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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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FINAL RESULTS

The board of Directors ("**Board**") of the Company announces that the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2020, together with the comparative figures for the year ended 31 December 2019, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	**2020** **HK$'000**	2019 HK$'000
Revenue	*4*	**655,792**	59,214
Cost of sales		**(316,710)**	(36,841)
Gross profit		**339,082**	22,373
Net loss on financial assets at fair value through profit or loss		**(47)**	(1,252)
Other income, gains/(losses)	*5*	**5,817**	(959)
Allowance for impairment loss on financial assets, net		**(1,145)**	(2,996)
Selling and distribution expenses		**(11,848)**	(12,379)
Administrative expenses		**(132,489)**	(94,111)
Profit/(loss) from operations		**199,370**	(89,324)
Finance costs	*7*	**(6,498)**	(1,692)
Share of loss of an associate		**–**	(1,390)
Gain on remeasurement on pre-existing interest in an associate	*16*	**–**	8,096
Gain on fair value change on contingent consideration	*14*	**5,494**	8,038
Gain on fair value change of derivative financial instrument	*13*	**6,384**	–
Loss on disposal of subsidiaries	*17*	**(1,948)**	(316)
Impairment loss on goodwill		**–**	(264)
Impairment loss on intangible assets		**–**	(28,838)
Impairment loss on investments in an associate		**–**	(3,903)
Profit/(loss) before tax		**202,802**	(109,593)
Income tax (expense)/credit	*8*	**(35,179)**	2,110
Profit/(loss) for the year	*9*	**167,623**	(107,483)
Profit/(loss) for the year attributable to:			
Owners of the Company		**30,170**	(98,845)
Non-controlling interests		**137,453**	(8,638)
		167,623	(107,483)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	**2020** **HK$'000**	2019 HK$'000
Profit/(loss) for the year		**167,623**	(107,483)
Other comprehensive income/(loss) after tax:			
Items that will not be reclassified to profit or loss:			
Fair value change of financial assets at fair value through other comprehensive income (FVTOCI)		**16,223**	(4,883)
		16,223	(4,883)
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**2,696**	(1,371)
Release of exchange differences upon disposal of investments in subsidiaries	*17(b)*	**–**	323
Share of exchange differences of investments in associates		**–**	(242)
		2,696	(1,290)
Other comprehensive income/(loss) for the year, net of tax		**18,919**	(6,173)
Total comprehensive income/(loss) for the year		**186,542**	(113,656)
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		**49,376**	(104,578)
Non-controlling interests		**137,166**	(9,078)
		186,542	(113,656)
Earnings/(loss) per share	*11*		
Basic and diluted (cents)		**3.1**	(10.3)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2020

	Note	**2020** ***HK$'000***	2019 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**128,796**	23,783
Right-of-use assets		**18,863**	13,135
Goodwill		**117,595**	115,343
Intangible assets		**88,072**	95,258
Investment in an associate		**–**	–
Financial assets at FVTOCI		**98,845**	82,622
Derivative financial assets	*13*	**5,637**	–
		457,808	330,141
Current assets			
Inventories		**5,532**	3,426
Trade and other receivables	*12*	**41,533**	19,891
Loan and interest receivables		**13,060**	15,952
Held for trading securities		**1,270**	1,317
Income tax recoverable		**379**	339
Bank and cash balances		**384,539**	45,518
Total current assets		**446,313**	86,443
TOTAL ASSETS		**904,121**	416,584

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2020

	Note	2020 HK$'000	2019 HK$'000
EQUITY AND LIABILITIES			
Share capital		**96,685**	96,981
Other reserves		**246,646**	192,211
Equity attributable to owners of the Company		**343,331**	289,192
Non-controlling interests		**168,774**	24,171
Total equity		**512,105**	313,363
LIABILITIES			
Non-current liabilities			
Convertible bonds	*13*	**76,292**	–
Lease liabilities		**6,786**	6,085
Contingent consideration	*14*	**25,799**	31,293
Deferred tax liabilities		**10,825**	12,084
		119,702	49,462
Current liabilities			
Trade and other payables	*15*	**213,041**	17,328
Loan from a non-controlling shareholder of a subsidiary		**–**	4,939
Lease liabilities		**12,598**	7,271
Borrowings		**10,664**	23,911
Current tax liabilities		**36,011**	310
Total current liabilities		**272,314**	53,759
TOTAL EQUITY AND LIABILITIES		**904,121**	416,584

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Attributable to owners of the Company											
	Share capital	**Share premium**	**Share repurchase for cancellation**	**Share-based payments reserve**	**Special reserve**	**Other reserves**	**Financial assets at FVTOCI reserve**	**Foreign currency translation reserve**	**Accumulated losses**	**Sub-Total**	**Non-controlling interests**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2019	93,535	443,140	–	12,258	212,948	4,163	(10,402)	650	(432,215)	324,077	(5,162)	318,915
Total comprehensive loss for the year	–	–	–	–	–	–	(4,883)	(850)	(98,845)	(104,578)	(9,078)	(113,656)
Capital injection from non-controlling interests	–	–	–	–	–	–	–	–	–	–	1,950	1,950
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	36,461	36,461
Share-based payments	–	–	–	10,535	–	–	–	–	–	10,535	–	10,535
Share subscription	580	11,020	–	–	–	–	–	–	–	11,600	–	11,600
Allotment of shares for acquisition of subsidiaries	2,904	45,163	–	–	–	–	–	–	–	48,067	–	48,067
Repurchase and cancellation of shares	(38)	(471)	–	–	–	–	–	–	–	(509)	–	(509)
Changes in equity for the year	3,446	55,712	–	10,535	–	–	(4,883)	(850)	(98,845)	(34,885)	29,333	(5,552)
At 31 December 2019	96,981	498,852	–	22,793	212,948	4,163	(15,285)	(200)	(531,060)	289,192	24,171	313,363
At 1 January 2020	**96,981**	**498,852**	**–**	**22,793**	**212,948**	**4,163**	**(15,285)**	**(200)**	**(531,060)**	**289,192**	**24,171**	**313,363**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**16,223**	**2,983**	**30,170**	**49,376**	**137,166**	**186,542**
Capital injection from non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6,884**	**6,884**
Share-based payments	**–**	**–**	**–**	**9,113**	**–**	**–**	**–**	**–**	**–**	**9,113**	**–**	**9,113**
Lapse of share options	**–**	**–**	**–**	**(6,277)**	**–**	**–**	**–**	**–**	**6,277**	**–**	**–**	**–**
Transfer upon disposal of subsidiaries	**–**	**–**	**–**	**–**	**–**	**(1,009)**	**–**	**–**	**1,009**	**–**	**602**	**602**
Changes in ownership interests in subsidiaries without loss of control	**–**	**–**	**–**	**–**	**–**	**158**	**–**	**–**	**–**	**158**	**(49)**	**109**
Repurchase and/for cancellation of shares	**(296)**	**(3,012)**	**(1,200)**	**–**	**–**	**–**	**–**	**–**	**–**	**(4,508)**	**–**	**(4,508)**
Changes in equity for the year	**(296)**	**(3,012)**	**(1,200)**	**2,836**	**–**	**(851)**	**16,223**	**2,983**	**37,456**	**54,139**	**144,603**	**198,742**
At 31 December 2020	**96,685**	**495,840**	**(1,200)**	**25,629**	**212,948**	**3,312**	**938**	**2,783**	**(493,604)**	**343,331**	**168,774**	**512,105**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company in 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 address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business in Hong Kong is Suites 1904-05A, 19/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong. The Company's shares are listed on GEM of the Stock Exchange.

The Company is an investment holding company. 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.

In the opinion of the directors of the Company, Genius Lead Limited, a company incorporated in Samoa with limited liability, is the immediate holding company, Genius Earn Limited, a company incorporated in the British Virgin Islands with limited liability, is the ultimate holding company and Mr. Liu Xiaolin ("**Mr. Liu**") is the ultimate controlling party of the Company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

The Group has applied the Amendments to Reference to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

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

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments had no impact on the consolidated financial statements.

