### Remuneration Committee

The Remuneration Committee consists of three members, namely Mr. Kwok Chi Shing (Chairman) and Dr. Yeung David Wai Chow, both are independent non-executive Directors, and Mr. Zhang Chunguang, an executive Director.

審核委員會的權責範圍符合GEM上市規則第5.28至第5.33條及GEM上市規則附錄十五所載的企業管治守則及企業管治報告第C.3段。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。審核委員會須每年舉行至少兩次會議。

截至二零一九年十二月三十一日止年度，審核委員會已召開四次會議審閱季度、中期及年度財務業績及報告，以及有關財務報告、營運及合規監控、風險管理及內部控制系統以及持續關連交易有效性的重大事宜。

各審核委員會成員的出席記錄載於本報告「董事會及委員會會議」一節。

#### 薪酬委員會

薪酬委員會包括三名成員，即兩名獨立非執行董事郭志成先生(主席)及楊煒秋醫生以及一名執行董事張春光先生。

The terms of reference of the Remuneration Committee are in compliance with Rules 5.34 to 5.36 of the GEM Listing Rules and paragraph B.1 of the CG Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary functions of the Remuneration Committee include (i) reviewing and making recommendations on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management; (ii) establishing formal and transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration; (iii) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives; (iv) assessing performance of executive Directors; and (v) approving the terms of executive Directors' service contracts. The Remuneration Committee shall meet not less than once every year.

For the year ended 31 December 2019, the Remuneration Committee met 2 times to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the executive Directors.

The attendance of each member of the Remuneration Committee is set out in the section headed "Board and Committee Meetings" of this report.

Details of the remuneration of the Directors and senior management are set out in note 8 in the Notes to the consolidated financial statements for the year ended 31 December 2019.

### **Nomination Committee**

The Nomination Committee consists of three members, namely Mr. Zhang Shuguang (Chairman), an executive Director, Dr. Yeung David Wai Chow and Mr. Chan Kin Sang, both are independent non-executive Director.

薪酬委員會的書面權責範圍符合GEM上市規則第5.34至5.36條及GEM上市規則附錄十五所載的企業管治守則及企業管治報告第B.1段。薪酬委員會的主要職責包括(i)檢討個別執行董事及高級管理層的薪酬待遇並提出建議，所有董事和高級管理層的薪酬政策和結構；(ii)建立正式和透明的程序來製定這些薪酬政策和結構，以確保概無董事或其任何聯繫人士參與決定其本身的薪酬；(iii)因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；(iv)評估執行董事的表現；及(v)批准執行董事服務合約任期。薪酬委員會須每年舉行至少一次會議。

截至二零一九年十二月三十一日止年度，薪酬委員會已舉行兩次會議，以審閱執行董事的薪酬政策及薪酬待遇，並向董事會提出建議。

各提名委員會成員的出席記錄載於本報告「董事會及委員會會議」一節。

有關董事及高級管理層的薪酬詳情載於截至二零一九年十二月三十一日止年度之綜合財務報表附註8。

### **提名委員會**

提名委員會包括三名成員，即執行董事張曙光先生(主席)，獨立非執行董事楊煒秋醫生及陳健生先生。



The terms of reference of the Nomination Committee are in compliance with paragraph A.5 of the CG Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

For the year ended 31 December 2019, the Nomination Committee met 2 times to review among other things, the independence of the independent non-executive Directors; consider the qualifications of the retiring directors standing for election at the 2018 annual general meeting; review the structure, size and composition of the Board and review the Board diversity policy adopted by the Company.

The attendance of each member of the Nomination Committee is set out in the section headed "Board and Committee Meetings" of this report.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board diversity policy and procedures for shareholders to propose a person for election as a Director of the Company, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience etc. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

提名委員會的權責範圍符合GEM上市規則附錄十五所載的企業管治守則及企業管治報告第A.5段。提名委員會的主要職責包括檢討董事會的組成、就提名及委任董事建立和制定相關程序、就委任董事及董事繼任計劃向董事會作出推薦建議，以及評估獨立非執行董事的獨立性。

截至二零一九年十二月三十一日止年度，提名委員會已舉行兩次會議，以審閱(其中包括)獨立非執行董事的獨立性；審議退任董事於二零一八年股東週年大會的膺選資格；審閱董事會之架構、規模及組成，以及本公司採納的董事會多元化政策。

各提名委員會成員的出席記錄載於本報告「董事會及委員會會議」一節。

於評估董事會組成時，提名委員會將考慮本公司董事會成員多元化政策以及股東提名人選參選本公司董事程序所載有關董事會成員多元化的多個方面及因素，包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識以及行業及地區經驗等。提名委員會將就達致董事會成員多元化的可計量目標進行討論並達成共識(如有必要)，並就採納該等目標向董事會作出推薦建議。

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

### Corporate Governance Functions

The Board as a whole is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

During the year, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and compliance manual (if any) applicable to employees and Directors, the Company's compliance with the CG Code and disclosure in this report, and communicate with various level of staff to ascertain the implementation of policies and procedures on corporate governance.

於物色及篩選合適的董事候選人時，提名委員會將在考慮候選人的特長、資格、經驗、獨立性及對落實企業策略及達至董事會成員多元化屬必要的其他相關準則(倘適用)後，方向董事會作出推薦建議。

提名委員會認為董事會已維持多元化觀點的適當平衡。

### 企業管治職能

董事會整體負責履行企業管治守則守則條文第D.3.1條所載的職能。

年內，董事會已檢討本公司企業管治政策及常規、董事及高級管理層培訓及持續專業發展、本公司有關遵守法律及監管規定的政策及常規、遵守標準守則及僱員及董事書面指引(如有)的情況、本公司遵守企業管治守則的情況以及此報告的披露，並與各級員工溝通以確保落實企業管治政策及程序。

### **Risk Management and Internal Controls**

The Company has in place policies and procedures in relation to risk management and internal control. The Board is primarily responsible for overseeing the risk management and internal control systems and for reviewing their effectiveness. The Company's internal control system and procedures are designed to meet its specific business needs and to minimise its risk exposure. The Company has adopted different internal guidelines, along with written policies and procedures to monitor and lessen the impact of risks which are relevant to its business and control its daily business operations. Management will identify the risks associated with the Group's day-to-day operations for review by the Board. The Board is responsible for evaluating and determining the nature and extent of the risks that the Company is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems. The Board acknowledges that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

### **風險管理及內部監控**

本公司已制定有關風險管理及內部監控的政策及程序。董事會主要負責監督風險管理及內部監控系統，並檢討其成效。本公司的內部監控系統及程序旨在滿足其具體的業務需求，並將風險降至最低。本公司已採納不同的內部指引，以及以書面形式訂明的政策及程序，務求監察及減輕與其業務有關的風險所產生的影響，並控制其日常業務營運。管理層將識別與本集團日常營運有關的風險，以提交董事會審查。董事會負責評估及釐定本公司達成本公司策略目標時所願意承擔的風險性質及程度，並確保本公司設立及維持合適及有效的風險管理及內部監控系統。董事會監督管理層對風險管理及內部監控系統的設計、實施及監察。董事會知悉有關風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，且僅可就防範重大失實陳述或損失作出合理而非絕對的保證。

The Group does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group considering the size, nature and geography of the Group's business. The Directors are responsible for formulating and overseeing the implementation of the Group's risk management and internal control measures. The Group has engaged an external independent internal control consultant (the "IC Consultant") to conduct an internal control review on the internal control system of the Group for the year ended 31 December 2019. Such review is conducted annually. The review covers certain business cycles and procedures undertaken by the Group and make recommendations for improving and strengthening the system. The scope of the IC Consultant's review was previously determined and approved by the Board. The IC Consultant has recommended certain internal control improvement measures to the Board. The Board is of the view that no material internal control defeats have been noted. All recommendations given by the IC Consultant will be properly followed up by the Group to ensure that they are implemented within a reasonable period of time. The Directors were of the view that the risk management and internal control systems were adequate and effective to safeguard the interest of shareholders and the Group's assets.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group covering all material controls, including financial, operational and compliance controls functions. The Board considers that the Group's risk management and internal control systems are adequate and effective. The Board expects that a review of the risk management and internal control systems will be performed annually.

本集團並無內部審核功能及認為根據目前本集團業務之規模、性質及佈局，毋須即時於本集團內設立內部審核功能。董事負責制定本集團的風險管理及內部監控措施及監督其實施。本集團已委聘外部獨立內部監控顧問（「內部監控顧問」），於截至二零一九年十二月三十一日止年度為本集團的內部監控系統進行內部監控檢討。此項檢討每年進行一次。檢討涵蓋本集團實施的若干業務週期及程序，並提出改善及加強有關系統的建議。內部監控顧問的審查範圍先前已由董事會確定並批准。內部監控顧問已向董事會建議了若干內部監控改進措施。董事會認為並沒有發現重大內部監控失誤。本集團將適當跟進由內部監控顧問給予的所有建議，以確保該等建議於一段合理的時間內執行。董事認為，風險管理及內部監控系統足以有效維護股東利益及本集團資產。

董事會透過審核委員會，就本集團的風險管理及內部監控系統是否有效進行檢討，當中涵蓋所有重大監控措施，包括財務、營運及合規監控職能。董事會認為，本集團的風險管理及內部監控系統充足及有效。董事會預計每年對風險管理及內部監控系統進行檢討。

## Remuneration of Directors and Senior Management

Particulars of the Directors' remuneration for the year ended 31 December 2019 are set out in note 8 in the Notes to the consolidated financial statements.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) whose particulars is contained in the section headed "Biographical Information of the Directors and Senior Management" in this report by band is set out below:

Remuneration band (in HK\$)	薪酬範圍 (港元)	Number of individuals 人數
Nil to 1,000,000	零至1,000,000	4

## 董事及高級管理層薪酬

截至二零一九年十二月三十一日止年度的董事薪酬詳情載於綜合財務報表附註8。

根據企業管治守則的守則條文第B.1.5條，高級管理層成員(董事除外)(其詳情載於本報告「董事及高級管理層履歷」一節)按範圍劃分的薪酬如下：

## External Auditors and Their Remuneration

Mazars CPA Limited ("Mazars") is the external auditor of the Company. The Audit Committee is responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, which is subject to the approval by the Board and at the general meetings of the Company by its shareholders.

During the year ended 31 December 2019, the remuneration for the audit services provided by the Company's auditor to the Group was as follows:

## 外聘核數師及其薪酬

中審眾環(香港)會計師事務所有限公司(「中審眾環」)為本公司外聘核數師。審核委員會負責就外聘核數師的委任、重新委任及罷免向董事會提出推薦建議，相關委任、重新委任及罷免須經董事會批准及股東於本公司股東大會上批准。

於截至二零一九年十二月三十一日止年度，本公司核數師向本集團提供的審核服務薪酬如下：

	截至二零一九年十二月三十一日 止年度的年度審核服務	HK\$ 港元	Equivalent to RMB 相當於人民幣
Annual audit service for the year ended 31 December 2019		700,000	619,000



## Respective Responsibilities of Directors and Auditors

The Directors acknowledge their responsibilities for the preparation of accounts for the year ended 31 December 2019, which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period and comply with the requirement of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (“**Hong Kong Companies Ordinance**”) and the applicable disclosure provisions of the Listing Rules.

The auditors are responsible for forming an independent opinion, based on the audit, on the financial statements prepared by the Directors and reporting the opinion solely to the Company’s shareholders.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group’s ability to continue as a going concern. The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the “Independent Auditors’ Report” on pages 106 to 114.

## Disclosure of Inside Information

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the GEM Listing Rules and the overriding principle that inside information should be announced promptly when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the GEM Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;

## 董事及核數師各自的責任

董事了解其就截至二零一九年十二月三十一日止年度編製真實公平反映本集團於相關期間事務狀況以及業績及現金流量狀況，且符合香港法例第622章《公司條例》（「**香港公司條例**」）的規定及上市規則的適用披露規定的賬目的責任。

核數師負責根據其審核工作就董事編製的財務報表形成獨立意見，並僅向本公司股東報告該意見。

董事並不知悉任何可能令本集團持續經營能力產生重大疑問的事件或狀況的相關重大不確定因素。本公司獨立核數師關於其就財務報表的報告責任的聲明載於第106至114頁的「獨立核數師報告」。

## 內幕消息披露

本集團了解其於香港法例第571章《證券及期貨條例》及GEM上市規則項下的責任，並知悉首要原則是當內幕消息為決策的主題時應立即予以公告。處理及發佈內幕消息的程序及內部監控措施如下：

- 本集團在開展自身事務時，密切關注GEM上市規則下的披露規定以及香港證券及期貨事務監察委員會發佈於二零一二年六月的「內幕消息披露指引」；

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, nonexclusive distribution of information to the public through channels such as financial reporting, public announcements and the Company's website;
  - the Group has strictly prohibited unauthorised use of confidential or inside information; and
  - the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, the Board will decide, or designate appropriate persons to communicate with parties outside the Group.
- 本集團已實施並公佈其公平披露政策，尋求透過財務報告、公開公告及本公司網站等渠道向公眾作出廣泛、非專有性的資料發佈；
  - 本集團嚴格禁止未經授權而使用保密或內幕資料；及
  - 本集團已就回應外界關於本集團事務的查詢制定並實施相關措施，董事會將決定或指定適當人選與本集團以外的各方進行溝通。

### Company Secretary

Company secretary supports the Board by ensuring good information flow within the Board and that the Board policy and procedures are followed. The company secretary is responsible for advising the Board on corporate governance matters and facilitating induction and professional development of the Directors. All Directors have access to the advice and services of the company secretary to ensure that the Board procedures and all applicable laws, rules and regulations, are followed.

Mr. Chau Lai Ki was appointed as the company secretary of the Company on 25 September 2017 and has complied with all requirements relating to qualifications, experiences and training under the GEM Listing Rules. For the year ended 31 December 2019, he has undertaken not less than 15 hours of relevant professional training respectively in compliance with rule 5.15 of the GEM Listing Rules.

### 公司秘書

公司秘書通過確保董事會內部良好的資訊流動以及董事會的政策及程序獲遵守而支援董事會工作。公司秘書負責就企業管治事宜向董事會提供意見，並負責協助董事的入職及專業發展。所有董事均有權取得公司秘書的意見及服務，以確保董事會程序及所有適用法律、規則及規例獲得遵守。

周麗麒先生於二零一七年九月二十五日獲委任為本公司的公司秘書並已遵守GEM上市規則項下關於資格、經驗及培訓的所有規定。截至二零一九年十二月三十一日止年度，彼已根據GEM上市規則第5.15條接受不少於15小時的相關專業培訓。

## Shareholders' Rights

To safeguard shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted by poll pursuant to the GEM Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

### Convening an EGM

Pursuant to Article 58 of the Articles of Association of the Company, shareholders may convene an EGM in accordance with the "Procedures for Shareholders to convene an EGM" set out below.

### Procedures for Shareholders to Convene an EGM

Any one or more shareholders holding at the date of deposit of the requisition not less than 10% of the paid-up capital of the Company carrying the right of voting at general meetings of the Company (the "**Eligible Shareholder(s)**") shall at all times have the right, by written requisition to the Board or the company secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.

Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned (the "**Requisitionist(s)**") at the principal place of business of the Company in Hong Kong (presently located at 3rd Floor, Effectual Building, 16 Hennessy Road, Wanchai, Hong Kong) for the attention of the company secretary. The Requisition must state clearly the name(s) of the Requisitionist(s) concerned, his/her/their shareholdings in the Company, the reason(s) to convene an EGM and the proposed agenda.

## 股東權利

為保障股東權益及權利，於股東大會上應就各個別重要事項(包括各董事的選舉)提呈獨立的決議案。於股東大會上提呈的所有決議案將根據GEM上市規則進行投票表決，投票結果將於相關股東大會後在本公司及聯交所網站公佈。

### 召開股東特別大會

根據本公司組織章程細則第58條，股東可根據下文所載「股東召開股東特別大會的程序」召開股東特別大會。

### 股東召開股東特別大會的程序

任何於提交要求日期持有不少於10%附帶於本公司股東大會上投票權利的本公司繳足股本的一名或多名股東(「合資格股東」)隨時有權通過向董事會或公司秘書發出書面要求，而要求董事會召開股東特別大會，以在股東特別大會上處理相關要求中所列明的任何事務，包括提出建議或提呈決議案。

有意召開股東特別大會以在股東特別大會上提出建議或提呈決議案的合資格股東(「要求人」)須將經所涉合資格股東簽署的書面要求(「要求」)遞交至本公司的香港主要營業地點(當前位於香港灣仔軒尼詩道16號宜發大廈3樓)，收件人為公司秘書。要求須列明所涉要求人的姓名／名稱、其於本公司的股權、召開股東特別大會的理由及建議議程。

The Company will check the Requisition and the identity and shareholding of the Requisitionist(s) will be verified with the Company's branch share registrar in Hong Kong. If the Requisition is found to be proper and in order, the company secretary will ask the Board to convene an EGM and/or include the proposal(s) made or the resolution(s) proposed by the Requisitionist(s) at the EGM within two months after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Requisitionist(s) will be advised of the outcome and accordingly, the Board or the company secretary will not call for an EGM nor include the proposal(s) made or the resolution(s) proposed by the Requisitionist(s) at the EGM.

If within 21 days of the deposit of the Requisition the Board or the company secretary fails to proceed to convene such EGM, the Requisitionist(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board or the company secretary to convene an EGM shall be reimbursed to the Requisitionist(s) by the Company.

### **Putting Forward Enquiries to the Board**

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

### **Contact Details**

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 3rd Floor, Effectual Building, 16 Hennessy Road, Wanchai, Hong Kong

(For the attention of the company secretary)

本公司將檢查要求人的要求及身份，並在本公司香港股份過戶登記分處核實要求人的股權情況。倘要求被證實為適當及有效，則公司秘書將要求董事會在要求提交後兩個月內召開股東特別大會及／或將要求人提出的建議或提呈的決議案納入股東特別大會。相反，倘要求被核實為無效，則要求人將被告知相關結果，而董事會或公司秘書將不會召開股東特別大會，亦不會將要求人提出的建議或提呈的決議案納入股東特別大會。

倘在要求提交後21日內，董事會或公司秘書未能著手召開相關股東特別大會，則要求人可自行按相同方式召開股東特別大會，而要求人因董事會或公司秘書未召開股東特別大會而產生的所有合理開支由本公司向要求人作出補償。

### **向董事會提交查詢**

對於向本公司董事會提交任何查詢，股東可向本公司發出書面查詢。本公司通常不會處理口頭或匿名查詢。

### **聯繫方式**

股東可將其上述查詢或要求發送至以下地址：

香港灣仔軒尼詩道16號宜發大廈3樓

(收件人為公司秘書)

### Right to Put Forward Proposals at General Meetings

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Companies Law (as revised) of the Cayman Islands. Subject to provisions of the Articles, Eligible Shareholders who wish to move a resolution may by means of requisition convene an EGM following the procedures set out above.

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

### Communications with Shareholders and Investors

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to exercise their rights in an informed manner and allow them to engage actively with the Company.

Information will be communicated to the shareholders through the Company's quarterly, interim and annual financial reports, the publish and posting of notices, announcements, circulars, AGMs and other EGMs that may be convened as well as all the published disclosures submitted to the Stock Exchange.

Shareholders should direct their questions about their shareholdings to the Company's share registrar. Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available. Any such questions, requests, comments and suggestions can be addressed to the Company by post to its head office and principal place of business in Hong Kong.

### 於股東大會上提出建議的權利

開曼群島公司法(經修訂)並無條文批准股東於股東大會上提呈新決議案。在細則條文的規限下，有意提出決議案的合資格股東可透過上述程序提出召開股東特別大會。

為免生疑問，股東須將正式簽署的書面要求、通知或聲明、查詢(視情況而定)的正本提交並發送至上述地址，並提供其全名、聯繫方式及身份證明，以使相關書面要求、通知或聲明、查詢生效。股東的資料可能會按法律規定予以披露。

### 與股東及投資者的溝通

本公司認為與股東間的有效溝通對於加強投資者關係及提升投資者對於本集團業務表現及策略的了解至關重要。本公司亦深知保證公司消息透明度與及時披露的重要性，以便令股東及投資者能夠在知情的情況下行使其權利並與本公司保持積極溝通。

本公司通過季度、中期及年度財務報告、公佈及刊發通告、公告及通函、股東週年大會及可能召開的其他股東特別大會以及向聯交所提交的所有公開披露向股東傳達資料。

股東關於其股權的問題應向本公司股份過戶登記處提出。股東及廣大投資者可隨時索取本公司的公開資料。如有任何問題、請求、意見及建議均可通過郵寄至本公司香港總部及主要營業地點的方式向本公司提出。



### Constitutional Documents

Except for the conditional adoption of the amended and restated memorandum of association and Articles of Association (the “M&A”) adopted by the Company on 26 November 2018 to comply with the applicable legal and regulatory requirements (including the GEM Listing Rules), which took effect from the Listing Date, there was no significant change in the constitutional documents of the Company during the Relevant Period.

The amended and restated M&A is available on the respective websites of Company and the Stock Exchange.

### 章程文件

除本公司於二零一八年十一月二十六日遵照適用法律及監管規定(包括GEM上市規則)有條件採納經修訂及重述的組織章程大綱及細則(「大綱及細則」)(自上市日期起生效)外，於有關期間，本公司的章程文件無重大變動。

經修訂及重述的大綱及細則可於本公司及聯交所網站查閱。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### INTRODUCTION

This is the second Environmental, Social and Governance (the “**ESG**”) Report to highlight the Group’s approaches and strategies in pursuit of sustainable development during the reporting period from 1 January 2019 to 31 December 2019 (the “**Reporting Period**”). This ESG report covers the environmental and social performance of the Group’s business operations in its manufacturing plant in Shenzhen, the PRC during the Reporting Period, unless otherwise stated. The Group primarily adopts the principles and basis of Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix 20 of the GEM Listing Rules. The Group complied with all the “comply or explain” provisions set out in the ESG Reporting Guide during the Reporting Period.

The Group is a medical device supplier principally specialized in the research and development (the “**R&D**”), manufacturing and sale of wide range of IVD reagents and auxiliary reproductive supplies and equipment in the PRC. The product portfolio of 27 IVD reagents comprises 24 male fertility IVD reagents, 2 parasite antibody detection reagents and 1 Epstein-Barr virus (the “**EBV**”) antibody detection reagent.

There were no major operational changes in the scope compared with the period from 1 January 2018 to 31 December 2018 (the “**Last Reporting Period**”).

### STAKEHOLDER ENGAGEMENT AND MATERIALITY

The Group recognizes the importance of building positive relationships with its stakeholders. To gain constructive insights, it maintains ongoing dialogue with its shareholders, employees and customers via meetings, performance reviews, customer satisfaction surveys and interview sessions. Such feedback is essential in the decision-making process of the Group’s operation, from improving its business performance to bringing insights for future development.

### 緒言

這是我們的第二份環境、社會及管治(「**環境、社會及管治**»)報告，重點介紹了本集團於二零一九年一月一日至二零一九年十二月三十一日的報告期(「**報告期**»)內達致可持續發展的方法和戰略。除非另有說明，本環境、社會及管治報告涵蓋了於報告期內本集團在中國深圳生產廠房的業務運營之環境和社會績效。本集團主要採納GEM上市規則附錄二十所載之環境、社會及管治報告指引(「**環境、社會及管治報告指引**»)的原則及基礎。報告期內，本集團一直遵守所有環境、社會及管治報告指引所載的「不遵守就解釋」條文規定。

本集團為一家醫療器械供應商，主要於中國從事研發(「**研發**»)、生產及銷售體外診斷試劑及輔助生育用品和設備。產品組合有27種體外診斷試劑(包括24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)。

跟二零一八年一月一日至二零一八年十二月三十一日期間(「**上個報告期**»)相比，該範圍沒有重大運營變化。

### 持份者參與及重要性

本集團明白與持份者建立良好關係的重要性。為了獲得建設性的見解，本集團通過與股東、僱員及客戶的會議、績效評估、客戶滿意度調查和訪談會議來保持交流。該等反饋對於本集團營運的決策過程至關重要，由改進業務績效到為未來發展提供見解。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

The materiality assessment process, which helps identify and prioritise the issues that matter most to its stakeholders, is crucial to the Group's ESG reporting. During the Reporting Period, the Group specifically engaged both internal and external stakeholders, namely the Board, senior management, employees, suppliers and business partners, to obtain feedback on the ESG material topics of the Group's operation.

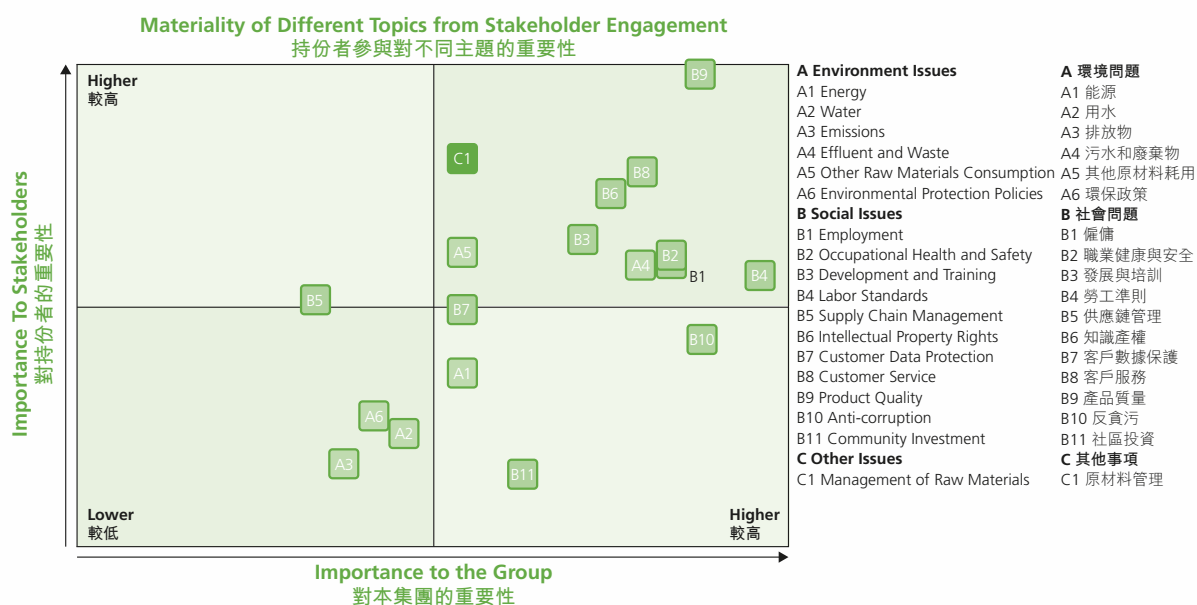
重要性評估過程有助於確定和優先考慮持份者最關心的問題，這對於本集團的環境、社會及管治報告至關重要。於報告期內，本集團特別委聘內部及外部持份者，即董事會、高級管理層、僱員、供應商及業務夥伴，以獲取本集團業務上有關環境、社會及管治之重要議題的反饋。

Results of the materiality assessment and the consolidated list of material aspects are presented in the following matrix and table respectively.

重要性評估結果和主要範疇的合併列表分別顯示在以下矩陣及表內。

### MATERIALITY MATRIX

### 重要性矩陣



Among the environmental and social aspects, the following topics are identified as the most material issues to the stakeholders:

在環境和社會方面，以下主題被確定為對持份者最重要的問題：

- Product and service quality
- Customer service
- Intellectual property
- Labour standards
- Occupational health and safety

- 產品及服務質素
- 客戶服務
- 知識產權
- 勞工準則
- 職業健康及安全

The Group will continue to identify areas of improvement and deploy resources to manage the concerned areas.

本集團將繼續識別有待改進的地方，並部署資源來管理相關領域。

## STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on its ESG approach and sustainability performance. Stakeholders may share with the Group any suggestion and view via email to: [hk@szhuakang.com](mailto:hk@szhuakang.com).

## THE GROUP'S CORPORATE ESG COMMITMENT

The Board has overall responsibility for the Group's ESG strategy and reporting. The Board and senior leaders are involved in the materiality assessment to determine material ESG issues that impact its business operation. The Group holds meetings to identify key stakeholders and develop stakeholder engagement framework as recommended by the ESG Reporting Guide. The Group manages the significant ESG topics identified through implementations of appropriate systems and processes. To keep abreast of the critical issues, the Group periodically reviews the ESG issues against the growing global and domestic demands, market expansion, regulatory development, as well as stakeholders' opinions.

Legal compliance is an essential pillar for a sound corporate governance and underpins sustainable operations. The Group is in full compliance with all applicable national laws, rules and regulations, as well as local standards. The Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues during the Reporting Period, and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

Driven by the favourable policies and systems promulgated by the PRC government, the Group captures the business opportunities in the growing IVD market, riding on the development of biomedical industry, to cope with the health challenges in the future. In order to meet the increasingly sophisticated demands of customers, the Group seeks to enhance the existing products and develop new products leveraging on its vast experience and advanced technologies, and, in turn, benefits the society. In addition, the Group strives to prevent emergencies, environmental as well as health and safety accidents from happening.

## 持份者的反饋

本集團歡迎持份者對其環境、社會及管治方法和可持續性績效作出反饋。持份者可通過發送電子郵件至[hk@szhuakang.com](mailto:hk@szhuakang.com)與本集團分享任何建議和見解。

## 本集團在環境、社會及管治上的企業承諾

董事會對本集團的環境、社會及管治策略及匯報承擔全部責任。董事會及高級員工均參與重要性評估，以判定那些環境、社會及管治的重大問題會影響其業務營運。根據環境、社會及管治報告指引的建議，本集團會召開會議以識別主要持份者及制定持份者參與框架。本集團通過實施適當的系統和流程來管理已確定環境、社會及管治的重要主題。為了及時了解關鍵問題，本集團會定期就全球和國內需求、市場拓展、監管發展及持份者意見檢討環境、社會及管治的問題。

遵守法律及法規是健全公司治理的重要支柱，也是可持續營運的基礎。本集團全面遵守國家所有適用法例、規則及規例以及當地標準。本集團確認於報告期內已就環境、社會及管治事宜設立合適及有效的管理政策及內部監控系統，並確認所披露內容符合環境、社會及管治報告指引的要求。

在中國政府頒佈的優惠政策和制度的推動下，本集團抓緊體外診斷試劑之市場發展商機、生物醫學行業帶來的發展機會，以應對未來的健康挑戰。為了滿足客戶日益增加的複雜需求，本集團力求利用其豐富的經驗和先進的技術來增強現有產品並開發新產品，從而造福於社會。此外，本集團致力防止緊急事件、環境以及健康和安全的發生。

#### THE GROUP'S VISION

*Enhance people's health  
Meet customers' needs*

The Group embraces the vision in its operation practices and in provision of quality products and excellent services. Not only does the Group follow stringent standards and requirements to ensure that its products are up to the highest quality, it also persists in developing innovative products for worldwide healthcare needs and a better quality of life.

The Group strives to:

- be a pioneer in its core technologies;
- boost investment in R&D;
- recruit high-calibre personnel from all parts of the world;
- establish and implement quality management system effectively;
- stay innovative in various business areas;
- enhance the physical well-being of the general public;
- adhere to the customer-centric principle in business practice and take full responsibility in service delivery to customers' satisfaction;
- comply with relevant rules and regulations; and
- improve quality management system consistently for a stable product quality that meets customers' requirements.

#### 本集團願景

*提高民生健康  
滿足客戶需求*

本集團在其營運常規及提供優質產品和卓越服務方面抱有願景。本集團不僅遵循嚴格的標準和要求，以確保其產品達到最高質量，而且還堅持開發創新產品以滿足全球醫療保健需求和改善生活質量。

本集團致力：

- 成為核心技術的先驅；
- 增加研發的投資；
- 在世界各地招聘人才；
- 建立及實施有效的質量管理制度；
- 在各種業務領域保持創新；
- 提高大眾的身心健康；
- 在實踐業務時堅持以客戶為中心的原則，對提供的服務承擔全部責任，以使客戶滿意；
- 遵守相關規則和法規；及
- 持續改善質量管理制度，以達到滿足客戶要求的穩定產品質量。



**RECOGNITIONS, AWARDS AND MEMBERSHIPS** 認可、獎項及會籍

Since its establishment, the Group had received recognitions and awards from the governmental and international authorities acknowledging its achievements in product R&D and occupational safety and health. The Group has received the following awards or accreditations:

自成立以來，本集團曾獲政府和國際權威機構的認可和獎項，以表彰其在產品研發和職業安全及健康方面所取得的成就。本集團已獲得以下獎項或認證：

Awards/Recognitions 獎項／認可	Awarding authority 頒發機構
Shenzhen High and New Technology Enterprise 深圳市科技創新企業	Innovation Committee of Shenzhen; Municipal Finance Committee of Shenzhen; Shenzhen State Taxation Bureau; Shenzhen Local Taxation Bureau 深圳市創新委員會； 深圳市財政委員會； 深圳市國家稅務局； 深圳市地方稅務局
High and New Technology Enterprise 科技創新企業	Innovation Committee of Shenzhen; Municipal Finance Committee of Shenzhen 深圳市創新委員會； 深圳市財政委員會
Certificate of Good Manufacturing Practice Rules for Medical Devices 醫療器械生產質量管理規範證書	China Food and Drug Administration 國家食品藥品監督管理局
Work Safety Standardization 生產安全標準化	State Administration of Work Safety 國家安全生產監督管理局
ISO13485 Medical Devices – Quality Management System – Requirements for regulatory purposes ISO13485 醫療器械 – 質量管理制度 – 用於法規的要求	International Organization for Standardization 國際標準化組織

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

Moreover, the Group actively forges close ties with the industry bodies and takes part in professional associations in the biomedical community. The Group is the member of the following associations:

- Shenzhen Association of Medical Devices,
- Shenzhen Hi-tech Industry Association,
- Guangdong Medical Device Management Academy,
- Guangdong Food and Drug Technology Association for Evaluation and Certification,
- Shenzhen Life Science and Biotechnology Association, and
- Shenzhen Medical Device Quality Promotion Association.

