THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Biotech Services Holdings Limited** (the "**Company**"), you should at once hand this circular to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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

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

(Stock code: 8037)

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF BNCT EQUIPMENT AND THE PROVISION OF TECHNICAL ADVISORY SERVICE

Financial adviser to the Company

首盛資本集團
Alpha Financial Group

Alpha Financial Group Limited

A letter from the Board is set out on pages 4 to 17 of this circular.

The Sales Contract, the Service Contract and the transactions contemplated respectively thereunder have been approved by a written shareholder's approval obtained from Genius Lead Limited, pursuant to Rule 19.44 of the GEM Listing Rules in lieu of a general meeting of the Company. This circular is being despatched to the Shareholders for information only.

This circular will remain on the Stock Exchange's website at www.hkexnews.hk on the "Latest Listed Company Information" for at least 7 days from the date of its publication and on the website of the Company at www.cbshhk.com.

22 August 2022

CHARACTERISTICS OF GEM

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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

Page

Characteristics of GEM i

Definitions 1

Letter from the Board 4

Appendix I – Financial Information of the Group I-1

Appendix II – Unaudited Pro Forma Financial Information of the Group II-1

Appendix III – General Information III-1

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"associate(s)"	has the meaning ascribed thereto under the GEM Listing Rules;
"BNCT"	Boron Neutron Capture Therapy;
"BNCT Drug"	Steboronine®, a drug used for BNCT treatment which targets locally advanced or locally recurrent unresectable head and neck cancer;
"BNCT Equipment"	the medical device and dose calculation program for BNCT treatment;
"BNCT Parts"	the initial spare parts required for commencement of operation of BNCT treatment;
"Boao Lecheng Pilot Zone"	the Boao Lecheng International Medical Tourism Pilot Zone of Hainan Free Trade Port, the PRC;
"Board"	the board of Directors;
"Centre"	the BNCT cancer treatment centre of Pengbo (Hainan) in the Boao Lecheng Pilot Zone;
"Company"	China Biotech Services Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and listed on GEM (stock code: 8037);
"Director(s)"	the director(s) of the Company;
"GEM"	GEM operated by the Stock Exchange;
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM;
"Group"	the Company and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Latest Practicable Date"	18 August 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
"Master Service Agreement"	the master service agreement dated 23 June 2022 entered into among the Company, Pengbo (Hainan) and Stella Pharma in respect of, amongst others, the sale and purchase of the BNCT Drug;

"MOU"	the legally binding memorandum of understanding dated 23 June 2022 entered into among the Company, Pengbo (Hainan) and SHI in respect of the supply of the BNCT Parts and the provision of the O&M Service;
"O&M Service"	the operation and maintenance service of the BNCT Equipment in the Centre;
"Pengbo (Hainan)"	Pengbo (Hainan) Medical Technology Co., Ltd.* (鵬博(海南)硼中子醫療科技有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company;
"PRC"	the People's Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
"Project"	the implementation of the Centre at the Boao Lecheng Pilot Zone;
"Sales Contract"	the sales contract dated 23 June 2022 entered into among the Company, Pengbo (Hainan) and SHI in respect of the sale and purchase of the BNCT Equipment;
"Service Contract"	the service contract dated 23 June 2022 entered into among the Company, Pengbo (Hainan) and SHI in respect of the provision of the Technical Advisory Service;
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Share(s)"	the ordinary share(s) of HK$0.10 each in the share capital of the Company;
"Shareholder(s)"	holder(s) of the issued Share(s);
"SHI"	Sumitomo Heavy Industries, Ltd., a company incorporated in Japan and the issued shares of which are listed on the Tokyo Stock Exchange (stock code: 6302);
"Stella Pharma"	Stella Pharma Corporation, a company incorporated in Japan and the issued shares of which are listed on the Tokyo Stock Exchange (stock code: 4888);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;

"Technical Advisory Service"	the technical advisory service of dispatching technical advisors for installation and tuning of the BNCT Equipment to be rendered at the Centre;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"JPY"	Japanese Yen, the lawful currency of Japan; and
"%"	per cent.

* *for identification purposes only*

In this circular, amounts in JPY are translated to HK$ on the basis of JPY1=approximately HK$0.05843. The conversions are for illustration purpose only and should not be taken as a representation that JPY could actually be converted into HK$ at that rate or other rates or at all.

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)

Board of Directors

Executive Directors:
Mr. LIU Xiaolin *(Chairman)*
Mr. HE Xun
Mr. HUANG Song

Non-executive Director:
Mr. WANG Zheng

Independent non-executive Directors:
Mr. YAN Guoxiang
Dr. HO Ivan Chun Kit
Mr. QIAN Hongji

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and Principal Place of Business in Hong Kong:
Suites 1904-05A, 19/F, Sino Plaza
255-257 Gloucester Road
Causeway Bay
Hong Kong

22 August 2022

To the Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF BNCT EQUIPMENT AND THE PROVISION OF TECHNICAL ADVISORY SERVICE

INTRODUCTION

Reference is made to the announcement of the Company dated 23 June 2022, in relation to, among other things, (i) the Sales Contract in relation to the sale and purchase of the BNCT Equipment by Pengbo (Hainan) from SHI; (ii) the Service Contract in relation to the provision of the Technical Advisory Service to Pengbo (Hainan) by SHI; (iii) the MOU in relation to the supply of the BNCT Parts and the provision of the O&M Service to Pengbo (Hainan) by SHI; and (iv) the Master Service Agreement in relation to sale and purchase of the BNCT Drug for the sole purpose of implementing BNCT in the Boao Lecheng Pilot Zone.

Reference is also made to (i) the announcement of the Company dated 19 November 2021 in relation to the admission in-principle that the Project may start construction and implementation in the Boao Lecheng Pilot Zone; (ii) the announcement of the Company dated 28 February 2022 in relation to the entering into of a site admission and investment agreement with the Hainan Boao Lecheng International Medical Tourism Pilot Zone Administration in relation to the investment in and construction of the Centre in the Boao Lecheng Pilot Zone; and (iii) the announcement of the Company dated 27 May 2022 in relation to the entering into of confirmation letter with the Public Resource Trading Centre of Qionghai City Land Reserve Sorting Out and Exchange Centre (瓊海市土地儲備整理交易中心), confirming that Pengbo (Hainan) has successfully won a bid for the right to use of a piece of state-owned construction land located in the Boao Lecheng Pilot Zone.

The purpose of this circular is to provide you with the information relating to, among other things, (1) details of the Sales Contract; (2) details of the Service Contract; (3) details of the MOU; (4) details of the Master Service Agreement; and (5) other information as required by the GEM Listing Rules.

(1) SALES CONTRACT

On 23 June 2022 (after trading hours of the Stock Exchange), the Company, Pengbo (Hainan), and SHI entered into the Sales Contract, pursuant to which Pengbo (Hainan) agreed to acquire and SHI agreed to sell the BNCT Equipment at the initial contract price (the "**Contract Price**") of JPY3,000,000,000 (equivalent to approximately HK$175,290,000) (excluding any withholding tax which shall be borne by the Pengbo (Hainan) and subject to adjustment).