(b) New and revised IFRSs in issue but not yet effective

The Group has not applied any new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2020. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform Phase 2	1 January 2021
Amendment to HKFRS 16, COVID-19-Related Rent Concessions	1 January 2021
Amendments to HKFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to HKAS 16 Property, plant and equipment: proceeds before intended use	1 January 2022
Amendments to HKAS 37 Onerous contracts cost of fulfilling a contract	1 January 2022
Annual Improvements to HKFRSs 2018-2020 Cycle	1 January 2022
Amendments to HKAS 1 Classification of liabilities as current or non-current	1 January 2023

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. REVENUE

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

	2020	2019
	HK\$'000	*HK\$'000*
Revenue from contracts with customers within the scope of HKFRS 15:		
Provision of tumor immune cell therapy services	**–**	125
Manufacture and sale of health related and pharmaceutical products	**869**	1,448
Provision of medical laboratory testing services and health check services	**646,748**	53,551
Money lending business	**1,300**	1,688
Provision of insurance brokerage services	**6,875**	2,402
	655,792	59,214

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

For the year ended 31 December	Provision of tumor immune cell therapy services		Manufacture and sale of health related and pharmaceutical products		Provision of medical laboratory testing services and health check services		Money lending business		Provision of insurance brokerage services		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	HK\$'000	*HK\$'000*	***HK\$'000***	*HK\$'000*	***HK\$'000***	*HK\$'000*	***HK\$'000***	*HK\$'000*	***HK\$'000***	*HK\$'000*	***HK\$'000***	*HK\$'000*
Primary geographical markets												
– Hong Kong	**–**	–	**869**	1,448	**646,748**	53,551	**1,300**	1,688	**6,875**	2,402	**655,792**	59,089
– The PRC except Hong Kong	**–**	125	**–**	–	**–**	–	**–**	–	**–**	–	**–**	125
Segment revenue	**–**	125	**869**	1,448	**646,748**	53,551	**1,300**	1,688	**6,875**	2,402	**655,792**	59,214
Timing of revenue recognition												
Products and services transferred at a point in time	**–**	–	**869**	1,448	**646,748**	53,551	**1,300**	1,688	**6,875**	2,402	**655,792**	59,089
Products and services transferred over time	**–**	125	**–**	–	**–**	–	**–**	–	**–**	–	**–**	125
Total	**–**	125	**869**	1,448	**646,748**	53,551	**1,300**	1,688	**6,875**	2,402	**655,792**	59,214

5. OTHER INCOME, GAINS/(LOSSES)

	2020	2019
	HK$'000	*HK$'000*
Interest income	**21**	189
Government grants *(note)*	**5,037**	57
(Loss)/gain on disposal of property, plant and equipment	**(39)**	534
Net foreign exchange gain/(loss)	**200**	(20)
Loss on written off on property, plant and equipment	**–**	(1,960)
Others	**598**	241
	5,817	(959)

Note:

During the year ended 31 December 2020, the Group recognised government grants of HK$5,037,000 in respect of COVID-19 related subsidies, of which HK$5,017,000 relates to Employment Support Scheme provided by the Hong Kong government.

During the year ended 31 December 2020, a government funding of approximately RMB18,000 (equivalent to approximately HK$20,000) (2019: Nil) received by subsidiaries of the Company in the PRC for COVID-19 subsidies.

During the year ended 31 December 2019, a government funding of approximately RMB50,000 (equivalent to approximately HK$57,000) received by a subsidiary of the Company in the PRC for research and development.

6. SEGMENT INFORMATION

The Group has five operating segments as follows:

Immunotherapy	–	provision of tumor immune cell therapy, immune cell storage and health management services
Pharmaceutical products	–	manufacture, research and development, sale and distribution of health related and pharmaceutical products
Medical and health related services	–	provision of medical laboratory testing services and health check services
Securities	–	trading of securities
Insurance brokerage	–	insurance brokerage services
Others	–	money lending business

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The Group's other operating segments include money lending business. None of these segments meets any of the quantitative thresholds for determining reportable segments. The information of these other operating segments is included in the 'others' column.

Segment profits or losses do not include other income, gains/(losses), unallocated administrative expenses, share of loss of an associate, gain on remeasurement of pre-existing interest in an associate, gain on fair value change on contingent consideration, gain on fair value change on derivative financial instrument, loss on disposal of subsidiaries, impairment loss on investments in an associate, finance costs and income tax (expense)/credit. Segment assets do not include the unallocated bank and cash balances, interests in associates, current and deferred tax assets, financial assets at FVTOCI and derivative financial assets. Segment liabilities do not include borrowings, current and deferred tax liabilities, convertible bonds and contingent consideration. Segment non-current assets do not include financial instruments, deferred tax assets and post-employment benefit assets.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

Information about operating segment profit or loss, assets and liabilities:

	Immunotherapy	Pharmaceutical products	Medical and health related services	Securities	Insurance brokerage	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2020							
Revenue from external customers	–	869	646,748	–	6,875	1,300	655,792
Segment (loss)/profit	(39,376)	(2,313)	287,276	(6,603)	(349)	(2,373)	236,262
Other income, gain/(losses)							5,817
Reversal of allowance for impairment loss on financial asset							2,079
Finance costs							(6,498)
Gain on fair value change of derivative financial instruments							6,384
Gain on fair value change on contingent consideration							5,494
Loss on disposal of subsidiaries							(1,948)
Unallocated corporate expenses							(44,788)
Profit before tax							202,802
Income tax expense							(35,179)
Profit for the year							167,623
As at 31 December 2020							
Segment assets	188,718	1,234	190,506	2,084	11,515	13,060	407,117
Unallocated corporate assets							497,004
Total assets							904,121
Segment liabilities	9,977	309	248,047	375	422	72	259,202
Unallocated corporate liabilities							132,814
Total liabilities							392,016

	Immunotherapy *HK$'000*	Pharmaceutical products *HK$'000*	Medical and health related services *HK$'000*	Securities *HK$'000*	Insurance brokerage *HK$'000*	Others *HK$'000*	Total *HK$'000*
Year ended 31 December 2019							
Revenue from external customers	125	1,448	53,551	–	2,402	1,688	59,214
Segment (loss)/profit	(21,507)	(2,377)	(34,641)	(8,368)	540	(2,480)	(68,833)
Other income, gain/(losses)							(959)
Finance costs							(1,692)
Share of loss of associates							(1,390)
Gain on remeasurement on pre-existing interest in an associate							8,096
Gain on fair value change on contingent consideration							8,038
Loss on disposal of subsidiaries							(316)
Impairment loss on investments in associates							(3,903)
Unallocated corporate expenses							(48,634)
Loss before tax							(109,593)
Income tax credit							2,110
Loss for the year							(107,483)
As at 31 December 2019							
Segment assets	194,962	1,834	52,464	1,582	12,348	15,952	279,142
Unallocated corporate assets							137,442
Total assets							416,584
Segment liabilities	3,473	819	16,955	281	1,638	68	23,234
Unallocated corporate liabilities							79,987
Total liabilities							103,221

Other segment information

Other segment information for the year ended 31 December 2020:

	Immunotherapy *HK$'000*	**Pharmaceutical products** *HK$'000*	**Medical and health related services** *HK$'000*	**Securities** *HK$'000*	**Insurance brokerage** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*
Capital expenditures	**732**	**–**	**125,848**	**–**	**–**	**20**	**126,600**
Amortisation of intangible assets	**8,392**	**–**	**–**	**–**	**–**	**–**	**8,392**
Depreciation of property, plant and equipment	**1,166**	**–**	**19,446**	**21**	**62**	**457**	**21,152**
Depreciation of right-of-use assets	**768**	**290**	**4,863**	**–**	**292**	**4,579**	**10,792**
Loss on disposal of property, plant and equipment	**39**	**–**	**–**	**–**	**–**	**–**	**39**
Allowance for impairment loss on financial assets, net	**–**	**–**	**232**	**–**	**–**	**913**	**1,145**
Write-down of inventories	**–**	**94**	**13**	**–**	**–**	**–**	**107**

