



CHINA BIOTECH SERVICES HOLDINGS LIMITED

中國生物科技服務控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

Stock Code: 8037



Precision Treatment 精準治療



Future Biotechnology Platform 未來生物科技平臺



Precision Diagnosis 精準檢測

THIRD QUARTERLY REPORT

2021

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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

*This report, for which the directors (the “**Directors**”) of China Biotech Services 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 (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 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.*

UNAUDITED THIRD QUARTERLY RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Biotech Services Holdings Limited (the “**Company**”) presents the unaudited condensed consolidated third quarterly results of the Company and its subsidiaries (collectively, the “**Group**”) for the three and nine months ended 30 September 2021 together with the unaudited comparative figures for the corresponding period in 2020.

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

FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2021

| | Notes | For the three months ended 30 September | | For the nine months ended 30 September | |
|---|-------|---|---------------------------------|--|---------------------------------|
| | | 2021 HK\$'000 (Unaudited) | 2020 HK\$'000 (Unaudited) | 2021 HK\$'000 (Unaudited) | 2020 HK\$'000 (Unaudited) |
| Turnover | 3 | 131,242 | 515,725 | 505,401 | 547,030 |
| Cost of sales | | (54,191) | (252,600) | (211,792) | (274,467) |
| Gross profit | | 77,051 | 263,125 | 293,609 | 272,563 |
| Other income and gains/(loss) | 4 | 49 | 2,205 | 437 | 5,182 |
| Selling and distribution expenses | | (2,979) | (3,047) | (9,112) | (8,595) |
| Administrative expenses | | (41,942) | (40,225) | (105,471) | (91,184) |
| Profit from operations | | 32,179 | 222,058 | 179,463 | 177,966 |
| Finance costs | 5 | (1,210) | (2,307) | (5,286) | (4,180) |
| Loss on disposal of subsidiaries | 9 | – | (939) | – | (939) |
| Loss on disposal of financial assets | | – | – | (507) | – |
| Loss on partial redemption of convertible bonds | | – | – | (2,687) | – |
| Change in fair value of derivative financial instrument | | – | – | (1,311) | (417) |
| Profit before tax | | 30,969 | 218,812 | 169,672 | 172,430 |
| Income tax expense | 6 | (8,068) | (39,490) | (37,781) | (38,887) |
| Profit for the period | | 22,901 | 179,322 | 131,891 | 133,543 |

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

FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2021

| | Notes | For the three months ended 30 September | | For the nine months ended 30 September | |
|--|-------|---|---------------------------------|--|---------------------------------|
| | | 2021 HK\$'000 (Unaudited) | 2020 HK\$'000 (Unaudited) | 2021 HK\$'000 (Unaudited) | 2020 HK\$'000 (Unaudited) |
| Profit for the period | | 22,901 | 179,322 | 131,891 | 133,543 |
| Other comprehensive income/ (loss) for the period | | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | | |
| Fair value change of financial assets at fair value through other comprehensive income | | 48,629 | – | 48,629 | – |
| Exchange differences arising on translation of foreign operations | | 136 | 122 | 2,057 | (140) |
| Other comprehensive income/ (loss) for the period, net of tax | | 48,765 | 122 | 50,686 | (140) |
| Total comprehensive income for the period | | 71,666 | 179,444 | 182,577 | 133,403 |
| Profit for the period attributable to: | | | | | |
| – Owners of the Company | | 3,015 | 61,800 | 27,254 | 21,532 |
| – Non-controlling interests | | 19,886 | 117,522 | 104,637 | 112,011 |
| | | 22,901 | 179,322 | 131,891 | 133,543 |
| Total comprehensive income for the period attributable to: | | | | | |
| – Owners of the Company | | 47,315 | 61,903 | 71,844 | 21,448 |
| – Non-controlling interests | | 24,351 | 117,541 | 110,733 | 111,955 |
| | | 71,666 | 179,444 | 182,577 | 133,403 |
| Earnings per share | | | | | |
| – Basic and diluted (HK\$) | 8 | 0.003 | 0.064 | 0.028 | 0.022 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

| | Attributable to owners of the Company | | | | | | | | | | | Total |
|---|---------------------------------------|---------------------------|---|--|------------------------------|----------------------------|--|-------------------------------|--------------------------------|-----------------------|---------------------------------------|-----------|
| | Share capital HK\$'000 | Share premium HK\$'000 | Share repurchase for cancellation HK\$'000 | Share-based payment reserves HK\$'000 | Special reserves HK\$'000 | Other reserves HK\$'000 | Financial assets at fair value through other comprehensive income reserves HK\$'000 | Exchange reserves HK\$'000 | Accumulated losses HK\$'000 | Sub-total HK\$'000 | Non-controlling interests HK\$'000 | |
| At 1 January 2021 (Audited) | 96,685 | 495,840 | (1,200) | 25,629 | 212,948 | 3,312 | 938 | 2,783 | (493,604) | 343,331 | 168,774 | 512,105 |
| Profit for the period | - | - | - | - | - | - | - | - | 27,254 | 27,254 | 104,637 | 131,891 |
| Other comprehensive income for the period: | | | | | | | | | | | | |
| Fair value change of financial assets at fair value through other comprehensive income | - | - | - | - | - | - | 44,208 | - | - | 44,208 | 4,421 | 48,629 |
| Exchange differences arising from translation of foreign operations | - | - | - | - | - | - | - | 382 | - | 382 | 1,675 | 2,057 |
| Other comprehensive income for the period, net of tax | - | - | - | - | - | - | 44,208 | 382 | - | 44,590 | 6,096 | 50,686 |
| Total comprehensive income for the period | - | - | - | - | - | - | 44,208 | 382 | 27,254 | 71,844 | 110,733 | 182,577 |
| Release of financial assets at fair value through other comprehensive income reserves upon disposal | - | - | - | - | - | - | 14,830 | - | (14,830) | - | - | - |
| Capital contribution from non-controlling interests | - | - | - | - | - | - | - | - | - | - | 490 | 490 |
| Changes in ownership interests in subsidiaries without loss of control | - | - | - | - | - | 3,170 | - | - | - | 3,170 | 1,057 | 4,227 |
| Dividend paid to non-controlling shareholders of a subsidiary | - | - | - | - | - | - | - | - | - | - | (168,000) | (168,000) |
| Repurchase of ordinary shares | (362) | (5,148) | 1,200 | - | - | - | - | - | - | (4,310) | - | (4,310) |
| Share-based payments | - | - | - | 4,605 | - | - | - | - | - | 4,605 | - | 4,605 |
| Lapse of share options | - | - | - | (14,423) | - | - | - | - | 14,423 | - | - | - |
| At 30 September 2021 (Unaudited) | 96,323 | 490,692 | - | 15,811 | 212,948 | 6,482 | 59,976 | 3,165 | (466,757) | 418,640 | 113,054 | 531,694 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