These associations provide excellent platforms for expertise exchange, networking, market insights sharing and business development.

此外，本集團積極與業內機構建立緊密聯繫，並參與生物醫學界的專業協會。本集團為以下協會成員：

- 深圳市醫療器械行業協會，
- 深圳市高新技術產業協會，
- 廣東省醫療器械管理學會，
- 廣東省食品藥品審評認證技術協會，
- 深圳市生命科學與生物技術協會，及
- 深圳市醫療器械質量管理促進會。

該等協會為專業知識交流、網絡、市場見解分享及業務發展提供了良好的平台。

## A. ENVIRONMENTAL

The Group is committed to protecting the environment and remains vigilant against greenhouse gas (the “GHG”) emissions in all its activities. An Environmental Management Policy (the “EMP”) was formulated by the Group in 2017, which outlines the key objectives and principles of the Group related to managing the environmental influences of its operations.

The Group mainly consumed electricity, petrol and water, and generated wastewater, and paper waste during the Reporting Period. It strictly abides by the laws, rules and regulations enforced by the PRC in relation to environmental protection and pollution control, including but not limited to:

- Environmental Protection Law of the PRC,
- Water Pollution Prevention and Control Law of the PRC,
- Law of the PRC on the Prevention and Control of Atmospheric Pollution; and
- Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste.

## A. 環境

本集團致力於保護環境，並在所有活動中就溫室氣體(「溫室氣體」)排放保持警惕。本集團於二零一七年制定了一項環境管理政策(「環境管理政策」)，其概述有關本集團管理其運營所產生的環境影響的主要目標及原則。

報告期內，本集團主要消耗電力、汽油及用水，並產生廢水及廢紙。本集團嚴格遵守中國在環保及污染控制方面執行的法律、規則及法規，包括但不限於：

- 中華人民共和國環境保護法，
- 中華人民共和國水污染防治法，
- 中華人民共和國大氣污染防治法，及
- 中華人民共和國固體廢物污染環境防治法。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

During the Reporting Period, no material non-compliance with laws and regulations relating to air and GHG emissions, discharge into water and land, or the generation of hazardous and non-hazardous waste was recorded.

報告期內，並無重大違反有關廢氣及溫室氣體排放、向水及土地排放或產生有害及無害廢物的法律及法規。

#### A1. Emissions

#### A1. 排放物

##### A1.1 Air Emissions

##### A1.1 廢氣排放

The Group-owned vehicles operated on petrol were used for daily business operations during the Reporting Period, which contributed to the emission of nitrogen oxides (“**NO<sub>x</sub>**”), sulphur oxides (“**SO<sub>x</sub>**”) and respiratory suspended particles (“**RSP**”).

報告期內，本集團以汽油推動的自持車輛用於日常業務，導致排放氮氧化物(「**NO<sub>x</sub>**」)、硫氧化物(「**SO<sub>x</sub>**」)及可吸入懸浮粒子(「**RSP**」)。

##### Air emissions (non-GHG) from mobile combustion

移動燃燒產生的廢氣排放 (非溫室氣體)

Fuel Source	燃料源	Use of fuel	燃料使用	NO <sub>x</sub> (kg) 氮氧化物 (公斤)	RSP (kg) 可吸入懸浮粒子 (公斤)	SO <sub>x</sub> (kg) 硫氧化物 (公斤)
Petrol	汽油	For vehicles	車輛用	1.93	0.19	0.04

### A1.2 Greenhouse Gas Emissions

Throughout the Reporting Period, the Group's business operation contributed to an emission of 119.09 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq) (mainly carbon dioxide, methane and nitrous oxide), with an emission intensity of 1.63 tCO<sub>2</sub>eq. with reference to the number of full-time employees ("FTE"), or 0.0023 tCO<sub>2</sub>eq. per unit of product sold.

### A1.2 溫室氣體排放

整個報告期內，本集團的經營活動產生了119.09噸二氧化碳當量(噸二氧化碳當量)(主要為二氧化碳、甲烷及氮氧化物)的排放，參照全職僱員(「全職僱員」)數量，排放密度為1.63噸二氧化碳當量，或每件售出產品0.0023噸二氧化碳當量。

Scope of GHG Emissions	Emission Sources	GHG Emission (tCO <sub>2</sub> eq.) 溫室氣體排放 (噸二氧化碳當量)	Total GHG Emission (%) 總計溫室氣體排放 (%)
<b>Scope 1 Direct GHG Emission</b> 範疇1 直接溫室氣體排放			
Combustion of fuel for mobile sources 燃料燃燒 (移動源)	Petrol 汽油	6.90	6%
<b>Scope 2 Energy Indirect GHG Emission</b> 範疇2 能源間接溫室氣體排放			
Purchased electricity 所購電力		105.95	89%
<b>Scope 3 Other Indirect GHG Emission</b> 範疇3 其他間接溫室氣體排放			
Paper waste disposed of in landfills 堆填區棄置的廢紙		0.95	5%
Freshwater processed by government 政府處理的淡水		1.41	
Sewage processed by government 政府處理的污水		1.02	
Business air travel by employees 僱員商務差旅		2.86	
<b>Total</b> 總計		<b>119.09</b>	<b>100%</b>

Note1: Emission factors were made by reference to Appendix 20 to the Listing Rules and their referred documentation as set out by the Stock Exchange, unless stated otherwise.

附註1：除另有說明外，排放系數乃參照上市規則附錄20及聯交所訂其參考文件而作出。

Note2: Combined margin emission factor of 0.54 tCO<sub>2</sub>/MWh was used for purchased electricity in Guangdong Province of the PRC.

附註2：在中國廣東省購買電力乃採用合併邊際排放系數0.54噸二氧化碳當量噸/兆瓦時計算。



#### **A1.3 Hazardous Waste**

Operations of the Group generated minimal chemical wastes. During the Reporting Period, a total of 4.7 tonnes of industrial wastewater was generated, contributing to an intensity of 0.06 tonnes/FTE or 0.09 kg per unit of product sold.

#### **A1.4 Non-hazardous Waste**

Non-hazardous waste from the Group's operation consists mainly of waste paper and domestic waste. During the Reporting Period, a total of 1.3 tonnes of non-hazardous waste was generated from the operations of the Group, of which 0.20 tonnes was paper waste from office operation. The intensity was 0.02 tonnes/FTE or 0.03 kg per unit of product sold.

#### **A1.5 Measures to Mitigate Emissions**

The Group keeps track of the consumptions on petrol, electricity, and water, and the waste disposal at landfills to estimate GHG emissions, and strives to reduce related emissions whenever possible. With an attempt to reduce emission per unit of product, the Group estimates the production needs and determines the optimal production quantity in one-time production. The Group has adopted the use of video conferencing to reduce air travels and curb the emissions. With the Group's continuous efforts, the GHG emission related to petrol consumption was greatly reduced from 15 tCo<sub>2</sub>eq. to 6.90 tCo<sub>2</sub>eq., contributing to a reduction of 54% compared to the Last Reporting Period.

#### **A1.3 有害廢棄物**

本集團的經營活動所產生的化學廢棄物微乎其微。於報告期間，共產生4.7噸工業廢水，導致每件售出產品的密度為0.06噸／每名全職僱員或每件售出產品0.09公斤。

#### **A1.4 無害廢棄物**

本集團經營活動產生的無害廢棄物主要包括廢紙及和生活垃圾。於報告期間，本集團經營活動共產生無害廢棄物1.3噸，其中辦公經營產生的廢紙為0.20噸。密度為每件售出產品0.02噸／每名全職僱員或每件售出產品0.03公斤。

#### **A1.5 減排措施**

本集團追查汽油、電力及用水的消耗量，以及堆填區的廢物處理量，以估算溫室氣體排放量，並盡一切可行方法減少相關排放量。為減少每件產品的排放量，本集團估算生產需求，並確定一次性生產的最佳產量。本集團已採用視頻會議以減少飛機差旅並抑制排放。本集團經過不懈的努力，與上個報告期相比，有關汽油消耗的溫室氣體排放量已由15噸二氧化碳當量大減少54%至6.90噸二氧化碳當量。

### A1.6 Waste Handling and Reduction Initiatives

The Group strictly observes policies in handling both hazardous and non-hazardous waste. Wastes are reduced and prevented at source wherever possible. Industrial water, as a kind of hazardous waste, is temporarily stored in secure container, and collected by designated licensed engineering company for further processing prior to disposal.

Waste paper is collected and disposed of in landfills. Paper reduction initiatives, such as encouraging double-sided printings, adopting electronic documentations and keeping record on the paper consumption, have been adopted for promoting a paperless office. The paper consumption pattern was similar to the Last Reporting Period.

## A2. Use of Resources

Although the Group has not established formal policies on improving resource utilization efficiency, it has been adhering to the principle of full utilization of resources and has encouraged employees to observe practices to conserve natural resources.

### A2.1 Energy Consumption

Energy Sources	能源	Consumption 消耗量 (unit) (單位)	1	Energy Intensity 能源密度	Consumption 消耗量 (kWh) (千瓦時)
Petrol	汽油	2,559 L 2,559升		35.05 L/FTE 35.05升/全職僱員	22,677
Purchased electricity	所購電力	195,437 kWh 195,437千瓦時		2,677 kWh/FTE 2,677千瓦時/全職僱員	195,437
<b>TOTAL</b>	<b>總計</b>				<b>218,114</b>

During the Reporting Period, the Group's business operations from the use of petrol and electricity resulted in a total energy consumption of 218,114 kWh and an overall energy intensity of 2,988 kWh/FTE or 4.26 kWh per unit of product sold.

### A1.6 廢棄物處理及減廢措施

本集團嚴格遵守處理有害廢棄物及無害廢棄物的政策。盡可能從源頭減廢，作出預防措施。工業用水乃其中一種有害廢棄物，其臨時存置於安全的容器中，並由指定具牌照的工程公司負責收集，以便於處置前作進一步處理。

收集廢紙並於堆填區棄置。本集團已採取減少用紙措施，例如鼓勵雙面打印、採用電子文件及記錄用紙量，以推廣無紙化辦公。紙張消耗模式與上個報告期相若。

## A2. 資源使用

儘管本集團並無制定正式政策提高資源使用效率，但本集團一直堅持充分利用資源的原則，並鼓勵僱員遵守自然資源保護的慣例。

### A2.1 能源消耗

於報告期間，本集團使用汽油和電力的業務營運總能源消耗量218,114千瓦時，總能源密度為2,988千瓦時/每名全職僱員或每件售出產品4.26千瓦時。

#### **A2.2 Water Consumption**

Fresh water consumed by the Group in the Reporting Period was 3,482 m<sup>3</sup>, with the water intensities of 47.70 m<sup>3</sup>/FTE and 0.07 m<sup>3</sup> per unit of product sold.

#### **A2.3 Energy Use Efficiency Initiatives**

The Group has actively advocated for a green office to achieve energy saving and emission reduction. Energy conservation initiatives adopted by the Group include:

- maintaining default temperature setting of air conditioner at 26°C,
- setting computer to energy-saving modes when idle,
- switching off office equipment and electronic devices after office hours, and
- promoting the use of video conferencing to avoid unnecessary travel.

With the Group's continuous efforts, the energy intensity due to vehicle operation was reduced from 89.70 L/FTE to 35.05 L/FTE, significantly reduced by 61% compared to the Last Reporting Period measured by number of FTE.

#### **A2.4 Water Use Efficiency Initiatives**

No issue in sourcing water that is fit for purpose had been identified during the Reporting Period. To sustain water resources, the Group encourages water conservation and reminds staff members to reduce water wastage whenever possible, resulting in a 24% reduction in water consumption compared to the Last Reporting Period measured by number of FTE.

#### **A2.2 水消耗**

於本報告期間，本集團消耗的淡水為3,482立方米，水密度為47.70立方米／每名全職僱員及每件售出產品0.07立方米。

#### **A2.3 能源使用效率舉措**

本集團積極倡導綠色辦公室，實現節能減排。本集團採取的節能舉措包括：

- 維持空調的預設溫度於26°C；
- 於閒置時將電腦設為節能模式；
- 於辦公時間後關上辦公設備及電子設備；及
- 推廣使用視頻會議，以避免不必要的差旅。

通過本集團堅持不懈的努力，與上個報告期比較，按全職僱員數目計算的汽車運行能源密度由89.70升／全職僱員減少至35.05升／全職僱員，顯著降低61%。

#### **A2.4 水使用效率舉措**

於報告期間，並無識別與採購適合用途的水相關的問題。為使水資源得以永續，本集團鼓勵節約用水，並提醒員工儘可能減少浪費水源，此舉令按全職僱員數目計算的耗水量較上個報告期減少24%。

Water conservation initiatives adopted by the Group include:

- reminding employees to turn off water taps after use;
- putting up posters related to water resource conservation at prominent locations;
- monitoring the water usage patterns, and
- enforcing inspections and maintenance to prevent wastage of water resources.

#### **A2.5 Packaging Materials**

Paper cartons and plastics were widely used as packaging materials for different presentations of products. During the Reporting Period, a total of 4.03 tonnes packaging materials were consumed, including carton boxes, polyethylene and polypropylene, contributing to an intensity of 0.06 tonnes/FTE or 0.08 kg per unit of product sold. All packaging components have undergone quality control tests and achieved expected quality levels and standards before use.

本集團採取的節約用水舉措包括：

- 提醒僱員使用水龍頭後將水龍頭關上；
- 於顯眼位置張貼與水資源節約有關的海報；
- 監察用水模式；及
- 加強檢查及維護，防止浪費水資源。

#### **A2.5 包裝材料**

紙箱及塑料獲廣泛用於不同產品展示的包裝材料。於報告期間，共消耗4.03噸包裝材料，包括紙箱、聚乙烯和聚丙烯，密度為0.06噸／每名全職僱員或每件售出產品0.08公斤。所有包裝組件於使用前均已進行質量控制測試，並達到預期質量水平及標準。

### A3. The Environment and Natural Resources

### A3. 環境及天然資源

#### A3.1 Significant Impacts of Activities on the Environment

#### A3.1 活動對環境的重大影響

Major environmental issue of the Group was the consumption of energy resources and hence greenhouse gas emission. Aware of its vital role in environmental protection, the Group has shown commitment to sustainable development in different respects from the management of the Group to employees, customers, and the society. The implementation of Environmental Management Policy has successfully integrated the corporate environmental management strategies into its daily business operations. During the Reporting Period, any waste, wastewater, or emissions that posed adverse impacts to human or environment was appropriately managed, controlled, and treated prior to release into the environment.

本集團的主要環境問題為能源資源消耗及所致的溫室氣體排放。本集團意識到其於環境保護中擔當重要角色，故從本集團管理層到僱員、客戶及社會各方面均表現出對可持續發展的承諾。實施環境管理政策成功將企業環境管理策略融入到本公司的日常業務運作中。於報告期間，對人類或環境造成不利影響的任何廢物、廢水或排放於排放至環境前均得到適當的管理、控制及處理。

The Group promotes clean production and carries out initiatives aimed at achieving various goals, including reduction of GHG emissions, effective utilization of energy resources, and resource saving through reducing, reusing, and recycling. Meanwhile, the Group advocates prevention of pollution and waste generation at source. Business processes of the Group are bound by the Polluter Pays Principle, which is enacted to ensure the party responsible for producing pollution responsible for paying for the damage done to the natural environment. Moreover, environmental training courses are conducted to educate employees on the applicable environmental laws and legislations and environmentally friendly actions, hence to raise employees' awareness and change their perception, leading to a behavioural change in favour of the environment.

本集團致力推行清潔生產，並推行旨在達致多項目標的措施，包括減少溫室氣體排放、有效利用能源及透過減量、再利用及循環利用達致節省資源。同時，本集團提倡從源頭防止污染及廢物產生。本集團的業務流程受污者自付原則約束，該原則旨在確保負責產生污染的一方負責對自然環境所造成的損害作出補償。此外，我們亦舉辦環保培訓課程，教導僱員有關適用的環境法律法規及環保行動，從而提高僱員的意識並改變他們的認知，改變他們的行為習慣，令行為有利於環境。

Looking forward, the Group will persist in operating business in an environmentally responsible manner that drives continual improvement in its business processes, products, and services with smaller environmental impact.

展望未來，本集團將堅持以對環境負責的方式經營業務，推動其業務流程、產品及服務持續改進，同時減少對環境的影響。



## B. SOCIAL

### 1. Employment and Labour Practices

#### B1. Employment

The Group strictly abides by all applicable laws and regulations in relation to employment in the PRC during the Reporting Period, including but not limited to:

- Labour Law of the PRC,
- Labour Contract Law of the PRC,
- The Social Insurance Law of the PRC,
- Special Rules on the Labour Protection of Female Employees;
- Social Insurance Law of the PRC;
- Regulation on Paid Annual Leave for Employees; and
- Provisions on the Prohibition of Using Child Labour.

During the Reporting Period, there was no material non-compliance with relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, and other benefits and welfare of the Group.

As at 31 December 2019, the Group had a total number of 73 employees. All of them were full-time employees. The employee structure which is sorted by gender, age group, function and geographical regions are shown below.

## B. 社會

### 1. 僱傭及勞工常規

#### B1. 僱傭

於報告期間，本集團嚴格遵守與中國僱傭有關的所有適用法律及規例，包括但不限於：

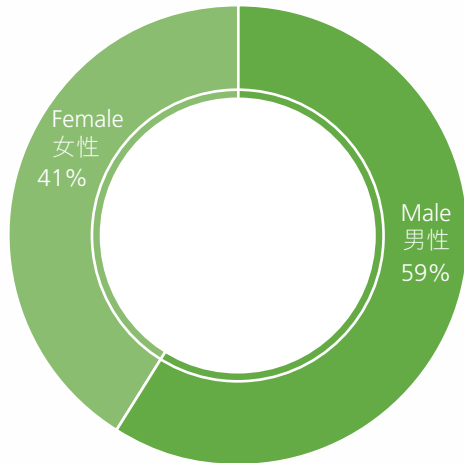
- 《中華人民共和國勞動法》;
- 《中華人民共和國勞動合同法》;
- 《中華人民共和國社會保險法》;
- 《女職工勞動保護特別規定》;
- 《中華人民共和國社會保險法》;
- 《職工帶薪年休假條例》; 及
- 《禁止使用童工規定》。

於報告期間，本集團並無有關補償及解僱、招聘及晉升、工作時數、假期及其他待遇及福利的重大違反法律及規例的情況。

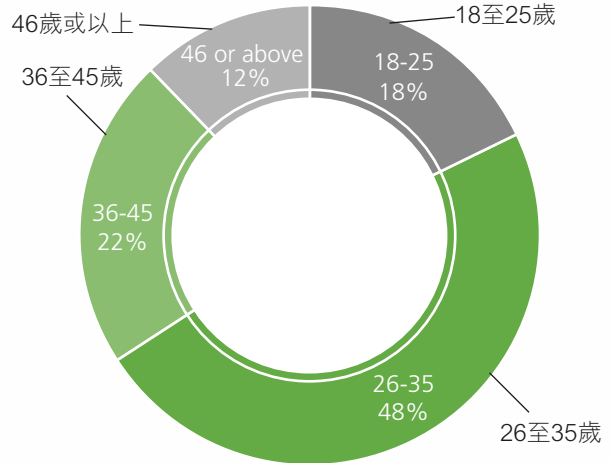
於二零一九年十二月三十一日，本集團共有73名僱員。彼等均為全職僱員。按性別、年齡組別、職能及地域分佈的僱員架構載列如下。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT  
 環境、社會及管治報告

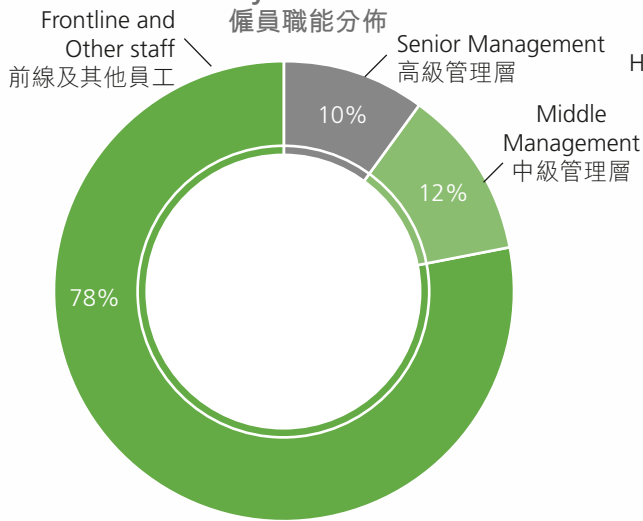
Distribution of Employees by Gender  
 僱員性別分佈



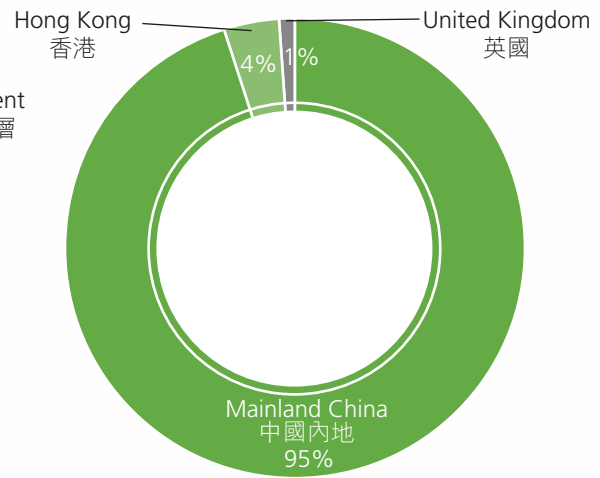
Distribution of Employees by Age Group  
 僱員年齡組別分佈



Distribution of Employees by Function  
 僱員職能分佈



Distribution of Employees by Geographical Region  
 僱員地域分佈



The Group creates the corporate culture through standardized policies and systematic procedures. Employment manual is issued to employees to communicate work rules pertaining to confidentiality, health and safety, and employee conducts. Conditions of employment, remuneration and allowances, promotion and dismissal, performance appraisal system and benefits, are also clearly stated. To further maintain a high standard of professionalism, employees are required to follow the code of conduct and ethics, which sets forth standards and disciplinary policies to guide employees' conducts.

#### **Competitive Compensation and Benefits**

Existing employment policies of the Group have set out requirement on recruitment, remuneration and compensation, promotion and dismissal, working hours, rest periods and other benefits. The Group offers equitable and competitive remuneration package to attract and to retain talents. In addition to basic salary, the Group offers attendance bonus, seniority-wage, housing allowance, training expenses as well as discretionary performance bonus based on a performance evaluation system. Apart from medical care, overtime compensation, statutory holidays and annual leaves, the Group provides a wide range of leave entitlements such as for marriage, maternity and paternity, sick and bereavement.

#### **Internal Promotion**

Promotion opportunities are offered to staff members who have an exceptional performance in routine tasks and a good rating in annual appraisal. The Group has taken into consideration an array of factors, such as the performance appraisal results, working attitudes, personal capabilities, adaptability and strengths of the staff, in promoting capable candidates to higher management or technical positions.

本集團透過標準政策及系統程序創造企業文化。向僱員發佈僱傭手冊乃旨在向僱員傳達有關保密、健康與安全及僱員行為的工作規則。僱傭條件、薪酬及津貼、晉升及解僱，績效評估制度及福利亦有明確規定。為進一步維持高水平的專業精神，僱員必須遵守操守及道德守則，該守則載列標準和紀律政策以指導僱員行為。

#### **具競爭力的薪酬及福利**

本集團現行僱傭政策已就招聘、薪酬及補償、晉升及解僱、工作時數、假期及其他福利作出規定。本集團提供公平及具競爭力的薪酬待遇，以吸引及挽留人才。除基本薪金外，本集團亦根據績效評估制度提供考勤獎金、工齡工資、住房津貼、培訓費用以及酌情績效獎金。除醫療護理、加班補償、法定假期及年假外，本集團亦提供各種假期權利，例如婚假、產假及侍產假、病假及喪假。

#### **內部晉升**

於日常工作中表現出色並在年度評估中獲得良好評級的員工可獲晉升機會。本集團晉升有能力的候選人擔任更高管理或技術職位時，已考慮了一系列因素，例如員工的績效評估結果、工作態度、個人能力、適應能力及優勢。

#### ***Equal Opportunity***

The Group respects the differences in employees. Fairness in labour is practised within the Group with a view to eliminating discrimination. Employees are provided with equal opportunities in respect of recruitment, employment, training and development, promotion, compensation and benefits, whether on the basis of race, religion, nationality, ethnicity, age, gender or disability. The Group has complied with relevant laws and regulations in the PRC and there was no non-compliance relating to equal opportunity, diversity and anti-discrimination during the Reporting Period.

#### ***Employee Relation***

Employees are integral to the development of the Group. Regular meetings are held to provide employees with chances to share ideas, to bring up issues and to open up about their concerns. Through regular performance evaluations, personal strengths of employees are identified and developed for career advancement. Besides, the Group regularly holds events for bonding and relationship building. Staff engagement activities organized by the Group during the Reporting Period included celebration parties, team-building activities and tours to enhance employee's sense of belonging to the Group.

#### **Case: Dapeng Bay Leisure Tour**

The Group extended its care to employees' well-being and work-life balance by arranging a day trip to Dong Xi Chong in Shenzhen.

The team hiked along one of the most scenic hiking trails and enjoyed the stunning coastline view.

#### **平等機會**

本集團尊重各僱員各有不同。為消除歧視，本集團實行公平勞工。僱員於招聘、僱傭、培訓及發展、晉升、補償及福利方面，不論基於種族、宗教、國籍、族裔、年齡、性別還是殘疾，均享有平等機會。本集團已遵守中國相關法律及規例，且於報告期間並無有關平等機會、多元化及反歧視的不合規情況。

#### **僱員關係**

僱員是本集團發展不可或缺的一部分。會議舉行定期，讓僱員有機會分享想法、提出問題並傾吐顧慮。通過定期的績效評估，識別並發展僱員的個人專長，促進職業發展。此外，本集團亦定期舉辦聯誼及建立關係的活動。於報告期間，本集團組織的員工參與活動包括慶祝派對、團隊建設活動及旅遊，以增強僱員對本集團的歸屬感。

#### **個案：大鵬灣休閒遊**

本集團安排深圳東西沖一日遊，關注僱員的福祉及工作與生活平衡。

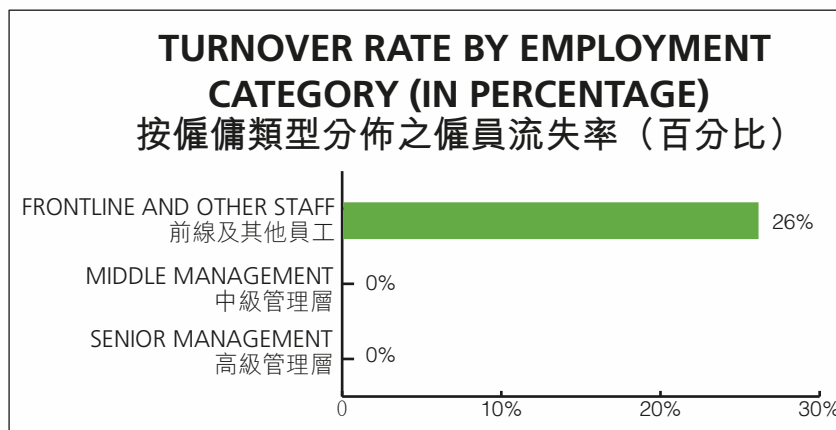
團隊沿着風景最好的遠足小徑之一徒步旅行，享受迷人的海岸線景色。

### Turnover

A total of 15 employees have left the Group during the Reporting Period, with an overall turnover rate<sup>1</sup> of 21%. To retain talents, the Group considers offering a more attractive remuneration package and benefits according to the Group's business situation.

### 僱員流失

於報告期間，本集團共有15名僱員離職，整體流失率<sup>1</sup>為21%。為挽留人才，本集團考慮根據本集團的業務情況提供更具吸引力的薪酬待遇及福利。



## B2. Employee Health and Safety

The Group is dedicated to creating an accident- and injury-free working environment for each employee. During the Reporting Period, it strictly complied with all national protocols and standards relevant to labour health and safety, including the Law of the PRC on the Prevention and Treatment of Occupational Diseases, the Production Safety Law of the PRC and the Regulation on Work-Related Injury Insurance. The Group has attained a certificate of Work Safety Standardisation for its manufacturing facility located in Shenzhen since 2016.

## B2. 僱員健康和安

本集團致力為每位僱員創造一個零事故、零受傷的工作環境。於報告期間，本集團嚴格遵守所有與勞工健康及安全有關的國家規程及標準，包括《中華人民共和國職業病防治法》、《中華人民共和國安全生產法》及《工傷保險條例》。本集團自二零一六年已為深圳生產工廠取得安全生產標準化證書。

<sup>1</sup> The overall turnover rate is calculated by total number of employees who left the Group in the reporting period/ average sum of number of employees as at the beginning and the end of the reporting period\*100%. Employees who leave the Group within probationary period are not counted.

<sup>1</sup> 整體流失率乃按報告期內從本集團離職僱員總數／報告期初及期末僱員平均數目\*100%計算。於試用期內從本集團離職的僱員不計算在內。



Internally, workplace health and safety are governed by the management system on occupational health and safety of the Group, which lays the management framework and assigns duties to various parties in implementing health and safety policies in the workplace. Furthermore, the safety rules and procedures regulate the work procedures and mitigate hazards arising from fire, explosion, electricity and chemical leakage. Regular occupational health and safety audit is conducted such that ongoing performance is measured, monitored and improved, when necessary, mitigating with remedial actions.

The Group conducts labour safety and health education for employees, on the potential hazards of equipment and chemicals. All frontline staff are required to strictly follow the code of safe working practice, which ensures that their practices are compliant with all the rules governed by laws and regulations. Workers are provided with necessary personal protection equipment based on the needs and types of work engaged in, as well as regular health examinations for protection against potential occupational hazards.

Emergency situations in the workplace were identified, assessed, and managed according to emergency handling plans and established procedures. Chemical substances are properly controlled over storage, usage and disposal following the material safety data sheets and guidelines. Fire drills are always conducted with proper records and overseen by senior managers. Emergency evacuation plans are displayed at conspicuous locations.

對內，工作場所健康及安全由本集團職業健康與安全管理系統規管，該管理系統奠定了管理框架，並將責任分配予於工作間各方以實施健康與安全政策。此外，安全規則及程序規範了工作程序，並減輕了火災、爆炸、電力和化學品泄漏所帶來的危險。我們定期進行職業健康與安全審核，以便於必要時測量、監察及改善持續表現，並採取補救行動。

本集團為僱員提供有關設備及化學品潛在危害的勞工安全及健康教育。所有前線員工均須嚴格遵守安全工作常規守則，該守則確保常規符合所有受法律及規例監管的規則。根據工人的需要和所從事的工作類型，工人會獲提供必要的個人防護設備，定期接受健康檢查，以防範潛在職業危害。

出現在工作場所的緊急情況根據緊急處理計劃及既定程序予以識別、評估及管理。根據化學品安全技術說明書及指南，化學品於儲存、使用及處理方面均獲適當控制。消防演習進行時一直有適當的紀錄，並由高級經理監督。緊急疏散計劃張貼於顯眼位置。

No work injury case or material non-compliance with relevant laws and regulations in relation to occupational health and safety of the Group was recorded during the Reporting Period.

報告期內，本集團未錄得工傷事故或重大違反職業健康及安全相關法律及規例的情況。

**Occupational Health and Safety Statistics in FY2019** 二零一九年財政年度職業健康與安全

Work related fatality	殉職事故	0
Work injury cases >3 days	工傷事故 > 三天	0
Work injury cases ≤3 days	工傷事故 ≤ 三天	0
Lost days due to work injury	因工傷損失工作日	0 day 0天

**B3. Development and Training**

The Group emphasizes the importance of investment in human resources. During the Reporting Period, the administration department drew up an annual training plan, arranging different training sessions to meet various training needs of employees. Where appropriate, employees are assessed upon recruitment and reviewed periodically thereafter for their proficiency in vocational skills through examinations. Through providing comprehensive training programs, the Group ensures that each staff member, whether R&D personnel, technician or worker, is capable of assuming his/her respective role and meets the highest competency and qualification standards at all times.