Other segment information for the year ended 31 December 2019:

	Immunotherapy *HK$'000*	Pharmaceutical products *HK$'000*	Medical and health related services *HK$'000*	Securities *HK$'000*	Insurance brokerage *HK$'000*	Others *HK$'000*	Total *HK$'000*
Capital expenditures	4,764	–	2,553	34	–	–	7,351
Amortisation of intangible assets	6,532	–	1,224	–	–	–	7,756
Depreciation of property, plant and equipment	569	1	3,389	11	11	1,649	5,630
Depreciation of right-of-use assets	581	49	2,594	–	49	3,542	6,815
Write-down of property, plant and equipment	–	–	507	–	–	1,453	1,960
Gain on disposal of property, plant and equipment	–	–	(534)	–	–	–	(534)
Share of loss of associates	707	–	–	–	–	683	1,390
(Reversal of)/allowance for impairment loss on financial assets	–	–	(478)	–	–	3,474	2,996
Impairment loss recognised on goodwill	–	–	264	–	–	–	264
Impairment loss recognised on intangible assets	–	–	28,838	–	–	–	28,838
Write-down of inventories	–	137	42	–	–	–	179

Geographical information

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue		Non-current assets	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**655,792**	59,089	**165,827**	53,714
The PRC except Hong Kong	**–**	125	**187,499**	193,805
	655,792	59,214	**353,326**	247,519

Revenue from major customers:

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

	2020	2019
	HK$'000	*HK$'000*
Provision of medical and health related services segment		
Customer A	**462,822**	–
Customer B	**65,557**	–
Customer C	**N/A[1]**	12,662

[1] The corresponding revenue did not contribute over 10% of total revenue of the Group.

7. FINANCE COSTS

	2020	2019
	HK$'000	*HK$'000*
Interest on lease liabilities	**724**	382
Interest on borrowings	**978**	1,241
Effective interest on convertible bonds	**4,787**	–
Imputed interest on loan from a non-controlling shareholder of a subsidiary	**9**	69
	6,498	1,692

8. INCOME TAX EXPENSE/(CREDIT)

Income tax has been recognised in profit or loss as follows:

	2020	2019
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**36,478**	336
Over-provision in prior year	**(40)**	(60)
	36,438	276
Deferred tax	**(1,259)**	(2,386)
	35,179	(2,110)

Under the two-tiered Profits Tax regime, the first HK$2 million of 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 the tax rate of 16.5%. The 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%.

PRC Enterprise Income Tax has been provided at a rate of 25% (2019: 25%).

A subsidiary of the Group in the PRC had been certified by the relevant PRC authorities as high technology enterprises pursuant to the Income Tax Law in the PRC, the subsidiary was subjected to EIT rate of 15%.

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

9. PROFIT/(LOSS) FOR THE YEAR

The Group's profit/(loss) for the year is stated after charging/(crediting) the following:

	2020	2019
	HK$'000	*HK$'000*
Amortisation of intangible assets	**8,392**	7,756
Acquisition-related costs	**–**	3,504
Depreciation of property, plant and equipment	**21,152**	5,630
Depreciation of right-of-use assets	**10,792**	6,815
Loss/(gain) on disposal of property, plant and equipment	**39**	(534)
Gain on remeasurement on pre-existing interest in an associate	**–**	(8,096)
Gain on fair value change on derivative financial instrument	**(6,384)**	–
Operating lease charges		
– Office premises and warehouses	**1,765**	4,717
Staff costs including director remuneration		
– Salaries, bonuses and allowances	**61,143**	42,240
– Equity-settled share-based payments	**4,865**	4,902
– Retirement benefits scheme contributions	**1,543**	1,597
	67,551	48,739
Research and development cost	**29,192**	10,680
Auditor's remuneration		
– Audit services	**1,100**	980
– Non-audit services	**140**	1,100
	1,240	2,080
Cost of inventories sold	**67,928**	15,334
Write-down on inventories (included in cost of sales)	**107**	179
Allowance for impairment loss on financial assets, net	**1,145**	2,996
Impairment loss on goodwill	**–**	264
Impairment loss on intangible assets	**–**	28,838
Written off on property, plant and equipment	**–**	1,960

10. DIVIDENDS

The directors of the Company did not recommend payment of any final dividend for the year ended 31 December 2020 (2019: Nil).

11. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to the owners of the Company is based on the following:

	2020	2019
	HK$'000	*HK$'000*
Earnings/(loss)		
Earnings/(loss) for the year for the purpose of calculating basic/diluted earnings/(loss) per share	**30,170**	(98,845)

	2020	2019
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic/diluted earnings/(loss) per share	**968,490**	960,877

The weighted average numbers of ordinary shares used as denominators in calculating the basic and diluted earnings/(loss) 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 exercise price of those share options was higher than the average market prices of the share for the year ended 31 December 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 year ended 31 December 2020.

The effect of all potential ordinary shares is anti-dilutive for the years ended 31 December 2019 due to loss making for the year ended 31 December 2019.

12. TRADE AND OTHER RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Trade receivables	**30,891**	11,434
Allowance for impairment loss	**(577)**	(345)
	30,314	11,089
Rental and other deposits	**5,383**	3,317
Other receivables	**3,891**	2,067
Prepayments	**1,621**	3,561
Sales proceeds on disposal of associates	**1,268**	3,347
Cash held in securities trading accounts with stock brokers	**479**	12
Allowance for impairment loss of other receivables	**(1,423)**	(3,502)
	11,219	8,802
Total trade and other receivables	**41,533**	19,891

The Group generally allows an average credit period of 90 days (2019: 90 days) for its pharmaceutical products customers and its laboratory testing and health check services customers and 30 days (2019: 30 days) for its insurance brokerage services customers. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The aging analysis of trade receivables based on the invoice date, and net of allowance, is as follows:

	2020	2019
	HK$'000	*HK$'000*
0 to 90 days	**27,041**	9,936
91 to 180 days	**3,042**	858
181 to 365 days	**231**	271
Over 365 days	**–**	24
	30,314	11,089

As at 31 December 2020, an aggregate allowance was made for estimated irrecoverable trade receivables of approximately HK$577,000 (2019: HK$345,000).

As of 31 December 2020, trade receivables of approximately HK$3,273,000 (2019: HK$1,153,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables past due but not impaired is as follows:

	2020	2019
	HK$'000	*HK$'000*
Less than 90 days	**3,042**	858
91 to 275 days	**231**	271
Over 275 days	**–**	24
	3,273	1,153

The carrying amounts of the Group's trade receivables are denominated in HK$.

13. CONVERTIBLE BONDS

On 11 May 2020, the Company issued convertible bonds at the issue price of US$10,000,000 (equivalent to approximately HK$77,500,000) (equal to 100 per cent. of the principal amount of the convertible bonds). There was no movement in the number of these convertible bonds during the year ended 31 December 2020. The bonds are convertible at the option of the bondholders into ordinary shares at the initial conversion price of HK$1.75 per conversion share and at the exchange rate of HK$7.85 to US$1.00, a maximum number of 44,857,142 conversion shares will be allotted and issued upon exercise of the conversion rights attached to the convertible bonds in full. The bonds carry interest at a rate of 8.5% per annum, which is payable half-yearly in arrears on 24 June and 24 December.