| | Attributable to owners of the Company | | | | | | | | | | |
|--|---------------------------------------|---------------------------|-----------------------------------|------------------------------|----------------------------|--|-------------------------------|--------------------------------|-----------------------|---------------------------------------|-------------------|
| | Share capital HK\$'000 | Share premium HK\$'000 | Share option reserves HK\$'000 | Special reserves HK\$'000 | Other reserves HK\$'000 | Financial assets at fair value through other comprehensive income reserves HK\$'000 | Exchange reserves HK\$'000 | Accumulated losses HK\$'000 | Sub-total HK\$'000 | Non-controlling interests HK\$'000 | Total HK\$'000 |
| At 1 January 2020 (Audited) | 96,981 | 498,852 | 22,793 | 212,948 | 4,163 | (15,285) | (200) | (531,060) | 289,192 | 24,171 | 313,363 |
| Profit for the period | - | - | - | - | - | - | - | 21,532 | 21,532 | 112,011 | 133,543 |
| Other comprehensive loss for the period: | | | | | | | | | | | |
| Exchange differences arising from translation of foreign operations | - | - | - | - | - | - | (84) | - | (84) | (56) | (140) |
| Other comprehensive loss for the period, net of tax | - | - | - | - | - | - | (84) | - | (84) | (56) | (140) |
| Total comprehensive income for the period | - | - | - | - | - | - | (84) | 21,532 | 21,448 | 111,955 | 133,403 |
| Disposal of non-controlling interests (note 9) | - | - | - | - | (1,009) | - | - | - | (1,009) | 602 | (407) |
| Equity-settled share-based payments | - | - | 6,975 | - | - | - | - | - | 6,975 | - | 6,975 |
| Capital injection from non-controlling interests | - | - | - | - | - | - | - | - | - | 6,883 | 6,883 |
| Changes in ownership interests in subsidiaries without loss of control | - | - | - | - | 158 | - | - | - | 158 | (49) | 109 |
| Repurchase of ordinary shares | (296) | (3,012) | - | - | - | - | - | - | (3,308) | - | (3,308) |
| At 30 September 2020 (Unaudited) | 96,685 | 495,840 | 29,768 | 212,948 | 3,312 | (15,285) | (284) | (509,528) | 313,456 | 143,562 | 457,018 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS

1. GENERAL INFORMATION

China Biotech Services Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) was incorporated and registered as an exempted company in the Cayman Islands under the Company Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 5 June 2003. On 29 August 2013, the Company deregistered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and the principal place of business of the Company in Hong Kong is located at Suites 1904-05A, 19/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong.

The issued shares of the Company have been listed on GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 17 June 2004.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are (i) provision of tumor immune cell therapy, immune cell storage and health management services in the People’s Republic of China (the “**PRC**”); (ii) manufacture, research and development, sale and distribution of health related and pharmaceutical products in the PRC and Hong Kong; (iii) provision of medical laboratory testing services and health check services in Hong Kong; (iv) provision of insurance brokerage services; and (v) trading of securities in Hong Kong.

As at 30 September 2021, the Company’s immediate and ultimate holding company is Genius Lead Limited (“**Genius Lead**”), a company incorporated in Samoa with limited liability and Genius Earn Limited (“**Genius Earn**”), a company incorporated in the British Virgin Islands (“**BVI**”) with limited liability, respectively.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated third quarterly results of the Group for the three and nine months ended 30 September 2021 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and applicable disclosures by the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) and the Hong Kong Companies Ordinance.

The unaudited condensed consolidated third quarterly results of the Group for the three and nine months ended 30 September 2021 have been prepared under the historical cost basis, except for certain financial instruments which are measured at fair value.

The principal accounting policies used in the preparation of the unaudited condensed consolidated third quarterly results of the Group for the nine months ended 30 September 2021 are consistent with those applied in the Company’s annual report for the year ended 31 December 2020, except for the adoption of new and amendments to HKFRSs that affect the Group and has adopted the first time for the current period’s unaudited condensed consolidated third quarterly results.

The HKICPA has issued a number of new and revised standards, amendments to standards and interpretations (collectively referred to as “**new and revised HKFRSs**”). The Group has adopted the new and revised HKFRSs which are relevant to the Group’s operations and are mandatory for the financial year beginning on 1 January 2021. The adoption of these new and revised HKFRSs does not have any significant financial effect on the Group’s unaudited results of operations and financial position.

The Group has not early adopted the new and amendments to HKFRSs that have been issued but are not yet effective.