**B3. 發展及培訓**

本集團強調投資人力資源的重要性。於報告期間，行政部製定了年度培訓計劃，安排不同的培訓課程以滿足僱員的各種培訓需求。於適當情況下，僱員會於招聘時被評估，其後透過考試定期審查彼等之職業技能水平。本集團透過提供全面的培訓計劃，確保每名員工均能承擔各自的職責，不論是研發人員、技術人員或工人，並始終符合最頂尖的能力及資格標準。

During the Reporting Period, the Group has systematically organized training workshops on a variety of topics, including regulatory compliance, for different departments. Some of the Group's internal training activities are as follows:

於報告期間，本集團針對不同部門有系統地舉辦各種培訓課程，包括監管合規。本集團部分內部培訓活動如下：

Date 日期	Training topics 培訓主題	Target participants 目標對象									
		Manager 經理	Production 生產	Quality 質量	Warehouse 倉庫	R&D Team 研發團隊	Procurement 採購	Engineering 工程	Admin 行政	Sales 銷售	Technicians 技術員
March 2019 二零一九年三月	<b>Workplace safety management -</b> <ul style="list-style-type: none"> <li>safety rules &amp; procedures</li> <li>handling of contaminating, infectious and highly biological active materials</li> <li>dangerous precursor chemicals</li> </ul> <b>工作場所安全管理 -</b> <ul style="list-style-type: none"> <li>安全規則及程序</li> <li>處理具污染性、傳染性及高生物活性的材料</li> <li>危險羰基化學品</li> </ul>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
April 2019 二零一九年四月	<b>Overview of medical device-related regulatory requirements -</b> <ul style="list-style-type: none"> <li>Good Manufacturing Practice for Medical Devices - Appendix on In-Vitro Diagnostic Reagents</li> <li>Good Manufacturing Practice for Medical Devices - Guidelines for Onsite Inspection of In-Vitro Diagnostic Reagents</li> <li>Regulations on the Supervision and Administration of Medical Devices</li> <li>Measures for the Supervision and Administration of Medical Device Production</li> <li>Administrative Measures for the Registration of In-Vitro Diagnostic Reagents</li> <li>Administrative Rules for the Instructions and Labels of Medical Devices</li> </ul> <b>醫療器械相關監管規定概要 -</b> <ul style="list-style-type: none"> <li>《醫療器械生產質量管理規範附錄體外診斷試劑》</li> <li>《醫療器械生產質量管理規範體外診斷試劑現場檢查指導原則》</li> <li>《醫療器械生產質量管理條例》</li> <li>《醫療器械生產質量管理辦法》</li> <li>《體外診斷試劑註冊管理辦法》</li> <li>《醫療器械說明書和標籤管理規定》</li> </ul>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Date 日期	Training topics 培訓主題	Target participants 目標對象									
		Manager 經理	Production 生產	Quality 質量	Warehouse 倉庫	R&D Team 研發團隊	Procurement 採購	Engineering 工程	Admin 行政	Sales 銷售	Technicians 技術員
June 2019 二零一九年六月	<b>Quality management system -</b> • formulation, implementation and evaluation of quality manual, policy, objectives and targets • quality assurance and control procedures • preservation of product <b>質量管理體系 -</b> • 編制、執行及評估質量手冊、政策、目標及指標 • 質量保證及監控程序 • 保存產品	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
July 2019 二零一九年七月	<b>Departmental training on specialized knowledge</b> <b>專門知識部門培訓</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
August 2019 二零一九年八月	<b>Cleanliness in production environment -</b> • microbiology • cleanroom gowning • cleanroom management • cleaning and sanitation • personal hygiene <b>生產環境清潔 -</b> • 微生物學 • 無塵室工作 • 無塵室工作 • 無塵室管理 • 清潔及衛生 • 個人衛生	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
September 2019 二零一九年九月	<b>Product knowledge training -</b> performances, characteristics and usages of products <b>產品知識培訓 -</b> 產品性能、特點及用途	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
November 2019 二零一九年十一月	<b>Internal audit training for quality management system</b> <b>質量管理制度內部審計培訓</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

During the Reporting Period, over 97% of the employees received trainings; the total training hours and the average training hours per employee were 340 hours and 4.79 hours per employee respectively.

於報告期間，97%僱員接受培訓；總培訓時數為340小時，每名僱員平均培訓時數為4.79小時。

**Training and Development Statistics in FY2019**

二零一九年財政年度培訓及發展統計

<b>Gender</b>	<b>性別</b>	<b>Percentage of employees trained</b> 受訓僱員百分比	<b>Average training hours per employee</b> 每名僱員平均受訓時數
Male	男性	98%	5.16
Female	女性	97%	3.93

<b>Employment category</b>	<b>僱傭類型</b>	<b>Percentage of employees trained</b> 受訓僱員百分比	<b>Average training hours per employee</b> 每名僱員平均受訓時數
Senior management	高級管理層	100%	8.29
Middle management	中級管理層	78%	7.67
Other employees	其他僱員	100%	3.74

**B4. Labour Standards**

The Group pledges to create a society free of child labour and forced labour. There was no child labour nor forced labour employed in the Group; no cases of non-compliance of relevant laws and regulations in relation to labour standards (e.g., the Provisions on the Prohibition of Using Child Labour) were recorded during the Reporting Period.

**B4. 勞工準則**

本集團承諾建立一個沒有童工和強制勞工的社會。本集團並無僱用童工或強制勞工；於報告期間，並無發現違反勞工準則相關法律及規例（如《禁止使用童工規定》）的情況。



Human resources department firmly complied with the Labour Law of the PRC and internal recruitment guidelines which prohibits the employment of workers under the age of 16 in its operation. Job applicants' proof of identity and employment backgrounds are assessed and verified. As such, the qualified applicants hired are deemed to satisfy the legal requirement of the government. Consequences of breaching the conditions include termination of contract.

The working hours of the employees are enforced in accordance with the requirements of relevant local laws and regulations; thus, no forced labour is allowed. The Group encourages the employees to complete the daily work within the specific working hours. When overtime work during special arrangement is unavoidable, employees are eligible for overtime payment based on contractually agreed hourly wage.

## 2. Operating Practices

### B5. Supply Chain Management

The Group has engaged 36 suppliers during the Reporting Period. All of them were in the PRC primarily providing raw and auxiliary materials for the manufacturing of IVD reagents. The Group adopts an integrated approach in screening and evaluation of potential and existing suppliers respectively. In terms of supplier selection, the Group performs assessments on their production capability, efficacy of their products, quality of management and ability to deliver. Performances of qualified suppliers are regularly monitored through their submissions of testing reports and documents to demonstrate their consistent conformance to applicable statutory and regulatory requirements.

人力資源部嚴格遵守《中華人民共和國勞動法》及內部招聘指引，禁止在其營運中僱用未滿十六歲的工人。求職者的身份證明及僱傭背景會經評估及核實。因此，獲聘的合資格申請人被視為符合政府的法律規定。違反條件的後果包括終止合約。

僱員的工作時數按照當地相關法律及規例的規定執行；因此，絕不容許強制勞工。本集團鼓勵僱員於特定工作時間內完成日常工作。在特殊安排而無法避免加班的情況下，僱員可按合約協定的時薪領取加班費。

## 2. 經營常規

### B5. 供應鏈管理

本集團於報告期間已委聘36家供應商。該等供應商均於中國主要提供用以生產體外診斷試劑的原材料及輔助材料。本集團採用綜合方法分別篩選及評估潛在及現有供應商。在挑選供應商方面，本集團對其生產能力、產品效能、管理質量及交付能力進行評估。合資格供應商的表現會透過其提交檢測報告及文件作定期監察，以證明其一直遵守適用的法定及監管要求。

On-site assessments, when needed, are conducted to ensure that the facility, systems, and products provided by the suppliers are compliant with the requirements on quality, workplace safety and hygiene. If a significant non-conformance is proved, the Group may consider disqualifying or terminating the partnership with the concerned supplier.

#### B6. Product and Service Responsibility

##### *Quality Assurance*

The Group is committed to delivering safe, effective and reliable IVD reagent products that have attained the highest quality standards. Aligning with its corporate quality values, the quality management system of the Group is fully compliant with the current good manufacture practices (the “cGMP”) and is ISO 13485:2003 certified for medical device manufacturing. During the Reporting Period, the Group strictly followed the regulatory guidelines of the China Food and Drug Administration (the “CFDA”) in the manufacturing of IVD reagents and kits, which included:

- YY/T 0287-2017 standard (i.e., Medical Devices – Quality Management Systems – Requirements for Regulatory Purposes);
- Good Manufacturing Practice for Medical Devices – Appendix on In-Vitro Diagnostic Reagents;
- Good Manufacturing Practice for Medical Devices – Guidelines for Onsite Inspection of In-Vitro Diagnostic Reagents;
- Regulations on Supervision and Administration of Medical Devices;
- Contract Law of the PRC; and
- Product Quality Law of the PRC.

需要時進行現場評估，以確保供應商提供的設施、系統及產品符合質量、工作場所安全及衛生的要求。如證實有重大違規事項，本集團可能考慮取消或終止與有關供應商的合作關係。

#### B6. 產品及服務責任

##### *質量保證*

本集團致力提供安全、有效及可靠的體外診斷試劑產品，均達到最高質量標準。本集團的質量管理制度與其企業質量價值觀一致，完全符合現行優良生產質量管理規範(「cGMP」)，並已通過ISO 13485:2003醫療器械製造認證。於報告期內，本集團嚴格遵守國家食品藥品監督管理總局(「國家食藥監總局」)有關生產體外診斷試劑及試劑盒的監管指引，包括：

- YY/T 0287-2017標準(即《醫療器械—質量管理制度—用於法規的要求》);
- 《醫療器械生產質量管理規範附錄體外診斷試劑》;
- 《醫療器械生產質量管理規範體外診斷試劑現場檢查指導原則》;
- 《醫療器械監督管理條例》;
- 《中華人民共和國合同法》; 及
- 《中華人民共和國產品質量法》。

To further ensure the safety and conformity of its products, the Group has developed quality manual that outlines the organizational roles, authorities, as well as responsibilities for the accountable quality management across the Group. Some of the production activities must be performed in the designated Class 10,000 and 100,000 cleanrooms in compliance with ISO 14644-1 Cleanroom Standards. Moreover, due to their sensitivity to environmental influences, some reagent products are stored under controlled conditions, i.e., at a consistent temperature under in the range of 2°-8°C

Committed to continuous improvement of product, the Group sets key performance objectives, executes implementation plans, and takes necessary corrective and preventive actions for the deficiencies identified from internal and external assessments, inspections, and management reviews.

#### ***Customer Services and Product Recall***

The Group is committed to maintaining a stable and long-term relationship with its customers as it values the importance of customer loyalty. The Group sells IVD reagent products to hospitals and other medical institutions directly or through distributors. Through regular visits and meetings, the Group collects valuable insights and feedback from customers so as to improve overall customer experiences. The Group cares about the customer satisfaction throughout the entire business process from product sales to after-sales services. Customer satisfaction surveys are constantly reviewed for rectifying overall sales flow to better meet the customers' expectation.

為進一步確保其產品的安全性及合規性，本集團已制定質量手冊，概述本集團內負責質量管理的組織角色、權限及責任。若干生產活動必須於指定的10,000級無塵室及100,000級無塵室進行，以符合ISO 14644-1無塵室標準。此外，由於部分試劑產品對環境影響敏感，故於受控條件下(即在攝氏2-8度範圍內的穩定溫度下)儲存。

本集團致力於持續改進產品，制定關鍵績效目標，執行實施計劃，並就內部及外部評估、檢查及管理評審中發現的缺陷採取必要的糾正及預防措施。

#### ***客戶服務及產品召回***

本集團重視客戶忠誠度的重要性，故致力與其維持穩定及長期的關係。本集團直接或透過分銷商向醫院及其他醫療機構銷售體外診斷試劑產品。本集團透過定期訪問及會面，收集客戶的寶貴意見及反饋，以改善整體客戶體驗。本集團關注從產品銷售到售後服務的整個業務流程中的客戶滿意度。持續檢討客戶滿意度調查，以糾正整體銷售流程及更好地滿足客戶的期望。

Complaints are handled in a prompt and professional manner, and in accordance with the Group's guidelines on proper procedures. Upon receipt of a complaint, the Group proposes an investigation plan in one day, conducts root cause analysis and provides the complainant with the findings and corrective actions within the agreed timeframe. During the Reporting Period, the Group has received four complaints pertaining to the performance and validity period of the products. Concerning the product performance, the Group had instructed the customers to re-examine the reagent performance using the correct detection method. Regarding the issue of short validity period, the Group had delivered another batch of IVD reagents with a longer validity period (greater than six months) to meet the needs of the end-users. All complaints and enquiries had been resolved to the customers' satisfaction. No material non-compliance with relevant laws and regulations in relation to customer services of the Group was identified during the Reporting Period.

The product recall procedures of the Group are enforced by the Administrative Measures for Medical Device Recalls issued by the CFDA and the policy of the Group. The product recall management system strengthens the supervision of medical devices and facilitates the recall of defective products so as to protect the physical health and safety of customers.

投訴將按照本集團適當程序的指引，以迅速及專業的方式處理。接獲投訴後，本集團於一天內提出調查計劃，進行根本原因分析，並於約定時間內向投訴人提供調查結果及糾正行動。報告期內，本集團接獲四宗有關產品性能及有效期的投訴。就產品性能而言，本集團已指示客戶使用正確的檢測方法重新檢查試劑性能。關於有效期短的問題，本集團已交付另一批有效期較長(超過6個月)的體外診斷試劑，以滿足終端用戶的需求。所有投訴及查詢均已解決，以令客戶滿意。於報告期內，未發現本集團有關客戶服務的重大違反法律及規例的情況。

本集團的產品召回程序根據國家食藥監總局頒佈的《醫療器械召回管理辦法》及本集團的政策執行。產品召回管理制度加強對醫療器械的監管，有利缺陷產品的召回，以保護客戶的身體健康和 safety。

When the Group finds that a product available for sale might be defective, the sale of the concerned product would be suspended immediately. The related customers and suppliers would be notified and the case would be reported to the regulatory authorities in a timely manner. The quality management department would actively assist to recall the defective products according to the recall plans and to maintain complete records of the recalled products and defect investigations up to 5 years. There was no product recalled due to safety and health reasons and no material non-compliance with laws and regulations that have a significant impact on the Group in relation to product health and safety recorded during the Reporting Period.

#### ***Data Protection and Privacy***

The Group pays special attention to confidentiality and privacy issue of the Group and third parties, such as suppliers and customers. The confidentiality policy stipulates that all the confidential information (e.g., trade secrets, inventions, technical information, customers' personal data, etc.) shall be locked and secured and shall not be used for personal benefit or profit. Employees have various levels of authorised access to the confidential information and are prohibited to disclose confidential information to anyone outside of the Group.

當本集團發現可供銷售的產品可能存在缺陷時，將立即暫停銷售相關產品。我們會及時通知相關客戶和供應商，並及時向監管部門報告。質量管理部將根據回收計劃積極協助召回有缺陷的產品，並保存有關被召回產品及缺陷調查的完整記錄至五年。於報告期內，概無因安全及健康理由而被召回的產品，亦無錄得任何對本集團產品健康及安全有重大影響的重大違反法律及規例的情況。

#### ***數據保護及私隱***

本集團特別留意本集團及第三方(如供應商及客戶)的保密及私隱事宜。保密政策規定所有機密資料(如商業秘密、發明、技術資料、客戶個人資料等)均須上鎖及保護，不得用於個人利益或牟利。僱員擁有不同授權程度以查閱機密資料，且不得向本集團以外的任何人士披露機密資料。



#### ***Intellectual Property (the "IP")***

The Group understands the importance of originality and appreciates the hard work of research team. It strictly complies with local laws and regulations relating to product responsibility, such as the Trademark Law of the PRC and the Patent Law of the PRC. During the Reporting Period, the Group has successfully obtained two patents of inventions. Financial incentives were provided to reward the innovators, such that the contributions made to the Group by the R&D personnel and team are duly recognised. Having the IP management system in place, the Group accelerated the application and maintenance of patents for its own production design and technology, so as to ensure that the values of IP are well respected, protected and recognised within the Group.

#### **B7. Anti-corruption**

The Group has zero tolerance for bribery and corruption. It has established and maintained a policy relating to the identification, supervision, education and prevention of bribery and corruption. All parties within the Group are subject to code of conduct and ethics, employee manual and regulatory requirements in the prevention of potential bribery, extortion, fraud and money laundering. Any instance or suspected instance of bribery or corruption related to the Group should be promptly reported to the Group. The Group strictly controls gifts, meals, and entertainment that are recognized as the mere appearance of impropriety.

#### **知識產權**

本集團瞭解原創的重要性，並重視研究團隊的努力。其嚴格遵守有關產品責任的地方法律及規例，如《中華人民共和國商標法》及《中華人民共和國專利法》。於報告期間，本集團已成功獲得兩項發明專利。提供財務獎勵以回報創新人員，以認同研發人員及團隊對本集團作出的貢獻。本集團設有知識產權管理系統，加快為其產品設計及科技申請及維護專利，確保知識產權的價值在本集團得到尊重、保護及認同。

#### **B7. 反貪污**

本集團絕不容忍賄賂及貪污。其已制定及維持有關識別、監督、教育及防止賄賂及貪污的政策。本集團內所有各方在防止潛在賄賂、勒索、欺詐及洗黑錢方面均須遵守操守及道德守則、僱員手冊及監管要求。任何與本集團有關的賄賂或貪污案件或涉嫌貪污案件，應及時向本集團報告。本集團嚴格控制貌似不正當行為的禮品、膳食及招待。

During the Reporting Period, the Group was in full compliance with relevant laws and regulations, including the Criminal Law of the PRC, Anti-unfair Competition Law of the PRC, the Anti-money Laundering Law of the PRC and Interim Provisions on Banning Commercial Bribery. There was no concluded legal case regarding corrupt practices brought against the Group or its employees during the Reporting Period.

### **Whistleblowing Policy**

A whistleblowing mechanism has been established within the Group which encourages the reporting of suspected misconducts, malpractices, and unlawful or unethical behaviours within the workplace. Whistle-blowers can make confidential reports to the management of the Group, and are reassured of protecting against unfair dismissal, victimisation and unwarranted disciplinary action. All reports and the identities of whistle-blowers would be treated in the strictest confidence.

## **B8. Community Investment**

The Group actively encourages employees' participations in community engagement activities, such as voluntary work. In the coming future, the Group will continue to act socially responsible by making the best use of its influence to address the community needs and thereby build a harmonious society.

於報告期間，本集團全面遵守《中華人民共和國刑法》、《中華人民共和國反不正當競爭法》、《中華人民共和國反洗錢法》及《關於禁止商業賄賂行為的暫行規定》等相關法律及規例。於報告期間，本集團或其僱員並無涉及已審結的貪污訴訟案件。

### **舉報政策**

本集團已建立舉報機制，鼓勵舉報工作場所的可疑不當行為、舞弊行為、及非法或不道德行為。舉報人可向本集團管理層作出機密舉報，並保證可免受不公平解僱、受害及不必要的紀律處分。所有舉報及舉報者的身份將以嚴格保密的方式處理。

## **B8. 社區投資**

本集團積極鼓勵僱員參與社區參與活動，如志願工作。未來本集團將繼續肩負社會責任，善用其影響力，滿足社區需要，從而建設和諧社會。



# REPORT OF THE DIRECTORS

## 董事會報告

The Directors are pleased to present their annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2019.

### Principal Activities

The Company was incorporated in the Cayman Islands under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised), of the Cayman Islands as an exempted company with limited liability on 3 August 2017.

The principal activity of the Company is an investment holding company. Details of the principal activities and other particulars of the principal subsidiaries of the Company are set out in note 31 in the Notes to the consolidated financial statements.

The Group is principally engaged in research and development, manufacture, marketing and sales of IVD reagents and auxiliary reproductive supplies and equipment in the PRC. There were no significant changes to the Group's principal activities during the current year.

董事欣然呈列其年度報告連同本集團截至二零一九年十二月三十一日止年度之經審核綜合財務報表。

### 主要業務活動

本公司於二零一七年八月三日根據開曼群島法律第22章公司法(一九六一年第3號法，經綜合及修訂)在開曼群島註冊成立為豁免有限公司。

本公司主要業務活動為投資控股。有關主要活動及本公司主要附屬公司其他資料之詳情載於綜合財務報表附註31。

本集團主要從事於中國研發、生產、營銷及銷售體外診斷試劑及輔助生育用品和設備。本年度，本集團主要業務活動概無發生重大變動。

### Business Review and future prospects

A discussion and analysis of the activities of the Company as required by Schedule 5 to the Hong Kong Companies Ordinance, including an analysis of the Group's financial performance, an indication of likely future developments in the Group's business and Group's key relationship with its stakeholders who have a significant impact on the Group and on which the Group's success depends, is set out in the sections headed "Chairman's Statement" on pages 3 to 5 and "Management Discussion and Analysis" on pages 6 to 20 of this report. The above form part of this directors' report.

### Principal Risk and Uncertainties

Details of the principal risks and uncertainties of the Group are set out in notes 2 and 28 in the Notes to the consolidated financial statements and in the section headed "Management Discussion and Analysis" of this report on page 6 to 20.

Investors are advised to make their own judgement or consult their own investment advisors before making any investment in the Shares.

### Use of Proceeds From the Share Offer

Details of the intended uses and utilised amount are set out on page 19 of this report.

### Environmental Policies and Performance

Details of the Environmental, Social and Governance Report for the year ended 31 December 2019 are set out on page 53 to 83 of this report.

### 業務回顧及未來展望

香港公司條例附表5要求對本公司業務活動進行討論及分析，當中包括本集團財務表現分析、本集團業務的未來可能發展態勢的跡象及本集團與其持份者(為本集團賴以成功並對本集團具有重大影響者)的主要關係，載於本報告第3至5頁「主席報告」及第6至20頁「管理層討論及分析」各節。上述構成本董事會報告之一部分。

### 主要風險及不明朗因素

本集團主要風險及不明朗因素詳情載於綜合財務報表附註2及附註28以及本報告第6至20頁「管理層討論及分析」一節內。

投資者於投資股份之前務請自行判斷或諮詢其投資顧問。

### 股份發售所得款項用途

擬定用途及已使用金額詳情載於本報告第19頁。

### 環境政策及表現

截至二零一九年十二月三十一日止年度的環境、社會及管治報告的詳情載於本報告第53至83頁。

## REPORT OF THE DIRECTORS

### 董事會報告

#### Compliance with Laws and Regulations

The Group has adopted risk management and internal control policies to monitor the on-going compliance with the relevant laws and regulations. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, our Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of our Group during the year ended 31 December 2019.

#### Financial Results

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on page 115 of this report.

#### Final Dividend

The Directors does not recommend the payment of any final dividend for the year ended 31 December 2019. (2018: Nil)

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividends.

#### Charitable Donations

There were no charitable donations made by the Group during the year ended 31 December 2019. (2018: Nil)

#### Property, Plant and Equipment

Details of movements in property, plant and equipment during the year are set out in note 12 in the Notes to the consolidated financial statements.

#### 遵守法律法規

本集團已採用風險管理及內部監控政策監察持續遵守有關法律法規的情況。董事作出一切合理查詢後，就其所深知、全悉及確信，本集團於截至二零一九年十二月三十一日止年度已於重大方面遵守對本集團業務及營運有重大影響的相關法律及法規。

#### 財務業績

本集團截至二零一九年十二月三十一日止年度業績載於本報告第115頁綜合損益及其他全面收益表。

#### 末期股息

董事不建議派付截至二零一九年十二月三十一日止年度的任何末期股息。(二零一八年：無)

概無本公司股東已放棄或同意放棄任何股息的安排。

#### 慈善捐獻

截至二零一九年十二月三十一日止年度，本集團並無作出慈善捐獻。(二零一八年：無)

#### 物業、廠房及設備

年內物業、廠房及設備變動詳情載於綜合財務報表附註12。



### Share Capital

Details of the movement in share capital of the Company are set out in note 24 in the Notes to the consolidated financial statements.

Save as disclosed in the Prospectus and this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2019.

### Reserves

Details of movement in the reserves of the Group and of the Company during the year ended 31 December 2019 are set out in the consolidated statement of changes in equity on page 118 and note 33(b) in the Notes to the consolidated financial statements respectively.

### Distributable Reserves

Under the Companies Law of the Cayman Islands, the Company may pay dividends out of the profit or the share premium account in accordance with the provisions of Articles of Association, provided that immediately following the date on which the dividend is proposed to be distributed, the Company remains able to pay the debts as and when they fall due in the ordinary course of business. As at 31 December 2019, the Company's reserves available for distribution to shareholders comprising share premium and accumulated profits of the Group, amounted to approximately RMB63.0 million.

### Five-Year Financial Summary

A summary of the results and assets and liabilities of the Group for the most recent four years is set out in the section headed "Financial Summary" on page 216 of this report.

### 股本

本公司股本變動詳情載於綜合財務報表附註24。

除招股章程及本報告所披露者外，於截至二零一九年十二月三十一日止年度，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。

### 儲備

於截至二零一九年十二月三十一日止年度，本集團及本公司之儲備之變動詳情分別載於第118頁綜合權益變動表及綜合財務報表附註33(b)。

### 可供分派儲備

根據開曼群島公司法，本公司可根據組織章程細則條文以溢利或股份溢價賬支付股息，惟於緊隨建議分派股息當日後，本公司於日常業務過程中仍可支付到期債務。於二零一九年十二月三十一日，本公司可供分派予股東的儲備包括本集團股份溢價及累計溢利，金額約為人民幣63.0百萬元。

### 五年財務概要

本集團最近四年之業績及資產及負債概要載於本報告第216頁「財務概要」一節。

## REPORT OF THE DIRECTORS

### 董事會報告

#### Directors

The Directors during the year ended 31 December 2019 and up to the date of this report were as follows:

#### Executive Directors

Mr. Zhang Shuguang (*Chairman*)  
Mr. Zhang Chunguang (*Chief Executive Officer*)  
Mr. Poon Lai Yin Michael (*Chief Financial Officer*)  
Mr. He Jiaming (*Business Development Director*)  
(appointed on 14 January 2020)

#### Independent Non-executive Directors

Dr. Yeung David Wai Chow  
Mr. Kwok Chi Shing  
Mr. Chan Kin Sang

Pursuant to the Articles of Association, at each general meeting, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. All Directors appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders after their appointment and be subject to re-election at such meeting and all Directors appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

Accordingly, all the current Directors will retire at the forthcoming AGM where they will offer themselves for re-election.

#### 董事

截至二零一九年十二月三十一日止年度及直至本報告日期止，董事如下：

#### 執行董事

張曙光先生(主席)  
張春光先生(行政總裁)  
潘禮賢先生(首席財務官)  
何嘉明先生(業務發展董事)  
(於二零二零年一月十四日獲委任)

#### 獨立非執行董事

楊煒秋醫生  
郭志成先生  
陳健生先生

根據組織章程細則，於每屆股東大會上，當時在任的三分之一董事須輪值退任，惟各董事須至少每三年於股東週年大會上輪值退任一次。有關退任董事或合資格並願意於股東週年大會上膺選連任。董事會就填補空缺職位委任之全部董事應任職至彼等獲委任後召開的首次股東大會及須於有關大會上獲重選，而獲董事會委任以加入現有董事會之全部董事僅可任職至下屆股東週年大會及屆時合資格膺選連任。

因此，全體現任董事將於應屆股東週年大會上退任並願意膺選連任。

### Confirmation of Independence

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors to be independent.

### Biographies of Directors and Senior Management

The biographical details of the Directors and senior management are disclosed in the section headed “Biographical Details of Directors and Senior Management” on pages 21 to 27 of this report.

### Management Contracts

No contract, other than the service contracts, concerning management and administration of the whole or any substantial part of the Group’s businesses was entered into or existed during the year ended 31 December 2019.

### Directors’ Service Contracts

Each of Mr. Zhang Shuguang, Mr. Zhang Chunguang and Mr. Poon Lai Yin Michael, who were appointed on 25 September 2017, has entered into a service contract with the Company commencing from the Listing Date, which has no fixed term and can be terminated by either party giving not less than three months’ notice in writing to the other party. Mr. He Jiaming, who was appointed on 14 January 2020, has entered into a service contract with the Company for an initial fixed term of three years commencing from the date of appointment and can be terminated by either party giving not less than three months’ notice. Each of the independent non-executive Directors has entered into an appointment letter with our Company for an initial term of three years commencing from the Listing Date unless terminated by either party giving not less than one month’s written notice to the other party.

As at 31 December 2019, no Director proposed for re-election at the forthcoming AGM has entered into a service contract with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### 確認獨立性

本公司已收到各獨立非執行董事根據GEM上市規則第5.09條就其獨立性發出之年度確認書，認為各獨立非執行董事具有獨立性。

### 董事及高級管理層之履歷

董事及高級管理層履歷詳情於本報告第21至27頁「董事及高級管理層履歷詳情」一節披露。

### 管理合約

於截至二零一九年十二月三十一日止年度，概無訂立或存在任何與本集團業務中全部或任何重大部分有關之管理及行政合約(服務合約除外)。

### 董事服務合約

張曙光先生、張春光先生及潘禮賢先生(均於二零一七年九月二十五日獲委任)各自己與本公司訂立服務合約，自上市日期起開始，並無固定期限，並可由任何一方向另一方發出不少於三個月的書面通知終止。何嘉明先生(於二零二零年一月十四日獲委任)已與本公司訂立服務合約，自委任日期起開始，初步固定任期為三年，並可由任何一方向另一方發出不少於三個月的通知終止。各獨立非執行董事已與本公司訂立委任書，自上市日期起開始初步為期三年，除非任何一方向另一方發出不少於一個月的書面通知終止。

於二零一九年十二月三十一日，於應屆股東週年大會上建議重選的董事並無與本公司訂立本公司不可於一年內在不予賠償(法定賠償除外)之情況下終止之服務合約。

#### Directors' and Controlling Shareholders' Interest in Contracts

Save as disclosed in note 30 in the Notes to the consolidated financial statements, no contract of significance for the provision of services to the Company or any of its subsidiaries by controlling shareholders of the Company or any of its subsidiaries, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, or any of its holding companies or subsidiaries was a party and in which a Director, controlling shareholders (as defined in the GEM Listing Rules) of the Company and their respective connected parties had a material interest, whether directly or indirectly, subsisted at any time during the year ended 31 December 2019.

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

As at 31 December 2019, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which, once the Shares are listed on GEM of the Stock Exchange, will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short positions which they are taken or deemed to have under such provision of the SFO) or will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of listed issuers, will be as follows:

#### 董事及控股股東於合約的權益

除綜合財務報表附註之附註30所披露者外，於截至二零一九年十二月三十一日止年度內任何時間，本公司或其任何控股公司或附屬公司概無參與訂立本公司控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務的重大合約或與本集團業務有關，而本公司董事、控股股東(定義見GEM上市規則)及彼等各自關連人士於當中直接或間接擁有重大權益的重大交易、安排及合約。

#### 董事及最高行政人員於本公司及其相關法團之股份、相關股份及債權證的權益及淡倉

於二零一九年十二月三十一日，董事及本公司最高行政人員於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中，擁有(一旦股份於聯交所GEM上市後)須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例有關條文彼等被當作或被視為擁有的任何權益或淡倉)，或根據證券及期貨條例第352條須登記於該條所指的登記冊內的權益及淡倉，或根據有關董事進行證券交易的GEM上市規則第5.46至5.67條上市發行人董事進行證券交易之標準守則須知會本公司及聯交所的權益及淡倉如下：

**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 <sup>(1)</sup> 所持普通股數目 <sup>(1)</sup>	Percentage of shareholding <sup>(2)</sup> 股權百分比 <sup>(2)</sup>
Mr. Zhang Shuguang 張曙光先生	Interests of controlled corporation and concert party <sup>(3)</sup> 受控法團權益及一致行動人士 <sup>(3)</sup>	240,000,000 240,000,000	60.0% 60.0%

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 31 December 2019. (2) 此乃基於二零一九年十二月三十一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 is deemed to be interested by them in aggregate under the SFO, consist of (i) 144,576,000 Shares held by Crystal Grant Limited (“**Crystal Grant**”), a company wholly owned by Mr. Zhang Shuguang, in which Mr. Zhang Shuguang is deemed to be interested under the SFO; and (ii) 95,424,000 Shares held by Ever Charming Inc. (“**Ever Charming**”), a company wholly owned by Mr. Chang Yim Yang, in which Mr. Zhang Shuguang is deemed to be interested as a result of being a party acting in concert with Mr. Chang Yim Yang. (3) 於二零一七年十一月十六日，張曙光先生及張賢陽先生訂立一項一致行動確認書（「**確認書**」），以承認並確認（其中包括）彼等於成為本公司股東後一直並將就彼等於本集團有關成員公司之權益或相關業務積極合作溝通並彼此保持一致行動，且將於簽署確認書後繼續保持一致行動。有關進一步詳情，請參閱招股章程「歷史及重組」一節。根據證券及期貨條例，彼等合計被視為於合共240,000,000股股份中擁有權益，其中包括(i)Crystal Grant Limited（「**Crystal Grant**」，由張曙光先生全資擁有之公司）持有之144,576,000股股份，根據證券及期貨條例張曙光先生被視為於其中擁有權益；及(ii)Ever Charming Inc.（「**Ever Charming**」，由張賢陽先生全資擁有之公司）持有之95,424,000股股份，由於張曙光先生為與張賢陽先生一致行動之人士，故其被視為於該等股份中擁有權益。



## REPORT OF THE DIRECTORS 董事會報告

### 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 <sup>(Note)</sup> 所持普通股數目 <sup>(附註)</sup>	Percentage of shareholding 股權百分比
Mr. Zhang Shuguang 張曙光先生	Crystal Grant	Beneficial owner 實益擁有人	100 shares of US\$1.00 each 100股每股1.00美元之 股份	100%

Note: All interest stated are long positions.