The principal terms of the Sales Contract are summarised as follows:

Date:	23 June 2022
Parties:	(i) the Company, as guarantor; (ii) Pengbo (Hainan), as purchaser; and (iii) SHI, as vendor.
Assets to be acquired:	Pursuant to the Sales Contract, Pengbo (Hainan) agreed to acquire and SHI agreed to sell the BNCT Equipment. SHI will supply the BNCT Equipment to Pengbo (Hainan) exclusively in Hainan Province, the PRC.
Contract price:	The initial Contract Price for the sale and purchase of the BNCT Equipment shall be JPY3,000,000,000 (equivalent to approximately HK$175,290,000) (excluding any withholding tax which shall be borne by the Pengbo (Hainan) and subject to adjustment), which was arrived at after arm's length negotiations between Pengbo (Hainan) and SHI with reference to the prevailing market price of other comparable equipment.

Prior to agreeing on the Contract Price of the BNCT Equipment, the Company considered certain factors between the BNCT Equipment and other comparable equipment used in other similar conventional radiotherapy (i.e. proton therapy). The Board considers that the terms of the Sales Contract, including the Contract Price, are fair and reasonable and on normal commercial terms after taking into account the following factors: (i) the Contract Price for the BNCT Equipment was comparable and more favourable to the Group than the purchase price of other conventional radiotherapy equipment despite the BNCT Equipment being more advanced, emerging and safer than other conventional radiotherapy equipment; (ii) the BNCT Equipment supplied by SHI were approved as medical device by Pharmaceuticals and Medical Devices Agency under the Japanese Pharmaceutical Affairs Law; and (iii) there is no available supplier to supply an identical and government approved BNCT Equipment other than SHI as at the Latest Practicable Date. For further details, please refer to the paragraphs headed "REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SALES CONTRACT, THE SERVICE CONTRACT, THE MOU AND THE MASTER SERVICE AGREEMENT".

The Contract Price is subject to an adjustment not exceeding 5% of the initial Contract Price upon a written notice from SHI to Pengbo (Hainan) not later than three months after the issuance date of a letter of credit from Pengbo (Hainan) in the event of:

(i) any substantial increase in the manufacturing costs of the BNCT Equipment caused by an extraordinary increase in the price of the semiconductor and electronics products, petroleum products, fuel or energy sources, steel, copper, aluminum or other metal and raw materials which could not have been foreseen at the date of entering into of the Sales Contract; and

(ii) any increase in freight rate, surcharges (bunker, currency, congestion or other surcharges), taxes, export or import surcharges or other governmental charges, or insurance premiums, including those for war risks which may be incurred by SHI with respect to the BNCT Equipment after the conclusion of the Sales Contract and shall be for the account of Pengbo (Hainan) and reimbursed to SHI by Pengbo (Hainan).

Terms of payment: The Contract Price shall be satisfied by Pengbo (Hainan) in the following manner:

(i) advanced payment being 30% of the Contract Price shall be paid in cash within 30 working days after Pengbo (Hainan) has received, amongst others, the invoices of such advance payment from SHI;

(ii) delivery payment being 60% of the Contract Price shall be paid by a letter of credit which shall become payable at sight when SHI presents, amongst others, the bills of lading and other delivery documents in relation to the major component of the BNCT Equipment to the PRC; and

(iii) acceptance payment being 10% of the Contract Price shall be paid by a letter of credit which shall become payable at sight when among others, the taking over certificate is issued.

Guarantee: The Company agrees to be jointly and severally liable with Pengbo (Hainan) for the performance of any and all obligations Pengbo (Hainan) owes or may thereafter owe to SHI under the Sales Contract and any other contract or agreement in connection with the Sales Contract. The liability of the Company shall (i) not exceed the total aggregate amount to be paid by Pengbo (Hainan) under the Sales Contract; and (ii) not exceed 150% of the Contract Price as total aggregate amount (which represents the aggregate of 100% of the Contract Price and the cap which is 50% of the Contract Price , as mutually agreed by the Company and SHI, set on the total and cumulative liability of Pengbo (Hainan) for all matters including but not limited to any lawsuit, claim, demand, loss, damages, liability, cost, expense, action or cause of action, as well as for any reasonable attorneys' fees incurred in connection with any of the foregoing (collectively, "**Claims**") asserted against SHI, each of its directors, officers, employees, agents, contractors and subcontractors by any third person (including but not limited to any employees, agents, contractors or subcontractors of Pengbo (Hainan)) in case of death, bodily injury or loss or damage to property arising out of the use or operation of the BNCT Equipment and/or the clinical trial, unless such Claims shall be directly and solely attributable to any defect of BNCT Equipment, the gross negligence or willful misconduct of SHI, its employees, agents, contractors or subcontractors, and is based on arm's length negotiation between Pengbo (Hainan) and SHI).

The total and cumulative liability of SHI shall not exceed 50% of the Contract Price, as mutually agreed by the Company and SHI, for all matters including but not limited to any Claims asserted against Pengbo (Hainan), each of its directors, officers, employees, agents, contractors and subcontractors by any third person (including but not limited to any employees, agents, contractors or subcontractors of SHI) in case of death, bodily injury or loss or damage to property arising out of the use or operation of the BNCT Equipment which is directly and solely attributable to any defect of the BNCT Equipment, the gross negligence or willful misconduct of SHI, its employees, agents, contractors or subcontractors.

The above-mentioned total and cumulative liabilities (i.e. 50% of the Contract Price) of Pengbo (Hainan) and SHI are set out to ascertain both parties' maximum exposure that may arise from any Claims asserted and safeguard the interests of both parties on a fair basis.

The term of the guarantee shall commence on the date when the relevant obligation of Pengbo (Hainan) is due and expire on the 2 years' anniversary date thereafter.

Time for delivery: SHI shall make delivery of the BNCT Equipment within 18 months from the date of the Sales Contract.

(2) SERVICE CONTRACT

On 23 June 2022 (after trading hours of the Stock Exchange), the Company, Pengbo (Hainan), and SHI entered into the Service Contract, pursuant to which SHI agreed to provide the Technical Advisory Service to Pengbo (Hainan) at the service fee (the "**Service Fee**") of JPY400,000,000 (equivalent to approximately HK$23,372,000) (including any withholding tax).

The principal terms of the Service Contract are summarised as follows:

Date:	23 June 2022
Parties:	(i) the Company, as guarantor; (ii) Pengbo (Hainan), as customer; and (iii) SHI, as service provider.
Service to be provided:	Pursuant to the Service Contract, SHI agreed to provide the Technical Advisory Service to Pengbo (Hainan) to be rendered at the Centre.
Service Fee:	The Service Fee for the provision of the Technical Advisory Service shall be JPY400,000,000 (equivalent to approximately HK$23,372,000) (including any withholding tax), which was arrived at after arm's length negotiations between Pengbo (Hainan) and SHI with reference to (i) the qualifications, experience and human resources of SHI; and (ii) the scope and complexity of the Technical Advisory Service.
Terms of payment:	The Service Fee shall be satisfied by Pengbo (Hainan) in cash in the following manner: (i) 30% of the Service Fee within thirty (30) days after Pengbo (Hainan)'s receipt of SHI's invoice which shall be issued on the last day of the third (3rd) month starting from the month when installation of BNCT Equipment begins; (ii) 30% of the Service Fee within thirty (30) days after Pengbo (Hainan)'s receipt of SHI's invoice which shall be issued on the last day of the sixth (6th) month starting from the month when installation of BNCT Equipment begins;

(iii) 30% of the Service Fee within thirty (30) days after Pengbo (Hainan)'s receipt of SHI's invoice which shall be issued on the last day of the ninth (9th) month starting from the month when installation of BNCT Equipment begins; and

(iv) 10% of the Service Fee within thirty (30) days after Pengbo (Hainan)'s receipt of SHI's invoice which shall be issued at the time when the acceptance certificate in relation to the acceptance test to be conducted after the installation and tuning of all the BNCT Equipment is issued.