3. TURNOVER

Disaggregation of revenue from contracts with customers by major products or services line for the period is as follows:

| | For the three months ended 30 September | | For the nine months ended 30 September | |
|--|--|-------------|---|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Manufacture and sale of health related and pharmaceutical products | – | 161 | 107 | 746 |
| Provision of medical laboratory testing services and health check services | 128,827 | 513,688 | 491,610 | 539,259 |
| Provision of insurance brokerage services | 1,655 | 1,554 | 6,422 | 6,046 |
| Provision of logistics services | 443 | – | 6,320 | – |
| Money lending business | 317 | 322 | 942 | 979 |
| | 131,242 | 515,725 | 505,401 | 547,030 |

4. OTHER INCOME AND GAINS/(LOSS)

| | For the three months ended 30 September | | For the nine months ended 30 September | |
|---|--|-------------|---|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Interest income | 1 | 4 | 6 | 15 |
| Sundry income | 171 | 55 | 793 | 325 |
| Government grants (note) | – | 2,202 | – | 2,855 |
| Reversal of impairment loss of other receivables | – | – | – | 2,079 |
| Exchange losses, net | (123) | (56) | (362) | (92) |
| | 49 | 2,205 | 437 | 5,182 |

Note: During the nine months ended 30 September 2020, the Group recognised government grants of approximately HK\$2,855,000 in respect of COVID-19 related subsidies, related to Employment Support Scheme provided by the Hong Kong government.

5. FINANCE COSTS

| | For the three months ended 30 September | | For the nine months ended 30 September | |
|--|--|-------------|---|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Interest expenses: | | | | |
| – Other borrowings | 119 | 237 | 356 | 780 |
| – Effective interest expenses on convertible bonds | 943 | 1,863 | 4,380 | 2,887 |
| – Imputed interest on loans from a non-controlling shareholder of a subsidiary | – | – | – | 9 |
| – Lease liabilities | 148 | 207 | 550 | 504 |
| | 1,210 | 2,307 | 5,286 | 4,180 |

6. INCOME TAX EXPENSE

| | For the three months ended 30 September | | For the nine months ended 30 September | |
|-------------------------|--|-------------|---|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| The amount comprises: | | | | |
| Current tax expense: | | | | |
| – Hong Kong Profits Tax | 8,404 | 39,817 | 38,789 | 39,867 |
| Deferred tax: | | | | |
| – Current period | (336) | (327) | (1,008) | (980) |
| | 8,068 | 39,490 | 37,781 | 38,887 |

Under the two-tiered Profits Tax regime, the first HK\$2 million of assessable profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to a tax rate of 16.5%. The taxable profits of the group entities not qualifying for the two-tiered Profit Tax rate regime will continue to be taxed at a rate of 16.5% (nine months ended 30 September 2020: 16.5%) during the nine months ended 30 September 2021.

One of the subsidiaries had been certified by the relevant PRC authorities as a high technology enterprise. Pursuant to the Income Tax Law in the PRC, the subsidiary was subjected to Enterprise Income Tax rate of 15% for the nine months ended 30 September 2021 (nine months ended 30 September 2020: 15%).

The PRC Enterprise Income Tax has been provided at a rate of 25% for the nine months ended 30 September 2021 (nine months ended 30 September 2020: 25%).

Tax charges on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on the existing legislation, interpretation and practices in respect thereof.

7. DIVIDEND

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2021 (nine months ended 30 September 2020: HK\$Nil).

8. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares during the three and nine months ended 30 September 2021 and 2020.

| For the three months ended 30 September | | For the nine months ended 30 September | |
|--|-------------|---|-------------|
| 2021 | 2020 | 2021 | 2020 |
| '000 | '000 | '000 | '000 |
| (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |

Number of ordinary shares

Weighted average number of ordinary shares
for the purpose of calculating basic and
diluted earnings per share

| | | | |
|----------------|---------|----------------|---------|
| 964,168 | 967,526 | 965,214 | 969,040 |
|----------------|---------|----------------|---------|

| | For the three months ended 30 September | | For the nine months ended 30 September | |
|---|--|-------------|---|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Profit for the period attributable to owners of the Company (HK\$'000) | 3,015 | 61,800 | 27,254 | 21,532 |
| Basic and diluted earnings per share (HK\$) | 0.003 | 0.064 | 0.028 | 0.022 |

The weighted average numbers of ordinary shares used as denominators in calculating the basic and diluted earnings per share are the same.

The computation of the diluted earnings per share did not assume the exercise of the Company's outstanding share options as the respective exercise price of those share options was higher than the average market prices of the share for the three months and nine months ended 30 September 2021 and 2020.

The computation of the diluted earnings per share did not assume the conversion of the Company's convertible bonds since its exercise had anti-dilute effect that would result in a decrease in earnings per share for the three months and nine months ended 30 September 2021 and 2020.

9. DISPOSAL OF SUBSIDIARIES

Disposal of Huge Profit Group

On 14 September 2020, the Company, as vendor, entered into a sale and purchase agreement with an independent third party, as purchaser, to disposal of the 78% equity interest in Huge Profit Trading Limited and its subsidiary (collectively, the “**Huge Profit Group**”) at a cash consideration of HK\$500,000. The completion of the disposal of the Huge Profit Group took place on the same date.

An analysis of the net assets of the Huge Profit Group at the date on which the Group lost control (i.e. 14 September 2020) was as follows:

| | <i>HK\$'000</i> (Unaudited) |
|---|--|
| Property, plant and equipment | 509 |
| Inventories | 304 |
| Trade and other receivables | 2,330 |
| Cash and cash equivalents | 371 |
| Total assets | 3,514 |
| Trade and other payables | 1,668 |
| Total liability | 1,668 |
| Net assets disposed of | 1,846 |
| | For the nine months ended 30 September 2020 <i>HK\$'000</i> (Unaudited) |
| Loss on disposal of the Huge Profit Group: | |
| Consideration | 500 |
| Release of non-controlling interests | (602) |
| Release of other reserves | 1,009 |
| Less: Net assets disposed of | (1,846) |
| | (939) |

FINANCIAL REVIEW

During the nine months ended 30 September 2021 (the “**2021 Q3 Period**”), the principal activities of the Group are (i) provision of tumor immune cell therapy, immune cell storage and health management services in the PRC; (ii) manufacture, research and development, sale and distribution of health related and pharmaceutical products in the PRC and Hong Kong; (iii) provision of medical laboratory testing services and health check services in Hong Kong; (iv) provision of insurance brokerage services; and (v) trading of securities in Hong Kong.