附註：所有所列權益均為好倉。

Save as disclosed above, as at 31 December 2019, none of the Directors and the chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provision of the SFO) or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which would be required pursuant to Part XV of the SFO or Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

除上文所披露者外，於二零一九年十二月三十一日，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 December 2019, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interest or short position in the Shares or underlying Shares which fell to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

於二零一九年十二月三十一日，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分部須向本公司及聯交所披露，或記錄於本公司根據證券及期貨條例第336條須存置之登記冊內的權益或淡倉：

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

## REPORT OF THE DIRECTORS 董事會報告

### Notes:

- (1) On 16 November 2017, Mr. Zhang Shuguang and Mr. Chang Yim Yang entered into the Confirmation to acknowledge and confirm, among other things, that they have been and will be actively cooperating, communicating, and acting in concert with each other with respect to their interest in or the business of the relevant members of our Group since they became shareholders of the Company and will continue to act in concert after the signing of the Confirmation. For further details, please refer to the section headed "History and Reorganisation" in the Prospectus. The aggregate of 240,000,000 Shares is deemed to be interested by them in aggregate under the SFO, consist of (i) 144,576,000 Shares held by Crystal Grant, a company wholly owned by Mr. Zhang Shuguang, in which Mr. Chang Yim Yang is deemed to be interested as a result of being a party acting in concert with Mr. Zhang Shuguang; and (ii) 95,424,000 Shares held by Ever Charming, a company wholly owned by Mr. Chang Yim Yang, in which Mr. Chang Yim Yang is deemed to be interested under the SFO.
- (2) As Gallizul is owned as to 50% by Ms. Huang Yan, she is deemed to be interested in all the shares held by Gallizul.

### Directors' Rights to Acquire Shares or Debentures

Save as otherwise disclosed in this report, at no time during the year ended 31 December 2019 and up to the date of this report, have the Directors and the chief executive of the Company and their respective close associates (as defined in the GEM listing rules) had any interests in, or had been granted, or exercised any rights to acquire benefits by means of the acquisition of shares in, or debentures of, the Company and/or its associated corporations (within the meaning of SFO).

### 附註：

- (1) 於二零一七年十一月十六日，張曙光先生及張賢陽先生訂立確認書，以承認並確認（其中包括）彼等於成為本公司股東後一直並將就彼等於本集團有關成員公司之權益或相關業務積極合作溝通並彼此保持一致行動，且將於簽署確認書後繼續保持一致行動。有關進一步詳情，請參閱招股章程「歷史及重組」一節。根據證券及期貨條例，彼等合計被視為於合共240,000,000股股份中擁有權益，其中包括(i)Crystal Grant（由張曙光先生全資擁有之公司）持有之144,576,000股股份，由於張賢陽先生為與張曙光先生一致行動之人士，故其被視為於該等股份中擁有權益；及(ii)Ever Charming（由張賢陽先生全資擁有之公司）持有之95,424,000股股份，根據證券及期貨條例張賢陽先生被視為於其中擁有權益。
- (2) 由於Gallizul由黃豔女士擁有50%，故彼被視為於Gallizul持有的所有股份中擁有權益。

### 董事收購股份或債權證的權利

除本報告另有披露者外，於截至二零一九年十二月三十一日止年度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。

### Permitted Indemnity Provision

The Articles of Association provide that Directors shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted. The Company has maintained liability insurance to provide appropriate cover for the Directors during the year ended 31 December 2019.

### Competing Interest

The Directors confirm that none of the controlling shareholders or the Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by our Group which competes or is like to compete, directly or indirectly, with our Group's business during the year ended 31 December 2019 and up to the date of this report.

### 獲准彌償條文

組織章程細則規定，董事有權就其在獲判勝訴或獲判無罪的任何法律訴訟(不論民事或刑事)中進行抗辯而招致或蒙受的一切損失或責任從本公司資產中獲得彌償。截至二零一九年十二月三十一日止年度，本公司已續購責任保險，為董事提供適當保障。

### 競爭權益

董事確認，於截至二零一九年十二月三十一日止年度直至本報告日期，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。

### Deed of Non-Competition

On 27 November 2018, the Company entered into the Deed of Non-competition with each of the controlling shareholders (“**Controlling Shareholders**”) of the Company. Pursuant to the Deed of Non-competition, each of the Controlling Shareholders have undertaken, jointly and severally, to the Company that they would not, and would procure their respective close associates (as defined in the GEM Listing Rules) and/or companies controlled by the respective Controlling Shareholders not to, directly or indirectly, either on their own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, partner, agent or otherwise) any business or activity which is or may be in competition with the business of the Group. Details of the Deed of Non-competition are disclosed in the section headed “Relationship with our Controlling Shareholders” of the Prospectus. The Company has received an annual declaration in writing from each of the Controlling Shareholders confirming that he/it had complied with the non-competition undertakings provided to the Company under the Deed of Non-competition. The independent non-executive Directors have reviewed the status of compliance and enforcement of the Deed of Non-competition and confirmed that all the undertakings thereunder have been complied with since the date of the execution of the same and up to 31 December 2019.

### Related Party Transactions

Details of the related party transactions of the Group for the year ended 31 December 2019 are set out in note 30 in the Notes to the consolidated financial statements. Save as mentioned in the section “Continuing Connected Transactions” below, other related party transactions did not constitute connected transactions and continuing connected transactions under Chapter 20 of the GEM Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

### 不競爭契據

於二零一八年十一月二十七日，本公司與本公司各控股股東（「**控股股東**」）訂立不競爭契據。根據不競爭契據，各控股股東已共同及個別向本公司承諾，彼等將不會並將促使彼等之各自緊密聯繫人（定義見GEM上市規則）及／或有關控股股東控制之公司不會自行或聯同或代表任何人士、商號或公司直接或間接（其中包括）進行、參與或於當中擁有權益或從事或收購或持有（在各情況下，不論以股東、合夥人、代理人或其他身份）與本集團業務構成或可能構成競爭的任何業務或活動。有關不競爭契據的詳情載於招股章程「與控股股東的關係」一節。本公司已收到來自各控股股東的書面年度聲明，確認彼已遵守不競爭契據項下提供予本公司的不競爭承諾。獨立非執行董事已檢討不競爭契據的遵守及執行情況，並確認不競爭契據項下的所有承諾自不競爭契據簽署日期直至二零一九年十二月三十一日已獲遵守。

### 關連方交易

本集團截至二零一九年十二月三十一日止年度的關連方交易詳情載於綜合財務報表附註的附註30。除下文「持續關連交易」一節所述者外，其他關聯方交易並不構成GEM上市規則第20章項下之關連交易及持續關連交易。本公司已根據GEM上市規則第20章遵守披露規定。



## Continuing Connected Transactions

Pursuant to Rule 20.74 of the GEM Listing Rules, the relevant applicable percentage ratios (other than the profit ratio) was prescribed under Chapter 20 of the GEM Listing Rules, certain transactions entered into by the Group with the connected persons (as defined below) constituted continuing connected transactions (the “CCTs”) during the year ended 31 December 2019, which was less than 5.0% and the total consideration was less than HK\$3.0 million, hence the connected transaction contemplated herein was fully exempt from the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules are as follows:

Continuing connected transactions	Connected Persons	Annual cap	Actual amount for the year ended 31 December 2019	
持續關連交易	關連人士	年度上限	截至二零一九年十二月三十一日止年度的實際金額	
PRC factory rental expenses	Shenzhen Junxuan	RMB445,000	RMB423,000	Note
中國廠房租賃開支	深圳君軒	人民幣445,000元	人民幣423,000元	附註

Note: Mr. Zhang Shuguang, our Controlling Shareholder, executive Director and chairman of our Board, holds the entire equity interest in Shenzhen Junxuan. Therefore, Shenzhen Junxuan is an associate of Mr. Zhang Shuguang pursuant to Rule 20.10(1)(c) of the GEM Listing Rules, and thus it is a connected person of our Company under the GEM Listing Rules. The transaction under the Tenancy Agreement (as defined below) constitutes a continuing connected transaction of our Company under the GEM Listing Rules.

On 13 September 2017, a tenancy agreement was entered into between Shenzhen Huakang (as tenant) and Shenzhen Junxuan (as landlord), pursuant to which Shenzhen Junxuan agrees to rent out Junxuan Property (as defined in the Prospectus) to Shenzhen Huakang for a term of three years commencing on 14 September 2017 and ending on 13 September 2020 (the “Tenancy Agreement”).

## 持續關連交易

根據GEM上市規則第20.74條，於截至二零一九年十二月三十一日止年度，本集團與關連人士(定義見下文)訂立的構成持續關連交易(「持續關連交易」)的若干交易於GEM上市規則第20章下的相關適用百分比率(溢利比率除外)低於5.0%且總代價少於3.0百萬港元，因此其項下擬進行的關連交易全部獲豁免遵守GEM上市規則第20章項下之申報、公告、年度審閱及獨立股東批准規定，交易如下：

附註：我們的控股股東、執行董事及董事會主席張曙光先生持有深圳君軒全部股權。因此，根據GEM上市規則第20.10(1)(c)條，深圳君軒為張曙光先生的聯繫人，故為GEM上市規則項下本公司之關連人士。根據GEM上市規則，租賃協議(定義見下文)項下之交易構成本公司之持續關連交易。

於二零一七年九月十三日，深圳華康(作為承租人)與深圳君軒(作為業主)訂立租賃協議，據此，深圳君軒同意將君軒物業(定義見招股章程)出租予深圳華康，自二零一七年九月十四日起至二零二零年九月十三日止為期三年(「租賃協議」)。

#### Key Relationships With Employees, Customers and Suppliers

The Group maintains a good relationship with its employees, and certain policies have been implemented to ensure that its employees are provided with competitive remuneration, good welfare benefits and continuous professional training. The Group also maintains good relationships with its customers and suppliers, without whom success in the Group's production and operation would be at risk.

#### 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 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.

Eligible participants of the Share Option Scheme include: (a) any employee or proposed employee (whether full-time or part-time and including any executive Director), consultants or advisers of or to the Company, any of its subsidiaries or any invested entity; (b) any non-executive Directors (including independent non-executive Directors) of the Company, any of its subsidiaries or any invested entity; (c) any supplier of goods or services to any member of the Group or any invested entity; (d) any customer of the Group or any invested entity; (e) any person or entity that provides research, development or other technological support to the Group or any invested entity; and (f) any shareholder of any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or any invested entity, and any company wholly owned by one or more persons belonging to any of the above classes.

#### 與僱員、客戶及供應商的關鍵關係

本集團與僱員維持良好關係並已實施若干政策確保為僱員提供具競爭力的薪酬、良好的福利及持續專業培訓。本集團亦與其客戶及供應商維持良好關係，彼等對本集團生產及營運的成功具關鍵作用。

#### 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。

購股權計劃的合資格參與者包括：(a)本公司、其任何附屬公司或任何投資實體之任何僱員或擬聘用僱員(不論全職或兼職及包括任何執行董事)、諮詢顧問或顧問；(b)本公司、其任何附屬公司或任何投資實體之任何非執行董事(包括獨立非執行董事)；(c)向本集團任何成員公司或任何投資實體提供貨品或服務的任何供應商；(d)本集團或任何投資實體的任何客戶；(e)向本集團或任何投資實體提供研究、開發或其他技術支持之任何人士或實體；及(f)本集團任何成員公司的任何股東或任何投資實體或本集團任何成員公司或任何投資實體所發行的任何證券的任何持有人，以及屬於上述任何類別的一名或多名人士所全資擁有的任何公司。

Subject to the earlier termination of the Share Option Scheme in accordance with the rules thereof, the Share Option Scheme shall remain in force for a period of ten years commencing from the date of adoption.

The maximum number of shares issuable upon the exercise of options granted under the Share Option Scheme and any other share option scheme adopted by the Group (including both exercised or outstanding options) to each grantee within any 12-month period, is limited to 1% of the shares of the Company in issue at any time.

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The total number of shares which may be issued upon the exercise of all options (excluding for this purpose options which have lapsed) which have been or may be granted under the Share Option Scheme and any share option scheme of the Group must not in aggregate exceed 40,000,000 shares, representing 10% of the shares of the Company in issue as at the date of approval of the Share Option Scheme and as at the end of Reporting Period and the date of approval of this report. The maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the shares of the Company in issue from time to time.

根據購股權計劃的規則，除購股權計劃提前終止外，購股權計劃將自採納之日起計的十年期間有效。

於任何十二個月期間內根據購股權計劃及本集團採納之任何其他購股權計劃(包括已行使及未行使購股權)項下授予各承受人的購股權獲行使時可予發行股份數目之上限，以本公司任何時間之已發行股份之1%為限。

授予本公司董事、主要行政人員或主要股東或彼等任何聯繫人之購股權，須先經本公司獨立非執行董事批准。此外，於任何十二個月期間，倘授予本公司主要股東或獨立非執行董事或彼等任何聯繫人之任何購股權超逾本公司任何時候之已發行股份0.1%及總值(以本公司股份於授出日期之收市價計算)超過港幣5百萬港元，則須經股東於股東大會上事先批准。

因行使根據購股權計劃及本集團任何購股權計劃已授出或可能授出的所有購股權(就此而言，不包括已失效的購股權)而可予發行的股份總數，合共不得超過40,000,000股，佔於購股權計劃批准之日以及於報告期末及本報告批准之日的本公司已發行股份的10%。因行使根據購股權計劃及本集團任何其他購股權計劃獲授出但有待行使之所有尚未行使購股權而可予發行之股份最高數目，合共不得超過本公司不時之已發行股份的30%。

## REPORT OF THE DIRECTORS

### 董事會報告

The offer of a grant of share options may be accepted within 30 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, which period may commence from the date of the offer of the share options, and ends on a date which is not later than ten years from the date of grant of the share options subject to the provisions for early termination thereof.

The exercise price of the share options is determinable by the Directors, but shall not be less than the highest of (i) the closing price of the Company's shares as quoted on the Stock Exchange's daily quotations sheet on the date of the offer; (ii) the average closing price of the Company's shares as quoted on the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer; and (iii) the nominal value of a share.

As at the date of this report, no share option had been granted under the Share Option Scheme.

### Emoluments of the Directors and the Five Highest Paid Individuals

Detail of the emoluments of the Directors and the five highest paid individuals of our Group are set out in note 8 in the Notes to the consolidated financial statements in this report.

There was no arrangement under which a Director has waived or agreed to waive any emoluments for the year ended 31 December 2019.

Save for Directors' fees, none of the independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

授出購股權之要約可於要約日期起計三十日內由承授人支付名義代價合共1港元予以接納。所授出購股權的行使期由董事釐定，行使期可由購股權的要約日期開始，並於不遲於授出購股權日期起計十年當日結束，惟須遵守提前終止的規定。

購股權行使價將由董事釐定，惟不可低於以下各項之較高者：(i)於要約日期本公司股份在聯交所每日報價表所列之收市價；(ii)本公司股份於緊接要約日期前五個交易日在聯交所每日報價表所列之平均收市價；及(iii)股份之面值。

截至本報告日期，根據購股權計劃並無授出任何購股權。

### 董事及五名最高薪人士的薪酬

董事及五名最高薪人士的薪酬詳情載於本報告綜合財務報表附註8。

截至二零一九年十二月三十一日止年度，概無董事根據任何安排放棄或同意放棄任何酬金。

除董事袍金外，概無獨立非執行董事會就彼等擔任獨立非執行董事收取任何其他酬金。

### Emolument Policy

The emolument policy for the employee of the Group is set up by the management on the basis of their merit, qualifications and competence. Under the emolument policy, the basis of determining the emolument payable to Directors is subject to the decision of the Remuneration Committee of the Company. As at 31 December 2019, the Group has 73 full-time employees (2018: 70) located in Hong Kong and the PRC for operation. Detail of the staff costs, including Directors' remuneration, incurred by the Group are set out in note 7 in the Notes to the consolidated financial statements in this report.

The Remuneration Committee will review and determine the remuneration and compensation packages of the Directors' regarding their responsibilities, workload, time devoted to our Group and the performance of our Group. Up to the date of this report, no share option has been granted under the share option scheme adopted on 13 January 2020.

### Major Customers and Suppliers

The Group's largest customer contributed approximately 12.2% (2018: 13.5%) of the total revenue for the year while the Group's five largest customers accounted for approximately 28.5% (2018: 31.5%) of the total revenue for the year. The Group's largest supplier contributed approximately 21.4% (2018: 22.3%) of the total purchase for the year while the Group's five largest suppliers accounted for approximately 73.0% (2018: 64.3%) of the total purchase for the year.

At no time during the year ended 31 December 2019 have the Directors, any of their associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the number of issued Shares) had any beneficial interest in any of the above major customers and suppliers during the year ended 31 December 2019.

### 薪酬政策

本集團僱員的薪酬政策乃管理層根據彼等之特長、資格及能力設立。根據薪酬政策，應付董事之酬金須由本公司薪酬委員會釐定。於二零一九年十二月三十一日，本集團於香港及中國擁有73名全職僱員(二零一八年：70名)開展業務。有關本集團所產生員工成本(包括董事酬金)之詳情，載於本報告綜合財務報表附註之附註7。

薪酬委員會將根據董事各自的職責、工作量、為本集團貢獻的時間及本集團的業績表現檢討及釐定董事之薪酬及報酬包。直至本報告日期，並無根據於二零二零年一月十三日採納的購股權計劃授予任何購股權。

### 主要客戶及供應商

本集團最大客戶之貢獻佔年內總收益約12.2% (二零一八年：13.5%)，而本集團五大客戶之貢獻佔年內總收益約28.5% (二零一八年：31.5%)。本集團最大供應商貢獻年內總採購之約21.4% (二零一八年：22.3%)，而本集團五大供應商貢獻年內總採購之約73.0% (二零一八年：64.3%)。

於截至二零一九年十二月三十一日止年度之任何時間，概無董事、任何彼等聯繫人或任何股東(據董事所知擁有已發行股份數目5%以上)於截至二零一九年十二月三十一日止年度於任何上述主要客戶及供應商中擁有任何實益權益。



### Interest of Compliance Adviser

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

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

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

### Equity-Linked Agreements

No equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company, or subsisting during the year ended 31 December 2019.

### 合規顧問的權益

於二零一七年九月二十五日，根據GEM上市規則第6A.19條，本公司委任興業金融融資有限公司(「**興業金融融資**」)為合規顧問。興業金融融資為上市之獨家保薦人，已根據GEM上市規則第6A.07條聲明其獨立性。

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

於二零一九年十二月三十一日，誠如合規顧問告知，除(i)本公司和合規顧問於二零一九年五月三十一日訂立的合規顧問協議有關收取擔任合規顧問的費用，以及(ii)披露於招股章程內有關作為參與上市的聯席帳簿管理人之一外，合規顧問或其董事、員工或緊密聯繫人(定義見GEM上市規則)於二零一九年十二月三十一日於本公司或本集團旗下任何其他公司的證券中概無擁有須根據GEM上市規則第6A.32條知會本集團的任何權益(包括可認購該等證券的購股權或權利)。

### 股權掛鈎協議

於截至二零一九年十二月三十一日止年度，本公司概無訂立任何將會或可能會使本公司發行股份或要求本公司訂立任何將會或可能會導致本公司發行股份之協議之股權掛鈎協議。

### 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 year 31 December 2019.

### Pre-Emptive Rights

There are no provision for pre-emptive rights under the Company's Articles of Association or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

### Sufficiency of Public Float

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company complies with the minimum of public float of 25% under the GEM Listing Rules since the Listing Date and up to the latest practicable date prior to the issue of this report.

### Corporate Governance Practices

The Company is firmly committed to maintaining and ensuring a high level of corporate governance standards and will review and improve the corporate governance practices and standards constantly. Details of the principal corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 28 to 52 of this report.

### Tax Relief

The Company is not aware of any relief on taxation available to the shareholders by reason of their holdings of the Shares. If the shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

### 購買、出售或贖回上市證券

於截至二零一九年十二月三十一日止年度，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。

### 優先購買權

本公司組織章程細則或開曼群島法律並無有關優先購股權之條文，要求本公司按比例提呈新股份予現有股東。

### 充足公眾持股量

根據本公司可獲得的公開資料及就董事所深知，董事確認，本公司自上市日期直至刊發本報告前的最後實際可行日期已遵守GEM上市規則下的25%最低公眾持股量規定。

### 企業管治常規

本公司堅定致力維持及確保高水平的企業管治標準，並會不斷檢討及改善企業管治常規及標準。本公司所採納主要企業管治常規之詳情載於本報告第28至52頁「企業管治報告」一節。

### 稅務減免

本公司並不知悉股東因持有股份而可獲得的任何稅務減免。倘股東不確定購買、持有、出售、買賣股份或行使與股份有關的任何權利所涉及的稅務影響，務請諮詢專業顧問的意見。

## REPORT OF THE DIRECTORS 董事會報告

### Material Legal Proceedings

As at 31 December 2019, the Company was not involved in any material litigation or arbitration and no material litigation or arbitration were pending or threatened or made against the Company so far as the Company is aware.

### Events After the Reporting Period

Save as disclosed in elsewhere in this report, the Board is not aware of any material event requiring disclosure, that has taken place subsequent to 31 December 2019 and up to the date of this report.

### Annual General Meeting

The notice of the forthcoming annual general meeting of the Company will be published and dispatched to shareholders in the manner specified in the GEM Listing Rules in due course.

### Review by Audit Committee

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

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

### 重大法律訴訟

於二零一九年十二月三十一日，就本公司所知，本公司未涉入任何重大法律訴訟或仲裁或針對本公司之重大待決或具威脅性之訴訟或仲裁。

### 報告期後事項

除本報告其他地方披露者外，董事會並不知悉任何於二零一九年十二月三十一日後及直至本報告日期已發生之須予披露重大事項。

### 股東週年大會

本公司應屆股東週年大會通告將適時按GEM上市規則指定之方式刊發及寄發予股東。

### 由審核委員會審閱

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

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

The Audit Committee has reviewed the audited consolidated financial statements 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.

### Independent Auditor

There was no change in auditor since the Listing Date except that with effect from 19 December 2019, Deloitte Touche Tohmatsu (“**Deloitte**”) has resigned as the auditor of the Company and Mazars has been appointed as the new auditor on the same day to fill the casual vacancy following the resignation of Deloitte and to hold office until the conclusion of the next AGM.

The Group’s consolidated financial statements for the year ended 31 December 2019 have been audited by Mazars, which would retire at the forthcoming AGM and being eligible, offers itself for re-appointment. A resolution to re-appoint Mazars as the independent auditor and to authorise the Directors to fix its remuneration will be proposed to the shareholders for approval at the forthcoming AGM.

### Forward Looking Statements

This report contains forward looking statements with respect to the financial conditions, results of operations and business of the Group. These forward looking statements represent the Company’s expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

On behalf of the Board

**Zhang Shuguang**

*Chairman and Executive Director*

Hong Kong, 31 March 2020

審核委員會已審閱經審核綜合財務報表，並認為該等報表乃根據適用會計準則、GEM上市規則要求及其他適用法律規定編製，並已作出充足披露。

### 獨立核數師

自上市日期起，核數師並無變動，惟自二零一九年十二月十九日起，德勤•關黃陳方會計師行(「**德勤**」)已辭任本公司核數師，並於同日委任中審眾環為新核數師，以填補德勤辭任後的臨時空缺，任期直至下屆股東週年大會結束為止。

本集團截至二零一九年十二月三十一日止年度之綜合財務報表已由中審眾環審核，中審眾環將於應屆股東週年大會退任，惟符合資格及願意獲續聘。續聘中審眾環為獨立核數師及授權董事釐定其酬金之決議案將於應屆股東週年大會是提呈，以供股東批准。

### 前瞻陳述

本報告載有關於本集團財務狀況、營運業績及業務之前瞻性陳述。該等前瞻性陳述為本公司對未來事件之預期或信念，並涉及已知及未知之風險及不明朗因素，該等風險及不明朗因素可能導致實際業績、表現或事件與於該等陳述內明示或默示者顯著不同。

代表董事會

**張曙光**

*主席兼執行董事*

香港，二零二零年三月三十一日



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



**MAZARS CPA LIMITED**  
**中審眾環(香港)會計師事務所有限公司**  
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**To the members of  
Huakang Biomedical Holdings Company Limited**  
*(incorporated in the Cayman Islands with limited liability)*

致華康生物醫學控股有限公司股東

*(於開曼群島註冊成立之有限公司)*

### OPINION

### 意見

We have audited the consolidated financial statements of Huakang Biomedical Holdings Company Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 115 to 215, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

吾等已審核列載於第115至215頁華康生物醫學控股有限公司(「**貴公司**」)及其附屬公司(以下統稱「**貴集團**」)的綜合財務報表，該綜合財務報表包括於二零一九年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with disclosure requirements of the Hong Kong Companies Ordinance.

吾等認為，綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)所頒佈的香港財務報告準則(「**香港財務報告準則**」)真實而公平地反映貴集團於二零一九年十二月三十一日的財務狀況，以及其於截至該日止年度的財務表現及現金流量，並已按照香港公司條例的披露規定妥為編製。



### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the “*Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements*” section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 意見的基礎

吾等已根據香港會計師公會頒佈的香港審計準則(「**香港審計準則**」)進行審計。吾等在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會的專業會計師道德守則(「**守則**」)，吾等為獨立於貴集團，並已按照守則履行其他道德責任。吾等相信所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

### 關鍵審計事項

關鍵審計事項是吾等的專業判斷，認為對吾等審計本期間綜合財務報表最為重要的事項。該等事項已於吾等審計整份綜合財務報表及就其出具意見時處理，而吾等不會就該等事項單獨提供意見。

## INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

### KEY AUDIT MATTERS (Continued)

Key audit matter

How our audit addressed the key audit matter

#### Impairment assessment of trade receivables

As at 31 December 2019, the Group's net trade receivables amounted to approximately RMB10,079,000 and out of these trade receivables of approximately RMB8,831,000 were past due. The Group recorded net reversal of the impairment losses on trade receivables of approximately RMB250,000 credited to profit or loss for the year ended 31 December 2019 and the Group's lifetime expected credit losses ("ECL") on trade receivables as at 31 December 2019 amounted to approximately RMB2,574,000.

The management of the Group estimates the amount of lifetime ECL of trade receivables based on provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit assessment of trade debtors and past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information.

In addition, trade receivables that are credit impaired are assessed for ECL individually. The loss allowance amount of the credit impaired trade receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future losses.

We identified impairment assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the ECL of the Group's trade receivables at the end of the reporting period.

Related disclosures are included in Notes 2, 16 and 28 to the consolidated financial statements.

Our procedures, among others, included:

- a) Understanding key controls on how the management estimates the credit loss allowance for trade receivables;
- b) Testing the integrity of information used by management to develop the provision matrix including testing individual customers' credit assessment, on a sample basis, through analysing their nature, size and past due status with the underlying supporting documents and comparing the internal credit assessment made by management on these customers;
- c) Challenging management's basis and judgement in determining credit loss allowance on trade receivables, including their identification of credit impaired trade receivables, the reasonableness of management's grouping of the remaining trade debtors into different categories in the provision matrix, and the basis of estimated credit loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information); and
- d) Evaluating the disclosures regarding the impairment assessment of trade receivables.

