



CHINA BIOTECH SERVICES HOLDINGS LIMITED
中國生物科技服務控股有限公司

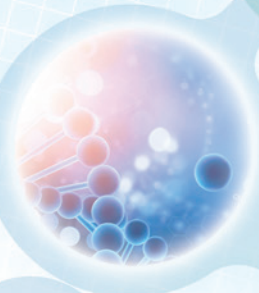
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
Stock Code: 8037



精準治療
Precision Treatment



精準檢測
Precision Diagnosis



癌症診療生物技術平台
Cancer Diagnostic & Treatment
Innotech Platform

INTERIM REPORT

2023


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 INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Biotech Services Holdings Limited (the “**Company**”) presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the three and six months ended 30 June 2023 together with the unaudited comparative figures for the corresponding periods in 2022.

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

FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2023

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Gross proceeds	3	51,796	302,821	182,357	686,978
Turnover	3	51,796	302,821	182,357	686,909
Cost of sales		(39,631)	(137,649)	(121,031)	(332,005)
Gross profit		12,165	165,172	61,326	354,904
Net gain on financial assets at fair value through profit or loss		–	733	–	2,707
Other income and gains/(losses)	5	(8,536)	4,072	(10,351)	3,872
Selling and distribution expenses		(3,556)	(6,805)	(7,276)	(10,710)
Administrative expenses		(33,049)	(39,487)	(77,766)	(93,827)
(Loss)/profit from operations		(32,976)	123,685	(34,067)	256,946
Finance costs	6	(1,314)	(1,093)	(2,667)	(2,310)
Share of loss of a joint venture		(1,281)	(1,032)	(2,771)	(1,032)
Loss on deregistration of subsidiaries		–	–	(26)	–
Gain on disposal of subsidiaries	11	–	1,696	–	1,696
Loss on the extension of convertible bonds		–	(1,527)	–	(1,527)
Change in fair value of derivative financial instrument		14,854	(17)	14,854	(17)
(Loss)/profit before tax	7	(20,717)	121,712	(24,677)	253,756
Income tax credit/(expense)	8	777	(21,937)	(3,044)	(47,396)
(Loss)/profit for the period		(19,940)	99,775	(27,721)	206,360

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

FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2023

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
(Loss)/profit for the period		(19,940)	99,775	(27,721)	206,360
Other comprehensive loss for the period					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Fair value change of financial assets at fair value through other comprehensive income ("FVTOCI")		(1,613)	(2,299)	(6,329)	(35,036)
Exchange differences arising from translation of foreign operations		(14,613)	(8,504)	(10,933)	(7,322)
Release of exchange differences upon disposal of associates	11(b)	–	(740)	–	(740)
Other comprehensive loss for the period, net of tax		(16,226)	(11,543)	(17,262)	(43,098)
Total comprehensive (loss)/income for the period		(36,166)	88,232	(44,983)	163,262
(Loss)/profit for the period attributable to:					
– Owners of the Company		(15,109)	33,282	(30,484)	68,220
– Non-controlling interests		(4,831)	66,493	2,763	138,140
		(19,940)	99,775	(27,721)	206,360
Total comprehensive (loss)/income for the period attributable to:					
– Owners of the Company		(31,284)	24,222	(47,784)	30,268
– Non-controlling interests		(4,882)	64,010	2,801	132,994
		(36,166)	88,232	(44,983)	163,262
(Loss)/earnings per share					
– Basic and diluted (HK\$)	10	(0.016)	0.035	(0.032)	0.071

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

		30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		84,583	96,073
Right-of-use assets		25,753	32,782
Goodwill		105,558	110,083
Intangible assets		60,968	67,313
Investment in a joint venture		13,449	16,220
Financial assets at fair value through other comprehensive income		76,613	82,942
Prepayment	<i>13</i>	49,482	51,765
Pledged bank deposits	<i>12</i>	117,663	128,556
		534,069	585,734
Current assets			
Inventories		19,118	18,725
Trade and other receivables	<i>13</i>	99,215	765,547
Loan and interest receivables		6,192	7,632
Tax recoverable		93	83
Bank and cash balances		245,396	92,770
Total current assets		370,014	884,757
TOTAL ASSETS		904,083	1,470,491

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

		30 June 2023	31 December 2022
		HK\$'000	HK\$'000
	<i>Notes</i>	(Unaudited)	(Audited)
EQUITY AND LIABILITIES			
Share capital		96,323	96,323
Other reserves		448,051	506,352
<hr/>			
Equity attributable to owners of the Company		544,374	602,675
Non-controlling interests		112,488	223,845
<hr/>			
TOTAL EQUITY		656,862	826,520
<hr/>			
LIABILITIES			
Non-current liabilities			
Convertible bonds	15	54,929	55,796
Derivative financial liabilities	15	7,398	22,252
Lease liabilities		5,368	9,367
Deferred tax liabilities		6,941	7,892
<hr/>			
		74,636	95,307
<hr/>			
Current liabilities			
Trade and other payables	14	50,017	290,045
Lease liabilities		8,609	10,980
Other borrowings		–	5,641
Current tax liabilities		113,959	241,998
<hr/>			
Total current liabilities		172,585	548,664
<hr/>			
TOTAL EQUITY AND LIABILITIES		904,083	1,470,491
<hr/>			

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Share-based payment reserves HK\$'000	Special reserves HK\$'000	Shares held under share award scheme 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 2023 (Audited)	96,323	490,692	8,809	212,948	(2,985)	6,488	8,022	(7,710)	(209,912)	602,675	223,845	826,520
Loss for the period	-	-	-	-	-	-	-	-	(30,484)	(30,484)	2,763	(27,721)
Other comprehensive loss for the period:												
Fair value change of financial assets at FVTOCI	-	-	-	-	-	-	(6,329)	-	-	(6,329)	-	(6,329)
Exchange differences arising from translation of foreign operations	-	-	-	-	-	-	-	(10,971)	-	(10,971)	38	(10,933)
Other comprehensive loss for the period, net of tax	-	-	-	-	-	-	(6,329)	(10,971)	-	(17,300)	38	(17,262)
Total comprehensive loss for the period	-	-	-	-	-	-	(6,329)	(10,971)	(30,484)	(47,784)	2,801	(44,983)
Share-based payments	-	-	1,049	-	-	-	-	-	-	1,049	-	1,049
Purchase of shares under share award scheme	-	-	-	-	(1,934)	-	-	-	-	(1,934)	-	(1,934)
Dividend paid	-	-	-	-	-	-	-	-	(9,632)	(9,632)	-	(9,632)
Dividend paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	(120,000)	(120,000)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	5,855	5,855
Disposal of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(13)	(13)
At 30 June 2023 (Unaudited)	96,323	490,692	9,858	212,948	(4,919)	6,488	1,693	(18,681)	(250,028)	544,374	112,488	656,862

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Share-based payment reserves HK\$'000	Special reserves HK\$'000	Shares held under share award scheme 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 2022 (Audited)	96,323	490,692	16,451	212,948	-	6,482	42,910	4,725	(475,133)	395,398	70,497	465,895
Profit for the period	-	-	-	-	-	-	-	-	68,220	68,220	138,140	206,360
Other comprehensive loss for the period:												
Fair value change of financial assets at FVTOCI	-	-	-	-	-	-	(31,851)	-	-	(31,851)	(3,185)	(35,036)
Exchange differences arising from translation of foreign operations	-	-	-	-	-	-	-	(5,361)	-	(5,361)	(1,961)	(7,322)
Release of exchange differences upon disposal of associates (note 11(b))	-	-	-	-	-	-	-	(740)	-	(740)	-	(740)
Other comprehensive loss for the period, net of tax	-	-	-	-	-	-	(31,851)	(6,101)	-	(37,952)	(5,146)	(43,098)
Total comprehensive income for the period	-	-	-	-	-	-	(31,851)	(6,101)	68,220	30,268	132,994	163,262
Share-based payments	-	-	1,279	-	-	-	-	-	-	1,279	-	1,279
Lapse of share options	-	-	(5,999)	-	-	-	-	-	5,999	-	-	-
Dividend paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	(90,000)	(90,000)
At 30 June 2022 (Unaudited)	96,323	490,692	11,731	212,948	-	6,482	11,059	(1,376)	(400,914)	426,945	113,491	540,436

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Net cash generated from operating activities	310,855	184,025
Net cash used in investing activities	(144,737)	(122,600)
Net cash used in financing activities	(10,835)	(7,164)
Net increase in cash and cash equivalents	155,283	54,261
Cash and cash equivalents at beginning of the period	92,770	150,554
Effect of foreign exchange rate changes	(2,657)	69
Cash and cash equivalents at end of the period	245,396	204,884

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM 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 medical laboratory testing services and health check services in Hong Kong; (ii) provision of tumor immune cell therapy and health management services in the People’s Republic of China (the “**PRC**”); (iii) sale and distribution of health related and pharmaceutical products in the PRC and Hong Kong; and (iv) provision of insurance brokerage services.

As at 30 June 2023, 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 interim results for the six months ended 30 June 2023 have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The principal accounting policies used in the preparation of the unaudited condensed consolidated interim results for the six months ended 30 June 2023 are consistent with those applied in the Company’s annual report for the year ended 31 December 2022, except for the adoption of new standards and amendments to HKFRSs that affect the Group and has adopted the first time for the current period’s unaudited condensed consolidated interim results.

The unaudited condensed consolidated interim results have been prepared under the historical cost basis, except for certain financial instruments which are measured at fair value.

