

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	<i>Notes</i>	2021 RMB'000 (Unaudited)	2020 RMB'000 (Audited)
Turnover	3	1,296,192	1,544,536
Cost of sales		<u>(721,710)</u>	<u>(976,343)</u>
Gross profit		574,482	568,193
Other income	3	289,928	343,613
Selling and distribution costs		(41,759)	(48,116)
Administrative expenses		(139,363)	(135,715)
Other operating expenses		(281,399)	(294,152)
Fair value gain/(loss) on investment properties		9,119	(21,239)
Fair value gain on transfer of properties held for sale to investment properties		—	367
Finance costs		(226,712)	(162,995)
Share of loss for investment in an associated company		<u>(684)</u>	<u>—</u>
Profit before income tax	4	183,612	249,956
Income tax expense	5	<u>(66,478)</u>	<u>(39,418)</u>
Profit for the year attributable to owners of the Company		<u>117,134</u>	<u>210,538</u>
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Surplus on revaluation of land and buildings		38,924	10,685
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		<u>222</u>	<u>503</u>
Other comprehensive income for the year, net of tax		<u>39,146</u>	<u>11,188</u>
Total comprehensive income for the year attributable to owners of the Company		<u><u>156,280</u></u>	<u><u>221,726</u></u>
Earnings per share — Basic and diluted (<i>RMB</i>)	7	<u><u>0.095</u></u>	<u><u>0.171</u></u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Notes</i>	2021 RMB'000 (Unaudited)	2020 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		787,682	804,923
Investment properties		2,168,950	2,091,024
Investment in an associate		11,316	—
Right-of-use assets		70,316	81,059
Deferred tax assets		26,871	26,871
		3,065,135	3,003,877
Total non-current assets			
Current assets			
Inventories		81,486	74,006
Properties under development		900,507	722,050
Properties held for sale		1,276,480	1,356,712
Trade receivables	8	234,166	253,991
Bills receivable	8	108,572	47,188
Other receivables, deposits and prepayments		305,353	231,779
Contract costs		3,232	3,232
Amounts due from related parties		3,877	1,757
Cash and bank balances		2,445,429	2,486,422
		5,359,102	5,177,137
Total current assets			
Current liabilities			
Trade payables	9	766,295	908,520
Bills payable	9	105,938	100,000
Contract liabilities		182,524	326,002
Other payables, accruals and receipts in advance		403,739	200,441
Amounts due to related parties		138	339
Lease liabilities		13,895	12,703
Bank borrowings		816,000	1,623,687
Income tax payable		138,655	95,718
		2,427,184	3,267,410
Total current liabilities			
Net current assets		2,931,918	1,909,727
Total assets less current liabilities		5,997,053	4,913,604

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Non-current liabilities		
Bank borrowings	2,615,990	1,672,410
Other payables, accruals and receipts in advance	—	15,410
Lease liabilities	30,759	43,172
Deferred tax liabilities	<u>394,625</u>	<u>383,212</u>
Total non-current liabilities	<u>3,041,374</u>	<u>2,114,204</u>
NET ASSETS	<u>2,955,679</u>	<u>2,799,400</u>
CAPITAL AND RESERVES		
Share capital	123,314	123,314
Reserves	<u>2,832,365</u>	<u>2,676,086</u>
TOTAL EQUITY	<u>2,955,679</u>	<u>2,799,400</u>

NOTES :

1. CORPORATE INFORMATION

The Company is a joint stock limited liability company established in the People's Republic of China (the "PRC"). The Group is principally engaged in the research, development, manufacture and distribution of special computer products, assembling and trading of electronic products and accessories and development of properties in the PRC.

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

(a) Adoption of new or amended HKFRSs

The below new standards impacting the Group that have been adopted in the annual financial statements for the year ended 31 December 2021:

- Interest Rate Benchmark Reform — IBOR 'phase 2' (Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16); and
- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to HKFRS 16).

(b) New or amended HKFRSs that have been issued but are not yet effective

The following new or amended HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to HKAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to HKAS 16);
- Annual Improvements to HKFRS Standards 2018–2020 (Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41); and
- References to Conceptual Framework (Amendments to HKFRS 3).

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to HKAS 1 and HKFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to HKAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to HKAS 12).

