Hi-Level Technology Holdings Limited
揚宇科技控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8113)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2020

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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.

*This announcement, for which the directors (the "**Directors**") of Hi-Level Technology Holdings Limited (the "**Company**") 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

FINANCIAL HIGHLIGHTS

	2020	2019	Change
Revenue (HK$ thousand)	**2,254,195**	1,801,130	+25%
Profit attributable to owners of the Company (HK$ thousand)	**32,127**	14,652	+119%
Basic earnings per share (HK cents)	**4.92**	2.25	+119%
Dividend per share (HK cents)			
– Final proposed	**2.5**	1.0	
– Interim paid	**–**	1.0	
Total	**2.5**	2.0	+25%

The board of Directors (the "**Board**") of Hi-Level Technology Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2020 together with last year's comparative figures are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	**2020** **HK$'000**	2019 HK$'000
Revenue	3	**2,254,195**	1,801,130
Cost of sales		**(2,172,604)**	(1,736,665)
Gross profit		**81,591**	64,465
Other income		**1,831**	1,483
Other gain/(loss)		**233**	(61)
Impairment losses under expected credit loss model, net of (provision)/reversal		**(3,545)**	80
Distribution costs		**(13,381)**	(15,632)
Administrative expenses		**(24,614)**	(24,318)
Finance costs		**(3,283)**	(8,596)
Profit before taxation	5	**38,832**	17,421
Income tax expense	4	**(6,705)**	(2,769)
Profit for the year		**32,127**	14,652
Other comprehensive income/(loss)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations:			
– subsidiaries		**5,203**	(3,468)
Other comprehensive income/(loss) for the year		**5,203**	(3,468)
Total comprehensive income for the year		**37,330**	11,184
Earnings per share (HK cents)	7		
– basic		**4.92**	2.25
– diluted		**4.92**	2.25

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	**2020 HK$'000**	2019 HK$'000
Non-current Assets			
Property, plant and equipment		**1,806**	2,236
Right-of-use assets		**8,331**	3,731
Club membership		**266**	266
Rental deposit	8	**777**	10
		11,180	6,243
Current Assets			
Inventories		**239,680**	246,552
Trade and other receivables	8	**165,558**	175,195
Debt instruments at fair value through other comprehensive income		**1,477**	8,256
Taxation recoverable		**–**	4,359
Bank balances and cash		**140,961**	114,485
		547,676	548,847
Current Liabilities			
Trade and other payables	9	**310,335**	252,208
Contract liabilities		**10,279**	11,500
Lease liabilities		**8,194**	3,436
Amount due to a related party		**91**	384
Taxation payable		**6,429**	1,708
Bank borrowings		**54,667**	147,577
		389,995	416,813
Net Current Assets		**157,681**	132,034
Total Assets less Current Liabilities		**168,861**	138,277
Non-current Liability			
Lease liabilities		**142**	360
Net Assets		**168,719**	137,917
Capital and Reserves			
Share capital	10	**6,528**	6,528
Reserves		**162,191**	131,389
TOTAL EQUITY		**168,719**	137,917

NOTES

1. BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") by way of placing (the "**Placing**") on 7 January 2016 (the "**Listing**"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The Company acts as an investment holding company. The Group is principally engaged in the sales of electronic products with/without the provision of independent design house services.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is different from the functional currency of the Company, United States dollars ("**US$**"). The directors of the Company consider that presenting the consolidated financial statements in HK$ is preferable when monitoring the performance and financial position of the Group.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

a) Adoption of new or amended HKFRSs

The Hong Kong Institute of Certified Public Accountants has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKFRS 3 – Definition of a Business
- Amendments to HKAS 1 and HKAS 8 – Definition of Material
- Amendments to HKAS 39, HKFRS 7 and HKFRS 9 – Interest Rate Benchmark Reform

None of these new or amended HKFRSs has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

b) **New and amended HKFRSs that have been issued but not yet effective**

The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue

(i) Disaggregation of revenue from contracts with customers

	2020	2019
	HK$'000	HK$'000
Type of goods or services		
Sales of electronic products with/without the provision of independent design house services	**2,254,195**	1,801,130
Geographical markets		
The PRC	**1,343,202**	1,344,874
Hong Kong	**841,242**	419,524
Taiwan	**61,347**	15,991
Korea	**4,846**	14,657
Others	**3,558**	6,084
Total	**2,254,195**	1,801,130
Timing of revenue recognition		
A point in time	**2,254,195**	1,801,130

(ii) Performance obligations for contracts with customers

Sales of electronic products with/without the provision of independent design house services

The Group sells electronic products with/without the provision of design house services directly to customers. Revenue is recognised when independent control of the goods has transferred, being when the goods have been delivered to the customer's specific location (delivery). The normal credit term is 30 to 90 days upon delivery.