Guarantee: The Company agrees to be jointly and severally liable with Pengbo (Hainan) for the performance of any and all obligations Pengbo (Hainan) owes or may thereafter owe to SHI under the Service Contract and any other contract or agreement in connection with the Service Contract. The liability of the Company shall (i) not exceed the total aggregate amount to be paid by Pengbo (Hainan) under the Service Contract; and (ii) not exceed 150% of the Service Fee as total aggregate amount (which represents the aggregate of 100% of the Service Fee and the cap which is 50% of the Service Fee, as mutually agreed by the Company and SHI, set on the total and cumulative liability of Pengbo (Hainan) for all matters including but not limited to any Claims asserted against SHI, each of its directors, officers, employees, agents, contractors and subcontractors by any third person (including but not limited to any employees, agents, contractors or subcontractors of Pengbo (Hainan)) in case of death, bodily injury or loss or damage to property arising out of the adoption of the Technical Advisory Service, unless such Claims shall be directly and solely attributable to any defect resulting from the Technical Advisory Service, the gross negligence or willful misconduct of SHI, its employees, agents, contractors or subcontractors, and is based on arm's length negotiation between Pengbo (Hainan) and SHI).

The total and cumulative liability of SHI shall not exceed 50% of the Service Fee, as mutually agreed by the Company and SHI, for all matters including but not limited to any Claims asserted against Pengbo (Hainan), each of its directors, officers, employees, agents, contractors and subcontractors by any third person (including but not limited to any employees, agents, contractors or subcontractors of SHI) in case of death, bodily injury or loss or damage to property arising out of the adoption of the Technical Advisory Service which is directly and solely attributable to any defect resulting from the Technical Advisory Serivce, the gross negligence or willful misconduct of SHI, its employees, agents, contractors or subcontractors.

The above-mentioned total and cumulative liabilities (i.e. 50% of the Service Fee) of Pengbo (Hainan) and SHI are set out to ascertain both parties' maximum exposure that may arise from any Claims asserted and safeguard the interests of both parties on a fair basis.

The term of the guarantee shall commence on the date when the relevant obligation of Pengbo (Hainan) is due and expire on the 2 years' anniversary date thereafter.

(3) MOU

On 23 June 2022 (after trading hours of the Stock Exchange), the Company, Pengbo (Hainan) and SHI entered into the legally binding MOU, pursuant to which (i) SHI will supply to Pengbo (Hainan) the BNCT Parts at the expected purchase price of JPY480,000,000 (equivalent to approximately HK$28,046,400) (the "**Proposed Supply of the BNCT Parts**"); and (ii) SHI will provide Pengbo (Hainan) with the O&M Service (the "**Proposed Provision of O&M Service**").

Pursuant to the MOU, the definitive contracts (the "**Definitive Contracts**") in relation to the Proposed Supply of the BNCT Parts and the Proposed Provision of O&M Service shall be executed upon the Company, Pengbo (Hainan) and SHI reach the agreement of the detailed terms and conditions of the Proposed Supply of the BNCT Parts and the Proposed Provision of O&M Service (including but not limited to the purchase price of the BNCT Parts and the service fee for the provision of the O&M Service). SHI shall have no obligation to supply the BNCT Parts and to provide the O&M Service until the Definitive Contracts are executed.

The MOU shall commence on the date of the MOU and shall remain in effective until either (i) 31 December 2022; or (ii) the Definitive Contracts for both the Proposed Supply of the BNCT Parts and the Proposed Provision of O&M Service are concluded and executed, whichever comes first (the "**Term of the MOU**").

Neither the Company, Pengbo (Hainan) and SHI may, without prior written consent of the other party, assign or transfer the MOU in whole or in part or any of its rights and obligations under the MOU to any third party (the "**Assignment**").

The Company, Pengbo (Hainan) and SHI shall keep the existence and contents of the Sales Contract, the Service Contract, the MOU and the Project, and all discussions held under the Sales Contract, Service Contract, the MOU or relating to the Project, in strict confidence, and shall not disclose or divulge the same to any third party unless the disclosure of such information is compelled by a court, governmental authority or applicable laws (including the rules and regulations of any securities and exchange commission) within jurisdiction, or is required to disclose pursuant to the rules and regulations of any securities exchange upon which the Company, Pengbo (Hainan) and SHI or its parent entity is listed (the "**Confidentiality**").

The MOU shall be governed by and construed and interpreted in accordance with the laws of the PRC. Any dispute arising out of or in connection with the MOU, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre in accordance with the Arbitration Rules of the Singapore International Arbitration Centre (the "**Governing Law**").

All provisions including the Term of the MOU, the Assignment, the Confidentiality and the Governing Law under the MOU are legally binding, save for the obligations on the parties in relation to the Proposed Supply of the BNCT Parts and the Proposed Provision of O&M Service.

(4) MASTER SERVICE AGREEMENT

On 23 June 2022 (after trading hours of the Stock Exchange), the Company, Pengbo (Hainan) and Stella Pharma entered into the Master Service Agreement, pursuant to which (i) Pengbo (Hainan) agreed to acquire and Stella Pharma agreed to sell the BNCT Drug for the sole purpose of implementing BNCT in the Boao Lecheng Pilot Zone; and (ii) Stella Pharma agreed to license certain approval documents, supporting documents, Chinese trademark right, other data and information to Pengbo (Hainan) on a non-exclusive, royalty-free basis, in order to facilitate the implementation of BNCT in the Boao Lecheng Pilot Zone.

The term of the Master Service Agreement, unless terminated or renewed, will be from the date of the Master Service Agreement, until the expiry of 10 years after the end of the fiscal year of the date of the first patient BNCT treatment at the Centre. The parties to the Master Service Agreement shall enter into a supply agreement to govern supply conditions and pricing in detail, including details such as, without limitation, a payment term, pricing details, packaging, labeling, product specifications, storage conditions, and quality associated with the supply of the BNCT Drug by 31 December 2022.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in (i) provision of medical laboratory testing services and health check services in Hong Kong; (ii) provision of tumor immune cell therapy, immune cell storage and health management services in the PRC; (iii) manufacture, research and development, sale and distribution of health related and pharmaceutical products in the PRC and Hong Kong; and (iv) provision of insurance brokerage services.

As at the Latest Practicable Date, the equity interest in Pengbo (Hainan) is owned as to 99% by CBSH Flourish (Hong Kong) BNCT Medical Centre Limited (an indirect wholly-owned subsidiary of the Company) ("**CBSH (HK)**") and as to 1% by Mr. Li Haifeng ("**Mr. Li**") (one of the directors of CBSH (HK), who was appointed after the establishment of Pengbo (Hainan)) and holds such equity interest in Pengbo (Hainan) for and on behalf of CBSH (HK). Upon relaxation of the administrative impediments on 100% foreign ownership, Mr. Li will transfer his 1% equity interest in Pengbo (Hainan) held on behalf of CBSH (HK) to CBSH (HK) at nil consideration, resulting in CBSH (HK) being a registered holder of 100% equity interest in Pengbo (Hainan).

As 1% equity interest in Pengbo (Hainan) held by Mr. Li is held for and on behalf of CBSH (HK), there are no notifiable transaction and/or connected transaction implications in relation to the establishment of Pengbo (Hainan).