The Group does not expect any other standards issued by the HKICPA, but not yet effective, to have a material impact on the Group.

3. TURNOVER AND OTHER INCOME

Turnover represents the invoiced value of goods sold and services provided to customers and excludes value added tax. The amounts of each significant category of revenue recognised during the year are as follows:

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Turnover		
Sales of special computer products	811,568	650,511
Sales of mobile phones and accessories	284,769	668,913
Sales of properties	199,855	225,112
	<u>1,296,192</u>	<u>1,544,536</u>

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Receivables	234,166	253,991
Contract liabilities	<u>182,524</u>	<u>326,002</u>

Unsatisfied performance obligations

As at 31 December 2021, the performance obligation that are unsatisfied were approximately RMB182,524,000 (2020: RMB326,002,000). Management expects that the unsatisfied performance obligations at reporting date will be recognised as revenue within one year or less based on the contract period and the timing of the transfer of those goods is at the discretion of the customers.

	2021 RMB'000 (Unaudited)	2020 <i>RMB'000</i> (Audited)
Other income		
Net rentals from investment properties	127,551	156,873
Bank interest income	39,366	16,347
Value-added tax (“VAT”) concessions (<i>Note (a)</i>)	20,265	25,236
Government subsidies (<i>Note (b)</i>)	46,053	100,838
Repairs and maintenance income	5,163	4,992
Exchange loss	(415)	(778)
Compensation for termination of lease	—	9,596
Material and scrap sales income	—	4,707
Gain on disposal of property, plant and equipment	143	728
Service income	15,645	5,403
Sundry income	36,157	19,671
	289,928	343,613

Notes:

- (a) VAT refunds were obtained from local tax authority in respect of sales of approved software and integrated circuit products.
- (b) Financial incentives were granted by the PRC government for development of high-technology products and purchases of specified property, plant and equipment for development of specified projects.

4. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Auditor's remuneration	1,608	2,049
Cost of inventories recognised as an expense	641,777	876,953
Cost of sales of properties recognised as an expense	79,933	99,390
Foreign exchange difference, net	415	778
Impairment on inventories	6,489	191
Research and development costs	254,366	266,177
Short-term leases expenses	21,705	2,103
Staff costs (including directors' emoluments):		
Wages, salaries and allowances	96,884	98,849
Bonus	7,074	7,293
Contributions to retirement benefits schemes	4,353	4,490
	<u>108,311</u>	<u>110,632</u>

5. INCOME TAX EXPENSE

The Company and a subsidiary which have been approved as new and high technology enterprise are entitled to a concessionary tax rate of 15% for a period of three years. The Company and a subsidiary need to re-apply for the preferential tax treatment when the preferential tax period expires on 10 December 2023.

Other subsidiaries are subject to income tax rate of 25% (2020: 25%) during the reporting period.

The PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax under a two-tiered profits tax rates regime. The first HK\$2 million of profits are taxed at 8.25%, and the remaining profits above HK\$2 million are taxed at 16.5%.

No Hong Kong profits tax has been provided for the years ended 31 December 2021 and 2020 as there was no estimated assessable profit.

6. DIVIDENDS

The board of directors do not recommend the payment of final dividend for the year ended 31 December 2021 (2020: Nil).

7. EARNINGS PER SHARE

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

	2021 (Unaudited)	2020 (Audited)
Profit for the year attributable to the owners of the Company for the purpose of earnings per share calculation (<i>RMB'000</i>)	117,134	210,538
Weighted average number of domestic and H shares in issue	1,233,144,000	1,233,144,000
Basic and diluted earnings per share (<i>RMB</i>)	<u>0.095</u>	<u>0.171</u>

There was no potential domestic and H shares in issue during the reporting period, the amount of diluted earnings per share is the same as basic earnings per share for both years.

8. TRADE AND BILLS RECEIVABLES

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Trade receivables, net (<i>Note</i>)	234,166	253,991
Bills receivable	<u>108,572</u>	<u>47,188</u>
Total	<u>342,738</u>	<u>301,179</u>

Goods sold to customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period generally ranged from 30 days to 90 days, extending up to 180 days for major customers. Each customer has a maximum credit limit.