Under the Group's standard contract terms, customers have a right to exchange for defective products within one month. The Group uses its accumulated historical experience to estimate the number of exchange on a portfolio level using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur. A contract liability is recognised for sales in which revenue has yet to be recognised. The Group's right to recover the product when customers exercise their right is recognised as a right to returned goods asset and a corresponding adjustment to cost of sales.

Contracts for sales of electronic products with/without the provision of independent design house services are typically have a non-cancellable term in which the Group bills a portion of the contract sum in advance and the remaining when the good is delivered. All sales of electronic products with/without the provision of independent design house services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Segment information

The executive directors of the Company have determined that the Group has only one operating and reportable segment throughout both years.

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses only on revenue analysis by geographical location of customers. As no other discrete financial information is available for the assessment of different business activities, no segment information is presented other than entity-wide disclosures.

(i) Geographical information

The following is an analysis of the carrying amount of non-current assets excluded rental deposits by geographical area in which the assets are located:

	2020	2019
	HK$'000	HK$'000
The PRC	**9,887**	4,752
Hong Kong	**516**	1,481
	10,403	6,233

(ii) Information about major customers

Revenue from one customer of the Group amounted to HK$334,255,000 (2019: Nil), which contributed over 10% of the Group's revenue.

4. INCOME TAX EXPENSE

	2020	2019
	HK$'000	HK$'000
Current tax:		
Hong Kong Profits Tax	**6,889**	2,584
PRC Enterprise Income Tax ("EIT")	**22**	203
	6,911	2,787
Overprovision in prior years:		
Hong Kong Profits Tax	**(64)**	(18)
PRC EIT	**(142)**	–
	(206)	(18)
Income tax expense	**6,705**	2,769

5. PROFIT BEFORE TAXATION

	2020	2019
	HK$'000	HK$'000
Profit for the year has been arrived at after charging/ (crediting):		
Directors' remuneration	**4,108**	4,052
Staff costs:		
Salaries and other allowances	**23,410**	26,699
Retirement benefit scheme contributions	**843**	1,518
	24,253	28,217
Total staff costs	**28,361**	32,269
Auditor's remuneration	**864**	1,360
Bank interest income	**(759)**	(446)
Net exchange loss	**233**	12
Short-term leases expenses	**1,192**	601
Cost of inventories recognised as an expense	**2,152,997**	1,688,566
Reversal of allowance for inventories	**(2,677)**	(5,412)
Impairment loss under expected credit loss model, net of provision/(reversal)		
– Trade receivables	**3,545**	(80)
Depreciation of property, plant and equipment	**709**	951
Depreciation of right-of-use assets	**3,266**	3,147
Gain on termination of lease	**(6)**	–
Loss on disposal of property, plant and equipment	**–**	25
Government grants	**(977)**	(1,037)

6. DIVIDENDS

	2020	2019
	HK$'000	HK$'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2019 Interim of HK$0.01 per share was declared and paid	**–**	6,528
2019 Final of HK$0.01 (2019: 2018 Final of HK$0.01) per share was declared and paid	**6,528**	6,527
	6,528	13,055

Note: Subsequent to the end of the reporting period and on the date of this announcement, a final dividend of HK$0.025 in respect of the year ended 31 December 2020 (2019: final dividend of HK$0.01 in respect of the year ended 31 December 2019) per share, in aggregate amount of HK$16,319,000 (2019: HK$6,528,000) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share amounts is based on earnings for the year attributable to equity holders of the Company, and the weighted average number of ordinary shares in issue during the year as follows:

	2020	2019
	HK$'000	HK$'000
Earnings:		
Profit for the year for the purpose of basic earnings per share	**32,127**	14,652

	2020	2019
	No. of shares '000	No. of shares '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**652,770**	652,565
Effect of dilutive potential shares:		
Share options	**–**	20
Weighted average number of shares for the purpose of diluted earnings per share	**652,770**	652,585

8. TRADE AND OTHER RECEIVABLES

	2020	2019
	HK$'000	HK$'000
Trade receivables	**146,126**	143,813
Other receivables, deposits and prepayments	**23,929**	32,093
Total trade and other receivables	**170,055**	175,906
Less: allowance for expected credit losses	**(3,720)**	(701)
Net trade and other receivables	**166,335**	175,205
Less: receivables within twelve months shown under current assets	**(165,558)**	(175,195)
Rental deposit shown under non-current assets	**777**	10

The Group allows credit period ranging from 30 days to 90 days which are agreed with each of its trade customers.