The HKICPA has issued a number of new and revised standards, amendments to standards and Int (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 2023. The adoption of these new and revised HKFRSs does not have any significant financial effect on the Group’s unaudited condensed consolidated interim 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		For the six months ended	
	30 June		30 June	
	2023	2022	2023	2022
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15:				
Provision of medical laboratory testing services and health check services	41,460	298,244	170,525	460,906
Sale and distribution of health related and pharmaceutical products	54	650	356	215,402
Provision of insurance brokerage services	10,275	1,239	11,467	4,699
Provision of logistics services	7	2,673	9	5,872
Money lending business	–	15	–	30
	51,796	302,821	182,357	686,909
Gross proceeds from trading of securities <i>(note)</i>	–	–	–	69
Gross proceeds	51,796	302,821	182,357	686,978

Note: The gross proceeds from trading of securities were recorded in “net gain on financial assets at fair value through profit or loss” after setting off the relevant cost.

4. SEGMENT INFORMATION

The Group has six operating segments as follows:

Medical and health related services	–	provision of medical laboratory testing services and health check services
Immunotherapy	–	provision of tumor immune cell therapy and health management services
Pharmaceutical products	–	sale and distribution of health related and pharmaceutical products
Securities	–	trading of securities
Insurance brokerage	–	insurance brokerage services
BNCT	–	provision of boron neutron capture therapy services
Others	–	money lending business and provision of logistics services

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 and provision of logistics services. 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 and gains/(losses), unallocated administrative expenses, share of loss of a joint venture, loss on deregistration of subsidiaries, gain on disposal of subsidiaries, loss on the extension of convertible bonds, change in fair value of derivative financial instrument, finance costs and income tax expense. Segment assets do not include the unallocated bank and cash balances, pledged bank deposits, interest in a joint venture, current and deferred tax assets and financial assets at fair value through other comprehensive income. Segment liabilities do not include convertible bonds, other borrowings, current and deferred tax liabilities and derivative financial liabilities. Segment non-current assets do not include financial instruments and deferred tax assets.

Segment information in respect of business segments is presented as below:

Segment turnover and results
For the six months ended 30 June 2023

	Medical and health related services HK\$'000 (Unaudited)	Immunotherapy HK\$'000 (Unaudited)	Pharmaceutical products HK\$'000 (Unaudited)	Securities HK\$'000 (Unaudited)	Insurance brokerage HK\$'000 (Unaudited)	BNCT HK\$'000 (Unaudited)	Others HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue from external customers (note)	170,525	-	356	-	11,467	-	9	182,357
Segment results	16,188	(19,649)	(836)	-	1,723	(3,403)	(18)	(5,995)
Other income and gains/ (losses)								(10,351)
Finance costs								(2,667)
Share of loss of a joint venture								(2,771)
Loss on deregistration of subsidiaries								(26)
Change in fair value of derivative financial instrument								14,854
Unallocated corporate expenses								(17,721)
Loss before tax								(24,677)
Income tax expense								(3,044)
Loss for the period								(27,721)

For the six months ended 30 June 2022

	Medical and health related services HK\$'000 (Unaudited)	Immunotherapy HK\$'000 (Unaudited)	Pharmaceutical products HK\$'000 (Unaudited)	Securities HK\$'000 (Unaudited)	Insurance brokerage HK\$'000 (Unaudited)	BNCT HK\$'000 (Unaudited)	Others HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue from external customers <i>(note)</i>	460,906	–	215,402	69	4,699	–	5,902	686,978
Segment results	209,134	(19,591)	79,006	1,958	(768)	–	(842)	268,897
Other income and gains/ (losses)								3,872
Finance costs								(2,310)
Share of loss of a joint venture								(1,032)
Gain on disposal of subsidiaries								1,696
Loss on the extension of convertible bonds								(1,527)
Change in fair value of derivative financial instrument								(17)
Unallocated corporate expenses								(15,823)
Profit before tax								253,756
Income tax expense								(47,396)
Profit for the period								206,360

Note: Reconciliation of total segment revenue to the Group's revenue:

	For the six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Gross proceeds	182,357	686,978
Less: Gross proceeds from trading of securities	–	(69)
	182,357	686,909

Segment assets and liabilities
As at 30 June 2023

	Medical and health related services HK\$'000 (Unaudited)	Immunotherapy HK\$'000 (Unaudited)	Pharmaceutical products HK\$'000 (Unaudited)	Securities HK\$'000 (Unaudited)	Insurance brokerage HK\$'000 (Unaudited)	BNCT HK\$'000 (Unaudited)	Others HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment assets	185,654	151,513	1,677	-	10,847	89,431	6,265	445,387
Unallocated corporate assets								458,696
Total assets								904,083
Segment liabilities	158,417	7,682	3,391	-	1,348	509	398	171,745
Unallocated corporate liabilities								75,476
Total liabilities								247,221

As at 31 December 2022

	Medical and health related services HK\$'000 (Audited)	Immunotherapy HK\$'000 (Audited)	Pharmaceutical products HK\$'000 (Audited)	Securities HK\$'000 (Audited)	Insurance brokerage HK\$'000 (Audited)	BNCT HK\$'000 (Audited)	Others HK\$'000 (Audited)	Total HK\$'000 (Audited)
Segment assets	891,833	163,934	417	-	9,172	70,858	6,816	1,143,030
Unallocated corporate assets								327,461
Total assets								1,470,491
Segment liabilities	518,987	8,397	3,740	-	422	196	2,578	534,320
Unallocated corporate liabilities								109,651
Total liabilities								643,971

Other segment information
For the six months ended 30 June 2023

	Medical and health related services HK\$'000 (Unaudited)	Immunotherapy HK\$'000 (Unaudited)	Pharmaceutical products HK\$'000 (Unaudited)	Securities HK\$'000 (Unaudited)	Insurance brokerage HK\$'000 (Unaudited)	BNCT HK\$'000 (Unaudited)	Others HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Capital expenditures	271	136	-	-	-	16,323	-	16,730
Amortisation of intangible assets	-	4,221	-	-	-	-	-	4,221
Depreciation of property, plant and equipment	24,817	740	3	-	-	-	36	25,596
Depreciation of right-of-use assets	2,908	521	151	-	61	129	1,759	5,529
Share loss of a joint venture	-	-	-	-	-	-	2,771	2,771
Write-down on inventories	2,072	-	-	-	-	-	-	2,072
Written-off of property, plant and equipment	1,459	2	-	-	-	-	-	1,461

For the six months ended 30 June 2022

	Medical and health related services HK\$'000 (Unaudited)	Immunotherapy HK\$'000 (Unaudited)	Pharmaceutical products HK\$'000 (Unaudited)	Securities HK\$'000 (Unaudited)	Insurance brokerage HK\$'000 (Unaudited)	BNCT HK\$'000 (Unaudited)	Others HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Capital expenditures	14,261	388	-	-	-	-	13,532	28,181
Amortisation of intangible assets	-	4,503	-	-	-	-	-	4,503
Depreciation of property, plant and equipment	22,506	595	-	3	31	-	163	23,298
Depreciation of right-of-use assets	3,836	-	-	-	151	-	1,553	5,540
Share loss of a joint venture	-	-	-	-	-	-	1,032	1,032
Written-off of property, plant and equipment	4	-	-	-	-	-	-	4
(Gain)/loss on disposal of property, plant and equipment	(3,196)	65	-	-	-	-	-	(3,131)

5. OTHER INCOME AND GAINS/(LOSSES)

	For the three months ended 30 June		For the six months ended 30 June	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Interest income	941	4	1,641	16
Dividend income	23	–	23	–
Sundry income	174	495	304	637
Government grants (note)	13	600	36	600
Gain on disposal of property, plant and equipment	–	3,230	–	3,131
Loss on written-off of property, plant and equipment	(2)	(4)	(1,461)	(4)
Exchange losses, net	(9,685)	(253)	(10,894)	(508)
	(8,536)	4,072	(10,351)	3,872

Note:

During the six months ended 30 June 2023, the Group recognised government grants of approximately HK\$36,000 in related to employment support provided by the PRC government.

During the six months ended 30 June 2022, the Group recognised government grants of approximately HK\$600,000 in respect of COVID-19 related subsidies, related to Employment Support Scheme provided by the Hong Kong government.

6. FINANCE COSTS

	For the three months ended 30 June		For the six months ended 30 June	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Interest expenses:				
– Other borrowings	–	116	–	254
– Effective interest expense on convertible bonds	1,109	841	2,209	1,791
– Lease liabilities	205	136	458	265
	1,314	1,093	2,667	2,310

7. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax has been arrived at after charging/(crediting):

	For the three months ended		For the six months ended	
	30 June		30 June	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Amortisation of intangible assets	2,084	2,210	4,221	4,503
Cost of inventories sold	13,702	61,014	26,614	210,555
Depreciation of property, plant and equipment	13,621	11,779	25,596	23,298
Depreciation of right-of-use assets	2,436	3,202	5,529	5,540
Equity-settled share-based payment (included in administrative expenses)	533	639	1,049	1,279
Gain on disposal of property, plant and equipment	–	(3,230)	–	(3,131)
Loss on written-off of property, plant and equipment	2	4	1,461	4
Operating lease charges				
– Office premises, warehouses and staff quarters	1,139	1,472	2,334	2,892
Staff costs (including Directors' remuneration)				
– Salaries, bonuses and allowances	19,562	29,183	49,986	58,612
– Retirement benefits scheme contributions	722	685	1,635	1,329
	20,284	29,868	51,621	59,941
Write-down on inventories (included in cost of sales)	–	–	2,072	–

8. INCOME TAX (CREDIT)/EXPENSE

	For the three months ended		For the six months ended	
	30 June		30 June	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
The amount comprises:				
Current tax:				
– Hong Kong Profits Tax	(464)	22,268	3,677	48,071
Deferred tax:				
– Current period	(313)	(331)	(633)	(675)
	(777)	21,937	3,044	47,396

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% (six months ended 30 June 2022: 16.5%) during the six months ended 30 June 2023.