Note:

The ageing analysis of gross trade receivables at the end of reporting period, based on the invoice date, is as follows:

	2021 RMB'000 (Unaudited)	2020 <i>RMB'000</i> (Audited)
0 to 90 days	219,605	249,803
91 to 180 days	7,456	797
181 to 365 days	2,585	753
Over 1 year	4,520	2,638
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Gross trade receivables	234,166	253,991
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9. TRADE AND BILLS PAYABLES

	2021 RMB'000 (Unaudited)	2020 <i>RMB'000</i> (Audited)
Trade payables	766,295	908,520
Bills payable	105,938	100,000
	<hr/>	<hr/>
	872,233	1,008,520
	<hr/> <hr/>	<hr/> <hr/>

The ageing analysis of trade payables, based on invoice date, as of the end of reporting period is as follows:

	2021 RMB'000 (Unaudited)	2020 <i>RMB'000</i> (Audited)
0 to 90 days	554,867	715,731
91 to 180 days	14,754	3,345
181 to 365 days	47,259	27,183
Over 1 year	149,415	162,261
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	766,295	908,520
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MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period under review, the Company continued to engage in the research, development, manufacture and distribution of special computer products in the PRC. We dedicated our efforts to enhancing and transforming the traditional industries in the PRC. Meanwhile, the Company was also engaged in assembling and trading of electronic products and accessories and development of properties in the PRC.

As a result of the continued impact of the COVID-19 epidemic and the continued tightness of the raw materials market, the PRC as well as the global economies were affected to varying degrees, with slowed down production and operating activities, significantly declined fixed asset investment and reduced business orders from certain domestic customers, directly resulting in the continued reduction in demand in the special computer market. In particular, the global shortage of semiconductor devices resulted in delayed delivery or even suspension of supply of some chip materials with soaring supply prices. In addition, the stockpiles had been greatly increased in response to material shortages, which significantly increased the Company's operating costs. At the same time, in order to cope with the recurring COVID-19 epidemic, the Company had to constantly invest in epidemic prevention materials and epidemic prevention work, which also contributed to the increased production and operation costs of the Company.

As the China-US conflict continues tighter export restrictions on certain semiconductor devices and industrial design software originated from the US have intensified the risks of availability and the rising costs of imported raw materials for special computers. With the increase of uncertainty in the international trade and diplomatic environment, there has been a lack of incentive to upgrade fixed assets, which reduced the market demand for special computer products, resulting in a serious impact on both internal and external sales of the products.

Based on the assessment and judgment of the development of the COVID-19 epidemic and the changing domestic and international market environment, the Company timely adjusted its market expectation and business strategies. On the one hand, the Company continued to implement the "payment before delivery" sales principle to enhance the capital turnover and reduce transaction risks, and on the other hand provided appropriate accounts receivable collection periods to certain quality customers with capital difficulties, in order to tide over the difficulties together with the customers. We continued to adjust and optimise our channels of distributor structure to reduce the pressure on internal delivery and inventory, and provided distributors with guaranteed supply of goods to ensure that our customers receive better service and delivery schedules. For the research and development of new products and projects, we have ensured that appropriate investments were provided to maintain the normal update and iteration of our existing product series. We have maintained caution on the investments in new projects of new industries and new sectors, which were subject to careful scrutiny. We continued to focus on the market and customers of Mainland China, and remained cautious in investing in overseas markets.

Development of Science and Technology Industrial Park and Other Properties

In 2021, the gross sales revenue from the construction of the Science and Technology Industrial Park amounted to approximately RMB200 million for the year. Section A1 of Wuxi SHIOC International Outsourcing Base (“Wuxi”) has a completed gross floor area of approximately 177,000 sq.m., which consists of 12 office and commercial buildings that are currently in sale. Section A2 of Wuxi has a completed gross floor area of approximately 132,000 sq.m., which consists of 84 office buildings that are currently in sale. Phase 2 of Homer’s International Garden at Dianshan Lake in Kunshan was fully completed in 2019 with a gross floor area of approximately 56,000 sq.m. The first phase of the Nantong EVOC Science and Technology Park project was fully completed in 2019 with a gross floor area of approximately 72,800 sq.m., which consists of 39 office buildings. Huaqiao EVOC International Finance Center in Kunshan has been designed as a 250-metre high-rise building with 56 stories, and is expected to be fully completed in 2023.