Included in trade and other receivables are trade debtors with the following ageing analysis, based on invoice dates, as of the end of reporting period:

	2020	2019
	HK$'000	HK$'000
1 – 30 days	**96,052**	103,775
31 – 60 days	**35,137**	28,932
61 – 90 days	**14,715**	8,692
91 – 180 days	**207**	1,769
181 – 365 days	**15**	113
Over 1 year	**–**	532
	146,126	143,813

9. TRADE AND OTHER PAYABLES

	2020	2019
	HK$'000	HK$'000
Trade payables	**295,407**	239,400
Other payables and accruals	**14,928**	12,808
Total trade and other payables	**310,335**	252,208

The credit period on trade payables ranged from 30 days to 120 days.

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	2020	2019
	HK$'000	HK$'000
1 – 30 days	**207,592**	171,264
31 – 60 days	**83,570**	57,201
61 – 90 days	**3,875**	10,544
91 – 120 days	**–**	–
121 – 365 days	**5**	28
Over 1 year	**365**	363
	295,407	239,400

10. SHARE CAPITAL

Details of movements of authorised and issued capital of the Company during the year are as follows:

	Note	**No. of ordinary shares ’000**	**HK$’000**
Ordinary shares of HK$0.01 each			
Authorised:			
At 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020		**2,000,000**	**20,000**
Issued and fully paid:			
At 1 January 2019		**650,270**	**6,503**
Exercise of share options	(a)	**2,500**	**25**
At 31 December 2019, 1 January 2020 and 31 December 2020		**652,770**	**6,528**

Note:

(a) During the year ended 31 December 2019, 2,500,000 share options were exercised and 2,500,000 ordinary shares were issued at the exercise price of HK$0.31 per share.

The new shares rank passu with the existing shares in all respect.

DIVIDENDS

The Board has recommended a final dividend of HK2.5 cents per share (2019: final dividend of HK1.0 cent per share) for the year ended 31 December 2020 subject to approval by the shareholders at the forthcoming annual general meeting. Total dividend for the year is HK2.5 cents per share (2019: HK2.0 cents per share).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 12 May 2021 to 18 May 2021, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the attending and voting at the AGM, all transfers accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 11 May 2021. The record date for the attending and voting at the AGM is 11 May 2021.

The Register of Members of the Company will be closed from 25 May 2021 to 27 May 2021, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the entitlement of the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 24 May 2021. Dividend warrants will be dispatched on 4 June 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is primarily engaged in the sale of electronic components (mainly integrated circuit ("**IC**") and panels) for consumer electronic products such as mobile internet devices ("**MID**"), electronic learning aids ("**ELA**"), multi-media player (car infotainment system), smartphone panel modules, set-top boxes ("**STB**") and video image device together with the provision of IDH services to original brand manufacturers and original design manufacturers.

Our sales of Innolux panel solutions recorded significant growth in 2020 as the lockdown measures formulated for combating the COVID-19 pandemic had encouraged consumers to perform indoor activities, such as working from home and enjoying stay-at-home experience with the use of MID. Moreover, our sales for electronic components of smartphone panel module solutions also increased significantly from the second half of 2020 as smartphone sales in China surged sequentially due to the improvement of the consumption sentiment. However our sales of video imaging device and STB solutions were impacted by the outbreak of COVID-19 throughout the year. In overall, revenue of the Group for 2020 increased 25.1% as compared to last year.

MID

In 2020, due to the outbreak of COVID–19, the consumers and business sectors made use of tablets to facilitate remote work, learning and leisure activities. Our sales of Innolux panel solutions recorded significant growth as compared to 2019 such that MID segment of tablet and smart speaker products delivered the largest revenue of the Group.

Smartphone Panel Module

The upgrade of 4G mobile phones to 5G accelerated the smartphones sales in China and our new generation panel modules solutions were well adopted by customers in 2020, therefore the segment delivered the second largest revenue of the Group.