Turnover

During the 2021 Q3 Period, the Group recorded a turnover of approximately HK\$505,401,000, representing a slightly decrease of approximately 7.61% as compared with that of approximately HK\$547,030,000 for the nine months ended 30 September 2020 (the “**2020 Q3 Period**”). As the prevalence of COVID-19 continued and together with the enactment of Compulsory Testing for high risk groups and high exposure groups under regulations, the demand for the COVID-19 testing services remained steady. In order to capture the market share of demand shift focusing on COVID-19 testing services, the Group has set up a basic laboratory in Hong Kong to provide COVID-19 testing services for private clinics, corporate and government clients, and individuals. In addition, the Group has set up a mobile laboratory in the Hong Kong International Airport to provide rapid COVID-19 testing services to arrival passengers and persons employed to work in the airport area. The Group was one of the participants of COVID-19 testing services under the Universal Community Testing Programme (“**UCTP**”) for Hong Kong citizens that was conducted in two weeks’ time from 1 September 2020 to 14 September 2020. More than 1.78 millions specimens had been tested by all participants under the UCTP and this brought in a significant increase in revenue to the Group during the 2020 Q3 Period. As the COVID-19 epidemic became stabilised during the 2021 Q3 Period following to the enactment of a series of quarantine and testing arrangements for infection control of COVID-19 by the Hong Kong government, the revenue from medical laboratory testing services and health check services segment decreased slightly to reflect the level-out effect of COVID-19 under a controlled condition.

Provision of tumor immune cell therapy services

上海隆耀生物科技有限公司 (in English, for identification purpose only, Shanghai Longyao Biotech Company Limited) ("**Shanghai Longyao**"), an indirect non-wholly-owned subsidiary of the Company, is engaged in tumor immune cell therapy, immune cell storage and health management services in the PRC. Shanghai Longyao had completed the clinical research cooperation of cell therapies with 3 Class III Grade A hospitals in the PRC. Also, Shanghai Longyao had conducted an investigator initiated clinical research on its self-developed new generation of a CD20-targeted autologous chimeric antigen receptor T-cell ("**CAR-T**") therapy. In November 2020, Shanghai Longyao applied to the Center for Drug Evaluation of the National Medical Products Administration for approval of the clinical trial of a medical product manufactured in China under the product name of LY007 Cellular Injection (the "**LY007 Cellular Injection**"). On 21 January 2021, Shanghai Longyao received the approval letter for clinical trial from the National Medical Products Administration for LY007 Cellular Injection. The classification of the registration of LY007 Cellular Injection is a Class I new drug. LY007 Cellular Injection is a CAR-T injection and is mainly used in the treatment of relapsed/refractory CD20-positive B-cell non-Hodgkin lymphoma, including diffuse large B-cell lymphoma and metastatic follicular lymphoma. LY007 Cellular Injection has been developed independently by Shanghai Longyao and incorporates its patented OX40 co-stimulatory domain design. No turnover from this segment was generated during the 2021 Q3 Period.

Manufacture and sale of health related and pharmaceutical products

Manufacture and sale of health related and pharmaceutical products segment recorded a decrease in turnover during the 2021 Q3 Period. The turnover of this segment decreased from approximately HK\$746,000 for the 2020 Q3 Period to approximately HK\$107,000 for the 2021 Q3 Period mainly due to the tough economic environment in Hong Kong under the COVID-19 pandemic.

Provision of medical laboratory testing services and health check services

The Group continued to offer a wide spectrum of quality health check diagnostic services in Hong Kong through three health check centers and three medical testing central laboratories. The turnover of this segment decreased from approximately HK\$539,259,000 for the 2020 Q3 Period to approximately HK\$491,610,000 for the 2021 Q3 Period. That represented a decrease by 8.84% as compared with the 2020 Q3 Period. The Group was one of the participants of COVID-19 testing services under the UCTP for Hong Kong citizens during the 2020 Q3 Period. As the COVID-19 epidemic became stabilised during the 2021 Q3 Period following to the enactment of a series of quarantine and testing arrangements for infection control of COVID-19 by the Hong Kong government, the revenue from medical laboratory testing services and health check services segment decreased slightly to reflect the level-out effect of COVID-19 under a controlled condition.

Provision of insurance brokerage services

Provision of insurance brokerage services segment recorded a slightly increase of turnover during the 2021 Q3 Period. The turnover of this segment increased from approximately HK\$6,046,000 during the 2020 Q3 Period to approximately HK\$6,422,000 for the 2021 Q3 Period. It represented an increased by 6.22% as compared with the 2020 Q3 Period due to a change of marketing focus to local customers to minimise the impact of travel restrictions for better control of COVID-19.

Provision of logistics services

Starting from the fourth quarter of 2020, the Group has been providing logistics services of testing materials and specimens for local clinics and other corporate clients. It recorded a turnover of approximately HK\$6,320,000 (2020 Q3 Period: HK\$Nil) during the 2021 Q3 Period.

Money Lending business

Ferran Finance Limited, an indirect wholly-owned subsidiary of the Company, is a holder of money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). With the increasing market demands of micro-financing business in Hong Kong, the Group has allotted HK\$17.1 million for the money lending business. The Group's loan portfolio comprises unsecured loans granted to individual customers. The loan receivables carry an interest rate of 8% to 10% per annum and are repayable within one year. The money lending business recorded an interest income of approximately HK\$942,000 for the 2021 Q3 Period (2020 Q3 Period: HK\$979,000).