Revenue from Leased Properties

As at the end of 2021, the total leased area of the Group reached 258,300 sq.m., achieving total property rental revenue of approximately RMB128 million for the whole year. Due to the continuous and ongoing impact of Covid-19 pandemic, the overall average leased area has dropped significantly; the EVOC Technology Building in Hangzhou was completed in 2017, and a gross floor area of approximately 66,000 sq.m. was rented other than a portion for self-use. EVOC High Profile Office Park in Guangming Hi-tech Park of Shenzhen was completed in early 2014 with a gross floor area of approximately 245,000 sq.m. The project includes one research and development office building, two buildings of plants and one furnished apartment building with an approximate gross floor area of 58,000 sq.m., 92,000 sq.m. and 55,000 sq.m. respectively, as well as an underground parking lot occupying approximately 40,000 sq.m.; 80% of the park was leased. Shenzhen EVOC Technology Building was completed in 2007 with a gross floor area of approximately 62,000 sq.m. Other than keeping a small portion for self-use, all the units in the building were rented. For Section A1 of Wuxi SHIOC International Outsourcing Base (“Wuxi”), offices with a gross floor area of approximately 50,000 sq.m. and commercial lots with a gross floor area of approximately 54,000 sq.m. were available for lease. Phases 1 and 2 of Homer’s International Garden at Dianshan Lake in Kunshan have a gross floor area of approximately 47,000 sq.m. for office use, and part of it was rented.

RESULT OF THE YEAR

In 2021, the Group recorded a turnover of approximately RMB1,296.2 million, representing an decrease of approximately 16.1% as compared with last year, of which sales of special computer products was approximately RMB811.6 million, sales of mobile phones and accessories was approximately RMB284.8 million, and sales of properties was approximately RMB199.9 million. Profit attributable to owners of the Company was approximately RMB117.1 million. Excluding fair value changes on investment properties approximately RMB9.1 million, core profit attributable to owners was approximately RMB108.0 million. Core profit margin attributable to owners was approximate 8.3%.

Research & Development and Products

The Company was committed to independent innovation and continued to develop the research and applications of hardware and software for special computers. We strengthened the efforts in software development by adapting the software to existing hardware products, and launched more competitive software-hardware integrated products as total solutions. The company cooperates with a number of domestic scientific research institutions and application units to conduct in-depth cooperation and carry out research, development and industrialization of industrial Internet intelligent node products, and launch targeted system solution.

Marketing and Brands

The Company continued to adopt the diversified sales models including direct sales, distribution, online sales and offline sales, making full use of direct sales customers and distributor resources, combining the advantages of online and offline. Marketing and communication efforts were fully integrated by means of, among others, distributor meetings, seminars and industry media partnerships, search engine bidding, information flow promotion and self-media operation.

Consistently aiming for professional development, the Company focused on building brand assets and the reputation for quality. It continuously won the trust of its customers by quickly responding to their needs, by providing a full range of product support and services through branches, official websites, customer service hotlines, WeChat public accounts, e-marketplaces and other channels.

Outlook and Prospect

At present, the global pandemic is still ongoing, and the China-US conflict shows no sign of abating. Coupled with the Russia-Ukraine crisis, the extremely volatile international environment continues to exacerbate the shortage and price increase of semiconductors and related raw materials, bringing greater risks and challenges to the Chinese and global economies. The rising cost of raw materials has led to continuous cost increases in China's manufacturing industry, reducing the international competitive advantage of its manufacturing industry, which in turn causes unfavourable impact on the sales of special computers. The shortage and rising prices of foreign semiconductor devices have also had a significant impact on the continued production and technological innovation of special computers. With the rising prices of basic materials supplies and changes in demographic structure, the management of raw material costs and labour costs for special computers has become more demanding.

Looking forward, as the Chinese and global economies will remain under the influence of supply shortages and the "new normal" of epidemics, the Company will make prudent decisions and seize the opportunity to implement its business plans in accordance to the changing business environment with new opportunities and challenges. The Company will continue to focus on the research and development of special computer products and accelerate the application and innovation of intelligent software and hardware products.