**關鍵審計事項(續)****關鍵審計事項****吾等在審計中對關鍵審計事項的處理方式****貿易應收款項減值評估**

於二零一九年十二月三十一日，貴集團之貿易應收款項淨額約為人民幣10,079,000元，該等貿易應收款項中約人民幣8,831,000元已逾期。截至二零一九年十二月三十一日止年度，貴集團錄得貿易應收款項減值虧損撥回淨額約人民幣250,000元已計入損益，而貴集團於二零一九年十二月三十一的貿易應收款項全期預期信貸虧損(「**預期信貸虧損**」)約為人民幣2,574,000元。

貴集團管理層經考慮貿易債務人之內部信貸評估及各貿易應收款項之逾期狀況，透過對具有類似虧損型態的不同債務人分組根據撥備矩陣估計貿易應收款項的全期預期信貸虧損。估計虧損率乃基於應收賬款預期年期內的過往可觀察違約率並就前瞻性資料作出調整計算。

此外，發生信貸減值之貿易應收款項單獨評估預期信貸虧損。信貸減值貿易應收款項之虧損撥備計量為資產賬面值與估計未來現金流量(經考慮預期未來虧損)現值之差額。

吾等識別貿易應收款項的減值評估為關鍵審計事項，乃由於貿易應收款項於貴集團綜合財務狀況之重要性及於報告期末評估貴集團貿易應收款項之預期信貸虧損時涉及主觀判斷及管理層估計。

有關披露載於綜合財務報表附註2、16及28。

吾等之程序包括(其中包括):

- a) 了解管理層估計貿易應收款項信貸虧損撥備的關鍵控制；
- b) 抽樣檢測管理層制定撥備矩陣所使用資料的完整度(包括檢測單個客戶的信貸評估)，檢測方式為透過相關證明文件分析其性質、規模及逾期狀況並比較管理層對該等客戶作出之內部信貸評估；
- c) 對管理層釐定貿易應收款項信貸虧損撥備之基礎及判斷提出質疑，當中包括彼等識別信貸減值貿易應收款項、管理層於撥備矩陣中將餘下應收賬款分為不同類別之合理性，以及撥備矩陣中各類別所採用估計信貸虧損率的基準(經參考過往違約率及前瞻性資料)；及
- d) 評估對貿易應收款項減值評估之披露。

## INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2019 annual report of the Company but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### 其他資料

貴公司董事須對其他資料負責。其他資料包括貴公司二零一九年年報內的資料，但不包括綜合財務報表及吾等就其發出的核數師報告。

吾等對綜合財務報表發出的意見並不涵蓋其他資料，吾等亦不對該等其他資料發表任何形式的鑒證結論。

就吾等對綜合財務報表的審計而言，吾等的責任是細閱其他資料，並在過程中考慮其他資料與綜合財務報表或吾等於審計過程中所了解的情況是否有重大抵觸，或似乎存在重大錯誤陳述的情況。基於吾等已執行的工作，倘吾等認為其他資料存在重大錯誤陳述，吾等需要報告有關事實。就此而言，吾等並無任何需要報告的事項。

### 董事及管治層就綜合財務報表承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，以及落實其認為屬必要的內部監控，以使所編製的綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

## RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## 董事及管治層就綜合財務報表承擔的責任(續)

於編製綜合財務報表時，貴公司董事負責評估貴集團繼續以持續基準經營的能力，並在適用情況下披露與以持續基準經營有關的事項，以及使用持續經營的會計基礎，惟董事有意將貴集團清盤或停止經營，或除此以外別無其他實際的替代方案則除外。

管治層須負責監督貴集團的財務報告過程。

## 核數師就審計綜合財務報表承擔的責任

吾等的目標為對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並發出載有我們意見的核數師報告。本報告僅向閣下報告，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計總能發現已存在的重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期有關錯誤陳述單獨或彙總起來會影響使用者根據綜合財務報表所作出的經濟決定，則有關錯誤陳述被視為重大錯誤陳述。



## INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

### 核數師就審計綜合財務報表承擔的責任 (續)

在根據香港審計準則進行審計的過程中，吾等作出了專業判斷，並保持專業懷疑態度。吾等亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、故意遺漏、失實陳述，或凌駕內部監控，因此，與未能發現因錯誤而導致的重大錯誤陳述相比，未能發現因欺詐而導致的重大錯誤陳述的風險較高。
- 了解與審計有關的內部監控，以設計適用於有關情況的審計程序，但並非旨在對貴集團內部監控的成效發表意見。
- 評估董事所採用會計政策是否恰當，以及董事所作出的會計估計及相關披露是否合理。

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS***(Continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**核數師就審計綜合財務報表承擔的責任 (續)**

- 就董事採用持續經營基礎的會計法是否恰當作出結論，並根據已獲取的審計憑證，就是否有對貴集團繼續以持續基準經營的能力構成重大疑問的事件或情況的相關重大不確定因素作出結論。倘吾等的結論為存在重大不確定因素，則吾等需要於核數師報告中提出須注意綜合財務報表內的相關資料披露，或倘有關披露資料不足，則吾等需要發表非無保留意見。吾等的結論以截至核數師報告日期所獲得的審計憑證為基礎。然而，貴集團可能因未來事件或情況而不再持續經營。
- 評估綜合財務報表的整體呈列方式、結構及內容(包括披露資料)，以及綜合財務報表是否以達致公平呈列的方式反映相關交易及事件。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。吾等負責貴集團審計的方向、監督和執行。吾等為吾等的審計意見承擔全部責任。

吾等與管治層就(其中包括)計劃的審計範圍、時間安排及重大審計發現(包括吾等於審計期間識別出的內部監控的任何重大缺陷)進行溝通。

## INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Mazars CPA Limited**

*Certified Public Accountants*

Hong Kong, 31 March 2020

The engagement director on the audit resulting in this independent auditor's report is:

**She Shing Pang**

Practising Certificate number: P05510

### 核數師就審計綜合財務報表承擔的責任 (續)

吾等亦向管治層提交聲明，說明吾等已符合有關獨立性的相關道德要求，並就所有被合理認為可能影響吾等獨立性的關係及其他事宜及(如適用)相關防範措施，與管治層進行溝通。

從與管治層溝通的事項中，吾等決定對本期綜合財務報表的審計工作最為重要的事項，而有關事項因而為關鍵審計事項。除非法律或法規不容許公開披露此等事項，或於極罕見的情況下，吾等認為由於可合理預期披露此等事項的不良後果將超越公眾知悉此等事項的利益，因而不應於報告中披露，否則吾等會於核數師報告中說明此等事項。

中審眾環(香港)會計師事務所有限公司

執業會計師

香港，二零二零年三月三十一日

出具本獨立核數師報告的審計項目董事為：

**余勝鵬**

執業證書號碼：P05510



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		Notes 附註		
Revenue	收益	3	25,471	28,677
Cost of sales	銷售成本		(7,580)	(7,097)
Gross profit	毛利		17,891	21,580
Other income	其他收入	5	260	317
Other gains and losses	其他收益及虧損	6	508	(162)
Selling and distribution expenses	銷售及分銷開支		(6,777)	(4,068)
Administrative expenses	行政開支		(9,679)	(5,749)
Research and development expenses	研發開支		(1,762)	(1,474)
Reversal of (Provision for) impairment losses on trade receivables, net	扣除貿易應收款項減值虧損撥回(撥備)	28	250	(1,395)
Reversal of impairment losses on other receivables, net	扣除其他應收款項減值虧損撥回	28	39	24
Finance costs	融資成本	7	(72)	-
Listing expenses	上市開支		-	(7,831)
Profit before tax	除稅前溢利	7	658	1,242
Income tax expense	所得稅開支	9	(942)	(1,701)
Loss for the year attributable to the owners of the Company	年內本公司擁有人應佔虧損		(284)	(459)
Other comprehensive expense: <i>Item that may be reclassified subsequently to profit or loss</i>	其他全面開支： 其後可能重新分類至損益的項目			
Exchange difference on consolidation	綜合匯兌差額		(52)	-
Total comprehensive expense for the year attributable to the owners of the Company	本公司擁有人應佔年內全面開支總額		(336)	(459)
Loss per share	每股虧損	10	RMB cents 人民幣仙	RMB cents 人民幣仙
Basic	基本		(0.07)	(0.15)



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	12	9,722	9,567
Right-of-use assets	使用權資產	13	1,351	–
Intangible assets	無形資產	14	2,914	2,918
Deposits for acquisition of property, plant and equipment	收購物業、廠房及設備之按金		1,257	1,182
			15,244	13,667
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	15	2,703	2,284
Trade receivables	貿易應收款項	16	10,079	10,708
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	17	1,893	1,978
Bank balances and cash	銀行結餘及現金	18	48,793	54,797
			63,468	69,767
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	貿易應付款項	19	1,030	927
Other payables and accrued charges	其他應付款項及應計費用	20	3,797	9,134
Contract liabilities	合約負債	21	292	179
Lease liabilities	租賃負債	13	1,181	–
Deferred income – government grants	遞延收入 – 政府補助	22	45	45
Tax payable	應付稅項		866	1,698
			7,211	11,983
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>56,257</b>	<b>57,784</b>
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>		<b>71,501</b>	<b>71,451</b>



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

		Notes	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		附註		
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	13	431	–
Deferred income – government grants	遞延收入—政府補助	22	385	430
			816	430
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>70,685</b>	<b>71,021</b>
Capital and reserves	資本及儲備			
Share capital	股本	24	3,509	3,509
Reserves	儲備		67,176	67,512
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>70,685</b>	<b>71,021</b>

The consolidated financial statements on pages 115 to 215 were approved and authorised for issue by the Board of Directors on 31 March 2020 and signed on its behalf by

董事會於二零二零年三月三十一日批准及授權刊發該等載列於第115至215頁的綜合財務報表並由以下人士代表簽署：

**Mr. Zhang Shuguang**

張曙光先生

DIRECTOR

董事

**Mr. Zhang Chunguang**

張春光先生

DIRECTOR

董事



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Reserves 儲備			Sub-total 小計 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
					Statutory reserve 法定儲備 RMB'000 人民幣千元	Translation reserve 匯兌儲備 RMB'000 人民幣千元	Accumulated profits 累計溢利 RMB'000 人民幣千元		
At 1 January 2018	於二零一八年一月一日	-	16,667	1,943	1,734	-	17,046	37,390	37,390
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	-	-	(459)	(459)	(459)
Transactions with owners:	與擁有人之交易：								
Contributions and distributions	供款及分派								
Issue of shares pursuant to the Capitalisation Issue (as defined in Note 24) (Note 24(b))	根據資本化發行發行股份(定義見附註24)(附註24(b))	2,632	(2,632)	-	-	-	-	(2,632)	-
Issue of shares under the Share Offer (Note 24(c))	根據股份發售發行股份(附註24(c))	877	42,983	-	-	-	-	42,983	43,860
Transaction costs directly attributable to issue of shares	發行股份之直接應佔交易成本	-	(9,770)	-	-	-	-	(9,770)	(9,770)
		3,509	30,581	-	-	-	-	30,581	34,090
At 31 December 2018	於二零一八年十二月三十一日	3,509	47,248	1,943	1,734	-	16,587	67,512	71,021
At 1 January 2019	於二零一九年一月一日	3,509	47,248	1,943	1,734	-	16,587	67,512	71,021
Loss for the year	年度虧損	-	-	-	-	-	(284)	(284)	(284)
Other comprehensive expense:	其他全面開支：								
Item that may be reclassified subsequently to profit or loss	其後可能重新分類至損益的項目								
Exchange difference on consolidation	綜合匯兌差額	-	-	-	-	(52)	-	(52)	(52)
Total comprehensive expense for the year	年內全面開支總額	-	-	-	-	(52)	(284)	(336)	(336)
Transactions with owners:	與擁有人之交易：								
Contributions and distributions	供款及分派								
Appropriation of statutory reserve	撥付法定儲備	-	-	-	568	-	(568)	-	-
At 31 December 2019	於二零一九年十二月三十日	3,509	47,248	1,943	2,302	(52)	15,735	67,176	70,685

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### Notes:

### 附註：

- (a) Share premium represents the excess of the net proceeds or consideration from issuance of the Company's shares over their par value.
- (a) 股份溢價指本公司發行股份所得款項淨額或代價超出其股份面值。
- (b) Capital reserve represents the difference between the combined capital of the Company's subsidiaries, King Grace Company Limited ("King Grace") and 深圳華康生物醫學工程有限公司 (Shenzhen Huakang Bio-Medical Engineering Limited\*) ("Shenzhen Huakang") and the consideration paid for acquiring 44% equity interest of Shenzhen Huakang by King Grace in 2017.
- (b) 資本儲備指於二零一七年，本公司附屬公司King Grace Company Limited (「King Grace」)及深圳華康生物醫學工程有限公司 (「深圳華康」)之合併資本與King Grace就收購深圳華康44%股權支付的代價之間的差額。
- (c) Statutory reserve is required to be appropriated from profit after income tax of the entity which established in the People's Republic of China (the "PRC"), determined in accordance with the relevant laws and regulations in the PRC. Allocation to the statutory reserve shall be approved by the board of directors of the PRC entity. The appropriation to statutory reserve may cease if the balance of the statutory reserve has reached 50% of the registered capital of the PRC entity. The statutory reserve may be used to make up losses or for conversion into capital. The PRC entity may, upon the approval by a resolution of shareholders' general meeting/board of directors' meeting, convert the statutory reserve into capital in proportion to the then existing shareholdings. However, when converting the statutory reserve into capital, the balance of such reserve remaining unconverted must not be less than 25% of the registered capital of that entity.
- (c) 法定儲備指根據中華人民共和國(「中國」)有關法律及法規，於中國成立之實體的除所得稅後溢利提取之儲備。法定儲備之提取比例須經中國實體之董事會批准。倘法定儲備結餘達中國實體註冊資本50%，則可終止提取法定儲備。法定儲備可用作彌償虧損或轉換為資本。經股東大會之決議案／董事會會議批准後，中國實體可按當時已有之持股量之比例而將法定儲備轉換為資本。然而，如將法定儲備轉換為資本，餘下未轉換之相關儲備結餘不得少於該關實體註冊資本之25%。
- (d) Translation reserve has been set up and is dealt with in accordance with the accounting policies adopted for foreign currency translation as set out in Note 2 to the consolidated financial statements.
- (d) 匯兌儲備已根據綜合財務報表附註2所載就外幣換算採納之會計政策設立及處理。

\* English translation is for identification purpose only.



# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit before tax	除稅前溢利	658	1,242
Adjustments for:	經調整：		
Amortisation of intangible assets	無形資產攤銷	370	351
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,609	1,340
Depreciation of right-of-use assets	使用權資產折舊	783	-
Interest income	利息收入	(174)	(84)
(Reversal of) Provision for impairment losses on trade receivables, net	扣除貿易應收款項減值虧損(撥回)撥備	(250)	1,395
Reversal of impairment loss on other receivables, net	扣除其他應收款項減值虧損撥回	(39)	(24)
Gain on disposal of property, plant and equipment, net	扣除出售物業、廠房及設備收益	(10)	(10)
Release of deferred income	遞延收入撥回	(45)	(45)
Finance costs	融資成本	72	-
Write-off of property, plant and equipment	物業、廠房及設備核銷	3	-
Operating cash flows before changes in working capital	營運資金變動前之經營現金流量	2,977	4,165
Changes in working capital	營運資金變動		
Inventories	存貨	(419)	(339)
Trade receivables	貿易應收款項	879	(2,255)
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	124	2,357
Trade payables	貿易應付款項	103	61
Other payables and accrued charges	其他應付款項及應計費用	(5,393)	(1,320)
Contract liabilities	合約負債	113	(15)
Cash (used in) generated from operations	經營(所用)所得現金	(1,616)	2,654
Income tax paid	已付所得稅	(1,774)	(1,703)
Net cash (used in) from operating activities	經營活動(所用)所得現金淨額	(3,390)	951

## CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>INVESTING ACTIVITIES</b>			
	投資活動		
Acquisition of property, plant and equipment	收購物業、廠房及設備	(585)	(589)
Development costs paid	已付開發成本	(366)	(1,080)
Deposits paid for acquisition of property, plant and equipment	就收購物業、廠房及設備之已付按金	(1,257)	(1,182)
Government grants received	已收政府補助	-	300
Interest received	已收取利息	174	84
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	10	10
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>	<b>(2,024)</b>	<b>(2,457)</b>
<b>FINANCING ACTIVITIES</b>			
	融資活動		
Issued costs of new shares	新股份之發行成本	-	(7,258)
Proceeds from issue and allotment of shares	發行及配發股份之所得款項	-	43,860
Repayment for lease liabilities	租賃負債還款	(594)	-
Repayment to Shenzhen Junxuan	向深圳君軒作出之還款	-	(110)
<b>Net cash (used in) from financing activities</b>	<b>融資活動(所用)所得現金淨額</b>	<b>(594)</b>	<b>36,492</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>現金及現金等價物(減少)增加淨額</b>	<b>(6,008)</b>	<b>34,986</b>
Cash and cash equivalents at the beginning of the year	年初之現金及現金等價物	54,797	19,811
Effect on exchange rate changes	匯率變動的影響	4	-
<b>Cash and cash equivalents at the end of the year, represented by bank balances and cash</b>	<b>年末之現金及現金等價物，指銀行結餘及現金</b>	<b>48,793</b>	<b>54,797</b>





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 1. GENERAL INFORMATION

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 GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 December 2018. The Company is ultimately 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 (the “**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 the annual report.

The Company is an investment holding company. The Company and its subsidiaries (collectively refer to as the “**Group**”) are principally engaged in research and development, manufacture, marketing and sale of biological reagents and auxiliary reproductive supplies and equipment in the People’s Republic of China (the “**PRC**”). The principal activities of its principal subsidiaries are set out in Note 31 to the consolidated financial statements.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company and its subsidiaries, 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)最終控制。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。

本公司為投資控股公司。本集團及其附屬公司(統稱「**本集團**」)於中華人民共和國(「**中國**」)主要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。有關其主要附屬公司的主要業務之詳情載於綜合財務報表附註31。

綜合財務報表以人民幣(「**人民幣**」)呈列，與本公司及其附屬公司的功能貨幣相同，且除另有註明外，均四捨五入至最接近之千位數。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

The 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 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 consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2018 consolidated financial statements except for the adoption of the following new/revised HKFRSs and effective from the current year.

### Adoption of new/revised HKFRSs

The Group has applied, for the first time, the following new/revised HKFRSs:

Annual Improvements to HKFRSs	2015-2017 Cycle
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKAS 19	Employee Benefits
Amendments to HKAS 28	Investments in Associates and Joint Ventures
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
HKFRS 16	Leases

## 2. 主要會計政策

### 遵例聲明

該等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。該等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。

除採納以下自本年度起生效的新訂／經修訂香港財務報告準則外，該等綜合財務報表乃根據與二零一八年度綜合財務報表所採用會計政策相符一致的基準編製。

### 採納新訂／經修訂香港財務報告準則

本集團已首次採納下列新訂／經修訂香港財務報告準則：

財務報告準則之年度改進	二零一五年至二零一七年週期
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理的不確定性
香港會計準則第19號修訂本	僱員福利
香港會計準則第28號修訂本	對聯營公司及合營企業之投資
香港財務報告準則第9號修訂本	具負補償之提前還款特性
香港財務報告準則第16號	租賃

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Adoption of new/revised HKFRSs (Continued)

#### Annual Improvements Project – 2015-2017 Cycle

HKFRS 3: Previously held interest in a joint operation

The amendments clarify that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer shall therefore apply the requirements for a business combination achieved in stages, including remeasuring its entire previously held interest in the joint operation.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

HKFRS 11: Previously held interest in a joint operation

The amendments clarify that when an entity that participated in a joint operation which is a business obtains joint control of the joint operation, its previously held interest in the joint operation is not remeasured.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

HKAS 12: Income tax consequences of payments on financial instruments classified as equity

The amendments clarify that (a) the income tax consequences of dividends are recognised in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated the distributable profits were originally recognised and (b) these requirements apply to all income tax consequences of dividends as defined in HKFRS 9.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

## 2. 主要會計政策(續)

### 採納新訂／經修訂香港財務報告準則(續)

二零一五年至二零一七年週期之年度改進

香港財務報告準則第3號：先前於共同經營中持有的權益

該等修訂澄清，取得對共同經營業務的控制權即為分階段實現業務合併。因此，收購方應將要求應用於分階段實現的業務合併，包括重新計量其先前於共同經營中持有的全部權益。

應用該等修訂本對該等綜合財務報表並無任何重大影響。

香港財務報告準則第11號：先前於共同經營中持有的權益

該等修訂澄清，當參與共同經營業務的實體取得對共同經營的共同控制權時，其先前在共同經營中持有的權益將不會重新計量。

應用該等修訂本對該等綜合財務報表並無任何重大影響。

香港會計準則第12號：分類為權益的金融工具的付款產生的所得稅影響

該等修訂澄清：(a)股息的所得稅影響乃根據最初確認產生可分配溢利的過去交易或事件發生的地點於損益、其他全面收益或權益中確認，以及(b)該等要求適用於所有香港財務報告準則第9號所界定的股息產生的所得稅。

應用該等修訂本對該等綜合財務報表並無任何重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Adoption of new/revised HKFRSs (Continued)

##### Annual Improvements Project – 2015-2017 Cycle (Continued)

HKAS 23: Borrowing costs eligible for capitalisation

The amendments clarify that (a) if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of the funds an entity borrows generally and (b) funds borrowed specifically to obtain an asset other than a qualifying asset are included as part of general borrowings.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

##### HK(IFRIC)-Int 23: Uncertainty over Income Tax Treatments

The HK(IFRIC)-Int 23 supports the requirements in HKAS 12 Income Taxes by specifying how to reflect the effects of uncertainty in accounting for income taxes.

The adoption of the HK(IFRIC)-Int 23 does not have any significant impact on the consolidated financial statements.

##### Amendments to HKAS 19: Employee Benefits

The amendments require the use of updated assumptions to determine current service cost and net interest for the remainder of the reporting period after a change is made to a plan.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

### 2. 主要會計政策(續)

#### 採納新訂／經修訂香港財務報告準則(續)

##### 二零一五年至二零一七年週期之年度改進(續)

香港會計準則第23號：可資本化的借貸成本

該等修訂澄清，(a)倘若相關合格資產已準備好達致其擬定用途或出售後仍有任何特定借貸尚未償還，該借貸一般將成為實體借入資金的一部分，以及(b)為取得合格資產以外的資產而專門借入的資金包括在一般借貸中。

應用該等修訂本對該等綜合財務報表並無任何重大影響。

##### 香港(國際財務報告詮釋委員會)詮釋第23號：所得稅處理的不確定性

香港(國際財務報告詮釋委員會)一詮釋第23號透過訂明有關反映所得稅處理的不確定性的方法，為香港會計準則第12號「所得稅」內的要求作出補充。

應用香港(國際財務報告詮釋委員會)一詮釋第23號對綜合財務報表並無任何重大影響。

##### 香港會計準則第19號修訂本：僱員福利

該等修訂要求在更改計劃後報告期間的剩餘時間內，使用更新假設以釐定當前服務成本及利息淨額。

應用該等修訂本對該等綜合財務報表並無任何重大影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Adoption of new/revised HKFRSs (Continued)

#### Amendments to HKAS 28: Investments in Associates and Joint Ventures

The amendments clarify that long-term interests in an associate or joint venture, to which the equity method is not applied, are accounted for using HKFRS 9.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

#### Amendments to HKFRS 9: Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income instead of at FVPL if specified conditions are met.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

#### HKFRS 16: Leases

HKFRS 16 replaces HKAS 17 and related Interpretations for annual periods beginning on or after 1 January 2019. It significantly changes, among others, the lessee accounting by replacing the dual-model under HKAS 17 with a single model which requires a lessee to recognise right-of-use assets and lease liabilities for the rights and obligations created by all leases with a term of more than 12 months, unless the underlying asset is of low value. For lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. HKFRS 16 also requires enhanced disclosures to be provided by lessees and lessors.

## 2. 主要會計政策(續)

### 採納新訂／經修訂香港財務報告準則(續)

香港會計準則第28號修訂本：對聯營公司及合營企業之投資

該等修訂澄清，在聯營公司或合營企業中的長期權益(權益法不適用於此等權益)，使用香港財務報告準則第9號時須予入賬。

應用該等修訂本對該等綜合財務報表並無任何重大影響。

香港財務報告準則第9號修訂本：具負補償之提前還款特性

該等修訂本澄清，倘符合特定條件，具負補償的預付金融資產可按攤銷成本或按公平值計入其他全面收入計量，而非按公平值計入損益計量。

應用該等修訂本對該等綜合財務報表並無任何重大影響。

香港財務報告準則第16號：租賃

香港財務報告準則第16號於二零一九年一月一日或之後開始的年度期間取代香港會計準則第17號及相關詮釋。此安排對承租人之會計處理方式造成重大變動(其中包括)，以單一模式取代香港會計準則第17號所指定的雙重模式，規定除相關資產價值極低外，承租人須就因租期逾十二個月的所有租賃而產生的權利及義務確認使用權資產及租賃負債。就出租人會計處理而言，香港財務報告準則第16號大致繼承了香港會計準則第17號有關出租人會計處理的規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同的會計處理。香港財務報告準則第16號亦規定承租人及出租人須提供更詳盡披露。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Adoption of new/revised HKFRSs (Continued)

##### HKFRS 16: Leases (Continued)

The Group has applied HKFRS 16 for the first time at 1 January 2019 (i.e. the date of initial application, the “DIA”) using the cumulative effect approach and recognised the right-of-use asset at the amount equal to the lease liability, adjusted by the amount of any prepayments or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 December 2018. The comparative information has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16

The Group also elected to use the transition practical expedient not to reassess whether a contract was, or contained, a lease at the DIA and the Group applied HKFRS 16 only to contracts that were previously identified as leases applying HKAS 17 and to contracts entered into or changed on or after the DIA that are identified as leases applying HKFRS 16.

##### As lessee

Before the adoption of HKFRS 16, lease contracts were classified as operating or finance lease in accordance with the Group’s accounting policies applicable prior to the DIA.

Upon adoption of HKFRS 16, the Group accounted for the leases in accordance with the transition provisions of HKFRS 16 and the Group’s accounting policies applicable from the DIA.

### 2. 主要會計政策(續)

#### 採納新訂／經修訂香港財務報告準則(續)

##### 香港財務報告準則第16號：租賃(續)

本集團已於二零一九年一月一日(即首次應用日期「首次應用日期」)使用累計影響法應用香港財務報告準則第16號，並按相等於租賃負債之金額確認使用權資產，就與於二零一八年十二月三十一日於綜合財務狀況表確認之該租賃相關之任何預付款項或應計租賃付款金額作出調整。比較資料概無予以重列並繼續根據香港會計準則第17號及香港財務報告準則第16號過渡條文准許的相關詮釋呈報。

本集團亦已選擇採用過渡可行權宜方法，不於首次應用日期重新評估合約是否為或包含一項租賃，且本集團僅將香港財務報告準則第16號應用於先前根據香港會計準則第17號確認為租賃的合約及於首次應用日期或之後訂立或變更並應用香港財務報告準則第16號確認為租賃的合約。

##### 作為承租人

於採納香港財務報告準則第16號前，根據首次應用日期前適用的本集團會計政策，租賃合約分類為經營租賃或融資租賃。

於採納香港財務報告準則第16號後，本集團根據香港財務報告準則第16號過渡條文及自首次應用日期起適用的本集團會計政策對租賃進行入賬。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Adoption of new/revised HKFRSs (Continued)

#### HKFRS 16: Leases (Continued)

As lessee – leases previously classified as operating leases

The Group recognised right-of-use assets and lease liabilities for leases previously classified as operating leases at the DIA, except for leases for which the underlying asset is of low value, and the Group applied the following practical expedients on a lease-by-lease basis.

- (a) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- (b) Adjusted the right-of-use assets at the DIA by the provision for onerous leases recognised immediately before the DIA by applying HKAS 37, as an alternative to performing an impairment review at the DIA.
- (c) Did not recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the DIA.
- (d) Excluded initial direct costs from the measurement of the right-of-use assets at the DIA.
- (e) Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

## 2. 主要會計政策(續)

### 採納新訂／經修訂香港財務報告準則(續)

#### 香港財務報告準則第16號：租賃(續)

作為承租人—先前分類為經營租賃的租賃

於首次應用日期，本集團就先前分類為經營租賃的租賃確認使用權資產及租賃負債，惟相關資產價值較低的租賃除外。本集團亦已按逐項租賃基準應用下列實際權宜方法。

- (a) 就具有合理相似特徵的租賃組合應用單一貼現率。
- (b) 於首次應用日期，透過對緊接首次應用日期前應用香港會計準則第37號確認的虧損性租賃計提撥備而調整使用權資產，作為於首次應用日期進行減值評估之替代方法。
- (c) 不就租期於首次應用日期起十二個月內結束的租賃確認使用權資產及租賃負債。
- (d) 於首次應用日期計量使用權資產時撇除初步直接成本。
- (e) 倘合約包含延長或終止租賃之選擇權，則使用事後方式釐定租期。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Adoption of new/revised HKFRSs (Continued)

##### HKFRS 16: Leases (Continued)

As lessee – leases previously classified as operating leases (Continued)

At the DIA, except for those that were previously or will be accounted for as investment property using the fair value model, right-of-use assets were, on a lease-by-lease basis, measured at either,

- (a) their carrying amount as if HKFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the DIA; or
- (b) an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised immediately before the DIA.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the DIA. The weighted average incremental borrowing rate applied to the lease liabilities at the DIA is 4.83%.

### 2. 主要會計政策(續)

#### 採納新訂／經修訂香港財務報告準則(續)

##### 香港財務報告準則第16號：租賃(續)

作為承租人—先前分類為經營租賃的租賃(續)

於首次應用日期，除了先前或將會及採用公平值模式入賬為投資物業的使用權資產，使用權資產乃按逐項租賃基準以其中一項計量，

- (a) 其賬面值，猶如自開始日期起已應用香港財務報告準則第16號，惟使用承租人於首次應用日期的增量借款利率進行貼現；或
- (b) 等於租賃負債的金額，並根據與緊接首次應用日期之前確認的租賃有關的任何預付或應計租賃付款額進行調整。

租賃負債乃按剩餘租賃付款的現值計量，並使用承租人於首次應用日期的增量借款利率進行貼現。於首次應用日期，適用於租賃負債的加權平均增量借款利率為4.83%。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Adoption of new/revised HKFRSs (Continued)

#### HKFRS 16: Leases (Continued)

As lessee – leases previously classified as operating leases (Continued)

Reconciliation of operating lease commitments disclosed applying HKAS 17 at 31 December 2018 and lease liabilities recognised at the DIA is as follows.

## 2. 主要會計政策(續)

### 採納新訂／經修訂香港財務報告準則(續)

#### 香港財務報告準則第16號：租賃(續)

作為承租人—先前分類為經營租賃的租賃(續)

於二零一八年十二月三十一日應用香港會計準則第17號披露之經營租賃承擔及於首次應用日期確認之租賃負債對賬如下。

		RMB'000 人民幣千元
Operating lease commitments at 31 December 2018 (after considering the early termination option)	於二零一八年十二月三十一日之經營租賃承擔(經考慮提前終止選擇權之後)	1,037
Discounted using the lessee's incremental borrowing rate at the DIA	於首次應用日期使用承租人的增量借款利率進行貼現	992
Less: Short-term leases	減：短期租賃	(111)
Add: Impact of the early termination option	加：提前終止選擇權的影響	711
Lease liabilities at 1 January 2019	於二零一九年一月一日的租賃負債	1,592

At the DIA, except for those that meet the definition of investment properties (if any), all other right-of-use assets were presented within the line item "right-of-use assets" on the consolidated statement of financial position. Besides, lease liabilities including those previously presented under "interest-bearing borrowings" (if any) were shown separately on the consolidated statement of financial position.

於首次應用日期，除了符合投資物業定義的使用權資產(如有)，所有其他使用權資產呈列於綜合財務狀況表的「使用權資產」項目內。此外，租賃負債(包括先前呈列於「計息借貸」之租賃負債(如有))於綜合財務狀況表中單獨呈列。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### Adoption of new/revised HKFRSs (Continued)

#### 採納新訂／經修訂香港財務報告準則(續)

#### HKFRS 16: Leases (Continued)

#### 香港財務報告準則第16號：租賃(續)

As lessee – leases previously classified as operating leases (Continued)

作為承租人—先前分類為經營租賃的租賃(續)

As a result, transfer was made at the DIA to reflect the changes in presentation:

因此，轉讓已於首次應用日期進行，以反映呈列的變化：

		Carrying amounts on 31 December 2018 under HKAS 17 根據香港會計準則 第17號於二零一八年 十二月三十一日的 賬面值 RMB'000 人民幣千元	Transfer – Increase 轉撥—增加 RMB'000 人民幣千元	Carrying amounts on 1 January 2019 under HKFRS 16 根據香港財務報告 準則第16號於 二零一九年一月一日 的賬面值 RMB'000 人民幣千元
Non-current assets	非流動資產			
Right-of-use assets	使用權資產	–	1,592	1,592
Current liabilities	流動負債			
Lease liabilities	租賃負債	–	850	850
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	–	742	742

A summary of the significant accounting policies adopted by the Group is set out below.

本集團採納的主要會計政策概述如下。

#### Basis of measurement

#### 計量的基礎

The measurement basis used in the preparation of the consolidated financial statements is historical cost.

編製該等綜合財務報表所用之計量基準為歷史成本。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 綜合入賬基準

綜合財務報表包括本公司及本公司及其附屬公司控制的實體的財務報表。倘屬以下情況，則本公司獲得控制權：

- 可對投資對象行使權力；
- 因參與投資對象業務而獲得的可變回報及獲得回報的權利；及
- 可行使權力以影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本集團會重新評估其是否對投資對象擁有控制權。

綜合附屬公司賬目於本集團取得對附屬公司控制權時開始，並於本集團失去對附屬公司控制權時終止。具體而言，於本期間內購入或出售的附屬公司的收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收益表。

附屬公司的財務報表於有需要情況下調整，以使其會計政策與本集團會計政策一致。

所有集團內公司間資產及負債、股權、收入、開支以及與本集團成員公司間交易有關的現金流量均於綜合賬目時悉數抵銷。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented within these notes, the investment in subsidiaries is stated at cost less impairment loss. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and / or receivable.