Gross profit and gross profit margin

The Group recorded a gross profit of approximately HK\$293,609,000 for the 2021 Q3 Period, representing an increase of approximately HK\$21,046,000 when compared with that of approximately HK\$272,563,000 in the 2020 Q3 Period. Also, the gross profit margin for the 2021 Q3 Period was approximately 58.09%, representing an increase of approximately 8.26 percentage point when compared with the gross profit margin of approximately 49.83% for the 2020 Q3 Period. The increase in gross profit margin was attributable to a decrease in material costs from medical laboratory testing services and health check services segment during the 2021 Q3 Period.

Selling and distribution expenses

Selling and distribution expenses for the 2021 Q3 Period were approximately HK\$9,112,000 (2020 Q3 Period: HK\$8,595,000), representing an increase of approximately 6.02% compared with such expenses for the 2020 Q3 Period. The increase was due to the more aggressive strategic marketing and promotion campaign adopted for securing the market share of the medical laboratory testing services and health check services segment.

Administrative expenses

The administrative expenses mainly consisted of staff costs, share-based payment, legal and professional fees, depreciation, research and development costs, and amortisation of intangible assets. The administrative expenses for the 2021 Q3 Period were approximately HK\$105,471,000, representing an increase of approximately HK\$14,287,000 or 15.67%, as compared with that of approximately HK\$91,184,000 for the 2020 Q3 Period. The increase in administrative expenses was mainly attributable to increase in depreciation of property, plant and equipment and right-of-use assets by HK\$2,411,000 and staff costs by HK\$11,136,000 due to expansion of medical laboratory testing services and health check services segment.

Finance costs

During the 2021 Q3 Period, the Group's interest expenses amounted to approximately HK\$5,286,000 (2020 Q3 Period: HK\$4,180,000). The increase in the finance costs was mainly attributable to higher level of other short-term borrowings as the working capital and the amortisation of convertible bonds during the 2021 Q3 Period.

Profit for the period

The Group recorded a net profit of approximately HK\$131,891,000 for the 2021 Q3 Period (2020 Q3 Period: HK\$133,543,000). The slightly decrease in net profit for 2021 Q3 Period was mainly attributable to (i) a slightly decrease in turnover from medical laboratory testing services and health check service segment as the Group was one of participants of COVID-19 testing services under the Universal Community Testing Programme for Hong Kong citizens during the 2020 Q3 Period; and (ii) increase in administrative expenses due to expansion of medical laboratory testing services and health check service segment.

BUSINESS REVIEW

Repurchase of shares

During the 2021 Q3 Period, the Company repurchased 485,000 shares and 2,210,000 shares of the Company ranged from HK\$1.27 to HK\$1.78 per share in the exercises from open market pursuant to the general mandate to repurchase the shares of the Company granted by the shareholders of the Company to the Board at the annual general meeting of the Company held on 26 May 2020 and 18 May 2021 respectively. The Company subsequently cancelled the 485,000 repurchased shares and 2,210,000 repurchased shares on 9 February 2021 and 9 August 2021 respectively.

Partial redemption of convertible bonds

On 27 May 2021, the Company redeemed the outstanding convertible bonds in part in the principal amount of US\$5,000,000 being 50% of the total outstanding principal amount of US\$10,000,000 (the **"Partial Redemption"**). Upon completion of the Partial Redemption, the principal amount of the convertible bonds remaining outstanding is US\$5,000,000. Following to the Partial Redemption, the subscriber has discharged 264,750,273 shares being half of the shares charged by Genius Lead Limited to the subscriber under the share charge agreement (the **"Partial Release"**). Upon the Partial Release, the number of shares being held under charge by Genius Lead Limited to the subscriber that remained in effect is 264,750,273 shares. Details related to Partial Redemption were disclosed in the announcement of the Company dated 27 May 2021.

Memorandum of understanding in relation to the proposed investment in a new subsidiary and the setup of a research and development and production base

On 13 September 2021, Shanghai Longyao, an indirect non-wholly-owned subsidiary of the Company, entered into a non-legally binding cooperation memorandum of understanding (the **"MOU"**) with 江蘇省如東高新技術產業開發區管委會 (in English, for identification purpose only, the Administrative Commission of Rudong New and Hi-Tech Industrial Development Zone of Jiangsu) (the **"Administrative Commission"**) and 深圳前海海潤國際併購基金管理有限公司 (in English, for identification purpose only, China Highrun Capital Limited) (**"Highrun"**, together with the Administrative Commission, the **"Investors"**) on the Investors' proposed investment in a new subsidiary of the Company engaged in the research and development of innovative immune cell therapies to be set up by Shanghai Longyao (the **"Subsidiary"**) and the set up of a research and development and production base for the Subsidiary at the Rudong New and Hi-Tech Industrial Development Zone in Jiangsu, the PRC (the **"Project"**). No legally binding agreement has been entered into by Shanghai Longyao with the Investors in respect of the Project as at the date of this report. Details were disclosed in the announcement of the Company dated 14 September 2021.

FUTURE PROSPECT

The economic outlook for the coming year is more promising though the geopolitical and macroeconomic environment challenges including the ongoing trade conflict between US and China and the threat of recurrent outbreak of COVID-19 persist.

While the COVID-19 pandemic continues, the successful research and development of vaccines is expected to mitigate the impact of the pandemic in Hong Kong and the rest of the world. With the continued discovery of variant strains of the novel coronavirus and the postponement of distribution of vaccination worldwide, the recovery of the global economy from the pandemic is expected to be a slow but ongoing process.

The Group's business is being affected in various aspects. The continuation of the pandemic will generate revenue through the provision of novel coronavirus testing in community and at airport testing. As more and more people get vaccinated, the Group will adjust its testing business to capture new opportunities. With more effective mature control measures towards the pandemic, it is expected that the Group will initiate more international collaboration, including overseas registrations in respect of immune cell drug research and development and the introduction of overseas projects.