One of the subsidiaries of the Company 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 Enterprise Income Tax rate of 15% for the six months ended 30 June 2023 (six months ended 30 June 2022: 15%).

The PRC Enterprise Income Tax has been provided as a rate of 25% for the six months ended 30 June 2023 (six months ended 30 June 2022: 25%).

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 the existing legislation, interpretation and practices in respect thereof.

9. DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: HK\$Nil).

A final dividend of HK\$0.01 per ordinary share of the Company in respect of the previous financial year was approved by the shareholders at the annual general meeting held on 16 May 2023. The total amount of approximately HK\$9,632,000 was paid during the six months ended 30 June 2023 (six months ended 30 June 2022: HK\$Nil).

11. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Lustrous Pearl Group

On 4 April 2022, the Company, as vendor, entered into a sale and purchase agreement with an independent third party, as purchaser, to disposal of the entire equity interest in Lustrous Pearl International Limited and its subsidiaries (collectively, the “**Lustrous Pearl Group**”) at a cash consideration of HK\$6,400,000. The completion of the disposal of Lustrous Pearl Group took place on the same date.

An analysis of the net assets of the Lustrous Pearl Group at the date on which the Group lost control (i.e. 4 April 2022), was as follows:

	HK\$'000 (Unaudited)
Property, plant and equipment	8
Held for trading securities	4,398
Other receivables	720
Cash and cash equivalents	1,037
Total assets	6,163
Other payables	353
Total liability	353
Net assets disposal of	5,810
	For the six months ended 30 June 2022 HK\$'000 (Unaudited)
Gain on disposal of the Lustrous Pearl Group:	
Consideration	6,400
Less: Net assets disposal of	(5,810)
	590
Net cash inflow arising on disposal:	
Consideration received on cash	6,400
Cash and cash equivalents disposal of	(1,037)
	5,363

(b) Disposal of Dynasty Well Group

On 31 May 2022, the Company, as vendor, entered into a sale and purchase agreement with an independent third party, as purchaser, to disposal of the entire equity interest in Dynasty Well Limited and its subsidiaries (collectively, the “**Dynasty Well Group**”) at a cash consideration of HK\$50,000. The completion of the disposal of Dynasty Well Group took place on the same date.

An analysis of the net liabilities of the Dynasty Well Group at the date on which the Group lost control (i.e. 31 May 2022), was as follows:

	HK\$'000 (Unaudited)
Other receivables	7
Cash and cash equivalents	39
Total assets	46
Other payables	362
Total liability	362
Net liabilities disposal of	(316)
	For the six months ended 30 June 2022 HK\$'000 (Unaudited)
Gain on disposal of the Dynasty Well Group:	
Consideration	50
Release of exchange difference	740
Less: Net liabilities disposal of	(316)
	1,106
Net cash inflow arising on disposal:	
Consideration received on cash	50
Cash and cash equivalents disposal of	(39)
	11

12. PLEDGED BANK DEPOSITS

As at 30 June 2023, the Group had pledged bank deposits of approximately HK\$117,663,000 (31 December 2022: HK\$128,556,000).

As at 30 June 2023, the restricted bank deposits denominated in RMB approximately amounting to HK\$4,206,000 (31 December 2022: HK\$4,400,000) represented deposits pledged to banks to secure any liquidated damage arisen from the construction or operation of the Boron Neutron Capture Therapy (“BNCT”) Centre in the Boao Pilot Zone, Hainan of the PRC from 25 May 2022 to 24 May 2024. The restricted bank deposits denominated in JPY amounting to approximately HK\$113,457,000 (equivalent to JPY2,100,223,000) (31 December 2022: HK\$124,156,000 (equivalent to JPY2,100,222,000)) represented deposits pledged to a bank to secure issuance of an irrevocable letter of credit to the BNCT system supplier, Sumitomo Heavy Industries, Ltd (“Sumitomo”).

13. TRADE AND OTHER RECEIVABLES

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Trade receivables	83,200	756,443
Allowance for impairment loss	(4,544)	(4,544)
	78,656	751,899
Rental and other deposits	5,719	7,142
Other receivables	5,603	1,753
Prepayment	58,635	56,515
Cash held in securities trading accounts with stock brokers	84	3
	70,041	65,413
Total trade and other receivables	148,697	817,312
Analysed as:		
Current assets	99,215	765,547
Non-current asset	49,482	51,765
	148,697	817,312

The Group generally allows an average credit period of 90 days (31 December 2022: 90 days) for its pharmaceutical products customers, laboratory testing and health check services customers and logistic service customers and 30 days (31 December 2022: 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:

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
0 to 90 days	24,158	549,256
91 to 180 days	15,770	200,680
181 to 365 days	38,728	1,771
Over 365 days	–	192
	78,656	751,899

As at 30 June 2023, an aggregate allowance was made for estimated irrecoverable trade receivables of approximately HK\$4,544,000 (31 December 2022: HK\$4,544,000).

As at 30 June 2023, trade receivables of approximately HK\$54,498,000 (31 December 2022: HK\$202,643,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables past due but not impaired is as follows:

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Less than 90 days	15,770	200,680
91 to 275 days	38,728	1,771
Over 275 days	–	192
	54,498	202,643

14. TRADE AND OTHER PAYABLES

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Trade payables	11,825	206,441
Accruals	24,265	77,161
Receipt in advance	901	377
Other payables	13,026	6,066
	50,017	290,045

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

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
0 to 90 days	7,401	143,915
91 to 180 days	3,461	27,234
181 to 365 days	249	35,292
Over 365 days	714	–
	11,825	206,441

15. CONVERTIBLE BONDS

On 11 May 2020, the Company issued convertible bonds (“**2020 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). The 2020 Convertible Bonds were convertible at the option of the bondholders into shares at the initial conversion price of HK\$1.75 per conversion share (subject to adjustments pursuant to the terms and conditions of the 2020 Convertible Bonds, if any) and at the exchange rate of HK\$7.85 to US\$1.00, and on this basis a maximum number of 44,857,142 conversion shares of the Company would be allotted and issued upon exercise of the conversion rights attached to the 2020 Convertible Bonds in full assuming there is no adjustment to the conversion price. The 2020 Convertible Bonds carried interest at a rate of 8.5% per annum, which was payable half-yearly in arrears on 20 June and 20 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 was two years from issue date. The 2020 Convertible Bonds were secured by 529,500,546 Shares of the Company held by Genius Lead Limited, the controlling shareholder of the Company, and were guaranteed by Mr. Liu Xiaolin, the chairman and executive Director of the Company, and Genius Lead Limited.

On 27 May 2021, the Company redeemed the 2020 Convertible Bonds in part in the principal amount of US\$5,000,000, being 50% of the total principal amount of US\$10,000,000, at the applicable redemption amount of US\$5,186,527.78 (equivalent to approximately HK\$40,187,000) which included principal and interest accrued up to the date of redemption. Following to the partial redemption of the 2020 Convertible Bonds, the bondholder executed a deed of partial release of 264,750,273 Shares being half of the charged shares charged by Genius Lead Limited to the bondholder (the “**Partial Release**”). Upon the Partial Release, the number of Shares held by Genius Lead Limited remained subject to the share charge in favor of the bondholder was 264,750,273 Shares. The guarantees given by Mr. Liu Xiaolin and Genius Lead Limited remained in full force and effect to guarantee and secure the payment obligations of the Company in connection with the 2020 Convertible Bonds.

On 10 May 2022, the Company and the bondholder entered into an amendment agreement for the purpose of extending the maturity date of the outstanding 2020 Convertible Bonds for two years from 10 May 2022 to 10 May 2024. The proposed amendment took effect on 24 June 2022.

The modification of extending the maturity date to 10 May 2024 was considered to be a substantial modification of the 2020 Convertible Bonds and accordingly the original 2020 Convertible Bonds were derecognised and the revised 2020 Convertible Bonds were recognised. Loss on the extension of convertible bonds of HK\$2,027,000 was recognised during the year ended 31 December 2022.

On 20 December 2022, the Company issued convertible bonds ("**2022 Convertible Bonds**") at the issue price of US\$10,000,000 (equivalent to approximately HK\$77,800,000) (equal to 100 per cent of the principal amount of the convertible bonds). The 2022 Convertible Bonds are convertible at the option of the bondholders into ordinary shares at the initial conversion price of HK\$1.45 per conversion share (subject to adjustments pursuant to the terms and conditions of the 2022 Convertible Bonds, if any) and at the exchange rate of HK\$7.85 to US\$1.00, and on this basis a maximum number of 54,137,931 conversion shares of the Company will be allotted and issued upon exercise of the conversion rights attached to the 2022 Convertible Bonds in full assuming there is no adjustment to the conversion price. The 2022 Convertible Bonds carry interest at a rate of 8.25% per annum, which is payable half-yearly in arrears on 20 June and 20 December. The maturity date is two years from issue date.

The rate of exchange to be used for any particular date where US dollars are converted to HK dollars or vice versa shall be at the rate of US\$1.00 to HK\$7.85, provided that, if the average exchange of the Telegraphic Transfer Bank Buy and the Telegraphic Transfer Bank Sell as quoted on the website of the Hongkong 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 for any particular date shall be at the rate of US\$1.00 to HK\$7.85; and provided further that if the subscriber exercises its conversion right attached to the 2022 Convertible Bonds, 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 subscriber in cash at the time of conversion in an amount resulting from the difference between such rate and at the rate of US\$1.00 to HK\$7.85.