FINANCIAL REVIEW

Turnover

For the year ended 31 December 2021, the Group reported a total revenue of approximate RMB1,296.2 million (2020: approximate 1,544.5 million) representing an approximate decrease of 16.1%, analysed by product categories as follows:

	2021 RMB'000 (Unaudited)	2020 <i>RMB'000</i> (Audited)	Change %
Turnover			
Sales of special computer products	811,568	650,511	+24.8
Sales of mobile phones and accessories	284,769	668,913	-57.4
Sales of properties	199,855	225,112	-11.2
	<u>1,296,192</u>	<u>1,544,536</u>	<u>-16.1</u>

Cost of Sales and Gross Profit Margin

Cost of sales for the period was approximately RMB721.7 million, represents an decrease of 26.1% as compared to previous year.

Gross profit margin for the period increased by approximate 7.5% to approximate 44.3%.

The increase of gross profit margin was mainly due to higher portion in turnover of higher profit margin in properties.

Other Income

Other income for the period decreased from approximate RMB343.6 million in 2020 to approximate RMB289.9 million in 2021. It was due to decrease of rental income and government subsidies.

Selling & Distribution Costs

The selling and distribution costs decreased by 13.1% from approximate RMB48.1 million in 2020 to approximate RMB41.8 million in 2021. It was due to the decrease in headcount of sales team.

Administrative Expenses

The administrative expenses slightly increased by 2.7% from approximate RMB135.7 million in 2020 to approximate RMB139.4 million in 2021.

Research & Development Costs

The research and development costs slightly decreased by 4.4% from approximate RMB266.2 million in 2020 to approximate RMB254.3 million in 2021.

Fair Value Changes

During the period, the Group recorded a fair value gain of approximate RMB9.1 million on investment properties.

Finance Costs

Finance costs net of interest capitalised were approximately RMB226.7 million in 2021, compared with approximately RMB163.0 million in 2020, representing an increase of 39.1%. The increase was mainly due to increase in bank borrowings.

Income Tax Expense

Income tax expenses increased by 68.6% from approximately RMB39.4 million in 2020 to approximately RMB66.5 million in 2021. It is mainly due to increase in turnover of sales of properties.

Profit Attributable to Owners of the Company

The Group's profit attributable to owners of the Company decreased from approximate RMB210.5 million in 2020 to approximate RMB117.1 million in 2021, representing an approximate decrease of 44.4%. The net profit margin has been decreased from 13.6% to 9.0%.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group generally finances its operation with internal resource and banking facilities by bankers in the PRC. As at 31 December 2021, the Group's gearing ratio had slightly decreased to approximate 64.9% (calculated on the basis of the Group's total liabilities over total assets) from approximate 65.8% as at 31 December 2020. At the year end date the Group's total bank borrowings amounted to approximate RMB3,432.0 million (2020: approximate RMB3,296.1 million). The Group's cash and bank balances as at 31 December 2020 increased to approximate RMB2,445.4 million (2020: approximate RMB2,486.4 million). The current ratio (calculated on the basis of the Group's current assets over current liabilities) has increased to approximate 2.21 as at 31 December 2021 (2020: approximate 1.58).

FOREIGN EXCHANGE EXPOSURES

Since most of the transactions of the Group were denominated in Renminbi, the Group did not experience any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year under review.

CONTINGENT LIABILITIES

The Group has no contingent liabilities as at 31 December 2021.

EMPLOYEE INFORMATION

As at 31 December 2021, the Group had a total workforce of 799 (2020: 867). Employee benefits during the year were approximately RMB108.3 million (2020: approximate RMB110.6 million).

The Group recognises the importance of high caliber and competent staff and has a strict recruitment policy and performance appraisal scheme. Remuneration policies are mainly in line with industry practices, and are formulated on the basis of performance and experience and will be reviewed regularly. The Group remunerates its employees based on performance, experience and prevailing industry practices. The Group also provides Mandatory Provident Fund benefits for its employees in Hong Kong and the Statutory Retirement Scheme for its employees in the PRC.

DIRECTORS', SUPERVISORS' AND CONTROLLING SHAREHOLDERS INTERESTS IN CONTRACTS

No contract of significance in relation to the Group's business to which the Company, any of its subsidiaries or its holding company was a party and in which a director, supervisor or controlling shareholder of the Company has a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

COMPETING INTERESTS

None of the directors, initial management shareholders or their respective associates (as defined in the Listing Rules) had any interests in any business which compete or may compete with the Group or any other conflicts of interest which any such person may have with the Group.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not purchased, sold or redeemed any of the Company's shares during the year.