The rate of exchange to be used shall be at the rate of US$1.00 to HK$7.85, provided that, if the average exchange rate (the "**Adjusted Exchange Rate**") of the Telegraphic Transfer Bank Buy and the Telegraphic Transfer Bank Sell as quoted on the website of the Hong Kong and Shanghai Banking Corporation Limited on the Business Day immediately prior to such date is at the rate of US$1.00 to HK$7.85001 or more, the rate of exchange to be used shall be such Adjusted Exchange Rate; provided further that if the bondholder exercises its Conversion Right, the exchange rate for the purpose of conversion will be the rate of US$1.00 to HK$7.85, and that the Company shall pay the bondholder in cash at the time of conversion in an amount resulting from the difference between such rate and the Adjusted Exchange Rate.

The maturity date is two years from issue date. The convertible bonds are secured by 529,500,546 ordinary shares of the Company held by Genius Lead Limited, controlling shareholder and guaranteed by Mr. Liu Xiaolin, the co-chairman and executive Director of the Company.

The proceeds received from the issue of the convertible bonds have been split between the liability and derivative components as follows:

	2020
	HK$'000
Nominal value of convertible bonds issued	**77,500**
Transaction cost related to liability component	**(1,223)**
Derivative component	**(747)**
Liability component at date of issue	**75,530**
Interest expenses	**4,787**
Interest paid	**(4,025)**
Liability component at 31 December 2020	**76,292**

	(Assets)	**Liabilities**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Derivative component at date of issue	(5,543)	6,290	747
Fair value (gain)/loss for the year	(8,691)	2,307	(6,384)
Derivative component at 31 December 2020	(14,234)	8,597	(5,637)

The interest charged for the year is calculated by applying an effective interest rate of 10.19% to the liability component for the 7.6 months period since the bonds were issued.

The directors estimate the fair value of the liability component of the convertible bonds at 31 December 2020 to be approximately HK$83,802,000. This fair value has been calculated by discounting the future cash flows at the market interest rate.

The derivative financial assets and derivative financial liabilities are embedded in the convertible bonds, which is the call option and the conversion option respectively. The derivative component is measured at its fair value at the date of issue and at the end of each reporting period. The fair values are estimated using Binomial Option Pricing Model (level 3 fair value measurements). The key assumptions used are as follows:

	31 December 2020	Date of issue
Weighted average share price (HK$)	**1.30**	1.11
Weighted average exercise price (HK$)	**1.75**	1.75
Expected volatility	**52.74%**	46.66%
Expected life	**1.36**	2.00
Risk free rate	**0.08%**	0.36%
Expected dividend yield	**Nil**	Nil

14. CONTINGENT CONSIDERATION

	Shanghai Longyao *HK$'000* *(Note a)*	**Fortstone** *HK$'000* *(Note b)*	**Total** *HK$'000*
At 1 January 2019	–	–	–
Acquisition of subsidiaries (note 16(a), (b))	34,149	5,182	39,331
(Gain)/loss on fair value change	(8,101)	63	(8,038)
At 31 December 2019 and 1 January 2020	26,048	5,245	31,293
Gain on fair value change	(3,350)	(2,144)	(5,494)
At 31 December 2020	**22,698**	**3,101**	**25,799**
Classified as:			
Current	–	–	–
Non-current	22,698	3,101	25,799
	22,698	3,101	25,799

As of 31 December 2020, the fair value of the contingent consideration liability was remeasured, and a gain of HK$5,494,000 (2019: HK$8,038,000) resulted from the change in fair value of the contingent consideration liability was recognised in other income and gains in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020.

Note a:

Contingent consideration is payable, which is subject to fulfillment of certain performance targets ("**First Target Achievement**") by Shanghai Longyao. The Company shall allot and issue a total of 29,100,000 new shares of the Company at an issue price of HK$2.00. In the event that Shanghai Longyao meets certain other performance targets ("**Second Target Achievement**") after meeting the First Target Achievement, the Company shall allot and issue another 29,100,000 new shares of the Company in aggregate. In the event that Shanghai Longyao meets the Second Target Achievement without achieving the First Target Achievement, the Company shall allot and issue a total of 58,200,000 new shares of the Company to Mr. Ye Shenqin, Beike International (HK) Limited, Mr. Yang Xuanming and Mr. Wang Xin.

The initial amount recognised was HK$34,149,000, and as at 31 December 2020, the amount recognised was HK$22,698,000 (2019: HK$26,048,000). The fair value which was determined using management best estimate and was within level 3 fair value measurement, which were reference to the valuation performed by an independent professional qualified valuer.

Note b:

Contingent consideration is payable in cash to the vendors of Fortstone amounted of HK$6,120,000 ("**Tranche Consideration**"), which is subject to the accumulated net profit after tax of Fortstone amounted to HK$9,000,000 ("**Actual Accumulated Profit**") for (a) the period from 31 October 2019 to 31 December 2019, (b) the two financial years ending 31 December 2020 and 2021 and (c) the period from 1 January 2022 to 31 October 2022 collectively. In the event that the Actual Accumulated Profit is a positive figure but less than HK$9,000,000 for third anniversary of the completion date, the Tranche Consideration shall be adjusted to the figures calculated according to as below:

Actual Accumulated Profit multiplied by HK$6,120,000 and divided by HK$9,000,000.

If the Actual Accumulated Profit is a negative figure, the contingent consideration shall be zero.

The initial amount recognised was HK$5,182,000, and as at 31 December 2020, the amount recognised was HK$3,101,000 (2019: HK$5,245,000). The fair value which was determined using management best estimate and was within level 3 fair value measurement, which were reference to the valuation performed by an independent professional qualified valuer. The fair value estimates are based on an assumed discount rate of 13%.

15. TRADE AND OTHER PAYABLES

	2020	2019
	HK$'000	*HK$'000*
Trade payables	**190,233**	3,404
Accruals	**12,477**	10,853
Receipt in advance	**559**	102
Other payables	**9,772**	2,969
	213,041	17,328

The aging analysis of trade payables based on the date of invoice date, is as follows:

	2020	2019
	HK$'000	*HK$'000*
0 to 90 days	**24,144**	3,173
91 to 180 days	**166,079**	51
181 to 365 days	**10**	180
	190,233	3,404

The carrying amounts of the Group's trade payables are denominated in HK$ and RMB, amount of approximately HK$189,691,000 (2019: HK$3,404,000) and HK$542,000 (2019: Nil) respectively.

16. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of Shanghai Longyao

On 29 January 2019, the Group has made a capital contribution of RMB40,000,000 (equivalent to HK$46,276,000) to Shanghai Longyao, of which RMB3,162,470 (represents approximately 21.03% of the equity interests of Shanghai Longyao) will be credited as share capital and Shanghai Longyao became an associate of the Group.

On 29 March 2019, the Group further acquired approximately 45.97% of the equity interests of Shanghai Longyao for a total consideration of approximately HK$124,369,000. On the same date, Shanghai Longyao become a subsidiary of the Group upon holding of a total of approximately 67% equity interest.

The Company, through China Biology Services Group Limited, directly or indirectly held approximately 67% equity interests in Shanghai Longyao. Shanghai Longyao was engaged in the provision of tumor immune cell therapy, immune cell storage and health management services in the PRC during the year. The acquisitions are for the purpose of specialises in the research and development of CAR-T and related cancer treatment products and is expected to benefit greatly from the positive developments of immunotherapy.

The Group accordingly remeasured the fair value of its pre-existing interest of 21.03% in Shanghai Longyao on 29 March 2019 and recognised a gain on remeasurement of approximately HK$8,096,000 of the Group's pre-existing interest in Shanghai Longyao to 29 March 2019's fair value.

Details of the carrying value and fair value of the Group's pre-existing interest in Shanghai Longyao at 29 March 2019 are summarised as follows:

	HK$'000
Carrying value of pre-existing interest in Shanghai Longyao	45,570
Less: Fair value of pre-existing interest in Shanghai Longyao	(53,666)
Gain on remeasurement on pre-existing interest in an associate	8,096

The Group recognised a gain of approximately HK$8,096,000 as a result of measuring at fair value on its 21.03% equity interests in Shanghai Longyao held before the business combination. The gain is included in other income.