US\$5,000,000 of the total subscription amount for the 2022 Convertible Bonds was satisfied by the bondholder by surrendering the 2020 Convertible Bonds with a total outstanding principal amount of US\$5,000,000 to the Company upon which the 2020 Convertible Bonds were cancelled and the Company paid all accrued and unpaid interest on the 2020 Convertible Bonds, and the balance of the total subscription amount for the 2022 Convertible Bonds was satisfied by the bondholder paying US\$4,965,000 (being the total subscription amount of the 2022 Convertible Bonds of US\$10,000,000, minus US\$5,000,000, and minus the costs to be borne by the Company) in cash to the Company. In addition, upon cancellation of the 2020 Convertible Bonds on 30 December 2022, the share charge over 264,750,273 shares held by Genius Lead Limited in favour of the bondholder and the guarantees given by Mr. Liu Xiaolin and Genius Lead Limited in respect of the Company's obligations under the 2020 Convertible Bonds were fully released and discharged.

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

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Liability component at 1 January	55,796	38,651
Extension of 2020 Convertible Bonds	–	3,317
Redemption of 2020 Convertible Bonds	–	(41,619)
Issuance of 2022 Convertible Bonds	–	105,492
Deferred losses upon issuance	–	(26,992)
Transaction cost related to liability component	–	(466)
Derivative component	–	(22,252)
Interest expenses	2,209	2,744
Interest paid	(3,076)	(3,079)
	54,929	55,796

Derivative component

The summary of movement of convertible bonds is as follows:

	(Assets) HK\$'000	Liabilities HK\$'000	Total HK\$'000
Derivative component at 1 January 2022	(3,562)	2,035	(1,527)
Extension and redemption of 2020 Convertible Bonds	(7,618)	8,008	390
Fair value loss/(gain) for the year	11,180	(10,043)	1,137
Derivative component upon issuance of 2022 Convertible Bonds	–	22,252	22,252
Derivative component at 31 December 2022 (audited)	–	22,252	22,252
Fair value gain for the period	–	(14,854)	(14,854)
Derivative component at 30 June 2023 (unaudited)	–	7,398	7,398

The interest charge of the convertible bonds for the six months ended 30 June 2023 is calculated using effective interest method by applying an effective interest rate of approximately 5.86% (for the six months ended 30 June 2022: 4.53%) to the liability.

The directors estimate the fair value of the liability component of the convertible bonds at 30 June 2023 to be approximately HK\$81,444,000 (31 December 2022: HK\$83,240,000). 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. Each 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:

	30 June 2023	31 December 2022
Weighted average share price (HK\$)	0.85	1.15
Weighted average exercise price (HK\$)	1.45	1.45
Expected volatility	63.56%	77.82%
Expected life	1.50	2
Risk free rate	4.00%	4.02%
Expected dividend yield	Nil	Nil

16. SHARE-BASED PAYMENTS

(a) Equity-settled share option scheme

The Company operates the Share Option Scheme (the “**Share Option Scheme**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants include any eligible employees (full-time or part-time including executive director), non-executive directors (including independent non-executive directors), suppliers, customers, person or entity that provides research, development or other technological support or other services, shareholders, advisers of the Company and the Company’s subsidiaries. The Share Option Scheme became effective on 29 May 2014 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares which may be issued upon exercise all options granted and yet to be exercised under the Share Option Scheme must not in aggregate exceed 30% of the issued share capital of the Company is issued from time to time. The total number of shares which may be issued upon exercise of all share options (excluding share options which have lapsed) to be granted under the Share Option Scheme must not in aggregate exceed 10% of the shares in issue on 26 May 2020 being the date of refreshment of the 10% limit by the shareholders. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the grant of the share options subject to the provision for early termination thereof.

Unless the directors otherwise determined and stated in the offer to a grantee, a grantee is not required to hold an option for any minimum period nor achieve any performance targets before any options granted under the Share Option Scheme can be exercised.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer, when applicable.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

Details of the specific categories of options are as follows:

Date of grant	Vesting period	Exercise period	Exercise price (HK\$)	Number of share options
Directors				
12 January 2018	12 January 2018 to 11 January 2021	12 January 2021 to 11 January 2022	1.67	3,060,000
20 August 2019	20 August 2019 to 19 August 2021	20 August 2021 to 19 August 2022	1.68	520,000
20 August 2019	20 August 2019 to 19 August 2022	20 August 2022 to 19 August 2023	1.68	520,000
2 September 2020	2 September 2020 to 1 September 2021	2 September 2021 to 1 September 2022	2.00	3,220,000
2 September 2020	2 September 2020 to 1 September 2022	2 September 2022 to 1 September 2023	2.00	3,220,000
2 September 2020	2 September 2020 to 1 September 2023	2 September 2023 to 1 September 2024	2.00	3,220,000
6 January 2023	6 January 2023 to 5 January 2024	6 January 2024 to 5 January 2025	1.45	1,665,000
6 January 2023	6 January 2023 to 5 January 2025	6 January 2025 to 5 January 2026	1.45	1,665,000
6 January 2023	6 January 2023 to 5 January 2026	6 January 2026 to 5 January 2027	1.45	1,670,000
Consultants				
12 January 2018	12 January 2018 to 11 January 2021	12 January 2021 to 11 January 2022	1.67	5,200,000
20 August 2019	20 August 2019 to 19 August 2021	20 August 2021 to 19 August 2022	1.68	3,220,000
20 August 2019	20 August 2019 to 19 August 2022	20 August 2022 to 19 August 2023	1.68	3,240,000
26 November 2020	26 November 2020 to 25 November 2021	26 November 2021 to 25 November 2022	2.00	1,665,000
26 November 2020	26 November 2020 to 25 November 2022	26 November 2022 to 25 November 2023	2.10	1,665,000
26 November 2020	26 November 2020 to 25 November 2023	26 November 2023 to 25 November 2024	2.20	1,670,000
Employees				
20 August 2019	20 August 2019 to 19 August 2021	20 August 2021 to 19 August 2022	1.68	1,490,000
20 August 2019	20 August 2019 to 19 August 2022	20 August 2022 to 19 August 2023	1.68	1,520,000
				38,430,000

Details of the movement of share options during the period are as follows:

	30 June 2023		30 June 2022	
	Number of share options (Unaudited)	Weighted average exercise price HK\$ (Unaudited)	Number of share options (Unaudited)	Weighted average exercise price HK\$ (Unaudited)
Outstanding at the beginning of the period	14,515,000	1.83	33,430,000	1.83
Granted during the period	5,000,000	1.45	–	N/A
Expired during the period	–	N/A	(8,260,000)	1.67
Exercisable at the end of the period	19,515,000	1.81	25,170,000	1.89

The weighted average share price at the date of exercise for share options exercised during the period was HK\$1.81. The options outstanding at the end of the reporting period have a weighted average remaining contractual life of 1.56 years (2022: 1.23) and the exercise prices range from HK\$1.45 to HK\$2.20 (for the six months ended 30 June 2022: HK\$1.67 to HK\$2.20). The options were granted on 12 January 2018, 20 August 2019, 26 November 2020 and 6 January 2023 respectively.

These fair values were calculated using the Binomial model. The inputs into the model were as follows:

Date of grant	12 January 2018	20 August 2019	2 September 2020	26 November 2020	6 January 2023
Weight average share price (HK\$)	1.67	1.68	1.53	1.43	1.10
Weighted average exercise price (HK\$)	1.67	1.68	2.00	2.10	1.45
Expected life	4 years	4 years	4 years	4 years	4 years
Expected volatility	84.72%-92.79%	51.60%-74.76%	38.77%-60.78%	40.52%-54.91%	65.42%-77.83%
Risk-free interest rate	1.78%-2.06%	1.59%-1.79%	0.26%-0.28%	0.12%-0.24%	3.63%-3.93%
Expected dividend yield	Nil	Nil	Nil	Nil	Nil

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 4 years. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Share options granted to consultants were incentives for helping the Group expand its business network, acquire and explore new business projects and opportunities. The fair value of such benefit could not be estimated reliably and as a result, the fair value is measured by reference to the fair value of share options granted.

The Group recognised the total expense of approximately HK\$1,049,000 for the six months ended 30 June 2023 (six months ended 30 June 2022: HK\$1,279,000) in relation to share options granted by the Company.

(b) Share award scheme

The Company operates a share award scheme (the “**Share Award Scheme**”) for the purpose of providing incentives and rewards (“**Award Shares**”) to selected participants who contribute to the success of the Group’s operations. Selected participants include the employees, officers, directors and consultants of the Company and the Company’s subsidiaries. The Share Award Scheme became effective on 18 August 2021 and, unless otherwise cancelled or amended, will remain in force for 10 years from the date.

Pursuant to the rules of the Share Award Scheme, the Company shall not make any further grant of Award Shares which will result in the number of shares granted under the Share Award Scheme exceeding 10% of the total number of issued shares of the Company as at 18 August 2021. The maximum number of Award Shares may be granted under the Share Award Scheme to a Selected Participant shall not exceed 1% of the total number of issued shares as at 18 August 2021.

A trust is constituted by the trust deed entered by the Company and the trustee appointed (the “**Trustee**”) to service the Share Award Scheme.

The Board may, from time to time, select any eligible person to participate in the Share Award Scheme, make an offer to the selected participants and grant Award Shares to such selected participants which are to be satisfied by (i) the new shares to be subscribed by the Trustee under the Company’s available general mandate on the relevant grant date or under a specific mandate approved or to be approved by the shareholders of the Company; or (ii) the existing shares received by the Trustee from any shareholder of the Company; or (iii) purchased by the Trustee in the open market (either on-market or off-market) as directed by the Board.