According to a report by Market Research Future, the global CAR-T market is expected to grow at a compound growth rate of 59% in the future and will reach US\$8,716.06 million by 2025. In addition, the first CAR-T therapy had been appeared by the China authority on 23 June 2021 for sale in the market, ushering in a new phase of development for the use of cellular immunotherapies in China. All these will benefit research and development enterprises of immune cell drugs, which are represented by CAR-T and other cell based immunotherapies. By the end of the 2021 Q3 Period, five CAR-T products have been approved for sale in the United States of America and another two CAR-T products have been approved for sale in the PRC.

The Group will overcome the challenges and seize opportunities to (i) actively explore the diversification and transformation of our testing business; (ii) commence Phase I clinical trials of the CAR-T product that has already received clinical approval as soon as possible; (iii) advance the research and development and for preparation work for clinical approval filing of CAR-T products targeting for treatment of solid tumors and for universal CAR-T applications; (iv) introduce overseas projects with potential; (v) deepen our medical and healthcare industry deployment in the Greater Bay Area, and (vi) striving to build biomedical innovation platform up to international standards for service in the region.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have any other material acquisition or disposal of subsidiaries and affiliated companies for the 2021 Q3 Period.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2021, the Group had a total of 215 (30 September 2020: 200) full time employees which were located in the PRC and Hong Kong. Total staff costs for the 2021 Q3 Period was approximately HK\$62,483,000 (2020 Q3 Period: HK\$50,529,000).

The Group remunerates its employees based on their performance, experience and the prevailing market condition. Performance related bonuses are also granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance and medical coverage, training and share option scheme.

Provident fund benefits are offered to certain full-time employees through a registered scheme under the Occupational Retirement Schemes Ordinance (“**ORSO**”) with the Mandatory Provident Fund exemption. The ORSO scheme is administered by trustees, which are independent, with assets held separately from those of the Group. Under the ORSO scheme, the Group contributes 5% of monthly salaries of employees.

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong (other than those who are covered under ORSO scheme). The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme subject to a maximum of HK\$1,500 per month. The employees in the PRC are members of respective state-managed defined contribution retirement benefits scheme operated by the local government. The employer and the employees are obliged to make contributions at a certain percentage of the basic payroll under rules of the schemes. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions.

The total contributions payable to the above schemes by the Group and charged to the condensed consolidated statement of profit or loss and other comprehensive income for the 2021 Q3 Period were approximately HK\$1,461,000 (2020 Q3 Period: HK\$1,152,000).

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

As at 30 September 2021, the interests and short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

(i) Long position in shares of the Company

| Name of Director | Capacity and nature of interest | No. of shares held | Approximate percentage (Note a) |
|--------------------------------|--------------------------------------|-------------------------|------------------------------------|
| Mr. Liu Xiaolin ("Mr. Liu") | Interest of a controlled corporation | 529,500,546 (Note b) | 54.97% |

Notes:

- (a) As at 30 September 2021, the total number of the issued shares of the Company was 963,231,150 ordinary shares of HK\$0.10 each of the Company.
- (b) Genius Lead is the registered and beneficial owner of these shares of the Company, and Genius Lead is wholly-owned by Genius Earn, which is in turn wholly-owned by Mr. Liu. As such, Mr. Liu is deemed to be interested in the shares of the Company held by Genius Lead.

(ii) Long position in shares of associated corporation

| Name of Director | Name of associated corporation | Nature of interest | No. of shares held in associated corporation | Approximate percentage |
|------------------|--------------------------------|--------------------|--|------------------------|
| Mr. Liu | Genius Earn | Beneficial owner | 1 | 100% |

(iii) Long position in share options granted

| Name of Directors | Nature of interest | Date of grant | Exercisable period | Exercise price per share | Aggregate long position in the underlying shares | Approximate percentage (note a) |
|-------------------|--------------------|------------------|--------------------------------------|--------------------------|--|------------------------------------|
| Mr. Liu | Beneficial owner | 12 January 2018 | 12 January 2021 to 11 January 2022 | HK\$1.67 | 260,000 | 0.03% |
| | Beneficial owner | 20 August 2019 | 20 August 2020 to 19 August 2023 | HK\$1.68 | 640,000 | 0.07% |
| Mr. Wang Zheng | Beneficial owner | 12 January 2018 | 12 January 2021 to 11 January 2022 | HK\$1.67 | 1,400,000 | 0.15% |
| | Beneficial owner | 20 August 2019 | 20 August 2020 to 19 August 2023 | HK\$1.68 | 400,000 | 0.04% |
| Mr. Huang Song | Beneficial owner | 12 January 2018 | 12 January 2021 to 11 January 2022 | HK\$1.67 | 1,400,000 | 0.15% |
| Mr. He Xun | Beneficial owner | 2 September 2020 | 2 September 2021 to 1 September 2024 | HK\$2.00 | 9,660,000 | 1.00% |
| Total | | | | | 13,760,000 | 1.44% |

Note:

- (a) As at 30 September 2021, the total number of the issued shares of the Company was 963,231,150 ordinary shares of HK\$0.10 each of the Company.