The fair value of the identifiable acquired and liabilities recognised as at the date of acquisition are as follows:

Net assets acquired:	*HK$'000*
Property, plant and equipment	1,269
Right-of-use assets	1,728
Intangible assets	87,092
Inventory	2
Trade and other receivables	1,340
Bank and cash balances	38,454
Trade and other payables	(1,904)
Amount due a shareholder	(22,785)
Other borrowings	(5,836)
Deferred tax liabilities	(13,064)
Lease liabilities	(1,769)
Total identifiable net assets at fair value	84,527
Assignment of debts	22,785
Non-controlling interests	(35,413)
	71,899
Fair value of pre-existing interest	(53,666)
	18,233
Goodwill	106,136
	124,369
Satisfied by:	
Cash	44,004
Consideration shares	46,216
Contingent consideration *(note 14)*	34,149
	124,369
Net cash outflow arising on acquisition:	
Cash consideration paid	(44,004)
Cash and cash equivalents acquired	38,454
	(5,550)

The goodwill arising on the acquisition of Shanghai Longyao is attributable to the anticipated profitability of the distribution of the Group's products in the new markets and the anticipated future operating synergies from the combination.

Acquisition-related costs of HK$1,066,000 have been charged to administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019.

The fair value of the 27,509,400 ordinary shares of the Company issued as part of the consideration paid was determined on the basis of the closing market price of the Company's ordinary shares on the acquisition date.

Shanghai Longyao contributed revenue approximately HK$125,000 and loss of approximately HK$21,507,000 to the Group's revenue for the year for the period between the date of acquisition and 31 December 2019.

If the acquisition had been completed on 1 January 2019, total Group revenue for the year would have been HK$61,074,000, and loss for the year would have been HK$127,263,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2019, nor is intended to be a projection of future results.

(b) Acquisition of Fortstone

On 31 October 2019, the Group acquired 51% of the issued share capital of Fortstone for a total consideration of approximately HK$10,297,000. Fortstone was engaged in the provision of insurance brokerage services during the year. The acquisitions are for the purpose of expand its business operation and anticipated future operating synergies from the combination together with the medical laboratory testing services and health check services segment.

The fair value of the identifiable acquired and liabilities recognised as at the date of acquisition are as follows:

Net assets acquired:	*HK$'000*
Property, plant and equipment	170
Right-of-use assets	803
Intangible assets	1,324
Trade and other receivables	1,560
Bank and cash balances	407
Trade and other payables	(1,167)
Current tax liabilities	(137)
Lease liabilities	(822)
	2,138
Non-controlling interests	(1,048)
Goodwill	9,207
	10,297
Satisfied by:	
Cash	3,060
Capital injection	204
Consideration shares	1,851
Contingent consideration *(note 14)*	5,182
	10,297
Net cash outflow arising on acquisition:	
Cash consideration paid	(3,264)
Cash and cash equivalents acquired	407
	(2,857)

Acquisition-related costs of HK$1,022,000 have been charged to administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019.

The fair value of the 1,530,000 ordinary shares of the Company issued as part of the consideration paid was determined on the basis of the closing market price of the Company's ordinary shares on the acquisition date.

The goodwill arising on the acquisition of Fortstone is attributable to the anticipated profitability of the distribution of the Group's products in the new markets and the anticipated future operating synergies from the combination.

Fortstone contributed revenue approximately HK$2,402,000 and profit of approximately HK$540,000 to the Group for the year for the period between the date of acquisition and 31 December 2019.

If the acquisition had been completed on 1 January 2019, total Group revenue for the year would have been HK$83,613,000, and loss for the year would have been HK$104,608,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2019, nor is intended to be a projection of future results.

17. DISPOSAL OF SUBSIDIARIES

(a) 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 dispose of the 78% equity interests 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.

Net assets at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	**510**
Inventories	**303**
Trade and other receivables	**2,330**
Bank and cash balances	**371**
Trade and other payables	**(1,668)**
Net assets disposed of	**1,846**
Release of non-controlling interest	**602**
Loss on disposal of the Huge Profit Group	**(1,948)**
Total consideration satisfied by cash	**500**
Net cash inflow arising on disposal:	
Cash consideration received	**500**
Cash and cash equivalents disposed of	**(371)**
	129

(b) Disposal of Dragon Leap Group

On 16 August 2019, Dynasty Well Limited, a wholly-owned subsidiary of the Company, as vendor, entered into a sale and purchase agreement with an independent third party, as purchaser, to dispose of the entire equity interests in Dragon Leap Enterprises Limited and its subsidiaries (collectively, the "**Dragon Leap Group**") at a cash consideration of HK$50,000. The completion of the disposal of the Dragon Leap Group took place on the same date.

Net assets at the date of disposal were as follows:

	HK$'000
Trade and other receivables	455
Bank and cash balances	34
Trade and other payables	(446)
Net assets disposed of	43
Release of foreign currency translation reserve	323
Loss on disposal of the Dragon Leap Group	(316)
Total consideration satisfied by cash	50
Net cash inflow arising on disposal:	
Cash consideration received	50
Cash and cash equivalents disposed of	(34)
	16

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the year ended 31 December 2020 ("**2020 Year**"), the principal activities of the Group were (i) provision of tumor immune cell therapy, immune cell storage and health management services in the People's Republic of China (the "**PRC**"); (ii) the 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; and (v) trading of securities in Hong Kong.

Turnover

During the 2020 Year, the Group recorded a turnover of approximately HK$655,792,000, representing a significant increase of approximately 10.07 times as compared with that of approximately HK$59,214,000 for the year ended 31 December 2019 (the "**2019 Year**"). In view of the rapid spread of the novel coronavirus ("**COVID-19**") epidemic worldwide, tremendous impacts have been brought to the business operation of various industries and overall global economy. In order to capture the market share of demand shift focusing on COVID-19 testing services, the Group has set up a laboratory and an additional temporary laboratory with 16 air membrane in Hong Kong to provide COVID-19 tests to Hong Kong citizens. In the third wave of COVID-19 infection which came in mid-July in Hong Kong, the Group provided COVID-19 testing services for private clinics, corporate and government clients, and individuals. As a result, the revenue from medical laboratory testing services and health check services segment increased significantly with strategic development and marketing and promotion campaigns for the 2020 Year.

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 has completed the clinical research cooperation for cell therapy with 3 Class III Grade A hospitals in the PRC. Also, Shanghai Longyao has conducted an investigator initiated clinical research on its self-developed new generation of CD20-targeted autologous CAR-T. During 2020 Year, Shanghai Longyao has applied to the Center for Drug Evaluation of the National Medical Products Administration for registration 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 is Class I new drug. LY007 Cellular Injection is a chimeric antigen receptor T-cell (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 signal design. No turnover from this segment was generated during the 2020 Year.

Manufacture and sale of health related and pharmaceutical products

Manufacture and sale of health related and pharmaceutical products segment recorded a slight decrease during the 2020 Year. The turnover of this segment decreased from approximately HK$1,448,000 for the 2019 Year to approximately HK$869,000 for the 2020 Year mainly due to the tough economic environment in Hong Kong and COVID-19 pandemic.

Provision of medical laboratory testing services and health check services

The Group had offered 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 has increased from approximately HK$53,551,000 for the 2019 Year to approximately HK$646,748,000 for the 2020 Year. It significantly increased by 11.08 times as compared with 2019 Year. To minimise the impact on the performance of the Group resulting from the COVID-19 epidemic, the Group has entered into distribution agreements with suppliers in relation to detection test kit of COVID-19 and provided COVID-19 testing to customers, in order to capture the market share of demand shift focusing on COVID-19 tests. Besides, the Group has set up a laboratory and an additional temporary laboratory with 16 air membrane in Hong Kong to provide COVID-19 tests to Hong Kong citizens and adjusted strategic development and launched marketing and promotion campaigns on medical laboratory testing services and health check services segment. In the third wave of COVID-19 infection which came in mid-July in Hong Kong, the Group provided COVID-19 testing services for private clinics, and corporates and government clients, and individuals. As a result, the revenue from medical laboratory testing services and health check services segment increased significantly for the 2020 Year.