The Board may, from time to time, subject to all applicable laws, determine vesting criteria and conditions or periods for the Award Shares to be vested.

The Trustee shall not exercise the voting rights in respect of any shares held by it under the Share Award Scheme.

During the six months ended 30 June 2023, the Trustee purchased an aggregate of 1,975,000 shares of the Company with consideration of approximately HK\$1,934,000 on the Stock Exchange for the purpose of the Share Award Scheme.

As at 30 June 2023, 4,300,000 shares of Company held by the Trustee under the Share Award Scheme.

As at 30 June 2023, the Board has not yet awarded any Award Shares to any selected participants.

17. CAPITAL COMMITMENT

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

	<i>Notes</i>	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Capital contribution to:			
BNCT equipment	<i>(a)</i>	154,276	148,875
BNCT centre construction	<i>(b)</i>	81,715	88,666
		235,991	237,541

- (a) On 23 June 2022, the Company, Pengbo (Hainan) Medical Technology Co., Ltd. (“**Pengbo (Hainan)**”) and Sumitomo entered into an agreement for the acquisition of BNCT equipment by Pengbo (Hainan) from Sumitomo at an initial price of JPY3,000,000,000 (equivalent to approximately HK\$162,465,000) (31 December 2022: equivalent to approximately HK\$176,820,000). The down payment of JPY 900,000,000 (equivalent to approximately HK\$48,740,000) (31 December 2022: equivalent to approximately HK\$51,765,000) has been made to Sumitomo which represents 30% of the contract price and the remaining contract price of JPY2,100,000,000 (equivalent to approximately HK\$113,725,000) (31 December 2022: equivalent to approximately HK\$125,055,000) is expected to be settled in 2023 and 2024 pursuant to the agreement.

On the same day, the Company, Pengbo (Hainan) and Sumitomo entered into an agreement pursuant to which Sumitomo agreed to provide to Pengbo (Hainan) technical advisory services for the installation and commissioning of the BNCT equipment at a service fee of JPY400,000,000, (equivalent to approximately HK\$21,662,000) (31 December 2022: equivalent to approximately HK\$23,820,000), which is expected to be settled by Pengbo (Hainan) in installments based on an agreed schedule for the installation and commissioning of the BNCT equipment.

On 17 January 2023, the Company, Pengbo (Hainan) and Sumitomo entered into a sales contract pursuant to which Pengbo (Hainan) agreed to acquire the BNCT parts at the initial sales contract price of JYP436,000,000 (equivalent to approximately HK\$23,612,000). The down payment of JPY87,200,000 (equivalent to approximately HK\$4,723,000) had been made to Sumitomo which represents 20% of the contract price and the remaining contract price of JPY348,800,000 (equivalent to approximately HK\$18,889,000) is expected to be settled in 2024 pursuant to the contract.

- (b) Pengbo (Hainan) commenced BNCT centre construction in November 2022 and entered into agreements pursuant to building design and construction and relative ancillary services with various contractors and suppliers approximately amounting to RMB95,570,000 (equivalent to approximately HK\$103,062,000) (31 December 2022: RMB83,327,000 (equivalent to approximately HK\$94,006,000)), out of which RMB19,795,000 (equivalent to approximately HK\$21,347,000 (31 December 2022: RMB4,733,000 (equivalent to approximately HK\$5,340,000)) has been made to suppliers and the remaining is expected to be settled in 2023 in accordance with the construction progress.

18. RELATED PARTY TRANSACTIONS

- (a) In addition to those related party transactions and balances disclosed elsewhere in the unaudited condensed consolidated financial statements, the Group had the following transaction with its related party during the periods:

	For the three months ended 30 June		For the six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Purchase of materials, consumables, kits and equipment from a non-controlling shareholder of a subsidiary	1	53,454	10,376	187,424
Service fee charged by a non-controlling shareholder of a subsidiary	11	9,415	21	15,372
Service fee received from a non-controlling shareholder of a subsidiary	–	120,396	–	205,396
Logistics services income generated from a non-controlling shareholder of a subsidiary	–	2,675	–	5,841
Sales of goods from a non-controlling shareholder of a subsidiary	–	–	–	2,672

- (b) Remuneration of key management personnel

	For the three months ended 30 June		For the six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Salaries, bonus and benefits	1,817	2,193	3,615	4,187
Equity-settled share-based payments	484	336	951	673
Retirement benefits scheme contributions	5	5	9	9
	2,306	2,534	4,575	4,869

The remuneration of key management personnel is determined by the remuneration committee of the Board with regard to the individual performance and market trends.

FINANCIAL REVIEW

During the six months ended 30 June 2023 (the “**2023 Interim Period**”), the principal activities of the Group are (i) provision of medical laboratory testing services and health check services in Hong Kong; (ii) provision of tumor immune cell therapy and health management services in the PRC; (iii) sale and distribution of health related and pharmaceutical products in the PRC and Hong Kong; and (iv) provision of insurance brokerage services.

Turnover

During the 2023 Interim Period, the Group recorded a turnover of approximately HK\$182,357,000, representing a significantly decrease of approximately 73.45% as compared with that of approximately HK\$686,909,000 for the six months ended 30 June 2022 (the “**2022 Interim Period**”). The introduction of new antiviral oral drugs and bivalent vaccines after the fifth wave of COVID-19 broke out in 2022 marked a big turning point in the battle of the pandemic. The rapid changes in the COVID-19 epidemic situation and the swift relaxation and subsequent removal of the COVID-19 related quarantine prevention and control measures adopted by the Hong Kong government caused a negative impact to the demand for the Group’s COVID-19 nucleic acid tests (“**NAT**”) services. The fade away of the threat of COVID-19 also affected the sales of rapid antigen test kits in the 2023 Interim Period.

Provision of medical laboratory testing services and health check services

The Group continues to offer a wide spectrum of medical laboratory testing services and quality health check diagnostic services in Hong Kong. The services of this segment were being delivered through three medical laboratories and three health check centres established in Hong Kong.

The turnover of this segment decreased from approximately HK\$460,906,000 for the 2022 Interim Period to approximately HK\$170,525,000 for the 2023 Interim Period. It recorded a decrease of 63.00% as compared with the 2022 Interim Period. During the 2022 Interim Period, the Group was one of the pivot service providers to provide rapid NAT for COVID-19 to passengers arriving Hong Kong International Airport and prior to departure from Hong Kong to the 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 government of Hong Kong. However, due to the relaxation of COVID-19 quarantine requirements by the relevant government authorities, the demand of COVID-19 NAT testing services for passengers in or out of the ports decreased during the 2023 Interim Period. As a result, the decrease of segmental turnover was mainly brought by the decrease in demand of COVID-19 related laboratory testing services in the 2023 Interim Period.

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 and health management services in the PRC. Shanghai Longyao received the approval for initiating a phase I clinical trial (the "**Trial**") on its investigational new drug ("**IND**") named as LY007 Cellular Injection ("**LY007 Injection**") from the National Medical Products Administration of China ("**NMPA**") in January 2021. LY007 Injection is the first CD20-targeted autologous chimeric antigen receptor T-cell ("**CAR-T**") therapy product approved by NMPA for initiating the Trial. LY007 Injection is an IND that carries Shanghai Longyao's patented novel structural design with the OX40 costimulatory molecule expressed independently for purpose of enhancing the natural T-cell activation. It has been classified as a Class 1 IND for the treatment of relapsed/refractory CD20-positive B-cell non-Hodgkin lymphoma. In January 2022, kick-off meetings of the Trial were convened in 上海交通大學醫學院附屬瑞金醫院 (in English, for identification purpose only, Ruijin Hospital affiliated to Shanghai Jiao Tong University School of Medicine) ("**Ruijin Hospital**") and 江蘇省人民醫院 (in English, for identification purpose only, Jiangsu People's Hospital). The first subject enrolled in the Trial was taken up by the Ruijin Hospital on 1 March 2022 and the same subject had successfully received CAR-T cell infusion on 7 April 2022. As at the date of this report, the first and second groups of six patients had completed cell infusion treatment in the Trial. No turnover from this segment was generated during the 2023 Interim Period.

Sale and distribution of health related and pharmaceutical products

Sale and distribution of health related and pharmaceutical products segment recorded a significant decrease during the 2023 Interim Period. The turnover of this segment substantially decreased from approximately HK\$215,402,000 for the 2022 Interim Period to approximately HK\$356,000 for the 2023 Interim Period. It represented a decrease of approximately 99.83% as compared with that of the 2022 Interim Period. This significant decrease was attributable to the decline in demand for rapid antigen test kits following to the relaxation of COVID-19 quarantine requirements by the relevant government authorities during the 2023 Interim Period. To further strengthen the Group's sale of health related and pharmaceutical product segment and to expand the Group's product portfolio, the Group has entered into a five-year license and distribution agreement with a Japanese pharmaceutical company that manufactures and supplies nicotinamide mononucleotide ("**NMN**") powder for intravenous (IV) infusion. In January 2023, the Group entered into a distributorship and agency agreement with an agent for the exclusive distribution of the NMN products in Hong Kong and Macau.

Construction of boron neutron capture therapy (“BNCT”) cancer treatment centre

鵬博(海南)硼中子醫療科技有限公司 (in English, for identification purpose only, Pengbo (Hainan) Medical Technology Co., Ltd.) (“**Pengbo (Hainan)**”), an indirect wholly-owned subsidiary of the Company, entered into a site admission and investment agreement (the “**Site Admission Agreement**”) with the Hainan Boao Lecheng International Medical Tourism Pilot Zone Administration (the “**Administration**”) on 28 February 2022. Pursuant to the Site Admission Agreement, Pengbo (Hainan) has committed to building and to operating a cancer treatment centre (the “**BNCT Centre**”) by adoption of the accelerator-based BNCT system (the “**BNCT System**”) covering the cyclotron accelerator, dose calculation program and related medical device for BNCT treatment to be procured and supplied by Sumitomo Heavy Industries, Ltd. (“**Sumitomo**”). The BNCT Centre is going to be set up in Hainan Boao Lecheng International Medical Tourism Pilot Zone of Hainan Free Trade Port (the “**Boao Pilot Zone**”).