The Board is of the view that given (i) the 1% equity interest in Pengbo (Hainan) held by Mr. Li is held for and on behalf of CBSH (HK); and (ii) Mr. Li will transfer his 1% equity interest in Pengbo (Hainan) held on behalf of CBSH (HK) to CBSH (HK), it is fair and reasonable for the Company to be fully liable for all of the obligations of Pengbo (Hainan) under the Sales Contract and the Service Contract.

INFORMATION ABOUT SHI AND STELLA PHARMA

SHI is a company incorporated in Japan and principally engaged in the business of the manufacturing and marketing of heavy electric machinery, the issued shares of which are listed on the Tokyo Stock Exchange (stock code: 6302). SHI's operations include, amongst others, the mechatronics, industrial machinery, industrial equipment, logistics and construction, and energy and lifeline divisions. SHI also produces equipment for semiconductors and laser technologies. As part of SHI's industrial equipment division, SHI has been involved in the fields of science, industry and medicine and their medical equipment has included the BNCT Equipment amongst other early cancer detection and cancer treatment equipment.

Stella Pharma is a pharmaceutical company incorporated in Japan, and principally engaged in the business of the research and development, manufacturing and distribution of pharmaceuticals, the issued shares of which are listed on the Tokyo Stock Exchange (stock code: 4888). The main business of Stella Pharma includes the research and development of drugs for BNCT treatment, such as the BNCT Drug.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of SHI and Stella Pharma and their respective ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SALES CONTRACT, THE SERVICE CONTRACT, THE MOU AND THE MASTER SERVICE AGREEMENT

While deploying precision treatment to patients in need has always been one of the Group's development strategy, the Group has been actively looking into advanced cancer treatment methods in the world. In early 2021, the Group has started to explore the BNCT technology, which is a new treatment for refractory cancers and has formally entered clinical application in Japan in 2020. It is currently one of the advanced cancer treatment methods in the world, and has remarkable clinical advantage especially in refractory cases of multiple recurrence, infiltration, local metastasis, and in mid-to-late stages.

The BNCT technology is an emerging and more advanced technology in cancer radiotherapy, which can selectively target tumors with pinpoint precision and get irradiated while minimzing collateral damage to surrounding healthy tissue that other conventional radiotherapy treatments cannot achieve. Hence, the BNCT technology is considered to be much safer than the other conventional radiotherapy treatments. The BNCT technology can be used to treat malignant brain tumours, locally recurrent head-and-neck cancers and tumours located adjacent to sensitive organs like the brain stem or the spinal cord, which these complex areas are difficult to address using conventional radiotherapy techniques.

After thoroughly understanding the BNCT technology, the Company is of the view that the BNCT technology can meet the medical needs of cancer patients and is beneficial to the advancement of tumor and cancer prevention and treatment in the PRC, hence became the initiator and attended an expert evaluation meeting with the Administration of the Boao Lecheng Pilot Zone, who had agreed in principle in November 2021 that the Company may start the construction and implementation of the Project.

Medical institutions in the Boao Lecheng Pilot Zone are allowed to use medical devices and drugs with approvals from overseas authorities, including Japan, without conducting its own clinical trial and/or study based on the Public Notice No. 17 (2021) which was issued by the Hainan Medical Products Administration of the PRC under the laws of the PRC.

Subsequent to the evaluation meeting, to execute the Project, the Company has established Pengbo (Hainan) in January 2022 for the purpose of introducing and commercialising of BNCT in the Boao Lecheng Pilot Zone. In May 2022, Pengbo (Hainan) has successfully won a bid for the right to use of a piece of state-owned construction land located in the Boao Lecheng Pilot Zone. The Group anticipates that the construction works of the Centre will commence by end of 2022 and the Centre is targeted to be completed in 2024 and start serving patients from 2025. The total gross floor area of the Centre is estimated to be approximately 13,000 square meters and the estimated cost of the construction of the Centre is approximately RMB140 million. The Company intended to fund 30% of the construction cost of the Centre by the Group's internal resources and 70% of the construction cost of the Centre by debt financing and/or equity financing.

The Centre is expected to provide 40 beds and each patient will be hospitalized for approximately three days of BNCT treatment. The Company expects the Centre to serve approximately 500 patients per annum during the first year of operation in 2025, and the patient size is expected to gradually increase to approximately 1,800 patients per annum in 2028 and after. The Centre's maximum patient capacity is expected to be approximately 3,000 patients per annum. At full capacity, the Company expects to hire approximately 60 staff to operate the Centre, of which approximately 50 staff are professionals with expertise in the provision of radiotherapy treatment, including but not limited to doctors, nurses, pharmacists and radiation therapists.

The Centre will be led by a team of seven professional experts in radiotherapy with international exposure and supported by the Group's management. Leveraging on their intensive experience and knowledge, the professional team will be able to provide the Centre with high-level intellectual guidance and advise the Centre on complex and challenging cases, strategy, policy and future development in terms of radiotherapy service, trainings and research.

The Company has been in discussion with Huashan Hospital of Fudan University in the PRC for the provision of BNCT treatment to its patients. The Company will continue to seek cooperation with hospitals and insurance companies in the PRC and Hong Kong in relation to referral of patients, provision of remote consultations and joint treatments.

SHI and Stella Pharma have obtained the world's first medical device approval for the manufacturing and sales of the BNCT Equipment and the marketing and manufacturing approval for the world's first BNCT Drug respectively, from the Japanese Government in 2020. The Group has conducted research on the availability of the BNCT Equipment, and noted that other than SHI's BNCT Equipment which has been approved as medical device by the Pharmaceuticals and Medical Devices Agency under the Japanese Pharmaceutical Affairs Law, other BNCT equipment developed by industry peers are still in the process of animal and clinical trials and are yet to be made commercially available. Hence, there is no available supplier to supply the same BNCT Equipment other than SHI as at the Latest Practicable Date. The Group has also compared the purchase price of the BNCT Equipment with that of other conventional radiotherapy equipment (i.e. proton therapy system) and noted that the purchase price of the proton therapy system is higher than the consideration for the BNCT Equipment (being the total purchase price of the BNCT Equipment and the Service Fee).

Therefore, given the lower barriers of entry under the pilot implementation and trial policies at the Boao Lecheng Pilot Zone and the approval status of BNCT Equipment and BNCT Drug of SHI and Stella Pharma, the Board considers the entering into of the Sales Contract, the Service Contract, the MOU and the Master Service Agreement would enable the Group to solidly execute the Project and formally tap into radiation therapy through the provision of BNCT in the PRC and will further expand the Group's scope of businesses.

By introducing the advanced BNCT Equipment, the BNCT Drug and the BNCT Parts with the provision of the Technical Advisory Service and the O&M Service, and constructing the Centre in the PRC to leverage on the pilot implementation and trial policies at the Boao Lecheng Pilot Zone granted by the State Council of China, the Group will be able to provide advanced and effective solutions to the treatment of solid head and neck tumors, thereby, bringing good news to patients.