Provision of insurance brokerage services

Having completed the acquisition of 51% issued shares in Fortstone International (Hong Kong) Limited ("**Fortstone**"), a company engaged in insurance brokerage services, on 31 October 2019, the Group has established a foothold in provision of insurance brokerage services and the total turnover from the business was approximately HK$6,875,000 during the 2020 Year (2019 Year: HK$2,402,000). Its full year's turnover was recognised for the 2020 Year while only its turnover after the completion of the acquisition in October 2019 was recognised for the 2019 Year.

Money lending business

Ferran Finance Limited, an indirect wholly-owned subsidiary of the Company, is a holder of money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). With the increasing market demands of the micro-financing business in Hong Kong, the Group has utilised 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 at 8% to 10% per annum and are repayable within one year. The money lending business recorded an interest income of approximately HK$1,300,000 for the 2020 Year (2019 Year: HK$1,688,000).

Trading of financial assets at FVTPL

The Group's investment portfolio comprises investments in listed securities in Hong Kong. This business segment recorded a net of loss on financial assets at FVTPL of approximately HK$47,000 during the 2020 Year (2019 Year: HK$1,252,000).

The performance of equity investments is subject to certain degree of volatility in the Hong Kong stock market and is susceptible to other external factors. It has been the policy of the Company to closely monitor the performance of its securities investment and to diversify the investment portfolio with a view to mitigate possible financial risks related to the equity investments.

Gross profit and gross profit margin

The Group recorded a gross profit of approximately HK$339,082,000 for the 2020 Year, representing an increase of approximately HK$316,709,000 when compared with that of approximately HK$22,373,000 in the 2019 Year. Also, the gross profit margin for the 2020 Year was approximately 51.71%, representing an increase of approximately 13.93 percentage point when compared with the gross profit margin of approximately 37.78% for the 2019 Year. The increase in gross profit margin was attributable to a substantial growth in the turnover from medical laboratory testing services and health check services segment.

Selling and distribution expenses

Selling and distribution expenses were approximately HK$11,848,000 (2019 Year: HK$12,379,000) for the 2020 Year, representing a decrease of approximately HK$531,000 or 4.29% compared with such expenses for the 2019 Year. The decrease is due to less rental expenses incurred during the 2020 Year.

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 2020 Year were approximately HK$132,489,000, representing an increase of approximately HK$38,378,000 or 40.78%, as compared with that of approximately HK$94,111,000 for the 2019 Year. The increase in administrative expenses was mainly attributable to (i) increase in research and development costs and amortisation of intangible assets of approximately HK$29,192,000 (2019 Year: HK$10,680,000) and HK$8,392,000 (2019 Year: HK$7,756,000) for the 2020 Year respectively resulted from tumor immune cell therapy services segment; and (ii) increase in staff costs by HK$8,632,000 due to expansion of medical laboratory testing services and health check services segment.

Finance costs

During the 2020 Year, the Group's interest expenses amounted to approximately HK$6,498,000 (2019 Year: HK$1,692,000). The increase in the finance costs was mainly attributable to the issue of convertible bonds during the 2020 Year.

Profit/(loss) for the year

The Group recorded a net profit of approximately HK$167,623,000 for the 2020 Year (2019 Year: net loss of approximately HK$107,483,000). The turnaround from net loss for the 2019 Year to net profit for the 2020 Year was mainly attributable to (i) substantial increase in demand for COVID-19 testing services due to third wave of COVID-19 infection in mid-July in Hong Kong; (ii) being one of the participants of COVID-19 testing services under Universal Community Testing Programme for Hong Kong citizens; and (iii) a robust growth in revenue and gross profit from medical laboratory testing services and health check service segment with strategic development and marketing and promotion campaigns.

BUSINESS REVIEW

Memorandum of understanding in relation to the possible investment in the equity interest in Hechao Reproductive Medical Centre Limited

On 25 March 2020, the Company entered into a non-legally binding memorandum of understanding with 合巢生殖醫學中心有限公司 (in English, for identification purpose only, Hechao Reproductive Medical Centre Limited) ("**Hechao Reproductive Medical Centre**") in relation to the Group's possible investment in Hechao Reproductive Medical Centre, which is a company principally engaged in the provision of reproductive medical services. No legally binding agreement has been entered into by the Company with Hechao Reproductive Medical Centre in respect of the possible investment. Details were disclosed in the announcements of the Company dated 25 March 2020 and 24 June 2020.

Placing of convertible bonds under general mandate and use of proceeds

On 24 April 2020, the Company and Guoyuan Capital (Hong Kong) Limited (the "**Placing Agent**") entered into a placing agreement (the "**Placing Agreement**"), pursuant to which the Placing Agent conditionally agreed, on a best efforts basis, to procure subscriber(s) to enter into a subscription agreement with the Company and to subscribe for and pay for, and the Company conditionally agreed to issue, convertible bonds at the issue price of US$10,000,000 (the "**Convertible Bonds**") (equal to 100 per cent. of the principal amount of the Convertible Bonds) on the completion date. On the same date, pursuant to the Placing Agreement, the Company further entered into a subscription agreement with Guoyuan Securities Investment (Hong Kong) Limited (the "**Subscriber**") (being the placee procured by the Placing Agent) (the "**Subscription Agreement**") pursuant to which the Subscriber conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of US$10,000,000 (equivalent to approximately HK$77,500,000). Based on the initial conversion price of HK$1.75 per conversion share at the exchange rate of HK$7.85 to US$1.00, a maximum number of 44,857,142 conversion shares will be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full. The conversion price represented a premium of approximately 56.25% to the closing price of HK$1.12 per share of the Company as quoted on the Stock Exchange on 24 April 2020, being the date of the Subscription Agreement. The gross and net proceeds from the subscription (after deducting related expenses) were approximately HK$77,500,000 and HK$76,800,000 respectively. The net price of the conversion shares is HK$1.71 per conversion share. The completion of the placing took place on 11 May 2020. Details of the placing were disclosed in the announcements of the Company dated 24 April 2020, 27 April 2020 and 11 May 2020 respectively.

The Board considered it beneficial to strengthen the capital base of the Group through the placing in preparation for long-term development and further strengthening of financial position of the Group. The issue of the Convertible Bonds will not have an immediate dilution effect on the shareholding of the existing shareholders of the Company and the conversion price is at a premium over the average closing price of the shares of the Company for the last five trading days up to the date of the Subscription Agreement. The Directors also considered that the issue of Convertible Bonds would provide an opportunity for the Company, if the conversion rights attached to the Convertible Bonds are exercised, to enlarge and strengthen its capital base and also broaden its shareholders base by the introduction of new investor.

Grant of share options

On 2 September 2020 and 26 November 2020, the Company granted to eligible participants share options to subscribe for up to a total of 14,660,000 ordinary shares of nominal value of HK$0.10 each in the share capital of the Company. Details were disclosed in the announcements of the Company dated 2 September 2020, 26 November 2020 and 1 December 2020 respectively.

Repurchase of shares

During the 2020 Year, the Company repurchased 3,880,000 shares of the Company ranged from HK$1.01 to HK$1.33 per share on the Stock Exchange 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 15 May 2019 and 26 May 2020 respectively. The Company subsequently cancelled the 2,955,000 and 925,000 repurchased shares on 22 July 2020 and 9 February 2021 respectively.

Disposal of subsidiaries

Having taken into consideration that the performance of Huge Profit Trading Limited and its subsidiary (collectively, the "**Huge Profit Group**") for the past financial years was not satisfactory, the Directors considered that the disposal of the Huge Profit Group would enable the Company to free up the resources devoted to this business and redirect the resources to the Group's other existing business which might have higher growth potential to maximise the benefit of the shareholders of the Company. The completion of the disposal of the Huge Profit Group took place on 14 September 2020. For details, please refer to the disclosure made in note 17(a) to the consolidated financial statement.