#### 附屬公司

附屬公司指本集團控制的實體。當本集團因參與實體業務而承擔可變動回報的風險或因此享有可變動回報，且有 ability 透過向實體施加權力而影響該等回報時，則本集團控制該實體。倘有事實及情況顯示控制權元素有一項或以上出現變動，本集團會重新評估其是否對投資對象擁有控制權。

於本公司財務狀況表（載於該等附註中）中，於附屬公司之投資按成本扣除減值虧損列賬。該投資的賬面值如高於可收回金額，則按個別基準調減至可收回金額。附屬公司的業績由本公司按已收及／或應收股息的基準列賬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

### Revenue from contracts with customers

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

### 客戶合約收益

根據香港財務報告準則第15號，本集團於履約責任獲履行時，即當與特定履約責任相關的貨品的「控制權」轉讓予客戶時，確認收益。

履約責任指一項明確貨品及服務(或一組貨品或服務)或一系列大致相同的明確貨品及服務。

倘符合以下其中一項標準，則控制權隨時間轉移，而收益則參照完成履行相關履約責任的進展情況而隨時間確認：

- 於本集團履約時，客戶同時取得及享有本集團履約所提供的利益；
- 本集團的履約創建及增強客戶於本集團履約時控制的資產；或
- 本集團的履約並未創建對本集團具有替代用途的資產，而本集團可強制執行權利以收取至今已完成履約部分的款項。

否則，收益於客戶獲得明確貨品或服務控制權的時間點確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### Revenue from contracts with customers (Continued)

A contract asset represents the Group's right to consideration in exchange for goods that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Revenue from sales of goods is recognised at a point in time upon i) delivering the goods to the customers' warehouse on which the customers obtain control of the goods or ii) the customers collect the goods directly from the Group's warehouse, as appropriate.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### 客戶合約收益 (續)

合約資產指本集團就換取本集團已向客戶轉讓的貨品而收取代價的權利(尚未成為無條件)，其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價到期付款前僅需時間推移。

合約負債指本集團因其已向客戶收取代價(或已到期代價金額)，而須向客戶轉讓貨品的責任。

與合約有關之合約資產及合約負債按淨額基準入賬呈列。

銷售貨品收益於i)將貨品交付至客戶取得貨品控制權的客戶倉庫時或ii)客戶於適當時候直接向本集團倉庫收回貨品時的時間點確認。

利息收入乃參照未償還本金按適用之實際利率以時間基準計算，而該適用之實際利率即準確貼現金融資產預計年期內估計未來現金收入至資產於初始確認時之賬面淨值之利率。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

### Leases

#### Applicable from 1 January 2019

The Group assesses whether a contract is, or contains, a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

The Group accounts for each lease component within a lease contract as a lease separately. The Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

### 租賃

#### 自二零一九年一月一日起適用

本集團於合約初始評估有關合約是否屬租賃或包含租賃。倘合約授予權利以代價獲得於一段時間內的控制使用已識別資產，則合約屬於租賃或包含租賃。

#### 作為承租人

本集團對短期租賃及低價值資產租賃應用確認豁免。與該等租賃相關的租賃付款已於租賃期內按直線法確認為開支。

本集團已選擇不區分非租賃成分，並將各租賃成分及任何相關非租賃成分入賬列作單一租賃成分。

本集團將租賃合約內各租賃成分作為單獨租賃入賬。本集團根據租賃部分的相對獨立價格將合約中的代價分配至各租賃分。

倘本集團的應付款項並無產生單獨部分，則被視為分配至合約單獨識別部分的總代價的一部分。

本集團於租賃開始日期確認使用權資產及租賃負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leases (Continued)

#### Applicable from 1 January 2019 (Continued)

#### As lessee (Continued)

The right-of-use asset is initially measured at cost, which comprises

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the Group; and
- (d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset (unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option – in which case depreciation is provided over the estimated useful life of the underlying asset) as follows:

Factories and office premises
工廠及辦公室物業
Motor vehicles
汽車

### 2. 主要會計政策(續)

#### 租賃(續)

#### 自二零一九年一月一日起適用(續)

#### 作為承租人(續)

使用權資產按成本進行初始計量，包括：

- (a) 租賃負債的初步計量金額；
- (b) 於開始日期或之前所作的任何租賃付款，減任何已收取的租賃獎勵；
- (c) 本集團產生之任何初始直接成本；及
- (d) 本集團在拆除及移除相關資產、恢復其所在地點或將相關資產恢復至租賃條款及條件所要求的狀況時所產生的估計成本，除非該等成本乃因生產存貨而產生。

其後，使用權資產按成本減任何累計折舊及任何累計減值虧損計量，並就租賃負債的任何重新計量作出調整。折舊按租賃期與使用權資產的估計可使用年期(以較短者為準)按直線法計提撥備(除非租賃於租賃期屆滿時將相關資產的所有權轉讓予本集團或倘使用權資產的成本反映本集團將行使購股權—在此情況下，折舊乃按相關資產的估計可使用年期計提)如下：

2 years to 3 years
兩至三年
5 years
五年



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

### Leases (Continued)

#### Applicable from 1 January 2019 (Continued)

#### As lessee (Continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate;
- (c) amounts expected to be payable under residual value guarantees;
- (d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

### 租賃(續)

#### 自二零一九年一月一日起適用(續)

#### 作為承租人(續)

租賃負債初步按並非於合約開始日期支付之租賃付款的現值確認。

租賃負債的計量中包括的租賃付款包括以下並未在租賃開始日期就相關使用權資產支付的付款：

- (a) 固定付款(包括實質上為固定付款)，減去任何應收租賃優惠；
- (b) 可變租賃付款(視乎指數或利率而定)；
- (c) 根據剩餘價值擔保預期應支付的金額；
- (d) 本集團合理確定行使選擇權的行使價；及
- (e) 倘租賃條款反映本集團行使終止租賃的選擇權，則支付終止租賃的罰款。

倘未能輕易釐定租賃的增量借款利率，則使用租賃中隱含的利率對租賃付款進行貼現。

隨後，通過增加賬面值以反映租賃負債的利息並通過減少賬面值以反映已支付的租賃付款以計量租賃負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### Leases (Continued)

##### Applicable from 1 January 2019 (Continued)

##### As lessee (Continued)

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

A lease modification is accounted for as a separate lease if

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

#### 租賃(續)

##### 自二零一九年一月一日起適用(續)

##### 作為承租人(續)

當租賃期限發生變化或重新評估本集團是否合理確定行使選擇權而導致租賃付款發生變化時，將使用經修訂貼現率對租賃負債進行重新計量。

當剩餘價值擔保因指數或利率變動(浮動利率除外)而產生的實物固定租賃付款額或未來租賃付款額發生變化時，通過使用原始貼現率重新計量租賃負債。倘因浮動利率變動導致日後租賃付款出現變動，本集團會採用經修訂貼現率重新計量租賃負債。

本集團確認租賃負債重新計算之金額為使用權資產調整。倘使用權資產的賬面值減少至零及租賃負債之計算進一步減少，則本集團於損益確認重新計算的任何剩餘金額。

倘發生以下情況，則租賃的修改作為單獨的租賃入賬：

- (a) 該修改通過增加一項或多項相關資產的使用權利而擴大了租賃範圍；及
- (b) 租賃代價增加的金額相當於擴大範圍對應的單獨價格，加上以反映特定合約的情況對單獨價格進行的任何適當調整。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Leases (Continued)

#### Applicable from 1 January 2019 (Continued)

##### As lessee (Continued)

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

- (a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.
- (b) the Group determines the lease term of the modified contract.
- (c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.
- (d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.
- (e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

#### Applicable before 1 January 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### As lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

## 2. 主要會計政策(續)

### 租賃(續)

#### 自二零一九年一月一日起適用(續)

##### 作為承租人(續)

倘租約的修改未以單獨租約入賬，則在該租約修改生效之日，

- (a) 本公司將合約修改的代價按上述相對獨立價格作出分配。
- (b) 本集團釐定經修訂合約之租賃期。
- (c) 本集團透過於經修訂租賃期使用經修訂貼現率對經修訂租賃付款進行貼現以重新計量租賃負債。
- (d) 就縮減租賃範圍之租賃修改而言，本集團透過減少使用權資產之賬面值將租賃負債之重新計量計入損益，以反映部分或全面終止該租賃及於損益中確認任何與部分或全面終止該租賃相關之收益或虧損。
- (e) 就所有其他租賃修改而言，本集團透過對使用權資產作出相應調整，對租賃負債進行重新計算。

#### 自二零一九年一月一日前適用

當租賃條款將所有權的絕大部分風險及回報轉移至承租人，則將租賃分類為融資租賃。所有其他租賃分類為經營租賃。

##### 作為承租人

經營租賃付款於租期內按直線法確認為開支。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rate prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributable to non-controlling interests as appropriate).

#### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

#### 外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率確認。於報告期末，以外幣計值之貨幣項目均按該日之適用匯率重新換算。按歷史成本以外幣計值之非貨幣項目毋須重新換算。

於結算及重新換算貨幣項目時產生之匯兌差額均於彼等產生期間內在損益確認。

就呈列綜合財務報表而言，本集團之海外業務資產及負債按結算日之當時匯率換算為本集團之呈列貨幣(即人民幣)。收入及開支按期內平均匯率換算，除非期內匯率出現重大波幅，於此情況下，則將採用交易當日之匯率。所產生之匯兌差額(如有)於其他全面收入確認並於權益下以匯兌儲備累計(於適當時撥作非控股權益)。

#### 政府補助

政府補助在可合理保證本集團將遵守彼等所附帶之條件並獲得有關補助前不作確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

### Government grants (Continued)

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

### Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

### Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

### 政府補助(續)

政府補助按系統基準於本集團將政府補助擬補償的相關成本確認為開支的各期間在損益內確認。具體而言，主要條件為本集團須購買、興建或以其他方法獲得非流動資產的政府補助於綜合財務狀況表確認為遞延收入，並於有關資產的可使用年期內有系統及合理地撥入損益。

### 退休福利開支

國家管理退休福利計劃及強制性公積金計劃之付款於僱員提供服務而可享有供款時確認為開支。

### 短期僱員福利

短期僱員福利於僱員提供服務時按預期將支付之未貼現福利金額確認。除非另有香港財務報告準則規定或允許將福利計入資產成本，否則所有短期僱員福利均確認為開支。

僱員應計之福利(例如工資及薪金、年假以及病假)於扣減任何已付金額後確認為負債。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit/loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

#### 稅項

所得稅開支指即期應付稅項及遞延稅項之總和。

即期應付稅項乃根據本期間應課稅溢利計算。應課稅溢利因其他年度應課稅或可扣減之收入或開支以及毋須課稅或不可扣減之項目，而有別於除稅前溢利／虧損。本集團之即期稅項負債乃使用於報告期末已頒佈或實際上已頒佈之稅率計算。

遞延稅項以資產及負債於綜合財務報表之賬面值與計算應課稅溢利所使用之相應稅基之間之暫時差額確認。所有應課稅暫時差額一般確認為遞延稅項負債。所有可扣減暫時差額一般確認為遞延稅項資產，惟遞延稅項資產僅於可能有應課稅溢利可供抵銷可動用之可扣減暫時差額時方予以確認。倘暫時差額乃因初步確認(業務合併除外)交易中之資產及負債所產生，且不會對應課稅溢利或會計溢利構成影響，則該等遞延稅項資產及負債將不予確認。

對於與附屬公司之投資相關的應課稅暫時差額會確認為遞延稅項負債，除非本集團能夠控制有關暫時差額的轉回，而暫時差額在可預見的將來很可能不會轉回。僅當很可能取得足夠的應課稅溢利以抵扣此類投資相關的可抵扣暫時差額，並且暫時差額在可預見的未來將轉回時，才確認該等可抵扣暫時差額所產生的遞延稅項資產。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

### Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax are recognised in profit or loss.

### 稅項

遞延稅項資產之賬面值於各報告期末審閱，並於不大可能有足夠應課稅利潤抵銷全部或部分資產價值時予以削減。

遞延稅項資產及負債按償還負債或變現資產期間的預期適用稅率以於報告期末已頒佈或實際上已頒佈之稅率(及稅法)為基準計算。

遞延稅項負債及資產之計量反映按照本集團預期之方式於報告期末收回或結算其資產及負債之賬面值之稅務後果。倘有法定可強制執行權利將即期稅項資產與即期稅項負債抵銷，且兩者與同一稅務機構徵收之所得稅有關，而本集團擬按淨額基準結算即期稅項資產及負債，則可抵銷遞延稅項資產及負債。

即期及遞延稅項於損益內確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets over their estimated useful lives using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### 物業、廠房及設備

物業、廠房及設備按成本減去其後累計折舊及累計減值虧損(如有)並於綜合財務狀況表列賬。

用於生產、提供貨物或行政用途的在建物業以成本減任何已確認減值虧損列賬。有關物業於完工後並達到可使用狀態時被分類為適當類別物業、廠房及設備。當這些資產達到可用狀態時，按與其他物業資產一樣的基準開始折舊。

折舊乃以直線法按資產之估計可使用年期撇銷其成本確認。估計可使用年期及折舊方法於各報告期末檢討，而任何估計變動之影響按提前應用基準入賬。

物業、廠房及設備項目於出售時或預期繼續使用該資產於日後將不會產生經濟利益時終止確認。因出售或報廢物業、廠房及設備項目所產生之任何收益或虧損，按有關資產之出售所得款項與賬面值間之差額釐定，並於損益確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Intangible assets

#### Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

## 2. 主要會計政策(續)

### 無形資產

#### 內部形成的無形資產 – 研發開支

研究活動開支於產生期內確認為開支。

開發活動所產生(或內部項目研發階段所產生)之內部形成無形資產，僅在符合以下所有條件時方予確認：

- 技術水平足以完成無形資產，致使該項無形資產可供使用或銷售；
- 有意完成該無形資產並加以使用或將之銷售；
- 使用或銷售無形資產的能力；
- 無形資產可能產生未來經濟效益；
- 具備充足的技術、財務和其他資源來完成其開發，並使用或銷售此無形資產；及
- 能夠可靠衡量用於開發期間無形資產產生的支出。

初始確認的內部形成無形資產之金額為無形資產首次符合上述確認條件之日起產生之開支總和。倘並無內部形成無形資產可予確認，則開發開支會於產生期間於損益內確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### Intangible assets (Continued)

##### Internally-generated intangible assets – research and development expenditure (Continued)

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### Impairment on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

#### 無形資產(續)

##### 內部形成的無形資產－研發開支(續)

初始確認後，內部形成無形資產按個別收購無形資產相同之基準，以成本減累計攤銷及累計減值虧損(如有)計算。可使用年期有限之無形資產的攤銷於估計可使用年期內以直線法確認。於各報告期末檢討估計可使用年期及攤銷方法，估計變動之影響按預期基準入賬。

無形資產於出售時或當預期日後不會藉使用或出售取得經濟利益時終止確認。終止確認無形資產時所產生之收益或虧損，按出售所得款項淨額與資產賬面值之差額計量，並於終止確認資產時在損益中確認。

#### 有形及無形資產減值

於報告期末，本集團審閱其可使用年期有限的有形及無形資產的賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。倘存在任何有關跡象，則會估計有關資產的可收回金額，以釐定減值虧損(如有)的程度。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Impairment on tangible and intangible assets (Continued)

The recoverable amount of tangible and intangible assets is estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

## 2. 主要會計政策(續)

### 有形及無形資產減值(續)

有形及無形資產的可收回金額單獨進行估計。倘無法估計個別資產的可收回金額，則本集團會估計該資產所屬現金產生單位的可收回金額。倘可確定合理一致之分配基準，則公司資產亦分配至個別現金產生單位，否則有關資產將分配至能確定合理一致分配基準的最小現金產生單位組別。

可收回金額為公平值減出售成本與使用價值兩者之較高者。於評估使用價值時，估計未來現金流量會採用稅前貼現率貼現至其現值，而該稅前貼現率反映對貨幣時間價值及未來現金流量估計未經調整之資產(或現金產生單位)之特定風險的現時市場評估。

倘估計資產(或現金產生單位)的可收回金額低於其賬面值，則該資產(或現金產生單位)賬面值將減少至其可收回金額。減值虧損即時於損益確認。

倘減值虧損於其後撥回，則有關資產(或現金產生單位)的賬面值乃增加至其可收回金額的經修訂估計價值，惟已增加的賬面值不得超過倘該資產(或現金產生單位)於過往期間並無確認減值虧損時應釐定的賬面值。減值虧損撥回即時於損益確認。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts (if any).

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, cost of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first in, first out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

#### 現金等價物

就綜合現金流量表而言，現金等價物指易於轉換為現金已知款項且價值變動風險不大的短期高流動性投資，並已扣除銀行透支(如有)。

#### 存貨

存貨按成本及可變現淨值兩者之較低者列賬。成本(包括所有採購成本，以及在適用情況下計入將存貨運至現存地點及使存貨達至現時狀況所需之轉換成本及其他成本)乃以先入先出方式計算。可變現淨值指日常業務中的估計售價減估計完成成本及銷售所需估計成本。

出售存貨時，該等存貨的賬面值會於確認相關收益的期間確認為開支。所有存貨撇減至可變現淨值之跌價或存貨虧損的金額在撇減或虧損發生的當期確認為開支。任何存貨撇減之撥回金額於撥回發生期間確認為已獲確認為開支的存貨金額減少。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

### 金融工具

倘集團實體成為工具合約條文之訂約方，則確認金融資產及金融負債。

金融資產及金融負債初步以公平值計量，惟根據香港財務報告準則第15號計量的客戶合約產生的貿易應收款項除外。因收購或發行金融資產及金融負債而產生之直接應佔交易成本於初步確認時加入金融資產或金融負債之公平值或從中扣除(如適用)。

實際利率法為計算金融資產或金融負債攤銷成本的方法，亦為於有關期間分配利息收入及利息開支的方法。實際利率為按金融資產或金融負債的預計年期或(如適用)較短期間準確貼現估計未來現金收入及付款(包括所有構成實際利率組成部分之已付或已收費用及費率、交易成本及其他溢價或折讓)至初始確認時賬面淨值的利率。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### Financial instruments (Continued)

##### Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measure at fair value through profit or loss.

#### 金融工具(續)

##### 金融資產

金融資產的分類及後續計量

符合下列條件的金融資產其後按攤銷成本計量：

- 金融資產乃按旨在收取合約現金流的業務模式持有；及
- 合約條款於指定日期產生純粹為支付未償還本金及利息的現金流量。

符合下列條件的金融資產其後按以公平值計入其他全面收益計量：

- 金融資產乃按旨在收取合約現金流或出售的業務模式持有；及
- 合約條款於指定日期產生純粹為支付未償還本金及利息的現金流量。

所有其他金融資產其後以公平值計入損益計量。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

### Financial instruments (Continued)

#### Financial assets (Continued)

##### Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

##### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“**ECL**”) on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, other receivables and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

### 金融工具(續)

#### 金融資產(續)

##### 攤銷成本及利息收入

其後按攤銷成本計量的金融資產的利息收入乃使用實際利率法確認。利息收入乃對金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外(見下文)。對於其後出現信貸減值的金融資產，自下一報告期間起，利息收入乃對金融資產攤銷成本應用實際利率確認。若在釐定金融資產不要出現信貸減值後的報告期間開始起，信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，利息收入乃對金融資產賬面總值應用實際利率確認。

##### 金融資產的減值

本集團就根據香港財務報告準則第9號面臨減值的金融資產(包括貿易應收款項、其他應收款項及銀行結餘)的預期信貸虧損(「**預期信貸虧損**」)確認虧損撥備。預期信貸虧損金額於各報告日期更新，以反映自初始確認起的信貸風險變動。

全期預期信貸虧損指於相關工具預期年期內發生所有可能的違約事件而導致的預期信貸虧損。相反，12個月預期信貸虧損(「**12個月預期信貸虧損**」)則指預期於報告日期後12個月內可能發生的違約事件而導致的部分全期預期信貸虧損。評估乃根據本團的過往信貸虧損經驗做出，並就債務人特有的因素、整體經濟狀況以及對報告日期的現時狀況及未來狀況的預測的評估做出調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

### Financial instruments (Continued)

#### Financial assets (Continued)

##### Impairment of financial assets (Continued)

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed collectively using a provision matrix with appropriate groupings (i.e. high risk, normal risk and low risk type).

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

- (i) Significant increase in credit risk  
In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

### 金融工具(續)

#### 金融資產(續)

##### 金融資產的減值(續)

本集團一直就貿易應收款項確認全期預期信貸虧損。有關該等資產的預期信貸虧損乃使用具有合適分組(即高風險、正常風險及低風險類型)的撥備矩陣共同作出評估。

就所有其他工具而言，本集團計量與12個月預期信貸虧損等額的虧損撥備，除非信貸風險自初始確認以來已大幅增加，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損，乃基於自初始確認起出現違約的可能性或風險是否大幅增加。

- (i) 信貸風險顯著上升  
評估信貸風險自初始確認以來是否顯著上升時，本集團會比較金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險。作出評估時，本集團會考慮合理及具支持性的定量及定性資料，包括過往經驗及可以合理成本及精力獲取的前瞻性資料。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Financial instruments (Continued)

#### Financial assets (Continued)

#### Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)  
In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit assessment;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

## 2. 主要會計政策(續)

### 金融工具(續)

#### 金融資產(續)

#### 金融資產的減值(續)

(i) 信貸風險顯著上升(續)  
具體而言，評估信貸風險是否顯著上升時會考慮以下資料：

- 金融工具的外部(倘可獲得)或內部信貸評估實際或預期顯著惡化；
- 信貸風險的外部市場跡象(如信貸息差顯著增加、債務人的信貸違約掉期價格等)顯著惡化；
- 商業、金融或經濟情況目前或預期有不利變動，預計將導致債務人償還債項的能力顯著下降；
- 債務人經營業績實際或預期顯著惡化；
- 債務人的監管、經濟或技術環境有實際或預計的重大不利變動，導致債務人償還債項的能力顯著下降。

不論上述評估結果，本集團認為，倘合約付款逾期超過30天，則信貸風險自初始確認以來已顯著上升，惟本集團擁有合理有據資料顯示並非如此，則另作別論。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

### Financial instruments (Continued)

#### Financial assets (Continued)

#### Impairment of financial assets (Continued)

- (i) Significant increase in credit risk (Continued)
- Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default (i.e. no default history); ii) the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term; and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

- (ii) Definition of default
- For internal credit risk management, the Group considers an event of default occurs when information developed internally indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### 金融工具(續)

#### 金融資產(續)

#### 金融資產的減值(續)

- (i) 信貸風險顯著上升(續)
- 儘管上文所述，倘金融工具於報告日期被釐定為低風險，本集團假設金融工具之信貸風險自初步確認以來無顯著增加。倘i)金融工具為低違約風險(即無違約記錄)；ii)對手方近期擁有較強的履行其合約現金流義務能力；及iii)長期經濟及業務狀況的不利變動未必會降低借款人履行其合約現金流義務之能力，則金融工具釐定為低風險。

本集團定期監察用於識別信貸風險是否出現顯著上升的標準之有效性並在適當時候進行修改，以確保標準能夠在款項逾期前識別出風險有否顯著上升。

- (ii) 違約的界定
- 就內部信貸風險管理而言，本集團認為，當內部獲得的資料顯示債務人不大可能向債權人(包括本集團)全數付款時(並無計及本集團所持有的任何抵押品)，即出現違約事項。

無論上文所述，本集團認為，倘金融資產逾期超過90天，則違約已經發生，惟本集團擁有合理有據資料顯示一項更滯後的違約標準更為合適，則另作別論。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

### Financial instruments (Continued)

#### Financial assets (Continued)

#### Impairment of financial assets (Continued)

#### (iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

### 金融工具(續)

#### 金融資產(續)

#### 金融資產的減值(續)

#### (iii) 信貸減值金融資產

當發生對金融資產的估計未來現金流量產生不利影響的一起或多起違約事件之時，該金融資產即出現信貸減值。金融資產信貸減值的證據包括以下事件的可觀察數據：

- (a) 發行人或借款人陷入嚴重財困；
- (b) 違反合約，例如違約或逾期事件；
- (c) 借款人的貸款人出於與借款人財困相關的經濟或合約原因，而向借款人授予貸款人原本不會考慮的優惠；或
- (d) 借款人可能破產或進行其他財務重組。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

### Financial instruments (Continued)

#### Financial assets (Continued)

#### Impairment of financial assets (Continued)

##### (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

##### (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

### 金融工具(續)

#### 金融資產(續)

#### 金融資產的減值(續)

##### (iv) 撇銷政策

當有資料顯示交易對手陷入嚴重財困，且並無實際收回的可能之時（例如交易對手已清算或進入破產程序，或貿易應收款項逾期超過兩年（以較早發生者為準）），本集團會撇銷金融資產。已撇銷的金融資產仍可根據本集團的收回程序實施強制執行，在適當情況下考慮法律意見。撇銷構成終止確認事件。任何其後收回款項於損益中確認。

##### (v) 計量及確認預期信貸虧損

計量預期信貸虧損乃違約概率、違約損失率程度（即倘發生違約的損失程度）及違約風險的函數。違約概率及違約損失率程度的評估根據經前瞻性資料調整的歷史數據作出。預期信貸虧損的估計反映以發生的相關違約風險作為加權數值而確定的無偏概率加權金額。

一般而言，預期信貸虧損為根據合約應付本集團的所有合約現金流與本集團預期將收取的所有現金流量間的差額，並按初始確認時釐定的實際利率貼現。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

### Financial instruments (Continued)

#### Financial assets (Continued)

#### Impairment of financial assets (Continued)

#### (v) Measurement and recognition of ECL (Continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the risk type (i.e. high risk, normal risk and low risk type) by considering:

- Past-due status; and
- Nature, size and industry of debtors; and

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account.

### Financial liabilities and equity

#### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 金融工具(續)

#### 金融資產(續)

#### 金融資產的減值(續)

#### (v) 計量及確認預期信貸虧損(續)

倘預期信貸虧損按綜合基準計量，或以處理個別工具層面的證據尚未可得，金融工具乃按風險類型(即高風險，正常風險和低風險類型)進行分組：

- 逾期狀態；及
- 債務人的性質、規模及行業；及

管理層定期檢討分類，以確保各類別的組成項目仍然具有相似的信貸風險特徵。

利息收入乃按金融資產的賬面總值計算，惟金融資產出現信貸減值，利息收入則按金融資產的攤銷成本計算。

本集團通過調整賬面值於損益中確認所有金融工具之減值收益或虧損，惟相應調整於虧損備抵賬中確認之貿易應收款項及其他應收款項除外。

### 金融負債及權益

#### 分類為債務或權益

債務及股本工具乃根據合約安排的內容以及金融負債與股本工具的定義分類為金融負債或權益。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Financial instruments (Continued)

#### Financial liabilities and equity (Continued)

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

##### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities including trade payables, and other payables and accrued charges are subsequently measured at amortised cost, using the effective interest method.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of the holding company of the Group.

## 2. 主要會計政策(續)

### 金融工具(續)

#### 金融負債及權益(續)

##### 金融工具

權益工具為證明本集團於扣除其所有負債後之剩餘資產權益之任何合約。本公司發行之權益工具按所收取之所得款項扣減直接發行成本確認。

##### 金融負債

所有金融負債其後使用實際利率法按攤銷成本計量。

金融負債(包括貿易應付款項、其他應付款項及應計費用)其後使用實際利率法按攤銷成本計算。

##### 金融負債的定義

本集團於且僅於其責任獲免除、取消或屆滿時取消確認金融負債。取消確認之金融負債之賬面值與已付及應付代價間之差額於損益確認。

### 關連方

關連方指與本集團有關連的個人或實體。

- (a) 倘個別人士或其家庭近親成員符合下列條件，即為與本集團有關連：
- (i) 對本集團有控制或共同控制權；
  - (ii) 對本集團有重大影響力；或
  - (iii) 為本集團或本集團控股公司的主要管理人員。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) the entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) both entities are joint ventures of the same third party.
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
  - (vi) the entity is controlled or jointly controlled by a person identified in (a).
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the holding company of the Group.

## 2. 主要會計政策(續)

### 關連方(續)

- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 該實體與本集團為同一集團的成員公司(即各控股公司、附屬公司及同系附屬公司彼此互有關連)。
  - (ii) 實體為另一實體的聯營公司或合營企業(或另一實體為成員公司的集團旗下成員公司之聯營公司或合營企業)。
  - (iii) 兩間實體均為同一第三方的合營企業。
  - (iv) 實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
  - (v) 實體為本集團或與本集團有關連的實體就僱員福利設立的退休後福利計劃。倘本集團本身為該計劃，提供資助的僱主亦與本集團有關連。
  - (vi) 實體受(a)所識別人土控制或共同控制。
  - (vii) (a)(i)段所識別並對實體有重大影響力或為該實體(或該實體控股公司)主要管理人員的人士。
  - (viii) 該實體或所屬集團旗下任何成員公司向本集團或本集團之控股公司提供主要管理人員服務。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

#### Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to Group's executive directors for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individual material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

#### 關連方(續)

個別人士的緊密家族成員指與該實體交易時預期可影響該個別人士或受該個別人士影響的家族成員並包括：

- (a) 該名人士之子女及配偶或家庭夥伴；
- (b) 該名人士之配偶或家庭夥伴之子女；及
- (c) 該名人士或該名人士之配偶或家庭夥伴之家屬。

於界定關連方時，聯營公司包括該聯營公司之附屬公司，而合營企業包括該合營企業之附屬公司。

#### 分部報告

經營分部及綜合財務報表所呈報各分部項目的金額，乃根據向本集團各項業務及地域地區分配資源及評估其業績表現而定期向本集團執行董事提供的財務資料當中識別出來。

個別重要的經營分部不會合計以供財務報告之用，但如該等經營分部的產品和服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以至監管環境的本質等經濟特性均屬類似，則作別論。個別不重要的經營分部如果符合以上大部分條件，則可以合計為一個報告分部。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

### Key sources of estimation and uncertainty

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### Impairment assessment of trade receivables

The Group adopted HKFRS 9 and the management of the Group estimates the amount of lifetime ECL of trade receivables based on provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit assessment of trade debtors and past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. In addition, trade receivables that are credit impaired are assessed for ECL individually. The loss allowance amount of the credit impaired trade receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future losses.

### 估計及不明朗因素之主要來源

在應用本集團會計政策時，本公司董事須對未能從其他來源輕易獲得的資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃根據過往經驗及被視為相關的其他因素作出。實際結果可能與該等估計有所差異。

有關估計及相關假設按持續基準予以審閱。倘會計估計的修訂僅影響估計作出修訂的期間，則有關修訂會於該期間確認，或倘修訂同時影響修訂的當前期間及未來期間，則有關修訂會於作出該修訂的當前期間及未來期間確認。

於報告期末，有重大風險可能導致資產及負債賬面值於下個財政年度作出重大調整的未來相關主要假設及估計不明朗因素的其他主要來源如下。

### 貿易應收款項減值評估

本集團採納香港財務報告準則第9號，及本集團管理層經考慮貿易債務人之內部信貸評估及各貿易應收款項之逾期狀況，透過對具有類似虧損型態的不同債務人分組根據撥備矩陣估計貿易應收款項的全期預期信貸虧損。估計虧損率乃基於應收賬款預期年期內的過往可觀察違約率並就前瞻性資料作出調整計算。此外，發生信貸減值之貿易應收款項單獨評估預期信貸虧損。信貸減值貿易應收款項之虧損撥備計量為資產賬面值與估計未來現金流量(經考慮預期未來虧損)現值之差額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### Future changes in HKFRSs

At the date of authorisation of the consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKASs 1 and 8	Definition of Material <sup>1</sup>
Amendments to HKAS 39, HKFRSs 7 and 9	Interest Rate Benchmark Reform <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>2</sup>
HKFRS 17	Insurance Contracts <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2020
- <sup>2</sup> Effective for acquisitions that occur on or after the beginning of the first annual period beginning on or after 1 January 2020
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2021
- <sup>4</sup> The effective date to be determined

The management of the Group does not anticipate that the adoption of these new/revised HKFRSs in future periods will have any material impact on the financial performance and financial position of the Group.

#### 香港財務報告準則之未來變動

本集團並未提早採納於該等綜合財務報表獲批准之日香港會計師公會已頒佈但本年度尚未生效之多項新訂／經修訂香港財務報告準則。

香港會計準則第1號及香港會計準則第8號修訂本	重大的定義 <sup>1</sup>
香港會計準則第39號、香港財務報告準則第7號及香港財務報告準則第9號修訂本	利率基礎改革 <sup>1</sup>
香港財務報告準則第3號修訂本	業務定義 <sup>2</sup>
香港財務報告準則第17號	保險合約 <sup>3</sup>
香港財務報告準則第10號及香港會計準則第28號修訂本	投資者及其聯營公司或合營企業間之資產出售或注入 <sup>4</sup>

- <sup>1</sup> 於二零二零年一月一日或之後開始之年度期間生效
- <sup>2</sup> 就於二零二零年一月一日或之後開始之首個年度期間或之後發生的收購生效
- <sup>3</sup> 於二零二一年一月一日或之後開始之年度期間生效
- <sup>4</sup> 生效日期待釐定

本集團管理層預期，於未來期間採用該等新訂／經修訂香港財務報告準則將不會對本集團之財務表現及財務狀況造成任何重大影響。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 3. REVENUE

#### (a) Disaggregation of revenue from contracts with customers

### 3. 收益

#### (a) 客戶合約收益分類

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Type of goods</b>	<b>貨品類別</b>		
Sales of biological reagents:	銷售生物製劑：		
Male fertility in-vitro diagnostic (“IVD”) reagents	男性不育體外診斷 (「體外診斷」) 試劑	19,433	20,996
Parasite antibody detection reagents	寄生蟲系列檢測試劑	3,499	4,549
Epstein-Barr Virus antibody detection reagents	EB病毒檢測試劑	1,221	1,166
Sales of auxiliary reproductive supplies and equipment	銷售輔助生育用品和設備	1,318	1,966
		25,471	28,677
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Type of customers</b>	<b>客戶類別</b>		
Distributors	分銷商	12,444	14,570
Non-distributors	非分銷商	13,027	14,107
		25,471	28,677

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 3. REVENUE (Continued)

#### (b) Performance obligations for contracts with customers

The Group sells biological reagents and auxiliary reproductive supplies and equipment to distributors and non-distributors comprising hospitals and medical institutions in the PRC. Contracts with the Group's customers are mainly short term and fixed price contracts. The revenue is recognised when control of the goods has transferred, being when the goods are i) delivered to the customers' warehouse on which the customers obtain control of the goods or ii) collected by the customers directly from the Group's warehouse, as appropriate. Following delivery, the customers have full discretion over the manner of distribution and price to sell the goods, have the primary responsibility when selling the goods and bear the risks of obsolescence and loss in relation to the goods.

In general, the Group will request deposits from the customers before the goods are delivered and the amount of deposits requested varies amongst different contracts. For certain long-term customers, the Group will deliver the goods without requesting deposits and allow a credit period from 30 to 180 days to these customers and there is no credit period granted to other customers. The customers have neither rights of return nor rights to defer or avoid payment for the goods once they are accepted by the customers upon delivery.

The transaction prices allocated to the remaining unsatisfied performance obligations as at 31 December 2019 are approximately RMB292,000 (2018: RMB179,000) and the expected timing of recognising revenue is within one year.

### 3. 收益(續)

#### (b) 客戶合約的履約責任

本集團向中國醫院及醫療機構等分銷商及非分銷商銷售生物製劑及輔助生育用品和設備。與本集團客戶的合約主要為短期及固定價格合約。收益於貨品的控制權轉讓時，即於i)將貨品交付至客戶取得貨品控制權的客戶倉庫時或ii)客戶於適當時候直接向本集團倉庫收回貨品時確認。交付後，客戶可全權酌情決定貨品分銷方式及銷售價格，於銷售貨品時負主要責任並承擔貨品過時及損失的風險。

一般而言，本集團將要求於貨品交付前向客戶收取按金，而且所要求按金數額因不同合約而有所區別。就若干長期客戶而言，本集團將於不要求按金的情況下向該等客戶交付貨品，且授予該等客戶30至180天的信貸期，而並無向其他客戶授出信貸期。一旦客戶於繳付時接納貨品，客戶不得退回或延期或逃避支付貨款。

於二零一九年十二月三十一日分配至剩餘未履行履約責任的交易價格約為人民幣292,000元(二零一八年：人民幣179,000元)及預期收益確認時間為一年內。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 4. 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 accounting policies that disclosed in Note 2 to the consolidated financial statements. Information reported to the directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment focuses on revenue analysis by major products. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures, geographic information and major customers are presented.