In June 2022, Pengbo (Hainan) signed a bundle of sales contract, service contract and a memorandum of understanding with Sumitomo in respect of the supply of the BNCT System together with the initial spare parts and the provision of the operation and maintenance services required for commencement of the operation of the BNCT Centre. The construction works of the BNCT Centre began in November 2022.

In December 2022, the BNCT Centre was granted with a 醫療機構執業許可證 (in English, for identification purpose only, the Practice License of Medical Institution) by the Administration for a term of five years until December 2027.

During the 2023 Interim Period, the construction works of the BNCT Centre had been progressing under planned schedule. Structural construction of the facility is targeted to be completed by the end of 2023. Installation of the BNCT System will start subsequently. No turnover from this segment was generated during the 2023 Interim Period.

Provision of insurance brokerage services

Provision of insurance brokerage services segment recorded a significantly increase in turnover during the 2023 Interim Period. The turnover of this segment increased from approximately HK\$4,699,000 during the 2022 Interim Period to approximately HK\$11,467,000 for the 2023 Interim Period. It represented an increase by 1.44 times as compared with the 2022 Interim Period. The increase was mainly due to the removal of travel restrictions imposed on Mainland Chinese customers from visiting Hong Kong during the 2023 Interim Period.

Provision of logistics services

The Group has been providing testing materials and specimens logistics services for local clinics and other corporate clients. The turnover of logistics services has decreased from approximately HK\$5,872,000 for the 2022 Interim Period to approximately HK\$9,000 for the 2023 Interim Period. It represented a decrease by 99.85% as compared with the 2022 Interim Period due to keen competition of the market and decrease in demand on testing materials and specimen logistics services.

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). The Group's loan portfolio comprises unsecured loans granted to individual customers which are repayable within one year. No additional loan was granted by the Group for the 2023 Interim Period. During the 2023 Interim Period, no interest income is recorded from the money lending business (2022 Interim Period: HK\$15,000)

Gross profit and gross profit margin

The Group recorded a gross profit of approximately HK\$61,326,000 for the 2023 Interim Period, representing a decrease of approximately HK\$293,578,000 when compared with that of approximately HK\$354,904,000 in the 2022 Interim Period. Also, the gross profit margin for the 2023 Interim Period was approximately 33.63%, representing a decrease of approximately 18.04 percentage points when compared with the gross profit margin of approximately 51.67% for the 2022 Interim Period. The decrease in gross profit margin was attributable to (i) decrease of the turnover from medical laboratory testing services and health check services segment; and (ii) decrease in trading of rapid antigen test kits from the sale and distribution of health related and pharmaceutical products segment.

Selling and distribution expenses

Selling and distribution expenses for the 2023 Interim Period were approximately HK\$7,276,000 (2022 Interim Period: HK\$10,710,000), representing a decrease of approximately HK\$3,434,000 or 32.06% compared with such expenses for the 2022 Interim Period. The decrease was due to decrease in staff costs during the 2023 Interim Period.

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 2023 Interim Period were approximately HK\$77,766,000, representing a decrease of approximately HK\$16,061,000 or 17.12%, as compared with that of approximately HK\$93,827,000 for the 2022 Interim Period. The decrease in administrative expenses was mainly attributable to decrease in staff costs and recruitment expenses by approximately HK\$14,417,000 due to cessation of COVID-19 testing services provided in airport and other ports from medical laboratory testing services and health check services segment.

Finance costs

During the 2023 Interim Period, the Group's interest expenses amounted to approximately HK\$2,667,000 (2022 Interim Period: HK\$2,310,000). The increase in the finance costs was mainly attributable to the finance costs arising from the convertible bonds issued on 30 December 2022.

Loss for the period

The Group recorded a net loss attributable to the owners of the Company of approximately HK\$30,484,000 for the 2023 Interim Period (2022 Interim Period: net profit attributable to the owners of the Company of HK\$68,220,000). The turning from net profit to net loss was mainly attributable to the decline in the demand for the Group's COVID-19 NAT services as well as the rapid antigen test kits following the relaxation and the subsequent removal of COVID-19 quarantine requirements by the relevant government authorities.

BUSINESS REVIEW

Renewal of continuing connected transaction in relation to the master supply agreement

On 18 January 2023, 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 supply agreement to renew the existing continuing connected transaction in relation to the procurement of the equipment, consumables and kits by SDCL from BGI for a term commencing from 18 January 2023 to 31 December 2023 with annual cap for the transactions contemplated thereunder for the year ending 31 December 2023 of HK\$120,000,000. Details were disclosed in the announcement of the Company dated 18 January 2023.

The acquisition of BNCT parts and the procurement of maintenance services for the BNCT equipment

On 17 January 2023, the Company, Pengbo (Hainan), and Sumitomo entered into the sales contract and maintenance service contract, pursuant to which Pengbo (Hainan) agreed to acquire the BNCT parts at the initial sales contract price of JPY436,000,000 (equivalent to approximately HK\$26,502,000) and procure maintenance service for the BNCT equipment at the consideration of JPY360,600,000 (equivalent to approximately HK\$21,919,000) from Sumitomo, excluding any withholding tax which shall be borne by Pengbo (Hainan). Details were disclosed in the announcement of the Company dated 17 January 2023.

Grant of share options

On 6 January 2023, the Company granted to eligible participants share options to subscribe for up to a total of 5,000,000 shares of the Company under its share option scheme adopted on 29 May 2014 (“**Share Options Scheme**”), representing approximately 0.52% of the total number of shares of the Company in issue as at the date of grant on 6 January 2023. The share options have a vesting period of three years. Details were disclosed in the announcements of the Company dated 6 January 2023 and 10 January 2023.

Share award scheme

During the 2023 Interim Period, the trustee of the Company purchased an aggregate of 1,975,000 ordinary shares of nominal value of HK\$0.10 each in the share capital of the Company (“**Shares**”) with consideration of approximately HK\$1,934,000 on the Stock Exchange for the purpose of the Share Award Scheme (the “**Share Award Scheme**”) adopted by the Company in accordance with the scheme rules on 18 August 2021. No award shares have been granted to any selected participants pursuant to the Share Award Scheme up to the date of this report.

FUTURE PROSPECT

To lay a strong foundation for our medical laboratory testing and health check services business in the post-pandemic era, we have been expanding our high throughput health screening services to the Hong Kong community by continuing to step up our effort in collaborating with the operators of various district health centres (“DHCs”) for the provision of health check-up and laboratory test services to enrolled users of the DHCs. Under the Primary Healthcare Blueprint released by the Hong Kong Government in December 2022, DHCs have been established as the hub for coordinating primary health services for Hong Kong residents, and they will partner with private healthcare sector to promote the concept of “family doctor for all” and collaborate with various healthcare professions to provide comprehensive, sustainable and people-centric primary health services in the community. So far, a total of HK\$1,900 million was allocated to the development of the DHC programme and more government subsidies are expected to be granted periodically to support the future operation of the DHCs by their respective authorised operators thereafter. As at the date of this report, we have entered into laboratory testing services agreements with nine of the eighteen designated operators of DHCs.

Due to the rising awareness and health concerns of the general public post COVID-19, the growing trend of aging population, larger demand for private medical services and increasing number of life insurance policies, it is expected that demand for health check and related medical services in Hong Kong will continue to grow.

To seize this opportunity, we have been aggressively seeking cooperations with different medical platforms, insurance companies and corporate entities to promote our healthcare services and expand our reach into the Greater Bay Area. At the same time, we have continued to strengthen and broaden our scope of services to cope with the expected demand. For instance, we have introduced several new tests, such as HPV (human papillomavirus, a type of virus that can cause abnormal tissue growth (for example, warts) and other changes to cells) DNA test, colorectal cancer DNA test and cPass™ test (neutralizing antibodies screening) etc. On the other hand, we will seek cooperation with the Hong Kong government, medical specialists, non-profit organisations and other institutes to achieve rapid entry into the early screening of colorectal cancer and HPV DNA test market.

Our high-standard molecular biology laboratory at the Hong Kong Science and Technology Park has been providing next generation sequencing (“**NGS**”) based cancer companion diagnostic test since July 2022. We are presently seeking business cooperation with contract research organisations, local hospitals, medical centres, local clinical laboratories and insurance companies to distribute reagents and NGS testing services. Moreover, we will endeavour to collaborate with hospitals and surgeons to prepare for the next FDA (The Food and Drug Administration of the United States) test product verification, to cooperate with local and overseas universities to develop and verify the testing items in demand, increase the scope of services of hospital testing, as well as to establish a personal genetic database in Hong Kong to provide real implementation of personalized precision health and precision medicine in Hong Kong and the Greater Bay Area.

The Group remained steadfast in the research and development of proprietary anti-tumor cell therapy products even in the pandemic time and the clinical trials of our CAR-T drug had been progressing as planned. The phase I Trial of the first CD20-targeted investigational new drug, namely LY007 Injection, began in the first quarter of 2022. The first and second groups of six patients had completed cell infusion treatment in the Trial and we are confident to have enrolled sufficient patients to participate in the Trial by the end of 2023. The preliminary results of the Trial have been encouraging so far and if passed, the clinical trials of LY007 Injection will move on to phase II by the end of 2024.