Sale and purchase agreement and master services agreement

On 30 September 2020, Sunrise Diagnostic Centre Limited ("**SDCL**"), an indirect non-wholly-owned subsidiary of the Company, and BGI Health (HK) Company Limited ("**BGI**"), a company incorporated in Hong Kong with limited liability and the holder of 40% of the issued share capital of SDCL, entered into a master services agreement in respect of the provision of the COVID-19 test services through RT-PCR method. On the same date, SDCL and BGI also entered into a sale and purchase agreement in relation to the sale and purchase of the equipment for performing COVID-19 nucleic acid testing services at a consideration of HK$145,393,461.77. Details were disclosed in the announcements of the Company dated 30 September 2020 and 18 December 2020 respectively and the circular of the Company dated 22 December 2020.

OUTLOOK

The economic outlook for the coming year will continue to be sluggish with the uncertain geopolitical and macroeconomic environment challenges including the ongoing trade conflict between the US and China and COVID-19 outbreak.

While the novel coronavirus pandemic continues in Hong Kong, 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 long and tortuous process.

The Group's business is being affected in various aspects. The continuation of the pandemic will generate revenue through the Group's novel coronavirus testing business and airport testing. As more and more people get vaccinated, the Group will adjust its testing business to capture new opportunities. With more mature continuous 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, it is expected that China will approve the first CAR-T product for sale on the market in 2021, ushering in a new phase of development for the CAR-T market in China. All these will benefit research and development enterprises of immune cell drugs, which are represented by CAR-T. Up to 23 February 2021, four CAR-T products have been approved for sale on the market in the United States of America.

The Group is confident that in the coming year, we will overcome the challenges and seize opportunities to actively explore the diversification and transformation of our testing business; commence Phase I clinical trials of CAR-T products that have already received clinical approval as soon as possible; advance the research and development and preparation work for clinical approval filing of CAR-T products targeting solid tumors and generic CAR-T products; introduce overseas projects with potential; and deepen our medical and healthcare industry deployment in the Greater Bay Area, striving to become an advanced international biomedical innovation platform.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has financed its operations and capital expenditures requirements through (i) internal generated resources, (ii) net proceeds from the placing of new shares under general mandate and (iii) bank and other borrowings.

Liquidity and Financial Resources

As at 31 December 2020, the Group held cash and bank balances of approximately HK$384,539,000 (2019: HK$45,518,000), all were principally denominated in Renminbi and Hong Kong dollars. The increase in cash and bank balances of approximately HK$339,021,000 is mainly due to placing of convertible bonds and generating from operating activities.

As at 31 December 2020, the Group had convertible bonds of approximately US$9,844,000 (equivalent to approximately HK$76,292,000) (31 December 2019: HK$Nil) which are secured by 529,500,546 ordinary shares of the Company held by Genius Lead Limited, the controlling shareholder of the Company and guaranteed by Mr. Liu Xiaolin, co-chairman and executive director of the Company and carried a fixed interest rate of 8.5% per annum and is repayable on 11 May 2022.

As at 31 December 2020, the Group had no loan from controlling shareholder. As at 31 December 2019, the Group had a loan from controlling shareholder of approximately HK$20,000,000 which was unsecured and carried a fixed interest rate of 6% per annum and was repayable within one year. The loan from controlling shareholder was fully repaid during the 2020 Year.

As at 31 December 2020, the Group had unsecured other borrowing of approximately HK$10,664,000 (equivalent to approximately USD500,000 and RMB5,700,000) (31 December 2019: unsecured other borrowing of approximately RMB3,500,000 (equivalent to approximately HK$3,911,000)), which carried a fixed interest rate of 8% to 10% (31 December 2019: 8%) per annum and is repayable within one year.

The increase in the other borrowings were mainly due to the issue of convertible bonds during the 2020 Year.

As at 31 December 2020, total assets of the Group were approximately HK$904,121,000 (31 December 2019: HK$416,584,000), whereas total liabilities were approximately HK$392,016,000 (31 December 2019: HK$103,221,000). The gearing ratio of the Group, calculated as total liabilities over total assets, was approximately 43.36% (31 December 2019: 24.78%). Current ratio (defined as total current assets divided by total current liabilities) was 1.64 times (31 December 2019: 1.61 times).

Fortstone, an indirect non-wholly owned subsidiary of the Company, is a holder of insurance broker licence under the Insurance Ordinance. As an insurance brokerage company, Fortstone is subject to capital and net assets requirement under the Insurance Ordinance. Fortstone shall maintain a minimum net assets value and a minimum paid up share capital of HK$500,000 at all times. Fortstone oversees its compliance with the capital and net assets requirement by monitoring Fortstone’s liquid asset and ranking liabilities at all times to ensure they are well above the minimum required level (i.e. HK$500,000). As at 31 December 2020, Fortstone has complied with the capital and net assets requirement during the 2020 Year.

Capital Structure

As at 31 December 2020, the total issued share capital of the Company was HK$96,685,115 (31 December 2019: HK$96,980,615) divided into 966,851,150 (31 December 2019: 969,806,150) ordinary shares of HK$0.10 each.

Placing of convertible bonds under general mandate and use of proceeds

On 11 May 2020, Convertible Bonds in the total principal amount of US$10,000,000 were issued by the Company to the Subscriber at the issue price of US$10,000,000 (equivalent to approximately HK$77,500,000). Based on the initial conversion price of HK$1.75 per conversion share at the exchange rate of HK$7.85 to US$1.00, a maximum number of 44,857,142 conversion shares will be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full. The use of proceeds from the issue of the Convertible Bonds is as follows:

Intended use	**Net proceeds**	**Utilisation up to 31 December 2020**	**Remaining balances as at 31 December 2020**
	HK$'000	*HK$'000*	*HK$'000*
Repayment of loan and interests to the controlling shareholder	21,000 (equivalent to US$2.699 million)	21,000 (equivalent to US$2.699 million)	–
Potential investments	35,000 (equivalent to US$4.499 million)	35,000 (equivalent to US$4.499 million)	–
Research and development costs and general working capital	20,800 (equivalent to US$2.673 million)	20,800 (equivalent to US$2.673 million)	–

SIGNIFICANT INVESTMENT HELD AND PERFORMANCE

As at 31 December 2020, the Group's financial assets at fair value through other comprehensive income amounted to approximately HK$98,845,000 (31 December 2019: HK$82,622,000) including three (31 December 2019: three) investments in unlisted equity securities. It mainly consisted of an investment of approximately HK$47,006,000 in Pillar Biosciences, Inc. ("**Pillar**") (which represented 5.20% of the total asset of the Group as at 31 December 2020) and an investment of HK$47,252,000 in Broncus Holding Corporation ("**Broncus**") (which represented 5.23% of the total asset of the Group as at 31 December 2020).

(i) Investment in Pillar

As at 31 December 2020, the Group held approximately 4% (2019: 5.21%) of equity interest of Pillar or 1,638,216 series B preferred stock in Pillar with fair value of HK$47,006,000 (equivalent to US$6,064,000) (2019: HK$38,880,000 (equivalent to US$4,993,000)) and at an initial investment costs of US$4,999,999 (equivalent to HK$39,208,000). Pillar is a precision testing company for cancer based in Boston, Massachusetts, the United States of America with a wholly-owned subsidiary in Shanghai, the PRC. Based on the latest unaudited consolidated financial statements of Pillar for the year ended 31 December 2020, it recorded an unaudited consolidated loss of approximately US$16.3 million. A fair value gain on the Group's investment in Pillar of approximately HK$8,126,000 (2019 Year: fair value loss of approximately HK$328,000) has been recognised in other comprehensive income for the 2020 Year. No dividend income was received from Pillar for both years. The Group believes that the investment in Pillar will create synergies with the Group's medical laboratory testing services and heath check services.