ELA

Under the spread of pandemic, the PRC Ministry of Education extended the class suspension arrangements for all primary and secondary schools until May 2020, ELA became the important tools for students to replace traditional textbooks. The sales of our ELA solutions increased as compared to 2019.

Car Infotainment System

Sales of cars in China fell in the first half of 2020 because of the outbreak of the COVID-19 pandemic. The demand of our car infotainment system gained momentum in the second half of 2020 due to the easing of the COVID-19 control measures. Overall the sales of car infotainment system showed a slight decrease as compared with last year.

STB

The Company's main sales market of STB solutions is in the Middle East, South America and North Africa. Our sales of STB solutions decreased compared to 2019 as the above three geographical areas were severely affected by the COVID-19 pandemic throughout the year.

Video Image Device

The main market of video image device products such as aerial cameras, hunting cam and sports cameras are mainly Europe and US. Our sales of video Image device solutions decreased as compared to 2019 as the above two geographical areas were severely affected by the COVID-19 pandemic throughout the year.

OUTLOOK

Looking forward, the Group will closely monitor the economic uncertainties coupling with the COVID-19 pandemic and the escalating U.S.-China tensions. To overcome these challenges and difficulties, the Group will endeavor to broaden its revenue sources, enhance its product diversity, widen its customer base and search for new suppliers from different areas. The Group will also maintain a flexible business strategy to explore new business opportunities for its developments.

The Group will continue to invest resources in the development of Artificial Intelligence of Things solutions for anti-epidemic and 5G applications.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2020, the Group achieved sales revenue of HK$2,254,195,000, increased by 25.1% from HK$1,801,130,000 as recorded in 2019. The increase was primarily attributable to our increased sales to MID and Smartphone Panel Modules customers.

Gross Profit

For the year ended 31 December 2020, gross profit was HK$81,591,000, increased by 26.6% from HK$64,465,000 as recorded last year. Gross profit margin was 3.62%, increased from 3.58% as recorded in 2019.

Distribution Costs and Administrative Expenses

For the year ended 31 December 2020, the Group's operating costs were HK$37,995,000 (2019: HK$39,950,000), representing a decrease by 4.9%, compared to the corresponding period in 2019. The Group exercised cost control measures such as decrease of audit fee and logistic fee after relocation of warehouse.

Profit Attributable to Owners of the Company

The profit attributable to owners of the Company for the year ended 31 December 2020 was HK$32,127,000, increased by 119.3%, compared to HK$14,652,000 as recorded in 2019. Such increase was mainly attributable to, as compared to the same recorded during the year ended 31 December 2019, the success of the increase in the Group's revenue and the reduction in the Group's overall expenses during the year ended 31 December 2020.

Liquidity and Financial Resources

The Group's principal sources of funds are cash generated from operations and bank borrowings. As at 31 December 2020, the Group's current ratio was 140.4% (31 December 2019: 131.7%). The Group was in net cash position and maintained sufficient working capital with bank balances and cash of HK$140,961,000 (31 December 2019: HK114,485,000) and bank borrowings of HK$54,667,000 (31 December 2019: HK$147,577,000). The Group's total equity of approximately HK$168,719,000 (31 December 2019: HK$137,917,000).

The Group recorded debtors turnover of approximately 23 days for the year under review (2019: 31 days) based on the amount of the average of beginning and ending debtors divided by revenue for the respective year, multiplied by 365 days.

The Group recorded inventory turnover and creditor turnover of 41 days and 45 days respectively for the year under review (2019: approximately 56 days and 41 days respectively) based on the amount of the average of beginning and ending inventory and creditors as at 31 December 2020, divided by cost of sales for the respective year and multiplied by 365 days.

Foreign Exchange Risk Management

The Group derives its turnover, make purchases and incurs expenses denominated mainly in Renminbi, US$ and HK$. Currently, the Group has not entered into agreements or purchases instruments to hedge the Group's exchange rate risks. The management considers that the foreign exchange risk with respect to US$ and Renminbi are not significant as HK$ is pegged to US$ and transactions denominated in US$ and Renminbi are mainly carried out by entities with the same functional currency. The exchange rate of Renminbi is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

Employee and Remuneration Policy

As 31 December 2020, the Group employed approximately 100 employees in the Greater China region. We ensure that their remuneration packages are comprehensive and competitive. Employees are remunerated with a fixed monthly income plus annual performance related bonuses.