More notably, we have entered into agreements to purchase the BNCT equipment, drug and related services from Sumitomo and Stella Pharma Corporation. We intend to be the first service provider to offer BNCT cancer treatment to patients in the Greater China region, and aim to introduce and scale up this advanced tumor radiation therapy to patients in Mainland China, Hong Kong and Macau with advanced cancer.

We have been making progress on the construction of the BNCT Centre in Boao Pilot Zone. Pengbo (Hainan) has also been granted the medical institution practicing license (醫療機構執業許可證) by the administration of the Boao Pilot Zone. The construction and renovation of the BNCT Centre, followed by installation of BNCT equipment and test run, is targeted to be completed in late 2024 or early 2025.

Moving forward, we will continue to enrich our diagnostic and health checkup business with customised service offerings. We will endeavor to speed up the Trial and the construction of the BNCT Centre and will continue to stay at the forefront of the biomedical field by leveraging on the latest advancements in biomedical research and technology to develop innovative solutions for precision diagnosis and treatment.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has financed its operations and capital expenditures requirements through (i) internal generated resources, and (ii) other borrowings.

Liquidity and Financial Resources

As at 30 June 2023, the Group held cash and bank balances of approximately HK\$245,396,000 (31 December 2022: HK\$92,770,000), all were principally denominated in Renminbi and Hong Kong dollars. The increase in cash and bank balances of approximately HK\$152,626,000 was mainly generated from operations.

As at 30 June 2023, the Group had outstanding convertible bonds in principal amount of US\$10,000,000 with carrying amount of approximately US\$6,997,000 (equivalent to approximately HK\$54,929,000) (31 December 2022: US\$10,000,000 with carrying amount of approximately US\$7,108,000 (equivalent to approximately HK\$55,796,000)) which carried a fixed interest rate of 8.25% (31 December 2022: 8.25%) per annum and is repayable on 30 December 2024. The maturity date of the convertible bonds is extendable for two years subject to the discretion of the bondholder.

As at 30 June 2023, the Group had no unsecured other borrowings. As at 31 December 2022, the Group had unsecured other borrowings of approximately HK\$5,641,000 (equivalent to approximately RMB5,000,000), which carried a fixed interest rate at 10% per annum and is repayable within one year.

As at 30 June 2023, total assets of the Group were approximately HK\$904,083,000 (31 December 2022: HK\$1,470,491,000), whereas total liabilities were approximately HK\$247,221,000 (31 December 2022: HK\$643,971,000). The gearing ratio of the Group, calculated as total liabilities over total assets, was approximately 27.34% (31 December 2022: 43.79%). Current ratio (defined as total current assets divided by total current liabilities) was 2.14 times (31 December 2022: 1.61 times).

Fortstone International (Hong Kong) Limited ("**Fortstone**"), an indirect non-wholly owned subsidiary of the Company, is a holder of insurance broker company licence under the Insurance Ordinance. As an insurance brokerage company, Fortstone is subject to capital and net assets requirements 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). Fortstone had been in full compliance with capital and net assets requirement during the 2023 Interim Period.

Capital Structure

As at 30 June 2023, the total issued share capital of the Company was HK\$96,323,115 (31 December 2022: HK\$96,323,115) divided into 963,231,150 (31 December 2022: 963,231,150) ordinary shares of HK\$0.10 each.

On 20 December 2022, 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\$77,800,000). Based on the initial conversion price of HK\$1.45 per conversion share at the exchange rate of HK\$7.85 to US\$1.00, a maximum number of 54,137,931 conversion shares will be allotted and issued upon exercise of the conversion rights attached to the convertible bonds in full. The use of net proceeds from the issue of the convertible bonds is as follows:

Intended use	Net proceeds <i>HK\$'000</i>	Utilisation up to 30 June 2023 <i>HK\$'000</i>	Remaining balance as at 30 June 2023 <i>HK\$'000</i>	Expected timeline for utilising the remaining net proceeds
Investment in BNCT project	23,340 (equivalent to approximately US\$3.000 million)	22,246 (equivalent to approximately US\$2.859 million)	1,094 (equivalent to approximately US\$0.141 million)	On or before 30 September 2023
Research and development costs and general working capital	15,124 (equivalent to approximately US\$1.944 million)	15,124 (equivalent to approximately US\$1.944 million)	Nil	N/A

As at the date of this report, the net proceeds were used, or are proposed to be used, according to the intentions previously disclosed by the Company in its announcements dated 20 December 2022 and 9 August 2023 and the Directors were not aware of any material change to the intended use of the net proceeds set forth above.

SIGNIFICANT INVESTMENTS HELD AND PERFORMANCE

As at 30 June 2023, the Group's financial assets at fair value through other comprehensive income amounted to approximately HK\$76,613,000 (31 December 2022: HK\$82,942,000) including one (31 December 2022: one) investment in unlisted equity securities and one (31 December 2022: one) investment in listed equity securities. It mainly consisted an investment of approximately HK\$69,270,000 in Pillar Biosciences, Inc. ("**Pillar**") (which represented 7.66% of the total asset of the Group as at 30 June 2023) and an investment of HK\$7,343,000 in Broncus Holding Corporation ("**Broncus**") (a company whose shares are listed on the Main Board of the Stock Exchange with stock code: 2216) (which represented 0.81% of the total asset of the Group as at 30 June 2023). It is the Group's investment strategy to hold the investments in Pillar and Broncus as long-term investments for the creation of synergy and long term shareholder value.

(i) Investment in Pillar

As at 30 June 2023, the Group held approximately 3.01% (31 December 2022: 3.11%) of equity interest of Pillar or 1,638,216 series B preferred stock in Pillar with fair value of HK\$69,270,000 (equivalent to US\$8,881,000) 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 audited consolidated financial statements of Pillar for the year ended 31 December 2022, it recorded an audited consolidated loss of approximately US\$31.4 million. No fair value change had been recognised in other comprehensive income for the 2023 Interim Period. No dividend income was received from Pillar for the 2023 Interim Period. As part of the strategic cooperation between the Group and Pillar, a company has been set up by the parties in Hong Kong, namely Asia Molecular Diagnostic Laboratory Limited ("**AMD**L"). AMDL has established a high-standard molecular biology laboratory at the Hong Kong Science and Technology Park and has been providing NGS precision cancer diagnostic services in Hong Kong. The Group believes that the investment in Pillar will create synergies with the Group's medical laboratory testing services and health check services.

(ii) Investment in Broncus

As at 30 June 2023, the Group held approximately 1.13% (31 December 2022: 1.13%) or 5,970,160 shares in Broncus with fair value of approximately HK\$7,343,000 (31 December 2022: HK\$13,672,000) 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 research and development, and the manufacture and commercialisation of medical device and consumables. Based on the latest audited consolidated financial statements of Broncus for the year ended 31 December 2022, it recorded an audited consolidated loss of approximately US\$28.0 million. A fair value loss on the Group's investment in Broncus of approximately HK\$6,329,000 has been recognised in other comprehensive income for the 2023 Interim Period. No dividend income was received from Broncus for 2023 Interim Period. 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 unaudited total assets as at 30 June 2023.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any other material acquisition or disposal of subsidiaries, associates and joint ventures for the 2023 Interim Period.

CAPITAL COMMITMENTS

Details of capital commitments are stated in note 17 to the unaudited condensed consolidated interim results.

CHARGES ON THE GROUP'S ASSETS

Details of pledged assets are stated in note 12 to the unaudited condensed consolidated interim results.

CONTINGENT LIABILITIES

As at 30 June 2023, the Group had no significant contingent liabilities.

FOREIGN EXCHANGE AND INTEREST RATE EXPOSURE

During the 2023 Interim Period, 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 30 June 2023, the Group had a total of 187 (30 June 2022: 210) full time employees which were located in the PRC and Hong Kong. Total staff costs for the 2023 Interim Period was approximately HK\$51,621,000 (2022 Interim Period: HK\$59,941,000).

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 (including internal training on the Group's policies and procedures, and paid external training organised by third parties), participation in the Share Option Scheme and Share Award Scheme to provide further incentive and rewards to eligible participants who contribute to the success of the Group.

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 per employee. 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 2023 Interim Period were approximately HK\$1,635,000 (2022 Interim Period: HK\$1,329,000).

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

As at 30 June 2023, 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%
	Beneficial owner	250,000	0.03%
		529,750,546	55.00%

Notes:

- (a) As at 30 June 2023, 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%
	Genius Lead	Interest of a controlled corporation	1	100%

(iii) Long position in share options granted by the Company

Name of Directors	Nature of interest	Date of Grant	Exercise period	Exercise price per share	Aggregate long position in the underlying shares	Approximate percentage <i>(note a)</i>
Mr. Liu	Beneficial owner	20 August 2019	20 August 2022 to 19 August 2023	HK\$1.68	320,000	0.03%
Mr. He Xun	Beneficial owner	2 September 2020	2 September 2022 to 1 September 2024	HK\$2.00	6,440,000	0.67%
Ms. Chui Hoi Yam	Beneficial owner	5 January 2023	5 January 2023 to 4 January 2027	HK\$1.45	5,000,000	0.52%
Total					11,760,000	1.22%

Note:

- (a) As at 30 June 2023, the total number of the issued shares of the Company was 963,231,150 ordinary shares of HK\$0.10 each of the Company.

Please refer to the section headed “Share Option Scheme” for details of the share options granted to the Directors.