(ii) Investment in Broncus

As at 31 December 2020, the Group held approximately 1.63% (2019: 2.05%) of equity interest of Broncus or 1,641,794 series B preferred stock in Broncus with fair value of HK$47,252,000(equivalent to US$6,097,000) (2019: HK$39,307,000) and at an initial investment costs of US$5,000,001.54 (equivalent to HK$39,282,000). Broncus is a company mainly engaged in the development and manufacturing of navigation, diagnostic and therapeutic technologies to treat patients with lung disease. Based on the latest unaudited consolidated financial statements of Broncus for the year ended 31 December 2019, it recorded an unaudited consolidated loss of approximately US$17.33 million. A fair value gain on the Group's investment in Broncus of approximately HK$7,945,000 (2019: HK$Nil) has been recognised in other comprehensive income for the 2020 Year. No dividend income was received from Broncus for both years. The investment in Broncus enables the Group to strategically lay out in precision diagnosis, and to enter into the field of precision treatment. Other than bringing investment return to the Group, the Group will also explore collaborative opportunity with Broncus.

The Group did not hold any other significant investments with a market value that account for more than 5% of the Group's audited total assets as at 31 December 2020.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Except for the disposal of subsidiaries as disclosed in the section headed "BUSINESS REVIEW" above, the Group did not have any other material acquisition or disposal of subsidiaries, associates and joint ventures for the 2020 Year.

CAPITAL COMMITMENTS

Capital commitments authorised for at the end of the reporting period but not yet contracted are as follows:

	2020	2019
	HK$'000	*HK$'000*
Capital contribution to:		
WFOE in Guangdong province, PRC	**4,781**	7,481

On 19 January 2018, the Group has established a wholly foreign-owned enterprise ("WFOE") in Guangdong Province, the PRC, pursuant to the cooperation agreement dated 6 November 2017 entered into with 中國(廣東)自由貿易試驗區深圳前海蛇口片區管理委員會 (in English, China (Guangdong) Pilot Free Trade Zone Qianhai & Shekou Area of Shenzhen Management Committee) in related to cooperation for provision of biotech services. The registered capital of the WFOE is RMB10,000,000 and the Group has paid the registered capital of RMB5,947,000 (2019: RMB3,498,000). The remaining capital commitment was RMB4,053,000 (equivalent to approximately HK$4,781,000) (2019: RMB6,502,000 (equivalent to approximately HK$7,481,000)).

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2020 and 2019, the Group had no charges on its assets.

CONTINGENT LIABILITIES

As at 31 December 2020 and 2019, the Group has no contingent liabilities.

FOREIGN EXCHANGE AND INTEREST RATE EXPOSURE

During the 2020 Year, the business activities of the Group were mainly denominated in Hong Kong dollars and Renminbi. When appropriate and at times of interest rate or exchange rate uncertainties or volatility, hedging instruments including interest rate swaps and foreign currency forwards contract will be used by the Group in the management of exposure affecting interest rates and foreign exchange rate fluctuations as appropriate.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2020, the Group had a total of 129 (2019: 143) full time employees which were located in the PRC and Hong Kong. Total staff costs for the 2020 Year was approximately HK$67,551,000 (2019 Year: HK$48,739,000).

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 consolidated statement of profit or loss and other comprehensive income for the 2020 Year were approximately HK$1,543,000 (2019 Year: HK$1,597,000).

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 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 2020 Year, the Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules.

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 regarding securities transactions by the Directors during the 2020 Year.

Audit Committee

The Audit Committee is currently composed of three independent non-executive Directors, namely, Mr. Yan Guoxiang (Chairman of the Audit Committee), Dr. Ho Ivan Chun Kit and Mr. Qian Hongji. The financial results for the 2020 Year have been reviewed by the Audit Committee.

The principal duties of the Audit Committee include:

(a) to review the relationship with the external auditor to (i) make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; and (ii) review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

(b) to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and quarterly reports, and review these reports and significant financial reporting judgements contained in them;

(c) to review the Company's financial controls, risk management and internal control systems, discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems, and consider major investigation findings on risk management and internal control matters;

(d) to consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors; and

(e) to review arrangements that employees of the Company can use, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters, and ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

During the 2020 Year, the Audit Committee had five meetings and has performed the above mentioned principal duties and reviewed the Company's monthly unaudited consolidated financial statements, annual results, annual report, interim report and quarterly reports and to advise and comments thereon to the Board. The Audit Committee has performed the duties to review the compliance procedures, report on the Company's internal control and risk management. The Audit Committee also met the external auditor twice without the presence of the executive Directors. Besides, there is no disagreement between the Board and the Audit Committee regarding the re-appointment of external auditor.

The Audit Committee is established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. The full terms of reference setting out the Audit Committee's authority and its role and responsibilities are available on the websites of the Company (www.cbshhk.com) and the Stock Exchange.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the 2020 Year, a total of 3,880,000 ordinary shares of the Company were repurchased by the Company on the Stock Exchange. 2,955,000 repurchased shares and 925,000 repurchased shares were subsequently cancelled by the Company on 22 July 2020 and 9 February 2021 respectively. The Directors believe that the repurchases reflect the Company's confidence in its 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	Lowest	
		HK$	*HK$*	*HK$*
13 May 2020	75,000	1.08	1.01	76,550
14 May 2020	230,000	1.13	1.02	247,300
15 May 2020	355,000	1.11	1.02	380,600
18 May 2020	85,000	1.13	1.05	92,300
19 May 2020	220,000	1.13	1.07	240,800
20 May 2020	120,000	1.13	1.08	133,750
21 May 2020	125,000	1.12	1.09	137,950
22 May 2020	195,000	1.11	1.08	213,700
25 May 2020	235,000	1.13	1.07	258,900
27 May 2020	350,000	1.15	1.08	392,600
28 May 2020	55,000	1.13	1.10	61,400
29 May 2020	150,000	1.15	1.10	169,950
1 June 2020	25,000	1.18	1.16	29,200
3 June 2020	45,000	1.15	1.10	51,250
4 June 2020	225,000	1.21	1.12	263,400
5 June 2020	110,000	1.23	1.19	132,150
8 June 2020	5,000	1.20	1.20	6,000
9 June 2020	185,000	1.23	1.14	215,650
10 June 2020	80,000	1.26	1.20	97,450
15 June 2020	40,000	1.28	1.19	49,250
16 June 2020	45,000	1.28	1.26	57,150
15 December 2020	50,000	1.33	1.30	65,450
16 December 2020	100,000	1.31	1.29	130,000
17 December 2020	75,000	1.32	1.29	97,500
18 December 2020	90,000	1.30	1.29	116,700
21 December 2020	60,000	1.30	1.29	77,700
22 December 2020	60,000	1.30	1.29	77,700
23 December 2020	120,000	1.32	1.28	155,900
24 December 2020	60,000	1.30	1.29	77,700
28 December 2020	60,000	1.30	1.29	77,700
29 December 2020	80,000	1.32	1.29	104,000
30 December 2020	50,000	1.30	1.30	65,000
31 December 2020	120,000	1.30	1.28	155,100
Total	3,880,000			4,507,750

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 2020 Year.

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 announcement, the Company has maintained the prescribed public float under the GEM Listing Rules.

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

Hong Kong, 23 March 2021

As at the date of this announcement, the board of Directors comprises six executive Directors, namely, Mr. Liu Xiaolin (Co-Chairman), Mr. Yao Michael Yi (Co-Chairman), Mr. He Xun, Mr. Huang Song, Mr. Leung Pak Hou Anson and Mr. Wang Zheng; and three independent non-executive Directors, namely, Mr. Yan Guoxiang, Dr. Ho Ivan Chun Kit and Mr. Qian Hongji.

This announcement will remain on the "Latest Listed Company Information" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.cbshhk.com.