Save as disclosed above, as at 30 September 2021, none of the Directors nor chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

NOTIFIABLE INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As at 30 September 2021, the following person or entity (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long position in shares and underlying shares

| Name of shareholder | Capacity and nature of interest | No. of shares held | Approximate percentage (Note a) |
|--|---|--------------------|------------------------------------|
| Genius Earn (Note b) | Interest of a controlled corporation | 529,500,546 | 54.97% |
| Genius Lead (Note b) | Beneficial owner | 529,500,546 | 54.97% |
| Guoyuan Securities Investment (Hong Kong) Limited (Note c) | Beneficial owner | 22,428,571 | 2.33% |
| | Person having a security interest in shares | 452,654,078 | 46.99% |
| Guoyuan International Holdings Limited (Note c) | Interest of a controlled corporation | 475,082,640 | 49.32% |
| Guoyuan Securities Co., Ltd. (Note c) | Interest of a controlled corporation | 475,082,640 | 49.32% |

Notes:

- (a) As at 30 September 2021, the total number of the issued shares of the Company was 963,231,150 ordinary shares of HK\$0.10 each of the Company.
- (b) Genius Lead is wholly-owned by Genius Earn. As such, Genius Earn is deemed to be interested in the shares of the Company held by Genius Lead under the SFO.
- (c) Guoyuan Securities Investment (Hong Kong) Limited is wholly-owned by Guoyuan International Holdings Limited. As such, Guoyuan International Holdings Limited is deemed to be interested in the shares of the Company held by Guoyuan Securities Investment (Hong Kong) Limited. Guoyuan International Holdings Limited is wholly-owned by Guoyuan Securities Co., Ltd.. As such, Guoyuan Securities Co., Ltd. is deemed to be interested in the shares of the Company in which Guoyuan International Holdings Limited is interested.

Save as disclosed above, as at 30 September 2021, no other person or entity (other than a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed by the shareholders of the Company on 29 May 2014, the Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute the success of the Group's operation. The principal terms of the share option scheme were disclosed in the Company's 2020 annual report published on 23 March 2021.

Details of movements in the Company's share options during the 2021 Q3 Period are set out as follows:

| Name of Grantees | Date of grant | Exercise price per share (HK\$) | Balance as at 1 January 2021 | Number of Shares over which options are exercisable | | | | Balance as at 30 September 2021 | Exercise period |
|--------------------|------------------|------------------------------------|------------------------------|---|-------------------------------------|----------------------------------|-------------------------------------|---------------------------------|-----------------|
| | | | | Granted during the 2021 Q3 Period | Exercised during the 2021 Q3 Period | Lapsed during the 2021 Q3 Period | Cancelled during the 2021 Q3 Period | | |
| Directors | | | | | | | | | |
| Mr. Liu | 12 January 2018 | 1.67 | 520,000 (Note 1) | - | - | 260,000 | - | 260,000 | Note 6 |
| | 20 August 2019 | 1.68 | 960,000 (Note 3) | - | - | 320,000 | - | 640,000 | Note 8 |
| Mr. Wang Zheng | 12 January 2018 | 1.67 | 2,700,000 (Note 1) | - | - | 1,300,000 | - | 1,400,000 | Note 6 |
| | 20 August 2019 | 1.68 | 600,000 (Note 3) | - | - | 200,000 | - | 400,000 | Note 8 |
| Mr. Huang Song | 12 January 2018 | 1.67 | 2,700,000 (Note 1) | - | - | 1,300,000 | - | 1,400,000 | Note 6 |
| Mr. Yao Michael Yi | 20 August 2019 | 1.68 | 9,680,000 (Note 3) | - | - | 9,680,000 | - | - | Note 8 |
| Mr. He Xun | 2 September 2020 | 2.00 | 9,660,000 (Note 4) | - | - | - | - | 9,660,000 | Note 9 |
| Sub-total | | | 26,820,000 | - | - | 13,060,000 | - | 13,760,000 | |

| Name of Grantees | Date of grant | Exercise price per share (HK\$) | Balance as at 1 January 2021 | Number of Shares over which options are exercisable | | | | Balance as at 30 September 2021 | Exercise period |
|------------------|------------------|---------------------------------|------------------------------|---|-------------------------------------|----------------------------------|-------------------------------------|---------------------------------|-----------------|
| | | | | Granted during the 2021 Q3 Period | Exercised during the 2021 Q3 Period | Lapsed during the 2021 Q3 Period | Cancelled during the 2021 Q3 Period | | |
| Consultants | 12 January 2018 | 1.67 | 10,400,000 (Note 1) | - | - | 5,200,000 | - | 5,200,000 | Note 6 |
| | 20 August 2019 | 1.68 | 9,680,000 (Note 3) | - | - | 3,220,000 | - | 6,460,000 | Note 8 |
| | 26 November 2020 | 2.00 to 2.20 | 5,000,000 (note 5) | - | - | - | - | 5,000,000 | Note 10 |
| Sub-total | | | 25,080,000 | - | - | 8,420,000 | - | 16,660,000 | |
| Employees | 4 October 2018 | 1.71 | 2,000,000 (Note 2) | - | - | 2,000,000 | - | - | Note 7 |
| | 20 August 2019 | 1.68 | 4,500,000 (Note 3) | - | - | 1,490,000 | - | 3,010,000 | Note 8 |
| Sub-total | | | 6,500,000 | - | - | 3,490,000 | - | 3,010,000 | |
| Total | | | 58,400,000 | - | - | 24,970,000 | - | 33,430,000 | |

Notes:

1. The share options were granted on 12 January 2018. The closing price of the Shares on the date of grant was HK\$1.67 per Share.
2. The share options were granted on 4 October 2018. The closing price of the Shares on the date of grant was HK\$1.71 per Share.
3. The share options were granted on 20 August 2019. The closing price of the Shares on the date of grant was HK\$1.35 per Share.
4. The share options were granted on 2 September 2020. The closing price of the shares on the date of grant was HK\$1.53 per Share.
5. The share options were granted on 26 November 2020. The closing price of the shares on the date of grant was HK\$1.43 per Share.