##### Entity-wide disclosure

##### Revenue from major products

The following is an analysis of the Group's revenue from its major products:

#### 4. 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於綜合財務報表附註2披露的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。因此，僅呈列整個實體的披露資料、地域資料及主要客戶。

##### 整個實體的披露資料

##### 主要產品收益

以下為本集團主要產品收益之分析：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Type of goods</b>	<b>貨品類別</b>		
Sales of biological reagents:	銷售生物製劑：		
Male fertility IVD reagents	男性不育體外診斷試劑	19,433	20,996
Parasite antibody detection reagents	寄生蟲系列檢測試劑	3,499	4,549
Epstein-Barr Virus antibody detection reagents	EB病毒檢測試劑	1,221	1,166
Sales of auxiliary reproductive supplies and equipment	銷售輔助生育用品和設備	1,318	1,966
		25,471	28,677

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 4. SEGMENT INFORMATION (Continued)

#### 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 mainly located in the PRC by physical location of assets.

#### 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:

### 4. 分部資料(續)

#### 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。

#### 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：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Customer A	客戶A	3,119	3,871

### 5. OTHER INCOME

### 5. 其他收入

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	174	84
Government grants	政府補助	55	150
Sundry income	雜項收入	31	83
		260	317

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 6. OTHER GAINS AND LOSSES

#### 6. 其他收益及虧損

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Gain on disposal of property, plant and equipment, net	扣除出售物業、廠房及設備收益	10	10
Foreign exchange gains (losses), net	扣除匯兌收益(虧損)	498	(172)
		508	(162)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 7. PROFIT BEFORE TAX

This is stated after charging:

### 7. 除稅前溢利

此乃經扣除下列各項：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Finance costs</b>	<b>融資成本</b>		
Finance charges on lease liabilities	租賃負債的財務費用	72	–
<b>Staff costs, including directors' remuneration</b>	<b>員工成本， 包括董事薪酬</b>		
Directors' emoluments (Note 8)	董事薪酬(附註8)	1,232	549
Other staff costs	其他員工成本		
Salaries, bonus and other benefits	薪金、花紅及其他福利	7,687	5,185
Contributions to defined contribution plans	定額供款計劃供款	1,241	820
		10,160	6,554
<b>Other items</b>	<b>其他項目</b>		
Auditor's remuneration	核數師酬金	619	1,200
Amortisation of intangible assets (included in cost of sales)	無形資產攤銷 (包括銷售成本)	370	351
Cost of inventories (Remarks)	存貨成本(備註)	7,580	7,097
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,609	1,340
Depreciation of right-of-use assets	使用權資產折舊	783	–
Other rental and related expenses	其他租賃及有關開支	28	412
Write-off of property, plant and equipment	物業、廠房及設備核銷	3	–

Remarks:

During the year ended 31 December 2019, cost of inventories included approximately RMB3,353,000 (2018 approximately RMB2,843,000), relating to the aggregate amount of certain staff costs, amortisation, depreciation and other rental and related expenses, which were included in the respective amounts as disclosed above.

備註：

截至二零一九年十二月三十一日止年度，存貨成本包括有關若干員工成本、攤銷、折舊及其他租賃及有關開支的總額約人民幣3,353,000元(二零一八年：約人民幣2,843,000元)，已包括在上文披露的相關金額。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 8. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

##### (a) Directors' and chief executive's emoluments

Name	Position	Date of appointment as the director of the Company
姓名	職位	獲委任為本公司董事之日期
Mr. Zhang Shuguang	Executive director and chairman of the Board of Directors	3 August 2017
張曙光先生	執行董事兼董事會主席	二零一七年八月三日
Mr. Zhang Chunguang	Executive director and chief executive officer (Chief Executive)	3 August 2017
張春光先生	執行董事兼首席執行官(行政總裁)	二零一七年八月三日
Mr. Poon Lai Yin Michael	Executive director and chief financial officer	3 August 2017
潘禮賢先生	執行董事兼首席財務官	二零一七年八月三日
Mr. He Jiaming	Executive director and business development director	14 January 2020
何嘉明先生	執行董事兼業務發展董事	二零二零年一月十四日
Mr. Chan Kin Sang	Independent non-executive director	26 November 2018
陳健生先生	獨立非執行董事	二零一八年十一月二十六日
Dr. Yeung David Wai Chow	Independent non-executive director	26 November 2018
楊煒秋醫生	獨立非執行董事	二零一八年十一月二十六日
Mr. Kwok Chi Shing	Independent non-executive director	26 November 2018
郭志成先生	獨立非執行董事	二零一八年十一月二十六日

#### 8. 董事及主要行政人員薪酬以及五名最高薪僱員薪酬

##### (a) 董事及主要行政人員薪酬

Date of appointment as the director of the Company  
獲委任為本公司董事之日期

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

8. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

(a) Directors' and chief executive's emoluments (Continued)

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

Year ended 31 December 2019

8. 董事及主要行政人員薪酬以及五名最高薪僱員薪酬(續)

(a) 董事及主要行政人員薪酬(續)

根據適用上市規則及香港公司條例披露的年內董事及及主要行政人員薪酬如下：

截至二零一九年十二月三十一日止年度

	Directors' fees	Salaries and other benefits	Discretionary bonuses	Contributions to defined contribution plans	Total	
	董事袍金	薪金及其他福利	酌情花紅	定額供款計劃供款	總計	
	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	
Executive directors	執行董事					
Mr. Zhang Shuguang	張曙光先生	-	214	73	31	318
Mr. Zhang Chunguang	張春光先生	-	227	86	36	349
Mr. Poon Lai Yin Michael	潘禮賢先生	-	265	22	14	301
		-	706	181	81	968
Independent non-executive directors	獨立非執行董事					
Mr. Chan Kin Sang	陳健生先生	88	-	-	-	88
Dr. Yeung David Wai Chow	楊煒秋醫生	88	-	-	-	88
Mr. Kwok Chi Shing	郭志成先生	88	-	-	-	88
		264	-	-	-	264
		264	706	181	81	1,232

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 8. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

##### (a) Directors' and chief executive's emoluments (Continued)

Year ended 31 December 2018

	Directors' fees	Salaries and other benefits	Discretionary bonuses	Contributions to defined contribution plans	Total
	董事袍金	薪金及其他福利	酌情花紅	定額供款計劃供款	總計
	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
Executive directors 執行董事					
Mr. Zhang Shuguang 張曙光先生	-	193	21	26	240
Mr. Zhang Chunguang 張春光先生	-	234	18	32	284
Mr. Poon Lai Yin Michael 潘禮賢先生	-	13	-	-	13
	-	440	39	58	537
Independent non-executive directors 獨立非執行董事					
Mr. Chan Kin Sang 陳健生先生	4	-	-	-	4
Dr. Yeung David Wai Chow 楊煒秋醫生	4	-	-	-	4
Mr. Kwok Chi Shing 郭志成先生	4	-	-	-	4
	12	-	-	-	12
	12	440	39	58	549

#### 8. 董事及主要行政人員薪酬以及五名最高薪僱員薪酬(續)

##### (a) 董事及主要行政人員薪酬(續)

截至二零一八年十二月三十一日止年度

	Directors' fees	Salaries and other benefits	Discretionary bonuses	Contributions to defined contribution plans	Total
	董事袍金	薪金及其他福利	酌情花紅	定額供款計劃供款	總計
	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
Executive directors 執行董事					
Mr. Zhang Shuguang 張曙光先生	-	193	21	26	240
Mr. Zhang Chunguang 張春光先生	-	234	18	32	284
Mr. Poon Lai Yin Michael 潘禮賢先生	-	13	-	-	13
	-	440	39	58	537
Independent non-executive directors 獨立非執行董事					
Mr. Chan Kin Sang 陳健生先生	4	-	-	-	4
Dr. Yeung David Wai Chow 楊煒秋醫生	4	-	-	-	4
Mr. Kwok Chi Shing 郭志成先生	4	-	-	-	4
	12	-	-	-	12
	12	440	39	58	549

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

**8. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES** (Continued)

**(a) Directors' and chief executive's emoluments** (Continued)

Mr. Zhang Chunguang's emoluments disclosed above included those for services rendered by him as chief executive officer during the years ended 31 December 2019 and 2018.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Discretionary bonuses are determined based on the results of the Group during both years.

During the years ended 31 December 2019 and 2018, no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during both years.

**8. 董事及主要行政人員薪酬以及五名最高薪僱員薪酬(續)**

**(a) 董事及主要行政人員薪酬(續)**

上文披露的張春光先生之薪酬包括彼於截至二零一九年及二零一八年十二月三十一日止年度擔任行政總裁所提供服務的薪酬。

上述執行董事薪酬為彼等就本公司及本集團管理事務方面所提供的服務而獲得。上述獨立非執行董事薪酬為彼等就擔任本公司董事所提供的服務而獲得。

於該兩個年度，酌情花紅乃根據本集團業績釐定。

截至二零一九年及二零一八年十二月三十一日止年度，本集團概無支付薪酬予董事作為加入本集團或於加入本集團後之聘金或離職補償。於該兩個年度概無董事或主要行政人員放棄或同意放棄任何薪酬的安排。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 8. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

##### (b) Five highest paid employees

The five highest paid employees of the Group for the year ended 31 December 2019 included three directors (2018: two) directors, details of whose remuneration are set out above. Details of the remuneration of the remaining two (2018: three) highest paid employees who are neither a director of the Company nor chief executive of the Group are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	1,061	792
Discretionary bonus	酌情花紅	156	42
Contributions to defined contribution plans	定額供款計劃供款	32	72
		1,249	906

The number of these non-director individuals whose emoluments fell within the following emoluments band is as follows:

		Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
Nil to HK\$1,000,000	零至1,000,000港元	2	3

During the years ended 31 December 2019 and 2018, no remuneration was paid by the Group to any of these highest paid non-director individuals as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which any of these highest paid non-director individuals waived or has agreed to waive any emoluments during the years ended 31 December 2019 and 2018.

#### 8. 董事及主要行政人員薪酬以及五名最高薪僱員薪酬(續)

##### (b) 五名最高薪僱員

截至二零一九年十二月三十一日止年度，本集團五名最高薪僱員包括三名董事(二零一八年：兩名董事)，彼等之薪酬詳情已披露於上文。剩餘兩名(二零一八年：三名)既非本公司董事亦非主要行政人員的最高薪僱員之薪酬詳情如下：

其薪酬介乎下列薪酬範圍的該等非董事人士數目如下：

截至二零一九年及二零一八年十二月三十一日止年度，本集團概無支付薪酬予任何該等最高薪非董事人士作為加入本集團或於加入本集團後之聘金或離職補償。截至二零一九年及二零一八年十二月三十一日止年度，概無任何該等最高薪非董事人士根據任何安排放棄或同意放棄任何酬金。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 9. INCOME TAX EXPENSE

### 9. 所得稅開支

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Current tax</b>	<b>即期稅項</b>		
PRC Enterprise Income Tax – current year	中國企業所得稅－本年度	942	1,701

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.

於英屬處女群島註冊成立的本公司及附屬公司均免稅。於中國成立之實體須按中國企業所得稅法定稅率25%繳納稅項。由於本集團的中國附屬公司深圳華康獲評為「高新技術企業」，因此可享有15%的優惠稅率。該項稅務優惠資格須每三年獲相關中國稅務局重續。深圳華康最近獲此稅務優惠審批之時間為二零一八年十月，有效期為截至二零二零年十二月三十一日止三年。

Hong Kong Profits Tax has not been provided as the Group had no assessable profit arising from Hong Kong for the year ended 31 December 2019. For the year ended 31 December 2018, the Group’s profits neither arose in, nor derived from, Hong Kong and therefore were not subject to Hong Kong Profits Tax.

由於本集團於截至二零一九年十二月三十一日止年度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。截至二零一八年十二月三十一日止年度，本集團的溢利並非源自或產生自香港，因此無需繳納香港利得稅。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 9. INCOME TAX EXPENSE (Continued)

##### Reconciliation of income tax expense

#### 9. 所得稅開支(續)

##### 所得稅開支對賬

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	658	1,242
Income tax at applicable tax rate of 25% (2018: 25%)	按適用稅率25%計算的 所得稅(二零一八年： 25%)	165	311
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務 影響	1,608	2,709
Additional tax deduction on research and development expenses	研發開支附加稅扣減	(228)	(205)
Effect of tax concession granted	獲授稅項優惠的影響	(662)	(1,116)
Others	其他	59	2
Income tax expense for the year	年內所得稅開支	942	1,701

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 9. INCOME TAX EXPENSE (Continued)

#### Unrecognised deferred tax

Under the relevant tax law and implementation regulations in the PRC, withholding income tax is applicable to dividend earned and payable to investors that are “non-tax resident enterprises” in respect of profits earned by PRC subsidiary since 1 January 2008, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such interest or dividends have their sources within the PRC. Under such circumstances, dividends paid by the PRC subsidiary to offshore group entities shall be subject to the withholding tax at 10% or a lower treaty rate. The Group is subject to withholding tax in relation to the dividend paid by the PRC subsidiary. As the Company has decided not to declare any dividends from undistributed earnings of the PRC subsidiary amounting to approximately RMB42,216,000 (2018: RMB39,237,000) as at 31 December 2019 to the immediate holding company of the PRC subsidiary in the foreseeable future, no deferred tax liability has been recognised in respect of these undistributed earnings during the years ended 31 December 2019 and 2018.

No provision for deferred taxation has been made in the consolidated financial statements as there were no significant temporary differences arising during the years ended 31 December 2019 and 2018 or at the end of each reporting period.

### 9. 所得稅開支(續)

#### 未確認遞延稅項

根據中國相關稅法及實施條例，若利息或股息源於中國境內，自二零零八年一月一日起就中國附屬公司所獲溢利所賺取並應支付予「非稅收居民企業」（並非在中國成立或在中國並無營業地點，或在中國成立或設有營業地點但相關收入與有關成立或營業地點無實際關連）投資者的股息，須繳納預扣所得稅。在這種情況下，中國附屬公司向境外集團實體支付的股息應按10%或更低的協定稅率繳納預扣稅。本集團須就中國附屬公司支付的股息繳納預扣稅。於二零一九年十二月三十一日，由於本公司決定於可預見未來將不宣派中國附屬公司未分配盈利任何股息約人民幣42,216,000元(二零一八年：人民幣39,237,000元)予中國附屬公司的直接控股公司，因此截至二零一九年及二零一八年十二月三十一日止年度，並未就該等未分配盈利確認遞延稅項負債。

由於截至二零一九年及二零一八年十二月三十一日止年度或各報告期末並無重大暫時性差異，因此綜合財務報表並無計提遞延稅項撥備。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 10. LOSS PER SHARE

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

#### 10. 每股虧損

本公司擁有人應佔每股基本虧損的計算乃基於以下數據：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Loss:</b>	<b>虧損：</b>		
Loss attributable to the owners of the Company for the purpose of basic loss per share	計算每股基本虧損所用本公司擁有人應佔虧損	(284)	(459)
		2019 二零一九年	2018 二零一八年
<b>Number of shares:</b>	<b>股份數目：</b>		
Weighted average number of ordinary shares of the Company in issue for the purpose of basic loss per share	計算每股基本虧損所用本公司已發行普通股加權平均數	400,000,000	305,205,000

No diluted loss per share for the years ended 31 December 2019 and 2018 was presented as there were no potential ordinary shares in issue during the years ended 31 December 2019 and 2018.

由於截至二零一九年及二零一八年十二月三十一日止年度無潛在已發行普通股，故於截至二零一九年及二零一八年十二月三十一日止年度並無呈列每股攤薄虧損。

#### 11. DIVIDENDS

No dividend was paid or declared by the Group during the years ended 31 December 2019 and 2018, nor has any dividend been proposed since the end of each reporting period.

#### 11. 股息

截至二零一九年及二零一八年十二月三十一日止年度，本集團概無派付或宣派任何股息，及自各報告期末亦無建議派付任何股息。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 12. PROPERTY, PLANT AND EQUIPMENT

### 12. 物業、廠房及設備

		Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Plant and machinery 廠房及機械 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in-progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>COST</b>	<b>成本</b>						
At 1 January 2018	於二零一八年一月一日	2,655	6,595	773	1,154	902	12,079
Additions	添置	30	607	469	-	227	1,333
Transfer from construction-in-progress	自在建工程轉撥	826	-	-	-	(826)	-
Disposals	處置	-	-	-	(153)	-	(153)
At 31 December 2018 and 1 January 2019	於二零一八年十二月 三十一日及二零一九 年一月一日	3,511	7,202	1,242	1,001	303	13,259
Additions	添置	433	1,189	7	138	-	1,767
Transfer from construction-in-progress	自在建工程轉撥	158	19	74	-	(251)	-
Disposals/written-off	處置/核銷	-	-	-	(141)	(3)	(144)
At 31 December 2019	於二零一九年十二月 三十一日	4,102	8,410	1,323	998	49	14,882
<b>ACCUMULATED DEPERCIATION</b>	<b>累計折舊</b>						
At 1 January 2018	於二零一八年一月一日	430	1,185	248	642	-	2,505
Provided for the year	本年度撥備	326	802	107	105	-	1,340
Eliminated on disposals	處置時抵銷	-	-	-	(153)	-	(153)
At 31 December 2018 and 1 January 2019	於二零一八年十二月 三十一日及二零一九 年一月一日	756	1,987	355	594	-	3,692
Provided for the year	本年度撥備	560	855	138	56	-	1,609
Eliminated on disposals/written-off	於處置/核銷時對銷	-	-	-	(141)	-	(141)
At 31 December 2019	於二零一九年十二月 三十一日	1,316	2,842	493	509	-	5,160
<b>CARRYING VALUES</b>	<b>賬面值</b>						
At 31 December 2019	於二零一九年十二月 三十一日	2,786	5,568	830	489	49	9,722
At 31 December 2018	於二零一八年十二月 三十一日	2,755	5,215	887	407	303	9,567

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### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 12. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment are depreciated on a straight-line basis over the following periods:

Leasehold improvements	5 years to 10 years or over the lease period
Plant and machinery	5 years to 10 years
Office equipment	5 years to 10 years
Motor vehicles	5 years

#### 12. 物業、廠房及設備(續)

上述物業、廠房及設備項目乃於下列期間以直線法折舊：

租賃物業裝修	五年至十年或於租賃期內
廠房及機械	五至十年
辦公設備	五至十年
汽車	五年

#### 13. LEASES

#### 13. 租賃

At 31 December  
2019

於二零一九年  
十二月三十一日

RMB'000

人民幣千元

Right-of-use assets (Note (a))	使用權資產 (附註(a))	1,351
Lease liabilities (Note (b))	租賃負債 (附註(b))	
Current	即期	1,181
Non-current	非即期	431
		1,612



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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

13. LEASES (Continued)

(a) Right-of-use assets

Reconciliation of carrying amount – year ended 31 December 2019	賬面值對賬– 截至二零一九年 十二月三十一日止年度
At 1 January 2019 – upon adoption of HKFRS 16	於二零一九年一月一日– 採納香港財務報告準則 第16號後
Additions	添置
Depreciation	折舊
At 31 December 2019	於二零一九年十二月 三十一日
Cost	成本
Accumulated depreciation	累計折舊

The total cash outflow for leases (including other rental and related expenses) for the year ended 31 December 2019 were approximately RMB622,000.

Certain lease impose a restriction that, unless the approval is obtained from the lessor, the right-of use asset can only be used by the Group and the Group is prohibited from selling or pledging the underlying assets.

13. 租賃(續)

(a) 使用權資產

Motor vehicles	Factories and office premises	Total
汽車	工廠及 辦公室物業	總計
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
–	1,592	1,592
542	–	542
–	(783)	(783)
542	809	1,351
542	1,592	2,134
–	(783)	(783)
542	809	1,351

截至二零一九年十二月三十一日止年度，租賃的現金流出總額(包括其他租賃及相關開支)約為人民幣622,000元。

若干租賃實施一項限制，除非獲得出租人批准，否則使用權資產僅限由本集團使用，並且禁止本集團出售或抵押相關資產。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 13. LEASES (Continued)

##### (b) Commitments and present value of lease liabilities

At 31 December 2019

#### 13. 租賃(續)

##### (b) 租賃負債的承擔及現值

於二零一九年十二月三十一日

		Lease payments 租賃付款 RMB'000 人民幣千元	Present value of lease payments 租賃付款的現值 RMB'000 人民幣千元
Amounts payable:	應付款項：		
Within 1 year	一年內	1,223	1,181
More than 1 year but within 2 years	超過一年但少於兩年	121	106
More than 2 years but within 5 years	超過兩年但少於五年	341	325
		1,685	1,612
Less: future finance charges	減：未來財務費用	(73)	-
		1,612	1,612

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

14. INTANGIBLE ASSETS

14. 無形資產

		Development costs 發展成本 RMB'000 人民幣千元
<b>COST</b>	<b>成本</b>	
At 1 January 2018	於二零一八年一月一日	2,875
Additions	添置	1,080
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	3,955
Additions	添置	366
At 31 December 2019	於二零一九年十二月三十一日	4,321
<b>ACCUMULATED AMORTISATION</b>	<b>累計攤銷</b>	
At 1 January 2018	於二零一八年一月一日	686
Provided for the year	本年度撥備	351
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	1,037
Provided for the year	本年度撥備	370
At 31 December 2019	於二零一九年十二月三十一日	1,407
<b>CARRYING VALUES</b>	<b>賬面值</b>	
<b>At 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>	<b>2,914</b>
At 31 December 2018	於二零一八年十二月三十一日	2,918

Development costs are internally generated and have finite useful lives and amortised on a straight-line basis over 5 years.

發展成本乃於內部產生，具有有限可用年限，並於5年內按直線法攤銷。

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### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 15. INVENTORIES

#### 15. 存貨

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Raw materials	原材料	1,944	1,557
Finished goods	製成品	759	727
		2,703	2,284

#### 16. TRADE RECEIVABLES

#### 16. 貿易應收款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	12,653	13,532
Less: allowance for credit losses	減：信貸虧損撥備	(2,574)	(2,824)
		10,079	10,708

In general, the Group will request deposits from the customers before the goods are delivered and the amount of deposits requested varies amongst different contracts. For certain long-term customers, the Group will deliver the goods without requesting deposits and allow a credit period from 30 to 180 days to these customers and there is no credit period granted to other customers. The following is an aged analysis of trade receivables (net of allowances for credit losses) presented based on the dates of delivery of goods.

一般而言，本集團將要求於貨品交付前向客戶收取按金，而且所要求按金數額因不同合約而有所區別。就若干長期客戶而言，本集團將於不要求按金的情況下向該等客戶交付貨品，且授予該等客戶30至180天的信貸期，而並無向其他客戶授出信貸期。下列為按貨品交付日期呈列的貿易應收款項（扣除信貸虧損撥備）賬齡分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

16. TRADE RECEIVABLES (Continued)

16. 貿易應收款項(續)

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
0 – 30 days	0至30天	2,488	2,584
31 – 90 days	31至90天	2,811	3,103
91 – 180 days	91至180天	2,698	2,497
Over 181 days	超過181天	2,082	2,524
		10,079	10,708

As at 31 December 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately RMB8,831,000 (2018: RMB8,871,000) which are past due as at the reporting date. Out of the past due balances, approximately RMB3,593,000 (2018: RMB3,663,000) has been past due 90 days or more and is not considered as in default by considering the historical payment arrangement of these trade receivables. The Group does not hold any collateral over these balances.

於二零一九年十二月三十一日，本集團的貿易應收款項結餘為賬面總值約為人民幣8,831,000元(二零一八年：人民幣8,871,000元)的應收款項，該等款項已於報告日期逾期。該等逾期結餘中，約人民幣3,593,000元(二零一八年：人民幣3,663,000元)已逾期90天或超過90天且經計及該等貿易應收款項的過往付款安排，不被視為違約。本集團並無就該等結餘持有任何抵押品。

Details of impairment assessment of trade receivables are set out in Note 28 to the consolidated financial statements.

有關貿易應收款項減值評估詳情載於綜合財務報表附註28。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS 17. 其他應收款項、按金及預付款項

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Other receivables	其他應收款項	333	534
Less: allowance for credit losses	減：信貸虧損撥備	(7)	(46)
		326	488
Advance payment to suppliers	預付供應商墊款	856	1,177
Other prepaid expenses	其他已預付開支	261	-
Prepayment of rental expense (Note)	租賃開支預付款項(附註)	-	169
Refundable deposits paid to a supplier	可退回供應商按金	294	-
Rental and other deposits	租金及其他按金	156	144
		1,893	1,978

Details of impairment assessment of other receivables are set out in Note 28 to the consolidated financial statements.

*Note:*

At 31 December 2018, the amount included the prepayment of rental expense to 深圳市君軒生物技術有限公司 (Shenzhen Junxuan Biological Technology Co., Ltd. \*) ("**Shenzhen Junxuan**"), a related company controlled by Mr. Zhang Shuguang, an executive director of the Company amounting to approximately RMB127,000.

\* English translation is for identification purpose only.

有關其他應收款項減值評估詳情載於綜合財務報表附註28。

*附註：*

於二零一八年十二月三十一日，該金額包括向由本公司執行董事張曙光先生控制的關連公司深圳市君軒生物技術有限公司（「**深圳君軒**」）預付之租賃開支約為人民幣127,000元。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 18. BANK BALANCES AND CASH

Bank balances are carrying interest at prevailing market rate at the end of each reporting period and the bank balances and cash that are not denominated in the functional currency of the relevant group entities are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Hong Kong Dollars ("HK\$")	港元 (「港元」)	15,205	34,447
United State Dollars ("US\$")	美元 (「美元」)	7,483	11

As at 31 December 2019, bank balances that were placed with banks in the PRC amounted to approximately RMB26,047,000 (2018: RMB20,339,000). Remittance of funds out of the PRC is subject to the exchange controls imposed by the PRC government.

The Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided for the years ended 31 December 2019 and 2018.

### 18. 銀行結餘及現金

銀行結餘於各報告期末按現行市場利率計息及並非按有關集團實體功能貨幣計值之銀行結餘及現金如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Hong Kong Dollars ("HK\$")	港元 (「港元」)	15,205	34,447
United State Dollars ("US\$")	美元 (「美元」)	7,483	11

於二零一九年十二月三十一日，存放於中國的銀行之銀行結餘約為人民幣26,047,000元(二零一八年：人民幣20,339,000元)。資金匯出中國時須受到中國政府的外匯控制規定限制。

本集團對銀行結餘進行減值評估並認為對手方銀行違約的可能性微乎其微，因此，截至二零一九年及二零一八年十二月三十一日止年度，概無計提撥備信貸虧損。

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#### 19. TRADE PAYABLES

In general, the Group will make advance payment to suppliers before the materials are received. Some of the suppliers may deliver the materials to the Group without requesting advance payment and a credit period ranged from 30 to 90 days is granted by these suppliers. The following is an aging analysis of trade payables presented based on the invoice date:

#### 19. 貿易應付款項

通常，本集團會在取得材料前向供應商預付款項。部份供應商可在無需預付款的情況下將材料交付予本集團，該等供應商已授出介乎30天至90天之信貸期。基於發票日期的貿易應付款項的賬齡分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
0 – 30 days	0至30天	435	320
31 – 90 days	31至90天	58	81
Over 90 days	超過90天	537	526
		1,030	927

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 20. OTHER PAYABLES AND ACCRUED CHARGES 20. 其他應付款項及應計費用

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Accrued listing expenses	應計上市開支	–	4,656
Other accrual and payables	其他應計費用及應付款項	990	1,586
Other taxes payable	其他應付稅項	13	41
Payables for purchase of property, plant and equipment	收購物業、廠房及設備應付款項	1,140	1,140
Provision for retirement benefit schemes	退休金福利計劃撥備	–	353
Salaries payables	應付薪金	1,654	1,358
		<b>3,797</b>	<b>9,134</b>

Other payables and accrued charges that are not denominated in the functional currency of the relevant group entities are as follows:

並非按有關集團實體功能貨幣計值之其他應付款項及應計費用如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
HK\$	港元	1,007	4,196

### 21. CONTRACT LIABILITIES

### 21. 合約負債

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contract liabilities regarding sales of biological reagents and auxiliary reproductive supplies and equipment	銷售生物診斷試劑及輔助生育用品和設備之合約負債	292	179

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### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 21. CONTRACT LIABILITIES (Continued)

When the Group receives a deposit before delivery of goods, this will give rise to contract liabilities at the start of a contract, until the revenue recognised when the goods are i) delivered to the customers' warehouse on which the customers obtain control of the goods or ii) collected by the customers directly from the Group's warehouse, as appropriate. The amount of deposits requested varies amongst different contracts.

The contract liabilities amounting to approximately RMB179,000 and RMB194,000 as at 1 January 2019 and 2018 were recognised as revenue in profit or loss for years ended 31 December 2019 and 2018, respectively. In the opinion of the directors of the Company, the contract liabilities as at 31 December 2019 and 2018 are expected to be recognised within 12 months and therefore classified as current liabilities.

#### 22. DEFERRED INCOME – GOVERNMENT GRANTS

The Group received grants from the PRC government authorities for funding of acquisitions of plant and equipment for conducting research and development of the biological reagents which benefits the society as a whole. The relevant deferred income would be amortised ranged from 5 to 10 years which represented the useful lives of the relevant assets.

#### 21. 合約負債(續)

倘本集團於交付貨品前收到按金，則此將於合約開始時產生合約負債，直至i)將貨品交付至客戶獲得貨品控制權的倉庫或ii)客戶直接自本集團倉庫提取貨品(如適用)時，方可確認收益。所要求按金數額因不同合約而有所區別。

於二零一九年及二零一八年一月一日的合約負債分別約為人民幣179,000元及人民幣194,000元，並分別於二零一九年及二零一八年十二月三十一日止年度於損益中確認為收益。本公司董事認為，於二零一九年及二零一八年十二月三十一日的合約負債預期將於12個月內確認，因此分類為流動負債。

#### 22. 遞延所得稅 – 政府補助

本集團自中國政府機構收到的補助乃用於為收購廠房及設備撥資以進行生物製劑研發，此舉符合社會整體利益。有關遞延收入將於5至10年(即有關資產的可使用年期)內攤銷。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Analysed for reporting purposes as:	就報告目的分析如下：		
Non-current liabilities	非流動負債	385	430
Current liabilities	流動負債	45	45
		430	475

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### 23. RETIREMENT BENEFIT SCHEMES

The employees of Shenzhen Huakang are members of a state-managed retirement benefit scheme operated by the PRC government. The Group is required to contribute certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The Group also participate the Mandatory Provident Fund Scheme (the “MPF Scheme”) under the rules and regulations of the Mandatory Provident Fund Schemes Authority in Hong Kong. The Group’s eligible employees are required to join the MPF Scheme. The Group has followed the minimum statutory contribution requirement of 5% of eligible employees’ relevant aggregated income with a cap of HK\$1,500 per employee per month.

The total expense recognised in profit or loss of approximately RMB1,322,000 (2018: RMB878,000) for the year ended 31 December 2019, represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

As at 31 December 2019, no contributions which had not been paid over to the plans amounted to Nil (2018: approximately RMB353,000).

### 23. 退休福利計劃

深圳華康僱員為中國政府營運之國家管理退休福利計劃成員。本集團須按薪金成本若干百分比向退休福利計劃供款，為福利提供資金。本集團就退休福利計劃之唯一義務乃作出指定供款。

本集團亦根據強制性公積金計劃管理局之條例及規例於香港參與強積金計劃(「強積金計劃」)。本集團符合資格的僱員須參與該計劃。本集團已依據最低法定供款要求(即合資格僱員有關總收入的5%，惟每名僱員每月不超過1,500港元)作出。

截至二零一九年十二月三十一日止年度，於損益確認開支總額約人民幣1,322,000元(二零一八年：人民幣878,000元)，為本集團應按計劃規則指定比率向該等計劃繳付之供款。

於二零一九年十二月三十一日，該等計劃中並無供款尚未繳付(二零一八年：約人民幣353,000元)。

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#### 24. SHARE CAPITAL

#### 24. 股本

		Number of share	HK\$	Equivalent to RMB'000
		股份數目	港元	相當於 人民幣千元
Authorised:	法定：			
At 1 January 2018	於二零一八年一月一日	38,000,000	380,000	316
Increased on 26 November 2018 (Note (a))	於二零一八年十一月 二十六日增加 (附註(a))	962,000,000	9,620,000	8,535
At 31 December 2018 and 31 December 2019	於二零一八年 十二月三十一日及 二零一九年 十二月三十一日	1,000,000,000	10,000,000	8,851
Issued and fully paid ordinary shares at HK\$0.01 per share:	每股0.01港元之已發行 及繳足普通股：			
At 1 January 2018	於二零一八年一月一日	12,500	125	-
Issue of shares pursuant to the Capitalisation Issue (Note (b))	根據資本化發行發行股 份(附註(b))	299,987,500	2,999,875	2,632
Issue of shares under the Share Offer (Note (c))	根據股份發售發行股份 (附註(c))	100,000,000	1,000,000	877
At 31 December 2018 and 31 December 2019	於二零一八年 十二月三十一日及 二零一九年 十二月三十一日	400,000,000	4,000,000	3,509

#### Notes:

- (a) On 26 November 2018, the authorised share capital of the Company was increased from HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each to HK\$10,000,000 divided into 1,000,000,000 shares of HK\$0.01 each by the creation of an additional 962,000,000 new shares of HK\$0.01 each ranking pari passu with the existing shares in all respects.
- (b) On 13 December 2018, the Company capitalised the amount of HK\$2,999,875 standing to the credit of the share premium account of the Company and applied the amount towards paying up in full at par 299,987,500 shares for allotment and issue to the shareholders of the Company (the **"Capitalisation Issue"**).
- (c) On 13 December 2018, the Company issued 100,000,000 shares of HK\$0.01 each at HK\$0.5 per share upon the completion of its share offer (the **"Share Offer"**). On the same date, the Company's shares were listed on GEM of the Stock Exchange.