Having considered the factors as mentioned above, the Directors (including the independent non-executive Directors) are of the view that the Sales Contract, the Service Contract, the MOU and the Master Service Agreement are entered into on normal commercial terms, and the terms thereof (including but not limited to the Contract Price and the Service Fee) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As at the Latest Practicable Date, 30% of the Contract Price has been paid by the Group to SHI by internal resources of the Group. It is currently expected that approximately 30% of the Service Fee will also be funded by internal resources of the Group and the remaining of the Contract Price and Service Fee will be funded by a combination of the debt financing and equity financing. The Company has been in negotiation with the financial institutions for the potential banking facilities and a financial institution has indicated preliminary interest in granting the facilities to the Group. The Company is also in discussion with several potential investors who have indicated interests in investing in the Group, including but not limited to, a leading pharmaceutical group and a company which is principally engaged in the development and operation of digitial health services platform, both in the PRC. The detailed terms of the said potential investments are still under negotiation and no definitive term has been agreed as of the Latest Practicable Date.

Given that the Company is only required to start paying (i) the remaining of the Contract Price (by instalment) upon and after the delivery of the BNCT Equipment, which is expected to be by the end of 2023; and (ii) the Service Fee (by instalments) three months after the installation of the BNCT Equipment begins, which is expected to be during 2024, the Company will have sufficient time to secure additional financing resources by way of debt financing and/or equity financing if needed.

FINANCIAL EFFECT OF THE ACQUISITION AND THE INSTALLATION OF THE BNCT EQUIPMENT

It is expected that upon completion of the acquisition and the installation of the BNCT Equipment (assuming there is no adjustment on the Contract Price), there will be (i) an increase in total assets of approximately HK$198,662,000 on a pro forma basis comprising an increase in property, plant and equipment of approximately HK$198,662,000; (ii) an increase of current liabilities of approximately HK$199,832,000 in trade and other payables on a pro forma basis (being the total of the purchase price of the BNCT Equipment of JPY3,000,000,000 (equivalent to approximately HK$175,290,000), the Service Fee of JPY400,000,000 (equivalent to approximately HK$23,372,000) and together with an estimated transaction, legal and professional fee of approximately HK$1,170,000 payable by the Group in connection with acquisition of the BNCT Equipment); and (iii) a decrease in net assets of approximately HK$1,170,000 on a pro forma basis. For further details, please refer to the unaudited pro forma financial information of the Group as set out in Appendix II to this circular. As the Service Fee payable to SHI represents the service fee paid to SHI for dispatching technical advisors for installation and tuning of the BNCT Equipment to be rendered at the Centre which is essential to put the BNCT Equipment to use, hence the Service Fee is capital in nature and will be capitalised into the BNCT Equipment. Upon completion of the acquisition and the installation of the BNCT Equipment, the book value of the BNCT Equipment will equal the amount of the purchase prices of the BNCT Equipment and the Service Fee.

The BNCT Equipment, as aforementioned, includes the medical device and dose calculation program for BNCT treatment. All of the BNCT Equipment purchased by Pengbo (Hainan) were new and unused before SHI delivered them to Pengbo (Hainan). Hence, there is no identifiable income stream attributable to them. In addition, as the Contract Price was determined after arm's length negotiation among the parties thereto, no asset valuations have been performed on the BNCT Equipment.

GEM LISTING RULES IMPLICATIONS

As the Master Service Agreement and the transactions contemplated respectively thereunder are transactions of a revenue nature in the ordinary and usual course of business (as referred to in Rule 19.04(8) of the GEM Listing Rules) of the Company, the Master Service Agreement and the transactions contemplated respectively thereunder do not constitute a notifiable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

The transactions contemplated under the Sales Contract and the Service Contract are aggregated on the basis that the Sales Contract and the Service Contract are in relation to the acquisition of and provision of service in relation to the BNCT Equipment from SHI to Pengbo (Hainan) within a 12 month period and thus shall be aggregated pursuant to Rule 19.22 of the GEM Listing Rules.

As one or more of the applicable percentage ratios as set out in the GEM Listing Rules for the Sales Contract and the Service Contract are 25% or more but all of them are less than 100%, the Sales Contract, the Service Contract and the transactions contemplated respectively thereunder constitute a major transaction for the Company and are subject to the announcement, circular and Shareholders' approval requirements under Chapter 19 the GEM Listing Rules.

Shareholders and potential investors of the Company should note that the Proposed Supply of the BNCT Parts and the Proposed Provision of O&M Service under the MOU are subject to, among others, the execution of the Definitive Contracts. The Company will comply with the relevant disclosure requirements of the GEM Listing Rules as and when appropriate if the Definitive Contracts have been signed.

WRITTEN SHAREHOLDER'S APPROVAL

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders have a material interest in the Sales Contract, the Service Contract, the MOU, the Master Service Agreement and the transactions contemplated respectively thereunder and therefore no Shareholder is required to abstain from voting if a general meeting were to be convened for the approval of the Sales Contract, the Service Contract, the MOU, the Master Service Agreement and the transactions contemplated respectively thereunder. The Company has obtained the written Shareholder's approval from Genius Lead Limited, a controlling Shareholder directly holding 529,500,546 Shares, representing approximately 54.97% of the issued share capital of the Company as at 23 June 2022 (i.e. the date of the written Shareholder's approval), for approving the Sales Contract, the Service Contract, the MOU, the Master Service Agreement and the transactions contemplated respectively thereunder. Accordingly, the written Shareholder's approval from Genius Lead Limited is accepted in lieu of holding a general meeting of the Company in accordance with Rule 19.44 of the GEM Listing Rules.

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the Sales Contract, the Service Contract, the MOU and the Master Service Agreement are entered into on normal commercial terms, and the terms thereof (including but not limited to the Contract Price and the Service Fee) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

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

A. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the three years ended 31 December 2019, 2020 and 2021 are disclosed in the annual reports of the Company for the three years ended 31 December 2019, 2020 and 2021, the financial information of the Group for the three months ended 31 March 2022 are disclosed in the first quarterly report of the Company for the three months ended 31 March 2022, and the financial information of the Group for the six months ended 30 June 2022 are disclosed in the interim report of the Company for the six months ended 30 June 2022 which have been published on the websites of the Company (http://www.cbshhk.com/) and the Stock Exchange (http://www.hkexnews.hk):

(i) annual report of the Company for the year ended 31 December 2019 published on 30 March 2020, which can be accessed via the link at

http://www.cbshhk.com/attachment/d1ac9cb9a39ceae8bd24b9761e7c9931_1585559715905.pdf;
or
https://www1.hkexnews.hk/listedco/listconews/gem/2020/0330/2020033000485.pdf;

(ii) annual report of the Company for the year ended 31 December 2020 published on 29 March 2021, which can be accessed via the link at

http://www.cbshhk.com/attachment/6201b8a90c443757159fd1af1d6c36b3_1617008680569.pdf;
or
https://www1.hkexnews.hk/listedco/listconews/gem/2021/0329/2021032900524.pdf;

(iii) annual report of the Company for the year ended 31 December 2021 published on 31 March 2022, which can be accessed via the link at

http://www.cbshhk.com/attachment/7760a2192dba7922a2ac3f2caf1a7c2d_1648722845640.pdf;
or
https://www1.hkexnews.hk/listedco/listconews/gem/2022/0331/2022033101838.pdf;

(iv) first quarterly report of the Company for the three months ended 31 March 2022 published on 12 May 2022, which can be accessed via the link at

http://www.cbshhk.com/attachment/6457b745283049c4eb4da532cd6caba0_1652367631455.pdf;
or
https://www1.hkexnews.hk/listedco/listconews/gem/2022/0512/2022051201657.pdf;

(v) interim report of the Company for the six months ended 30 June 2022 published on 12 August 2022, which can be accessed via the link at

http://www.cbshhk.com/attachment/7760a2192dba7922a2ac3f2caf1a7c2d_1660314419228.pdf;
or
https://www1.hkexnews.hk/listedco/listconews/gem/2022/0812/2022081202270.pdf.

