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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)

POSITIVE PROFIT ALERT AND BUSINESS UPDATE

This announcement is made by China Biotech Services Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

POSITIVE PROFIT ALERT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the latest information currently available to the Board including the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (“**FY2022**”), the Group is expected to record a net profit attributable to the owners of the Company of not less than HK\$200,000,000 for FY2022 as compared with that of approximately HK\$19,385,000 for the year ended 31 December 2021, representing a significant increase in profit attributable to the owners of the Company of not less than approximately 9.32 times.

The Board considers that the expected increase was mainly attributable to (i) the increase in revenue of the Group’s sale of health-related and pharmaceutical products segment relating to the sale of rapid antigen test (“**RAT**”) kits for COVID-19 testing as demand for such RAT kits surged during the fifth wave of the COVID-19 pandemic in Hong Kong; (ii) the increase in revenue of the Group’s provision of medical laboratory testing services and health check services segment primarily due to the significant increase in demand for the Group’s COVID-19 nucleic acid testing (“**NAT**”) services resulted from the introduction of compulsory testing for high-risk or high-exposure groups of persons under the Prevention and Control of Disease (Compulsory Testing for Certain Persons) Regulation (Chapter 599J of the Laws of Hong Kong); and (iii) the appointment of the Group as one of the appointed service providers to provide rapid NAT for COVID-19 to passengers prior to departure from Hong Kong to Mainland China or Macau at the Shenzhen Bay Port and at the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port under the arrangement enacted by the Hong Kong government in March 2022.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the latest information currently available to the Board which has not been reviewed by the audit committee or the auditors of the Company and may be subject to change. The Group is still in the process of finalising the audited consolidated annual results for FY2022 (“**Annual Results**”), subject to the final results of assessment and valuation against the Group’s relevant assets which may lead to the recognition of impairment losses for FY2022. The actual figures to be announced in the Annual Results may be different from those disclosed in this announcement. Shareholders and potential investors of the Company are advised to read the Annual Results carefully, which are expected to be announced in late March 2023.

BUSINESS UPDATE

The Board also wishes to inform the Shareholders that with the introduction of vaccines and relaxation of COVID-19 related quarantine requirements worldwide, and owing to the rapid changes in the COVID-19 epidemic situation and the related revisions on the epidemic prevention and control measures and policies adopted by the Hong Kong government from time to time, there might be a decline in the demand for the Group’s COVID-19 related testing services and RAT products and hence the level of revenue expected to be generated from the Group’s COVID-19 NAT services and sale of RAT products is likely to be subject to a decrease in future periods.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 28 February 2023

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Liu Xiaolin (Chairman), Mr. He Xun, Mr. Huang Song and Ms. Chui Hoi Yam; and three independent non-executive Directors, namely, Mr. Yan Guoxiang, Dr. Ho Ivan Chun Kit and Mr. Qian Hongji.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at www.cbshhk.com.