6. The share options are exercisable to subscribe for the shares granted to each grantee in respect of the share options from 12 January 2021 to 11 January 2022.
7. The share options are exercisable to subscribe for (i) a maximum of one-third of the shares granted to the grantee in respect of the share option from 4 October 2019 to 3 October 2020; (ii) a maximum of another one-third of the shares granted to the grantee in respect of the share option from 4 October 2020 to 3 October 2021; and (iii) a maximum of the remaining one-third of the shares granted to the grantee in respect of the share option from 4 October 2021 to 3 October 2022.
8. The share options are exercisable to subscribe for (i) a maximum of one-third of the shares granted to the grantee in respect of the share option from 20 August 2020 to 19 August 2021; (ii) a maximum of another one-third of the shares granted to the grantee in respect of the share option from 20 August 2021 to 19 August 2022; and (iii) a maximum of the remaining one-third of the shares granted to the grantee in respect of the share option from 20 August 2022 to 19 August 2023.
9. The share options are exercisable to subscribe for (i) 3,220,000 shares from 2 September 2021 to 1 September 2022; (ii) 3,220,000 shares from 2 September 2022 to 1 September 2023; and (iii) 3,220,000 shares from 2 September 2023 to 1 September 2024.
10. The share options are exercisable to subscribe for (i) 1,665,000 shares from 26 November 2021 to 25 November 2022 at exercise price of HK\$2.00; (ii) 1,665,000 shares from 26 November 2022 to 25 November 2023 at exercise price of HK\$2.10; and (iii) 1,670,000 shares from 26 November 2023 to 25 November 2024 at exercise price of HK\$2.20.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

At no time during the 2021 Q3 Period or at the end of the 2021 Q3 Period has been/was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for the share options granted to four Directors on 12 January 2018, 20 August 2019 and 2 September 2020.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive right under the Company's bye-laws and there was no restriction against such rights under the laws of Bermuda.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the 2021 Q3 Period, a total of 485,000 ordinary shares and 2,210,000 ordinary shares of the Company were repurchased by the Company on the Stock Exchange. The repurchased shares were subsequently cancelled by the Company on 9 February 2021 and 9 August 2021 respectively. The Directors believed that the repurchases reflected the management's confidence in the Company's long-term business prospects and would ultimately benefit the Company and create value for the shareholders of the Company. Details of the repurchases of shares of the Company are as follows:

| Date of repurchase | Number of shares | Repurchased price per share | | Consideration |
|--------------------|------------------|-----------------------------|----------------|---------------|
| | | Highest HK\$ | Lowest HK\$ | |
| 4 January 2021 | 115,000 | 1.30 | 1.27 | 147,850 |
| 5 January 2021 | 60,000 | 1.30 | 1.29 | 77,900 |
| 6 January 2021 | 30,000 | 1.33 | 1.28 | 38,950 |
| 8 January 2021 | 30,000 | 1.30 | 1.29 | 38,900 |
| 11 January 2021 | 25,000 | 1.27 | 1.27 | 31,750 |
| 12 January 2021 | 15,000 | 1.29 | 1.28 | 19,250 |
| 13 January 2021 | 5,000 | 1.27 | 1.27 | 6,350 |
| 14 January 2021 | 140,000 | 1.34 | 1.27 | 181,000 |
| 15 January 2021 | 65,000 | 1.35 | 1.31 | 86,250 |
| 22 June 2021 | 180,000 | 1.35 | 1.28 | 234,450 |
| 29 June 2021 | 70,000 | 1.65 | 1.62 | 114,600 |
| 30 June 2021 | 200,000 | 1.69 | 1.65 | 334,000 |
| 2 July 2021 | 215,000 | 1.69 | 1.63 | 357,950 |
| 5 July 2021 | 195,000 | 1.73 | 1.64 | 325,950 |
| 6 July 2021 | 325,000 | 1.75 | 1.68 | 550,750 |
| 7 July 2021 | 370,000 | 1.77 | 1.67 | 644,200 |
| 8 July 2021 | 255,000 | 1.75 | 1.66 | 436,150 |
| 9 July 2021 | 400,000 | 1.78 | 1.67 | 683,450 |
| Total | 2,695,000 | | | 4,309,700 |

Save as disclosed above, there was no purchase, sale or redemption by the Company or any of its subsidiaries, of any listed securities of the Company during the 2021 Q3 Period.

COMPLIANCE WITH CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms not less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with all Directors, the Company confirmed that all Directors have complied with the required standard of dealings and its code of conduct concerning securities transactions by the Directors during the 2021 Q3 Period.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board believes that corporate governance is essential to the success of the Company. The Board is committed to maintaining corporate governance with a high standard and ensuring compliance of the legal and regulatory requirements. The Company has put in place governance practices with emphasis on the integrity, quality of disclosures, transparency and accountability for the shareholders of the Company.

Throughout the 2021 Q3 Period, the Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules.

COMPETING AND CONFLICT OF INTEREST

None of the Directors or the controlling shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) had any interest in a business, which competes or may compete, either directly or indirectly, with the business of the Group nor any conflict of interest which has or may have with the Group during the 2021 Q3 Period.

AUDIT COMMITTEE

The Board established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules for the purpose of reviewing and supervising the financial reporting process and internal controls of the Group. The Audit Committee currently comprises of three independent non-executive Directors, namely, Mr. Yan Guoxiang, Dr. Ho Ivan Chun Kit and Mr. Qian Hongji as at the date of this report.

The unaudited condensed consolidated quarterly results of the Group for the 2021 Q3 Period have not been audited by the Company’s auditor, but have been reviewed by the Audit Committee in accordance with the accounting principles and practices adopted by the Company and the Audit Committee has discussed internal controls and financial reporting matters before any disclosure and release of information.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed public float under the GEM Listing Rules.

GENERAL

On behalf of the Board, I would like to take this opportunity to express our sincere gratitude to all the stakeholders for your support to the Company.

By order of the Board
China Biotech Services Holdings Limited
Liu Xiaolin
Chairman and Executive Director

Hong Kong, 11 November 2021

As at the date of this report, the board of Directors comprises four executive Directors, namely, Mr. Liu Xiaolin (Chairman), Mr. He Xun, Mr. Huang Song and Mr. Wang Zheng; and three independent non-executive Directors, namely, Mr. Yan Guoxiang, Dr. Ho Ivan Chun Kit and Mr. Qian Hongji.