B. WORKING CAPITAL

After taking into account the financial resources available to the Group, including the effect of the Sales Contract, the Service Contract, the MOU and the Master Service Agreement, the internally generated funds, convertible bonds and the available credit financing, the Directors, after due and careful enquiry, are of the opinion that the Group will have sufficient working capital for its requirements within the next 12 months from the date of this circular.

C. INDEBTEDNESS STATEMENT

As at the close of business on 30 June 2022, being the Latest Practicable Date for the purpose of this statement of indebtedness prior to the printing of this circular, the indebtedness of the Group was as follows:

(a) Borrowings

The Group had unsecured other borrowings of approximately HK$15,814,000. The other borrowings of approximately HK$11,714,000 are guaranteed by the Company.

(b) Convertible bonds

The Group had secured convertible bonds of approximately HK$42,098,000 at nominal value of US$5,000,000 (equivalent to HK$39,250,000). The convertible bonds are secured by 264,750,273 ordinary shares of the Company held by Genius Lead Limited, the controlling shareholder of the Company, and guaranteed by Mr. Liu Xiaolin, the chairman and executive Director of the Company, and Genius Lead Limited.

(c) Lease liabilities

The Group had lease liabilities of approximately HK$15,826,000 for various offices, health centres, warehouses, laboratories, and staff quarters.

(d) Contingent consideration payables

The Group had contingent consideration payables of approximately HK$23,658,000, arising from acquisition of subsidiaries, 上海隆耀生物科技有限公司 (in English, for identification purpose only, Shanghai Longyao Biotech Company Limited) and Fortstone International (Hong Kong) Limited. Amount of approximately HK$22,086,000 will be settled by allotment of new shares of the Company. The remaining balance will be settled in cash on 31 October 2022 in respected of the business performance of the subsidiary.

Save as disclosed above, and apart from intra-group liabilities and normal accounts payables in the ordinary course of business of the Group, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowing (including but not limited to bank overdrafts and liabilities under acceptance (other than normal trade bills)), acceptance credits, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, any other mortgages and charges or any other material contingent liabilities or guarantees.

The Directors have confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 30 June 2022 up to the Latest Practicable Date.

D. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, taking into account of the net profit attributable to owners of the Company of approximately HK$68.2 million of the Group for the six months ended 30 June 2022 as disclosed in the interim report for the six months ended 30 June 2022 of the Company, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021, the date to which the latest published audited financial statements of the Group were made up.

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As at the Latest Practicable Date, the Group is principally engaged in (i) provision of medical laboratory testing services and health check services in Hong Kong; (ii) provision of tumor immune cell therapy, immune cell storage and health management services in the PRC; (iii) manufacture, research and development, sale and distribution of health related and pharmaceutical products in the PRC and Hong Kong; and (iv) provision of insurance brokerage services.

The fifth wave of the COVID-19 outbreak boosted the demand of diagnostic and health checkup services of the Group in the first quarter of 2022. The Government of Hong Kong imposed a series of anti-epidemic measures in view of the ravages brought up by the highly contagious COVID-19 Omicron variant.

While the fifth wave has faded out, the city's leading medical expert teams have warned the public on the possibility of a sixth wave COVID-19 outbreak. Consequently, the Group expects the demand of diagnostic and health checkup services to remain stable in the second half of 2022, while demand for self-paid nucleic acid test and other medical diagnostic services is expected to pick up upon easing of immigration control and quarantine requirements. The gradual resumption of normal lives will also help to dig out latent demands for healthcare services.

It is expected that the targeted opening of Asia Molecular Diagnostics Laboratory Limited ("**AMDL**") in the second half of 2022 will bring another growth driver to the Group. The new molecular laboratory of AMDL is going to provide FDA approved NGS-based cancer companion diagnostic tests to clients for saving lives.

The progress of the Group's treatment segment has been drummed up. The stage I clinical trial of the first CD20-targeted investigational new drug, namely LY007 Cellular Injection, has begun in the first quarter of 2022. The first enrolled case in the clinical trial has been undertaken by the Ruijin Hospital of Shanghai Jiao Tong University School of Medicine on 1 March 2022. LY007 Cellular Injection is a CD-20-targeted autologous chimeric antigen receptor T-cell ("**CAR-T**") therapy product approved by the National Medical Products Administration of China for the treatment of relapsed/refractory CD20-positive B-cell non-Hodgkin lymphoma. The stage I clinical trial of LY007 Cellular Injection is expected to be completed by early 2023.

The Group is also deploying the implementation of the BNCT cancer treatment center project. The land use rights of a designated site in Hainan Boao Free trade Hope City has been secured for the setup and operation of the BNCT cancer treatment center in the second quarter of 2022. The Group is also well prepared for the design and planning works of the project. It is expected that the building and construction works of the project will begin by the end of 2022. Targeted launch of the BNCT cancer treatment center will be in 2025.

Having considered market trends as impacted by the COVID-19 pandemic, business sentiment and consumer confidence, the Group will continue to leverage on its strengths in providing a wide range of products and its stable relationship with well-established customers, and respond to the ever-changing market environment by adjusting its business strategies from time to time. It leads to a more comprehensive development in the Group's healthcare related business.

A. UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP

The accompanying unaudited pro forma statement of assets and liabilities of the Group (the "**Statement**") has been prepared to illustrate the effect of the acquisition of the medical device and dose calculation program for Boron Neutron Capture Therapy ("**BNCT**") treatment (the "**Acquisition**"), assuming the transaction had been completed as at 30 June 2022, might have affected the financial position of the Group.

The Statement has been prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2022 as extracted from the interim report of the Group for the six months ended 30 June 2022 after making certain unaudited pro forma adjustments resulting from the Acquisition.

The Statement is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the Statement, it may not give a true picture of the actual financial position of the Group that would have been attained had the Acquisition actually occurred on 30 June 2022. Furthermore, the Statement does not purport to predict the Group's future financial position.

The Statement should be read in conjunction with the financial information of the Group as set out in the published interim report of the Group for the six months ended 30 June 2022 and other financial information included elsewhere in this Circular.

	The Group as at 30 June 2022 (Unaudited) *HK$'000* *(Note 1)*	**Pro-forma adjustment** (Unaudited) *HK$'000*	*(Notes)*	**Adjusted balance** (Unaudited) *HK$'000*
Non-current assets				
Property, plant and equipment	78,525	198,662	(2)	277,187
Right-of-use assets	28,847			28,847
Goodwill	115,729			115,729
Intangible assets	73,698			73,698
Investments in associates	–			–
Investment in a joint venture	19,368			19,368
Financial assets at FVTOCI	86,985			86,985
Derivative financial assets	2,800			2,800
	405,952			604,614

	The Group as at 30 June 2022 (Unaudited) *HK$'000* *(Note 1)*	Pro-forma adjustment (Unaudited) *HK$'000*	*(Notes)*	Adjusted balance (Unaudited) *HK$'000*
Current assets				
Inventories	13,663			13,663
Trade and other receivables	252,150			252,150
Loan and interest receivables	16,279			16,279
Bank and cash balances	204,884			204,884
	486,976			486,976
Current liabilities				
Trade and other payables	111,977	199,832	(2, 3, 4)	311,809
Lease liabilities	7,778			7,778
Contingent consideration	23,658			23,658
Borrowings	15,814			15,814
Current tax liabilities	133,447			133,447
	292,674			492,506
Net current assets/(liabilities)	194,302			(5,530)
Total assets less current liabilities	600,254			599,084
Non-current liabilities				
Convertible bonds	42,098			42,098
Lease liabilities	8,048			8,048
Deferred tax liabilities	9,672			9,672
	59,818			59,818
NET ASSETS	540,436			539,266

Notes:

1. The unaudited condensed consolidated statement of financial position of the Group as at 30 June 2022 were extracted the Group's published interim report for the six months ended 30 June 2022.