CORPORATE GOVERNANCE PRACTICES

The Company has complied throughout the period under review with the code provisions set out in the Code on Corporate Governance (the "Code") contained in Appendix 14 of the Listing Rules without any deviation. None of the Directors is aware of any information that would reasonably suggest that the Company is not or was not in compliance with the Code at any time during the period under review.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct of the Group regarding Directors' securities transactions. All Directors of the Company confirmed that they have complied with the Model Code in their securities transactions throughout the period from 1 January 2021 to 31 December 2021.

AUDIT COMMITTEE

The Company has established an audit committee which comprises three independent non-executive Directors, including Ms. Wu Yan Nan, Ms. Li Qian and Ms. Xu Hai Hong. Ms. Xu Hai Hong is the Chairman of the audit committee. Written terms of reference of the audit committee which comply with the code provisions set out in the Code has been adopted by the Board. The audit committee is responsible for reviewing and supervising the Group's financial reporting procedures and internal control system and providing advice and recommendations to the Board of Directors. The committee meets in a semi-annual basis and the review covers the findings of internal auditors, internal controls, risk management and financial reporting matters. The audit committee reviewed and monitored the external auditor's independence and effectiveness of the audit process in accordance with applicable standard. The audit committee had discussed with the management and reviewed the annual results of the Group for the year ended 31 December 2021.

REMUNERATION AND REVIEW COMMITTEE

The remuneration and review committee of the Company comprises one executive director Mr. Geng Wen Qiang, and two independent non-executive Directors, Ms. Wu Yan Nan and Ms. Xu Hai Hong. Ms. Wu Yan Nan is the Chairman of the remuneration and review committee. Written terms of reference of the remuneration and review committee which comply with the code provisions set out in the Code has been adopted by the Board. The remuneration and review committee is principally responsible for formulating the Group's policy and structure for all remunerations of the Directors and senior management and providing advice and recommendations to the Board of Directors.

NOMINATION COMMITTEE

The nomination committee of the Company comprises one executive director Mr. Chen Zhi Lie, and two independent non-executive Directors, Ms. Wu Yan Nan and Ms. Li Qian. Mr. Chen Zhi Lie is the Chairman of the nomination committee. The nomination committee is primarily responsible for considering and recommending to the Board suitably qualified persons to become the members of the Board and also reviewing the structure, size and composition of the Board on a regular basis and as required.

DIRECTORS

As at the date hereof, the executive Directors of the Group are Mr. Chen Zhi Lie, and Mr. Geng Wen Qiang; the independent non-executive Directors of the Group are Ms. Wu Yan Nan, Ms. Li Qian and Ms. Xu Hai Hong.

REVIEW OF UNAUDITED ANNUAL RESULTS

The auditing process for the annual results of the Group for the year ended 31 December 2021 has not been completed as at the date of this announcement. Due to lockdowns and restrictions in force in parts of China to combat the recent rapidly escalating outbreak of COVID-19 pandemic, the auditor of the Company is unable to obtain certain necessary documents and information to complete the audit verification procedures. The unaudited annual results contained herein have not been agreed with the Company's auditors as required under Rule 13.49(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. An announcement relating to the audited results will be made by the end of April 2021, when the auditing process has been completed in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants.

The unaudited annual results contained herein have been reviewed by the audit committee of the Company.

FURTHER ANNOUNCEMENT(S)

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to (i) the audited results for the year ended 31 December 2021 as agreed by the Company's auditors and the material differences (if any) as compared with the unaudited annual results contained herein, (ii) the proposed date on which the forthcoming annual general meeting will be held, and (iii) the period during which the register of members holding ordinary shares will be closed in order to ascertain shareholders' eligibility to attend and vote at the said meeting. In addition, the Company will issue further announcement as and when necessary if there are other material developments in the completion of the auditing process.

The financial information contained herein in respect of the annual results of the Group have not been audited and have not been agreed with the auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's website at www.evoc.com. The annual report of the Company for the year ended 31 December 2021 will also be published on the aforesaid websites in due course.

By Order of the Board
EVOC Intelligent Technology Company Limited*
Chen Zhi Lie
Chairman

Shenzhen, the PRC, 31 March 2022

* *For identification purpose only*