Other than medical insurance and provident fund schemes, we also offer share options to our key employees as a long-term incentive who are identified as essential to our Group's operations and future development.

USE OF PROCEEDS FROM THE LISTING AND CHANGE IN USE OF PROCEEDS

On 7 January 2016, the Company has offered 150,000,000 shares for subscription by way of placing and raised net proceeds of approximately HK$30 million.

The change of use of the net proceeds was approved by the Board of Directors of the Company on 15 March 2018.

The revised use of net proceeds from the Placing is set out as follows:

Uses	Original allocation (HK$ million)	Revised allocation (HK$ million)	Actual use of proceeds as at 31 December 2020 (HK$ million)	Balance as at 31 December 2020 (HK$ million)	Expected timeline of full utilization of the balance
Upgrading the Group's ERP system	4.6	4.6	0.6	4.0	By end of 2021
Expanding the Group's ELA business by engaging in:					
– Research and development staff expenses	2.5	2.5	2.5	–	N/A
– Equipment purchases	8.7	8.7	1.2	7.5	By end of 2021
	11.2	11.2	3.7	7.5	
Expanding the Group's product range by engaging in:					
– Car infotainment	2.8	2.8	2.8	–	N/A
– Drones Wi-Fi Transmission	2.8	2.8	2.8	–	N/A
– Artificial Intelligence and Internet-of-Things	–	5.6	1.3	4.3	By end of 2021
– Others	5.6	–	–	–	N/A
	11.2	11.2	6.9	4.3	
General working capital	3.0	3.0	3.0	–	N/A
Total	30.0	30.0	14.2	15.8	

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2020, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Board established the audit committee on 23 December 2015 with written terms of reference which are of no less exacting terms than those set out in the Corporate Governance Code (the "**CG Code**").

The audit committee comprises three independent non-executive Directors, namely Mr. Shea Chun Lok, Quadrant, Mr. Fung Cheuk Nang, Clement, and Mr. Tsoi Chi Ho, Peter. Mr. Shea Chun Lok, Quadrant is the chairman of the audit committee.

The Audit Committee of the Company has reviewed with management the accounting principles and policies adopted by the Group, internal control, risk management and the audited consolidated financial statements of the Group for the year ended 31 December 2020.

CORPORATE GOVERNANCE

The Group has complied with the applicable code provisions in the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules (the "**CG Code**") for the year ended 31 December 2020, except for the following deviations:

Under the code provision A.1.8 of the CG Code, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. With regular and timely communications among the Directors and the management of the Group, the management of the Group believes that all potential claims and legal actions against the Directors can be handled effectively, and the possibility of actual litigation against the Directors is very low. The Company will consider to make such an arrangement as and when it thinks necessary.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct (the "**Code of Conduct**") regarding securities transactions by the Directors. All Directors, after specific enquiries by the Company, confirmed to the Company their compliance with the Code of Conduct throughout the year under review.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Company (***www.hi-levelhk.com***) and the Stock Exchange of Hong Kong Limited (***www.hkex.com.hk***). The 2020 annual report will be dispatched to the shareholders of the Company and published on the above websites in due course.

AUDITOR

The consolidated financial statements for the year ended 31 December 2020 have been audited by BDO Limited. BDO Limited was appointed as auditor of the Company on 4 December 2020 following the resignation of Deloitte Touche Tohmatsu on 4 December 2020. A resolution will be submitted to the annual general meeting to re-appoint BDO Limited as auditor of the Company.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this preliminary announcement.

APPRECIATION

On behalf of the Board of Directors, I would like to thank all our employees for their contribution and commitments. I also wish to extend my sincere gratitude to our shareholders, customers, suppliers and other business partners for their long-term supports and dedication.

Finally, I wish you all stay healthy.

By order of the Board
Hi-Level Technology Holdings Limited
Dr. Yim Yuk Lun, Stanley *BBS JP*
Chairman

Hong Kong, 18 March 2021

As at the date of this announcement, the Board comprises four executive directors, namely Dr. Yim Yuk Lun, Stanley BBS JP, Mr. Chang Wei Hua, Mr. Wei Wei and Mr. Tong Sze Chung; one non-executive director, Mr. Wong Wai Tai and three independent non-executive directors, namely Mr. Shea Chun Lok, Quadrant, Mr. Fung Cheuk Nang, Clement and Mr. Tsoi Chi Ho, Peter.