2. The adjustment represents the consideration of acquiring the following:

   (i) medical device and dose calculation program for BNCT treatment (the "**BNCT Equipment**") under the Sales Contract amounting to JPY3,000,000,000 (equivalent to approximately HK$175,290,000) (the "**Contract Price**"), excluding any withholding tax borne by Pengbo (Hainan) Medical Technology Co., Ltd ("**Pengbo (Hainan)**"), an indirect wholly owned subsidiary of the Company. Progress payments shall be made as follows:

   – 30% of Contract Price shall be paid by telegraphic transfer in 30 working days after receipt of invoice of such advance payment;

   – 60% of Contract Price shall be paid by letter of credit after receipt of bills of lading and other delivery document; and

   – 10% of Contract Price shall be paid by letter of credit after receipt of taking over certificate.

   (ii) technical advisory service on installation and tuning of BNCT system (the "**Technical Advisory Service**") under the service contract amounting to JPY400,000,000 (equivalent to approximately HK$23,372,000) (the "**Service Fee**"), which is required to put the BNCT Equipment to use. 30%, 30%, 30% and 10% of the amount shall be paid after receipt of invoice issued on the last day of 3rd month, 6th month, 9th month starting from the month when installation of BNCT Equipment begins, and at the time when acceptance certificate issued, respectively.

3. The adjustment represents estimated professional fee of approximately HK$1.17 million payable by the Group in connection with the Acquisition, which included the transaction, legal and professional fees for the Acquisition.

4. The Company agrees to be jointly and severally liable with Pengbo (Hainan) for the performance of any and all obligations Pengbo (Hainan) owes or may thereafter owe to SHI under the Sales Contract and Service Contract and any other contract or agreement in connection with the Sales Contract and Service Contract. The liability of the Company shall (i) not exceed the total aggregate amount to be paid by Pengbo (Hainan) under the Sales Contract and Service Contract; and (ii) not exceed 150% of the Contract Price and the Service Fee as total aggregate amount (which represents the aggregate of 100% of the Contract Price and the Service Fee and the cap which is 50% of the Contract Price and the Service Fee (the "**50% Cap Guarantee**"), as mutually agreed by the Company and SHI, set on the total and cumulative liability of Pengbo (Hainan) for all matters including but not limited to any lawsuit, claim, demand, loss, damages, liability, cost, expense, action or cause of action, as well as for any reasonable attorneys' fees incurred in connection with any of the foregoing (collectively, "**Claims**") asserted against SHI, each of its directors, officers, employees, agents, contractors and subcontractors by any third person (including but not limited to any employees, agents, contractors or subcontractors of Pengbo (Hainan)) in case of death, bodily injury or loss or damage to property arising out of the use or operation of the BNCT Equipment and/or the clinical trial and the adoption of the Technical Advisory Service, unless such Claims shall be directly and solely attributable to any defect of BNCT Equipment and resulting from the Technical Advisory Service, the gross negligence or willful misconduct of SHI, its employees, agents, contractors or subcontractors. Please refer to the paragraphs headed "(1) SALES CONTRACT" and "(2) SERVICE CONTRACT" in the Letter from the Board for further details.

   For the purpose of this unaudited pro forma financial information, there are no provision or contingent liabilities recognised in relation to the 50% Cap Guarantee as at the date of this Statement as the possibility of an outflow of resources embodying economic benefits is remote.

B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountant, RSM Hong Kong, Certified Public Accountants, Hong Kong.



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The Board of directors
China Biotech Services Holdings Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of China Biotech Services Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The pro forma financial information consists of the pro forma statement of assets and liabilities as at 30 June 2022 (the "**Statement**") as set out on pages II-1 to II-3 of the Circular issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Statement are described in Section A of Appendix II to this Circular.

The Statement has been compiled by the Directors to illustrate the impact of the acquisition of the equipment on the Group's financial position as at 30 June 2022 as if the transaction had been taken place at 30 June 2022. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's unaudited consolidated financial statements as included in the interim report for the six months ended 30 June 2022, on which the interim report has been published.



Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Statement in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the GEM of The Stock exchange of Hong Kong Limited (the "**GEM Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the Statement and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Statement beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*" issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Statement in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Statement, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Statement.

The purpose of the Statement included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2022 would have been as presented.

A reasonable assurance engagement to report on whether the Statement has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Statement provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Statement reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Statement has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Statement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Statement has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Statement as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

Yours faithfully,

Certified Public Accountants
22 August 2022

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in Shares and underlying Shares

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executives of the Company and their associates in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required to be entered in the register referred to therein pursuant to section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules, were as follows:

(i) Long position in Shares of the Company

Name of Director	Capacity and nature of interest	Number of Shares held	Approximate percentage *(Note a)*
Mr. Liu Xiaolin ("**Mr. Liu**")	Interest of a controlled corporation	529,500,546 *(Note b)*	54.97%

Notes:

a. The percentage is calculated on the basis of the total number of the issued Shares of 963,231,150 Shares as at the Latest Practicable Date.

b. Genius Lead Limited ("**Genius Lead**") is the registered and beneficial owner of these shares of the Company, and Genius Lead is wholly-owned by Genius Earn Limited ("**Genius Earn**"), which is in turn wholly-owned by Mr. Liu. As such, Mr. Liu is deemed to be interested in the Shares held by Genius Lead.

(ii) Long position in shares of associated corporation

Name of Director	Name of associated corporation	Nature of interest	Number of shares held in associated corporation	Approximate percentage
Mr. Liu	Genius Earn	Beneficial owner	1	100%

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

Name of Director	Nature of interest	Date of grant	Exercise period	Exercise price per Share	Aggregate long position in the underlying Shares	Approximate percentage *(Note a)*
Mr. Liu	Beneficial owner	20 August 2019	20 August 2021 to 19 August 2023	HK$1.68	640,000	0.07%
Mr. Wang Zheng	Beneficial owner	20 August 2019	20 August 2021 to 19 August 2023	HK$1.68	400,000	0.04%
Mr. He Xun	Beneficial owner	2 September 2020	2 September 2021 to 1 September 2024	HK$2.00	9,660,000	1.00%
Total					10,700,000	1.11%

Note:

a. The percentage is calculated on the basis of the total number of the issued Shares of 963,231,150 Shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executive of the Company had or was deemed to have 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 (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules.