Save as disclosed above, as at 30 June 2023, 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 June 2023, 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 of the Company 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 of the Company

Name of shareholder	Capacity and nature of interest	No. of ordinary 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	54,137,931	5.62%
	Person having a security interest in shares	187,903,805	19.51%
Guoyuan International Holdings Limited (Note c)	Interest of a controlled corporation	242,041,736	25.13%
Guoyuan Securities Co., Ltd. (Note c)	Interest of a controlled corporation	242,041,736	25.13%
Richlane Ventures Limited (Note d)	Beneficial owner	58,000,000	6.02%
Ko Chun Shun Johnson ("Mr. Ko") (Note d)	Interest of controlled corporations	95,545,000	9.92%

Notes:

- As at 30 June 2023, the total number of the issued shares of the Company was 963,231,150 ordinary shares of HK\$0.10 each of the Company.
- 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.
- 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 in which Guoyuan Securities Investment (Hong Kong) Limited is interested. 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 deemed to be interested.
- Richlane Ventures Limited is wholly-owned by Mr. Ko. As such, Mr. Ko is deemed to be interested in the 58,000,000 shares of the Company held by Richlane Ventures Limited. The remaining 37,545,000 shares of the Company in which Mr. Ko is deemed to be interested are held by other companies controlled by Mr. Ko.

Save as disclosed above, as at 30 June 2023, 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 of the Company 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 adopted the Share Option Scheme for the purpose of providing incentives and rewards to eligible participants (including employee participants, related entities participants and service providers as defined under Rule 23.03A(1) of the GEM Listing Rules) who contribute to the success the Group's operation. The principal terms of the Share Option Scheme were disclosed in the Company's 2022 annual report.

Details of movements in the Company's share options during the 2023 Interim Period are set out as follows:

Category/ Name of Grantees	Date of grant	Exercise price per share (HK\$)	Balance as at 1 January 2023	Number of shares over which options are exercisable				Balance as at 30 June 2023	Exercise period
				Granted during the 2023 Interim Period	Exercised during the 2023 Interim Period	Lapsed during the 2023 Interim Period	Cancelled during the 2023 Interim Period		
Directors									
Mr. Liu	20 August 2019	1.68	320,000	-	-	-	-	320,000	Note 1
Mr. He Xun	2 September 2020	2.00	6,440,000	-	-	-	-	6,440,000	Note 2
Ms. Chui Hoi Yam	6 January 2023	1.45	-	5,000,000	-	-	-	5,000,000	Note 4
Sub-total			6,760,000	5,000,000	-	-	-	11,760,000	

Category/ Name of Grantees	Date of grant	Exercise price per share (HK\$)	Balance as at 1 January 2023	Number of shares over which options are exercisable				Balance as at 30 June 2023	Exercise period
				Granted during the 2023 Interim Period	Exercised during the 2023 Interim Period	Lapsed during the 2023 Interim Period	Cancelled during the 2023 Interim Period		
Related Entities									
Participants									
Mr. Wu Ting Yuk Anthony	20 August 2019	1.68	3,240,000	-	-	-	-	3,240,000	Note 1
Service Providers									
Consultant									
Dr. Zhai Pu	26 November 2020	2.00 to 2.20	3,335,000	-	-	-	-	3,335,000	Note 3
Sub-total			6,575,000	-	-	-	-	6,575,000	
Employees	20 August 2019	1.68	1,180,000	-	-	-	-	1,180,000	Note 1
Sub-total			1,180,000	-	-	-	-	1,180,000	
Total			14,515,000	5,000,000	-	-	-	19,515,000	

Notes:

- The share options were granted on 20 August 2019. The closing price of the shares immediately before the date of grant was HK\$1.37 per share. The share options granted to each grantee are exercisable to subscribe for (i) a maximum of one-third of the shares in respect of which the share options granted were vested from 20 August 2019 to 19 August 2020 and exercisable from 20 August 2020 to 19 August 2021; (ii) a maximum of another one-third of the shares in respect of which the share options granted were vested from 20 August 2019 to 19 August 2021 and exercisable from 20 August 2021 to 19 August 2022; and (iii) a maximum of the remaining one-third of the shares in respect of which the share options granted were vested from 20 August 2019 to 19 August 2022 and exercisable from 20 August 2022 to 19 August 2023.

2. The share options were granted on 2 September 2020. The closing price of the shares immediately before the date of grant was HK\$1.55 per share. The share options are exercisable to subscribe for (i) 3,220,000 shares from 2 September 2022 to 1 September 2023 for share options vested from 2 September 2020 to 1 September 2022; and (ii) 3,220,000 shares from 2 September 2023 to 1 September 2024 for share options vested from 2 September 2020 to 1 September 2023.
3. The share options were granted on 26 November 2020. The closing price of the shares immediately before the date of grant was HK\$1.34 per share. The share options are exercisable to subscribe for (i) 1,665,000 shares from 26 November 2022 to 25 November 2023 at exercise price of HK\$2.10 for share options vested from 26 November 2020 to 25 November 2022; and (ii) 1,670,000 shares from 26 November 2023 to 25 November 2024 at exercise price of HK\$2.20 for share options vested from 26 November 2020 to 25 November 2023.
4. 5,000,000 share options were granted to Ms. Chui Hoi Yam on 6 January 2023. There is no performance target and no claw back mechanism in respect of the share options granted to Ms. Chui Hoi Yam. The closing price of the shares on the date of grant was HK\$1.10 per share and the average closing price for the five business days immediately preceding the date of grant was HK\$1.13 per share. The closing price of the shares immediately before the date of grant was HK\$1.13.

The share options are valid for a period of four years commencing from the date of grant until the end of the end of the respective exercisable periods, among which (i) 33.33% (1,665,000 share options) will vest from 6 January 2023 to 5 January 2024 and become exercisable from 6 January 2024 to 5 January 2025; (ii) 33.33% (1,665,000 share options) will vest from 6 January 2023 to 5 January 2025 and become exercisable from 6 January 2025 to 5 January 2026; and (iii) 33.34% (1,670,000 share options) will vest from 6 January 2023 to 5 January 2026 and become exercisable from 6 January 2026 to 5 January 2027.

5. No service provider sublimit was set under the Share Option Scheme.

SHARE AWARD SCHEME

(1) Purpose of the Share Award Scheme and Participants

The Company adopted a share award scheme (the “**Share Award Scheme**”) in accordance with the scheme rules on 18 August 2021 for the purpose of providing incentives and rewards to eligible participants (including employee participants, related entities participants and service providers as defined under Rule 23.03A(1) of the GEM Listing Rules) who may contribute to the success the Group’s operation. No service provider sublimit was set under the Share Award Scheme. The principal terms of the Share Award Scheme are disclosed in the Company’s 2022 annual report.

During the 2023 Interim Period, the trustee of the Share Award Scheme did not subscribe for any new shares of the Company, receive any existing shares of the Company from any shareholder of the Company or purchase any shares of the Company on the market and no shares of the Company were awarded by the Company under the Share Award Scheme. As at 30 June 2023, 4,300,000 shares of the Company were held by the trustee.

(2) Total Number of Shares Available for Issue

Under the Share Award Scheme, the Company shall not make any further grant of award which will result in the number of shares of the Company granted under the Share Award Scheme exceeding 10% of the total number of issued shares of the Company as at the adoption date of the Share Award Scheme on 18 August 2021, i.e. 963,231,150 shares.

As no shares of the Company were awarded by the Company under the Share Award Scheme since its adoption, 96,323,115 shares, representing 10% of the issued shares of the Company as at the date of the adoption of the Share Award Scheme on 18 August 2021 and as at the date of this report, were available for grant under the Share Award Scheme as at the date of this report.

(3) Maximum Entitlement of Participants

The maximum entitlement of each participant under the Share Award Scheme shall not exceed 1% of the total number of issued shares of the Company as at 18 August 2021, the adoption date of the Share Award Scheme.

(4) Vesting and Conditions

The Board may from time to time while the Share Award Scheme is in force and subject to all applicable laws and the GEM Listing Rules, determine such vesting criteria and conditions or periods for the awards to be vested. All of such vesting criteria and conditions (if any) and periods (including the vesting date) shall be set out in the relevant award letter issued to each selected participant.

(5) Basis of Determining the Purchase Price

The Board may at any time during the term of the Share Award Scheme direct and procure the trustee to receive existing shares of the Company from any shareholder of the Company or purchase existing shares of the Company (either on-market or off-market) at such range of purchase price as the Board may direct or authorise, subject to compliance with the applicable laws and the GEM Listing Rules.

(6) Remaining life of the Scheme

The Share Award Scheme shall be valid and effective for a term of 10 years commencing on the adoption date, the remaining life of the Share Award Scheme will expire on 17 August 2031.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

At no time during the 2023 Interim Period or at the end of the 2023 Interim 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 three Directors on 12 January 2018, 20 August 2019, 2 September 2020 and 6 January 2023. No shares of the Company were awarded to any Director under the Share Award Scheme.

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 2023 Interim Period, except that the trustee of the Share Award Scheme (the "Trustee"), pursuant to the terms of the scheme rules and trust deed of the Share Award Scheme, purchased on the Stock Exchange a total of 1,975,000 shares of the Company at a total consideration of approximately HK\$1,934,000, neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's listed securities. All the shares of the Company purchased by the Trustee are held by the Trustee on trust for the purpose of the Share Award Scheme.

Particulars of the shares purchased by the Trustee on the Stock Exchange during the 2023 Interim Period are as follows:

Month	Number of shares purchased by the Trustee	Purchase price per share		Approximate total consideration (before expenses) <i>(HK\$'000)</i>
		Highest	Lowest	
		<i>(HK\$)</i>	<i>(HK\$)</i>	
June	1,975,000	1.00	0.93	1,934

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 no 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 2023 Interim 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 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 2023 Interim 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 close 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 2023 Interim 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 interim results of the Group for the 2023 Interim 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 express my sincere gratitude to all the shareholders for their support to the Company.

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

Hong Kong, 11 August 2023

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