#### 附註：

- (a) 於二零一八年十一月二十六日，本公司法定股本由380,000港元(分為38,000,000股每股面值0.01港元之股份)經新增在所有方面與現有股份享有同等權益的962,000,000股每股面值0.01港元之新股份後而增加至10,000,000港元(分為1,000,000,000股每股面值0.01港元之股份)。
- (b) 於二零一八年十二月十三日，本公司將本公司股份溢價賬的進賬金額2,999,875港元資本化，並應用上述金額按面值繳足向本公司股東配發及發行的299,987,500股股份(「**資本化發行**」)。
- (c) 於二零一八年十二月十三日，本公司於其股份發售(「**股份發售**」)完成後按每股0.5港元發行100,000,000股每股面值0.01港元的股份。同日，本公司股份於聯交所GEM上市。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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### 25. OPERATING LEASE COMMITMENTS

#### The Group as lessee

At the end of the reporting period, the Group had commitments for future lease payments under non-cancellable leases which fall due as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	–	574
Within two to five years	兩年至五年	–	463
		–	1,037

The lease commitments as at 31 December 2018 represent rental commitments by the Group for its factories and office premises. Leases and rentals were negotiated and fixed for a term of three months to two years.

At 31 December 2019, the total future lease payments for the non-cancellable leases after initial application of HKFRS 16 at 1 January 2019 is set out in Note 13 to the consolidated financial statements and disclosed as above (for commitments on short-term leases). In accordance with the transition provisions in HKFRS 16, comparative information is not restated.

### 25. 經營租賃承擔

#### 本集團作為承租人

於報告期末，本集團於以下日期到期之不可撤回租賃項下之未來租賃付款承擔如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	–	574
Within two to five years	兩年至五年	–	463
		–	1,037

於二零一八年十二月三十一日，租賃承擔指本集團就其工廠及辦公室物業之租金承擔。租約及租金經磋商釐定，年期固定為三個月至兩年。

於二零一九年十二月三十一日，於二零一九年一月一日首次應用香港財務報告準則第16號後不可撤銷租賃的未來租賃付款總額載於綜合財務報表附註13，並於上文披露（就短期租賃承擔而言）。根據香港財務報告準則第16號的過渡條文，比較數字並無重列。

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### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 26. COMMITMENTS

#### 26. 承擔

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	就購買物業、廠房及設備之已訂約但並無於綜合財務報表計提之資本承擔	78	329

#### 27. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the current and prior years.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital, accumulated profits and other reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt.

#### 27. 資金風險管理

本集團管理層管理其資金，務求透過優化債務與權益間之平衡，確保本集團可持續經營，同時為股東方帶來最大回報。本集團本年度之整體策略較過往年度維持不變。

本集團的資本架構由本公司擁有人應佔股權(包括已發行股本、累計溢利及其他儲備)組成。

本公司董事經計及資本成本及各類資本相關風險定期檢討資本架構。根據董事之推薦意見，本集團將透過派息、新股份發行以及發行新債務方式平衡其整體資本架構。

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## 綜合財務報表附註

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### 28. FINANCIAL INSTRUMENTS

### 28. 金融工具

#### Categories of financial instruments

#### 金融工具類別

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Financial assets at amortised cost	按攤銷成本計量之金融資產	59,492	65,993
Financial liabilities at amortised cost	按攤銷成本計量之金融負債	6,426	9,667

#### Financial risk management objectives and policies

#### 財務風險管理目標及政策

The Group's major financial instruments include trade receivables, other receivables, bank balances and cash, trade payables, other payables and accrued charges, and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risks (currency risk and interest rate risk), credit risk and impairment assessment and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

我們的主要金融工具包括貿易應收款項、其他應收款項、銀行結餘及現金、貿易應付款項、其他應付款項及應計費用以及租賃負債。該等金融工具的詳情於相關附註披露。與該等金融工具相關的風險包括市場風險（貨幣風險及利率風險）、信貸風險及減值評估以及流動資金風險。減低該等風險之政策載於下文。管理層管理及監察該等風險，確保以及時及有效之方式實行適當措施。

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### 綜合財務報表附註

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#### 28. FINANCIAL INSTRUMENTS (Continued)

##### Financial risk management objectives and policies (Continued)

###### Market risk

###### Currency risk

The Group has certain bank balances and cash, and other payables and accrued charges which are denominated in foreign currency which exposed the Group to foreign exchange risk. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		Assets 資產		Liabilities 負債	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
HK\$	港元	15,205	34,447	1,007	4,196
US\$	美元	7,483	11	–	–

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

#### 28. 金融工具(續)

##### 財務風險管理目標及政策(續)

###### 市場風險

###### 貨幣風險

本集團有若干銀行結餘及現金以及其他應付款項及應計費用以外幣計值，因而令本集團面臨匯兌風險。本集團於報告期末以外幣計值之貨幣資產及貨幣負債之賬面值如下：

本集團現時並無任何匯兌對沖政策。然而，本集團管理層監察匯兌風險，將於有需要時考慮對沖重大匯兌風險。

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## 綜合財務報表附註

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### 28. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### Currency risk (Continued)

##### Sensitivity analysis

The Group is mainly exposed currency risk related to HK\$ and US\$. The sensitivity analysis includes only outstanding monetary items which are denominated in HK\$ and US\$ and adjusts its translation at the end of the reporting date for a 5% and 5% change in HK\$ and US\$ exchange rates, respectively. 5% (2018: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The analysis below illustrates the impact for a 5% and 5% strengthening of the functional currency of the relevant group entities against HK\$ and US\$ and a positive number below indicates an increase in post-tax loss respectively. For a 5% and 5% weakening of the functional currency of the relevant group entities against the HK\$ and US\$, respectively, there would be an equal and opposite impact on the loss and the number below would be negative.

### 28. 金融工具(續)

#### 財務風險管理目標及政策(續)

##### 市場風險(續)

##### 貨幣風險(續)

##### 敏感度分析

本集團主要承擔港元和美元相關貨幣風險。敏感度分析僅包括以港幣和美元列值的未結算貨幣項目，並在年末分別對有關項目按5%港元和5%美元匯率變化進行換算調整。內部使用5% (二零一八年：5%)的敏感度比率向主要管理層人士報告外幣風險，其亦指管理層所評估外幣匯率的合理變幅。以下分析表示相關集團實體功能貨幣兌港元和美元分別升值5%和5%的影響，及下文正數表示除稅後虧損增加。倘相關集團實體功能貨幣兌港元和美元分別貶值5%和5%，虧損則會受等額相反影響及下文顯示為負數。

		Increase in post-tax loss 除稅後虧損增加	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
HK\$	港元	603	1,286
US\$	美元	318	-

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#### 28. FINANCIAL INSTRUMENTS (Continued)

##### Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (Note 18).

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of prevailing market interest rates on bank balances. The Group currently does not have any interest rate hedging policy. However, the management of the Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

Total interest income from financial assets that are measured at amortised cost is as follows:

#### 28. 金融工具(續)

##### 財務風險管理目標及政策(續)

##### 市場風險(續)

##### 利率風險

本集團須承擔有關浮息銀行結餘(附註18)之現金流量利率風險。

本集團的現金流量利率風險主要集中於來自本集團銀行結餘的現行市場利率波動。本集團目前並無任何利率對沖政策，然而，本集團管理層監控利率風險並將於需要時考慮對沖重大利率風險。

來自按攤銷成本計量之金融資產之利息收入總額如下：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Financial assets at amortised cost 按攤銷成本計量之金融資產	174	84



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## 綜合財務報表附註

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### 28. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### Interest rate risk (Continued)

##### Sensitivity analysis

In the opinion of the directors of the Company, the expected change in interest rate will not have significant impact on the interest income from variable-rate bank balances, hence sensitivity analysis is not presented.

##### Credit risk and impairment assessment

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge the obligations by counterparties is arising from the carrying amount of the respective recognised financial assets, including trade receivables, other receivables and bank balances as stated in the consolidated statement of financial position at the end of each reporting period.

The Group's concentration of credit risk by geographical locations is in the PRC, which accounted for 100% (2018: 100%) of the total trade receivables as at 31 December 2019.

The Group has concentration of credit risk as 16% (2018: 21%) and 43% (2018: 48%) of the total trade receivables was due from the Group's largest customer and the five largest customers, respectively.

##### Trade receivables arising from contracts with customers

In order to minimise the credit risk, the management of the Group is responsible for determination of credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group also requests deposits from certain customers prior to goods delivery. In addition, the Group performs impairment assessment under ECL model on trade balances based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

### 28. 金融工具(續)

#### 財務風險管理目標及政策(續)

##### 市場風險(續)

##### 利率風險(續)

##### 敏感度分析

本公司董事認為，預期利率變動將不會對自浮息銀行結餘產生之利息收入產生重大影響，因此並無呈列敏感度分析。

##### 信貸風險及減值評估

因對手方未能履行責任而為本集團帶來財務虧損之本集團最大信貸風險，乃來自於各報告期末綜合財務狀況表所列各項已確認金融資產之賬面值，包括貿易應收款項、其他應收款項及銀行結餘。

於二零一九年十二月三十一日，按地理位置劃分，本集團的信貸風險集中在中國，佔全部貿易應收款項的100% (二零一八年：100%)。

本集團應收本集團最大客戶及五大客戶的貿易應收款項總額之信貸風險集中度分別為16% (二零一八年：21%)及43% (二零一八年：48%)。

##### 來自合約客戶的貿易應收款項

為最大限度降低信貸風險，本集團管理層負責釐定信貸批核及其他監控程序，以確保採取跟進行動收回逾期債務。於交付貨品前，本集團亦要求若干客戶交付按金。此外，本集團根據預期信貸虧損模式基於撥備矩陣就貿易結餘進行減值評估。就此而言，本公司董事認為本集團之信貸風險已大為減少。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 28. FINANCIAL INSTRUMENTS (Continued)

##### Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

Other receivables, balances with group companies and bank balances

The credit risks on other receivables and balances with group companies are significantly reduced as the management of the Group periodically monitors the balances to ensure that the counterparties are viable to settle the debts.

The credit risks on bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

In this regard, the directors of the Company consider that the Group's credit risk on other receivables, balances with group companies and bank balances are significantly reduced.

#### 28. 金融工具(續)

##### 財務風險管理目標及政策(續)

##### 信貸風險及減值評估(續)

其他應收款項、集團公司間結餘及銀行結餘

由於本集團定期監控結餘以確保對手方能夠結算債項，其他應收款項及集團公司間結餘之信貸風險大幅減少。

銀行結餘之信貸風險有限，乃由於交易對手方為具國際評級機構授予較高信貸評級的銀行。

就此而言，本公司董事認為本集團其他應收款項、集團公司間結餘及銀行結餘之信貸風險已顯著減少。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 28. FINANCIAL INSTRUMENTS (Continued)

### 28. 金融工具(續)

#### Financial risk management objectives and policies (Continued)

#### 財務風險管理目標及政策(續)

#### Credit risk and impairment assessment (Continued)

#### 信貸風險及減值評估(續)

The Group's internal credit risk grading assessment comprises the following categories:

本集團的內部信貸風險分級評估包括以下類別：

Internal credit assessment 內部信貸評估	Description 描述	Trade receivables 貿易應收款項	Other financial assets 其他金融資產
Low risk	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL – not credit-impaired	12-month ECL
低風險	交易對手方違約風險低且無任何逾期款項。	全期預期信貸虧損—無信貸減值	12個月預期信貸虧損
Normal risk	Debtor frequently repays after due dates but usually settle after due date.	Lifetime ECL – not credit-impaired	12-month ECL
正常風險	債務人經常於到期日後償付，但通常於到期日後結清。	全期預期信貸虧損—無信貸減值	12個月預期信貸虧損
High risk	There have been significant increases in credit risk since initial recognition through information developed internally.	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
高風險	信貸風險自初步確認後於內部資料完善過程中大幅增加。	全期預期信貸虧損—無信貸減值	全期預期信貸虧損—無信貸減值
Credit impaired	There is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
出現信貸減值	有跡象表明資產出現信貸減值。	全期預期信貸虧損—出現信貸減值	全期預期信貸虧損—出現信貸減值
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off	Amount is written off
核銷	有跡象表明債務人陷入嚴重的財務困境，因而貴集團收回款項的希望渺茫。	款項已被核銷	款項已被核銷

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 28. FINANCIAL INSTRUMENTS (Continued)

##### Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

The table below details the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

Financial assets at amortised cost 按攤銷成本計量之 金融資產	Internal credit assessment 內部信貸評估	12-month or lifetime ECL 12個月或 全期預期信貸虧損	Gross carrying amount 賬面總值	
			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables 貿易應收款項	Note (a) 附註(a)	Lifetime ECL (provision matrix) 全期預期信貸虧損 (撥備矩陣)	9,601	10,336
	Credit-impaired 出現信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損— 出現信貸減值	3,052	3,196
			12,653	13,532
Other receivables 其他應收款項	Note (b) 附註(b)	12-month ECL 12個月預期信貸虧損	326	488
	Credit-impaired 出現信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損— 出現信貸減值	7	46
			333	534
		Total 總計	12,986	14,066

#### 28. 金融工具(續)

##### 財務風險管理目標及政策(續)

##### 信貸風險及減值評估(續)

下表為須進行預期信貸虧損評估的本集團金融資產的信貸風險詳情：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 28. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

#### Credit risk and impairment assessment (Continued)

Notes:

- (a) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with credit-impaired, the Group determines the ECL on these items by using a provision matrix, grouped by internal credit assessment.
- (b) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. At 31 December 2019 and 2018, the Group has no past due other receivables.

As part of the Group's credit risk management, the Group applies internal credit assessment for its customers in relation to its operation. The following table provides information about the exposure to credit risk for trade receivables (not credit-impaired), which are assessed based on provision matrix at the end of the reporting period within lifetime ECL.

### 28. 金融工具(續)

#### 財務風險管理目標及政策(續)

#### 信貸風險及減值評估(續)

附註：

- (a) 就貿易應收款項而言，本集團已應用香港財務報告準則第9號內的簡化方法計量全期預期信貸虧損的虧損撥備。除出現信貸減值之債務人外，本集團使用撥備矩陣按內部信貸評估分組就該等項目釐定預期信貸虧損。
- (b) 就內部信貸風險管理而言，本集團使用逾期資料評估信貸風險自初始確認以來是否大幅增加。於二零一九年及二零一八年十二月三十一日，本集團概無其他應收款項逾期。

作為本集團信貸風險管理之一部分，本集團就其營運相關客戶應用內部信貸評估。下表為有關貿易應收款項於報告期末基於撥備矩陣之信貸風險資料，乃於全期預期信貸虧損(無信貸減值)內評估。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 28. FINANCIAL INSTRUMENTS (Continued)

##### Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

##### At 31 December 2019

Internal credit assessment 內部信貸評估

Low risk	低風險
Normal risk	正常風險
High risk	高風險

#### 28. 金融工具(續)

##### 財務風險管理目標及政策(續)

##### 信貸風險及減值評估(續)

##### 於二零一九年十二月三十一日

Average loss rate	Gross carrying amount	Impairment losses
平均虧損率	賬面總值	減值虧損
%	RMB'000	RMB'000
	人民幣千元	人民幣千元

		3.0	4,008	120
		4.6	4,217	194
		8.5	1,376	117
		4.5	9,601	431

##### At 31 December 2018

Internal credit assessment 內部信貸評估

Low risk	低風險
Normal risk	正常風險
High risk	高風險

Average loss rate	Gross carrying amount	Impairment losses
平均虧損率	賬面總值	減值虧損
%	RMB'000	RMB'000
	人民幣千元	人民幣千元

		3.0	4,538	134
		4.5	4,739	211
		8.0	1,059	82
		4.1	10,336	427

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management of the Group to ensure relevant information about specific debtors is updated.

估計虧損率乃基於債務人於預期年期的過往觀察所得的違約率估計，並按毋需花費過多成本或精力可取得的前瞻性資料調整。本集團管理層定期檢討分組以確保及時更新有關特定債務人的相關資料。



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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

28. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

28. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估(續)

下表載示就貿易應收款項使用簡化法確認之全期預期信貸虧損變動。

		Lifetime ECL (not credit- impaired)	Lifetime ECL (credit- impaired)	Total
		全期預期信貸虧 損(無信貸減值)	全期預期 信貸虧損 (出現信貸減值)	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	–	1,429	1,429
Impairment recognised	已確認減值	427	1,342	1,769
Impairment losses reversed	已撥回減值虧損	–	(374)	(374)
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	427	2,397	2,824
Impairment recognised	已確認減值	320	864	1,184
Impairment losses reversed	已撥回減值虧損	(316)	(1,118)	(1,434)
At 31 December 2019	於二零一九年十二月三 十一日	431	2,143	2,574

Changes in the loss allowance for trade receivables during the year ended 31 December 2019 are mainly due to the provision of lifetime ECL for trade receivables, including those not credit-impaired and credit-impaired with gross carrying amounts of approximately RMB9,601,000 (2018: RMB10,336,000) and RMB3,052,000 (2018: RMB3,196,000), respectively.

The following tables show reconciliation of loss allowances that has been recognised for other receivables.

截至二零一九年十二月三十一日止年度，貿易應收款項虧損撥備變動主要由於就貿易應收款項計提全期預期信貸虧損撥備，包括賬面總值約為人民幣9,601,000元之無信貸減值貿易應收款項(二零一八年：人民幣10,336,000元)及賬面總值約為人民幣3,052,000元人民幣的信貸減值貿易應收款項(二零一八年：人民幣3,196,000元)。

下表顯示已就其他應收款項確認之虧損撥備對賬。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 28. FINANCIAL INSTRUMENTS (Continued)

##### Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

#### 28. 金融工具(續)

##### 財務風險管理目標及政策(續)

##### 信貸風險及減值評估(續)

		Lifetime ECL (credit-impaired) 全期預期信貸虧損 (出現信貸減值) RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	70
Impairment recognised	已確認減值	1
Impairment losses reversed	已撥回減值虧損	(25)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	46
Impairment losses reversed	已撥回減值虧損	(39)
At 31 December 2019	於二零一九年十二月三十一日	7

Changes in the loss allowance for other receivables during the year ended 31 December 2019 are mainly due to the settlement of other receivables previously impaired amounting approximately RMB39,000 (2018: the settlement in full of credit-impaired other receivables with a gross carrying amount of RMB25,000).

##### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

截至二零一九年十二月三十一日止年度，其他應收款項虧損撥備變動主要由於結算早前出現減值之其他應收款項賬面總值約人民幣39,000元(二零一八年：全部結算出現信貸減值之其他應收款項賬面總值人民幣25,000元)。

##### 流動資金風險

管理流動資金風險方面，本集團監察及維持現金及現金等價物於管理層視為充足的水平，以提供本集團經營業務所需資金，並減少現金流波動的影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 28. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

##### Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

		Weighted average effective interest rate	On demand or within 1 year	1 to 2 years	2 to 5 years	Total undiscounted cash flows	Total carrying amount
		加權平均 實際利率	按要求或一年內	一至兩年	兩至五年	未貼現現金 流量總額	賬面值總額
		%	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
At 31 December 2019	於二零一九年十二月三十一日						
Trade payables	貿易應付款項	-	1,030	-	-	1,030	1,030
Other payables and accrued charges	其他應付款項及應計費用	-	3,784	-	-	3,784	3,784
Lease liabilities	租賃負債	4.53	1,223	121	341	1,685	1,612
			6,037	121	341	6,499	6,426

		Weighted average effective interest rate	On demand or within 1 year	1 to 2 years	2 to 5 years	Total undiscounted cash flows	Total carrying amount
		加權平均 實際利率	按要求或一年內	一至兩年	兩至五年	未貼現現金 流量總額	賬面值總額
		%	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
At 31 December 2018	於二零一八年十二月三十一日						
Trade payables	貿易應付款項	-	927	-	-	927	927
Other payables and accrued charges	其他應付款項及應計費用	-	8,740	-	-	8,740	8,740
			9,667	-	-	9,667	9,667

### 28. 金融工具(續)

#### 財務風險管理目標及政策(續)

##### 流動資金風險(續)

下表詳列本集團非衍生金融負債的剩餘合約期。下表乃根據金融負債的未貼現現金流量編製，該等金融負債乃根據本集團可能須付款的最早日期分類。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

#### 28. FINANCIAL INSTRUMENTS (Continued)

##### Fair value measurements of financial instruments

Financial assets and financial liabilities that are not measured at fair value on recurring basis

The directors of the Company consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values based on a discounted cash flow analysis.

#### 29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

##### (a) Major non-cash transactions

Right-of-use assets with a total capital value of approximately RMB1,592,000 with the corresponding amount of lease liabilities were initially recognised on 1 January 2019 upon adoption of HKFRS 16 and the Group further recognised right-of-use assets by incurring lease liabilities of approximately RMB542,000 during the year ended 31 December 2019.

#### 28. 金融工具(續)

##### 金融工具之公平值計量

並非按循環基準公平值計量的金融資產及金融負債

本公司管理層認為，基於貼現現金流量分析，按攤銷成本於綜合財務報表入賬的金融資產及金融負債的賬面值與其公平值相若。

#### 29. 融資活動產生之負債之對賬

##### (a) 主要非現金交易

採納香港財務報告準則第16號後，總資本值約為人民幣1,592,000元的使用權資產及相應租賃負債於二零一九年一月一日首次確認，於截至二零一九年十二月三十一日止年度，本集團產生租賃負債約人民幣542,000元，繼而進一步確認使用權資產。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (Continued) 29. 融資活動產生之負債之對賬(續)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

(b) 融資活動產生之負債之對賬

下表詳述本集團融資活動產生之負債變動。融資活動產生之負債乃指其現金流量或未來現金流量將於本集團綜合現金流量表中分類為融資活動現金流量之負債。

		Accrued shares issued cost 累計股份發行 成本 RMB'000 人民幣千元	Amount due to Shenzhen Junxuan 應付深圳君軒 款項 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年 一月一日	1,030	110	-	1,140
Financing cash flows, net	融資現金流量， 淨值	(7,258)	(110)	-	(7,368)
Accrued shares issued cost	累計股份發行 成本	6,228	-	-	6,228
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一 日及二零一九 年一月一日	-	-	-	-
Financing cash flows, net	融資現金流量， 淨值	-	-	(594)	(594)
Initial recognition upon adoption of HKFRS 16	採納香港財務 報告準則 第16號後 初始確認	-	-	1,592	1,592
Additions of new leases	增添新租賃	-	-	542	542
Interest expenses	利息開支	-	-	72	72
At 31 December 2019	於二零一九年 十二月 三十一日	-	-	1,612	1,612

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### 綜合財務報表附註

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### 30. RELATED PARTY TRANSACTIONS

#### (a) Related party transactions

Save as disclosed elsewhere in the consolidated financial statements, the Group had entered into following transactions with its related party during the years ended 31 December 2019 and 2018:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Lease and utilities expenses paid to Shenzhen Junxuan	已付深圳君軒之租金及公共開支	912	873

#### (b) Compensation of key management personnel

The emoluments of directors as key management personnel of the Group during the years ended 31 December 2019 and 2018 were as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries, bonus and other benefits	薪金、花紅及其他福利	1,151	479
Contributions to defined contribution plans	界定供款計劃供款	81	58
		1,232	537

### 30. 關連方交易

#### (a) 關連方交易

除於綜合財務報表其他地方之披露外，截至二零一九年及二零一八年十二月三十一日止年度，本集團與其關連方訂立以下交易：

#### (b) 主要管理人員薪酬

董事(作為本集團主要管理人員)截至二零一九年及二零一八年十二月三十一日止年度之薪酬如下：



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## 綜合財務報表附註

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### 31. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY 31. 本公司主要附屬公司之詳情

Details of principal subsidiaries at the end of the reporting period are as follows:

於報告期末，主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Paid up issued/registered capital 已發行及繳足股本/ 已繳足資本	Proportion ownership interest and voting power held by the Company 本公司所持所有權權益及投票權比例		Principal activities/ place of operation 主要業務/營運地點
			Directly 直接	Indirectly 間接	
Huakang Biomedical Company Limited	The BVI	Issued and fully paid share capital US\$1	100% (2018: 100%)	N/A	Investment holdings/ Hong Kong
Huakang Biomedical Company Limited	英屬處女群島	已發行及繳足股本1美元	100% (二零一八年： 100%)	不適用	投資控股/香港
Nutronic Biomedical Group Limited	Hong Kong	Issued and fully paid share capital HK\$1	100% (2018: N/A)	N/A	Investment holdings/ Hong Kong
Nutronic Biomedical Group Limited	香港	已發行及繳足股本1港元	100% (二零一八年： 不適用)	不適用	投資控股/香港
King Grace	The BVI	Issued and fully paid share capital US\$10	N/A	100% (2018: 100%)	Investment holdings/ Hong Kong
King Grace	英屬處女群島	已發行及繳足股本10美元	不適用	100% (二零一八年： 100%)	投資控股/香港
Shenzhen Huakang (Note (b))	The PRC	Paid-up registered capital US\$1,800,000 (2018: US\$500,000)	N/A	100% (2018: 100%)	Research and development, manufacture, marketing and sale of biological reagents and auxiliary reproductive supplies and equipment/The PRC
深圳華康(附註(b))	中國	繳足註冊股本1,800,000 美元(二零一八年： 500,000美元)	不適用	100% (二零一八年： 100%)	研發、生產、營銷及銷售 體外診斷試劑及輔助生育 用品和設備/中國

Notes:

附註：

- (a) None of the subsidiaries had issued any debt securities at the end of reporting period.
- (b) Shenzhen Huakang is a wholly foreign owned enterprise.

- (a) 於報告期末，概無附屬公司發行任何債務證券。
- (b) 深圳華康為一間外資全資擁有企業。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 32. EVENTS AFTER THE REPORTING PERIOD

In addition to information disclosed elsewhere in the consolidated financial statements, subsequent to 31 December 2019, the Group has the following subsequent events:

- (i) On 13 January 2020, an ordinary resolution was passed to approve and adopt the share option scheme of the Company (the **“Share Option Scheme”**). As detailed in the circular of the Company dated 23 December 2019, the Share Option Scheme is further subject to approval by the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any ordinary share of the Company which may fall to be allotted and issued upon exercise of the options in accordance with the terms and conditions of the Share Option Scheme. On 14 January 2020, the Share Option Scheme was approved by the Listing Committee of the Stock Exchange.
- (ii) Since the 2020 Chinese New Year Holidays, the Group’s operations located in Shenzhen of Guangdong Province, the PRC (the **“Shenzhen Operations”**) were suspended as a result of the outbreak of the COVID-19 epidemic. The Shenzhen Operations have resumed in operation on 24 February 2020, however due to the suspension or limited service of transportation facilities in certain areas in the PRC, certain workers were unable to return to the Shenzhen Operations as planned, which resulted in a temporarily drop in the production capacity of the Shenzhen Operations. It is expected by the management that the Shenzhen Operations would and will have experienced delay in resuming their original production schedule and there will be late delivery of products in the coming few months.

At the date of authorisation for issue of the consolidated financial statements, the Group does not expect those events have any significant adverse impacts to the financial position of the Group.

#### 32. 報告期後事項

除於綜合財務報表其他地方披露的資料外，二零一九年十二月三十一日後，本集團有以下期後事項：

- (i) 於二零二零年一月十三日，一項普通決議案獲通過，批准及採納本公司之購股權計劃（「購股權計劃」）。誠如本公司日期為二零一九年十二月二十三日的通函所詳述，購股權計劃進一步須待聯交所上市委員會授予批准根據購股權計劃的條款及條件行使購股權而可予配發及發行的本公司任何普通股上市及買賣。於二零二零年一月十四日，購股權計劃獲聯交所上市委員會批准。
- (ii) 自二零二零年農曆新年假期以來，由於新型冠狀病毒疫情爆發，本集團在中國廣東省深圳市的業務（「深圳業務」）已告暫停。深圳業務於二零二零年二月二十四日恢復運營，但鑒於中國若干地區的交通設施暫停或服務有限，部分工人無法按計劃重返深圳業務，導致深圳業務的生產力暫時下降。管理層預期深圳業務將可能及將在恢復其原定生產計劃方面受到延期，並且產品交付方面在未來數個月將有所延誤。

在批准刊發綜合財務報表之日，本集團預期該等事件不會對本集團的財務狀況造成任何重大不利影響。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 33. 本公司財務報表

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		Notes 附註		
Non-current assets	非流動資產			
Interests in subsidiaries	於附屬公司之權益		9,278	–
Property, plant and equipment	物業、廠房及設備		224	–
Right-of-use assets	使用權資產		1,067	–
			10,569	–
Current assets	流動資產			
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項		687	302
Amounts due from subsidiaries	應收附屬公司之款項	33(a)	2,535	1,724
Bank balances and cash	銀行結餘及現金		15,193	34,425
			18,415	36,451
Current liabilities	流動負債			
Other payables and accrued charges	其他應付款項及應計費用		1,007	6,118
Lease liabilities	租賃負債		594	–
Amount due to a subsidiary	應付一間附屬公司之款項	33(a)	1,852	–
			3,453	6,118
Net current assets	流動資產淨值		14,962	30,333
Total assets less current liabilities	資產總值減流動負債		25,531	30,333
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債		431	–
NET ASSETS	資產淨值		25,100	30,333
Capital and reserves	資本及儲備			
Share capital	股本		3,509	3,509
Reserves	儲備	33(b)	21,591	26,824
TOTAL EQUITY	權益總額		25,100	30,333

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### 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

### 33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued) 33. 本公司財務報表(續)

**33(a)** The amounts due from (to) subsidiaries were unsecured, interest-free and repayable on demand.

**33(a)** 應收（付）附屬公司之款項屬無抵押、不計息及按要求償還。

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**33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)**      **33. 本公司財務報表(續)**

<b>33(b) Movement in the Company's reserves</b>		<b>33(b) 本公司之儲備變動</b>		
		Share premium 股份溢價 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年 一月一日	16,667	(11,909)	4,758
Loss and total comprehensive expense for the year	年內虧損及 全面開支總額	-	(8,515)	(8,515)
Transactions with owners: Contributions and distributions	與擁有人之交易： 供款及分派			
Issue of shares pursuant to the Capitalisation Issue (Note 24(b))	根據資本化發行發 行股份 (附註24(b))	(2,632)	-	(2,632)
Issue of shares under the Share Offer (Note 24(c))	根據股份發售 發行股份 (附註24(c))	42,983	-	42,983
Transaction costs directly attributable to issue of shares	發行股份之直接 應佔交易成本	(9,770)	-	(9,770)
		30,581	-	30,581
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日 及二零一九年 一月一日	47,248	(20,424)	26,824
Loss and total comprehensive expense for the year	年內虧損及 全面開支總額	-	(5,233)	(5,233)
At 31 December 2019	於二零一九年 十二月三十一日	47,248	(25,657)	21,591



# FINANCIAL SUMMARY

## 財務概要

A summary of the results, assets and liabilities of the Group for the last five financial years is set out below. This summary does not form part of the consolidated financial statements.

本集團於過往五個財政年度之業績、資產及負債概要載列如下。本概要並不構成綜合財務報表之其中一部分。

### RESULTS

### 業績

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	25,471	28,677	26,541	25,410	19,456
Profit (loss) before taxation	除稅前溢利 (虧損)	658	1,242	(247)	9,944	9,203
Taxation	稅項	(942)	(1,701)	(1,705)	(1,518)	(1,269)
(Loss) Profit for the year attributable to the owners of the Company	本公司擁有人應佔年度(虧損)溢利	(284)	(459)	(1,952)	8,462	7,934

### ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

### 資產、負債及非控股權益

<b>Assets</b>	<b>資產</b>					
Non-current assets	非流動資產	15,244	13,667	12,507	7,666	7,867
Current assets	流動資產	63,468	69,767	35,915	29,782	19,621
Total assets	資產總值	78,712	83,434	48,422	37,448	27,488
<b>Equity and liabilities</b>	<b>權益及負債</b>					
Total equity	權益總額	70,685	71,021	37,390	24,201	15,775
Non-current liabilities	非流動負債	816	430	220	615	1,250
Current liabilities	流動負債	7,211	11,983	10,812	12,632	10,463
Total liabilities	負債總額	8,027	12,413	11,032	13,247	11,713
Total equity and liabilities	權益及負債總額	78,712	83,434	48,422	37,448	27,488