(b) Substantial shareholders' interests and short positions in Shares and underlying Shares

As at the Latest Practicable Date, so far as any Directors are aware, the interest or short positions owned by the following parties (other than the Directors or chief executives of the Company) in the Shares, underlying shares or debentures of the Company which are required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital or relevant securities of the Company or any member of the Group were as follows:

(i) Long position in Shares and underlying Shares

Name of Shareholder	**Capacity and nature of interest**	**Number of Shares held**	**Approximate percentage** *(Note a)*
Genius Earn *(Note b)*	Interest of a controlled corporation	529,500,546	54.97%
Genius Lead *(Note b)*	Beneficial owner	529,500,546	54.97%
Guoyuan Securities Investment (Hong Kong) Limited *(Note c)*	Beneficial owner	22,428,571	2.33%
	Person having a security interest in shares	452,654,078	46.99%
Guoyuan International Holdings Limited *(Note c)*	Interest of a controlled corporation	475,082,649	49.32%
Guoyuan Securities Co., Ltd. *(Note c)*	Interest of a controlled corporation	475,082,649	49.32%
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:

a. The percentage is calculated on the basis of the total number of the issued Shares of 963,231,150 Shares as at the Latest Practicable Date.

b. Genius Lead is wholly-owned by Genius Earn. As such, Genius Earn is deemed to be interested in the Shares held by Genius Lead under the SFO.

c. Guoyuan Securities Investment (Hong Kong) Limited is wholly-owned by Guoyuan International Holdings Limited. As such, Guoyuan International Holdings Limited is deemed to be interested in the Shares 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 in which Guoyuan International Holdings Limited is deemed to be interested.

d. Richlane Ventures Limited is wholly-owned by Mr. Ko. As such, Mr. Ko is deemed to be interested in the 58,000,000 Shares held by Richlane Ventures Limited. The remaining 37,545,000 Shares in which Mr. Ko is deemed to be interested are held by other companies controlled by Mr. Ko.

Saved as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executives of the Company) in the Shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital or relevant securities of the Company or any member of the Group.

3. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors, Genius Lead and their respective close associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN CONTRACT, ASSETS AND ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, or disposed of by, or leased to any member of the Group, or were proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up).

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. QUALIFICATION AND CONSENTS OF EXPERTS

The following is the qualification of the experts who have been named in this circular or have given opinions, letter or advice contained in this circular:

Name	Qualification
Alpha Financial Group Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
RSM Hong Kong	Certified Public Accountants

As at the Latest Practicable Date, each of the above experts has given and has not withdrawn its written consent to the issue of this circular, with the inclusion of the references to its name and/or its opinion, letter or report in the form and context in which they are included.

As at the Latest Practicable Date, the abovenamed expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the abovenamed expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up).

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

(i) the sale and purchase agreement dated 30 September 2020 entered into between Sunrise Diagnostic Centre Limited ("**SDCL**"), a non-wholly-owned subsidiary of the Company, and BGI Health (HK) Company Limited ("**BGI**") in relation to the sale and purchase of the package of various laboratory equipment for COVID-19 testing for the use at two laboratories of the Group for performing COVID-19 nucleic acid testing services at the consideration of HK$145,393,461.77;

(ii) the master services agreement dated 30 September 2020 (as supplemented by the master services agreement dated 18 December 2020) entered into between SDCL and BGI in respect of the engagement of BGI by SDCL for the provision of the COVID-19 test services through RT-PCR method to SDCL, and the annual cap for the maximum aggregate amount of such service fee payable by SDCL to BGI for the year ending 31 December 2020 shall not exceed HK$250,000,000;

(iii) the master services agreement dated 30 March 2021 entered into between SDCL and BGI in respect of the provision of the COVID-19 test services through RT-PCR method by BGI to SDCL, and the annual cap for the maximum aggregate amount of such service fee payable by SDCL to BGI for the year ending 31 December 2021 shall not exceed HK$250,000,000;

(iv) the referral services agreement dated 30 March 2021 (as supplemented by the supplemental referral services agreement dated 28 July 2021) entered into between SDCL and BGI in respect of which SDCL will, among other things, refer customers who require COVID-19 test services to BGI, and the annual cap for the maximum aggregate amount of such referral service fee payable by BGI to SDCL for the year ending 31 December 2021 shall not exceed HK$400,000,000;

(v) the master supply agreement dated 9 June 2021 (as amended and supplemented by the supplemental master supply agreement dated 15 February 2022) entered into between SDCL and BGI in respect of the supply of the various laboratory equipment, consumables and kits for SDCL to perform COVID-19 nucleic acid testing by BGI to SDCL, and the annual cap for the maximum aggregate amount of such purchase by SDCL from BGI for the years ending 31 December 2021 and 2022 shall not exceed HK$65,000,000 and HK$400,000,000, respectively;

(vi) a site admission and investment agreement dated 28 February 2022 entered into between CBSH Flourish (Hong Kong) BNCT Medical Centre Limited, Pengbo (Hainan) and the Hainan Boao Lecheng International Medical Tourism Pilot Zone Administration in relation to the investment in and construction of the Centre in the Boao Lecheng Pilot Zone;

(vii) a joint venture agreement dated 11 March 2022 entered into between SDCL, a non-wholly-owned subsidiary of the Company, and Sure Metro Limited, a wholly-owned subsidiary of Town Health International Medical Group Limited, a company with its shares (stock code: 3886) listed on the Main Board of The Stock Exchange of Hong Kong Limited in relation to the formation of a joint venture, which SDCL and Sure Metro Limited shall, respectively, subscribe for 51 and 48 shares of the joint venture company for the purpose of operation of a medical laboratory in Hong Kong to carry out, among others, COVID-19 nucleic acid testing services for general public clients;

(viii) a non-legally binding letter of intent of strategic cooperation dated 23 March 2022 entered into between the Company and CSPC Pharmaceutical Group Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1093) in relation to seeking strategic cooperation in one or more of the equity-based investments or projects initiated by the Company and making a direct equity investment of 10% to 20% shareholding of the Company by CSPC Pharmaceutical Group Limited;

(ix) the amendment agreement dated 10 May 2022 entered into between the Company and Guoyuan Securities Investment (Hong Kong) Limited for the purpose of extending the maturity date of the outstanding convertible bonds in the outstanding principal amount of US$5,000,000 for two years from 10 May 2022 to 10 May 2024;

(x) the master services agreement dated 27 May 2022 entered into between SDCL and BGI in respect of the provision of the COVID-19 test services through RT-PCR method by BGI to SDCL, and the annual cap for the maximum aggregate amount of such service fee payable by SDCL to BGI for the year ending 31 December 2022 shall not exceed HK$50,000,000;

(xi) the referral services agreement dated 27 May 2022 entered into between SDCL and BGI in respect of which SDCL will, among other things, refer customers who require COVID-19 test services to BGI, and the annual cap for the maximum aggregate amount of such referral service fee payable by BGI to SDCL for the year ending 31 December 2022 shall not exceed HK$400,000,000;

(xii) a confirmation letter dated 27 May 2022 entered into between Pengbo (Hainan) and the Public Resource Trading Centre of Qionghai City Land Reserve Sorting Out and Exchange Centre in relation to confirming that Pengbo (Hainan) has successfully won a bid for the right to use of a piece of state-owned construction land located in the Boao Lecheng Pilot Zone with an area of 6,171.03 square metres (Land Lot No.: LC07-18-01-03) for a term of 50 years for the construction and operation of the Centre;

(xiii) a strategic cooperation framework agreement dated 11 July 2022 entered into between the Company and Ping An Health Cloud Company Limited (an operating entity of and is controlled by Ping An Healthcare and Technology Company Limited pursuant to contractual agreements whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1833) in relation to the cooperation with respect to the sale of health management products and services from the date of the signing of the strategic cooperation framework agreement to 10 July 2025;

(xiv) the Sales Contract;

(xv) the Service Contract;

(xvi) the MOU; and

(xvii) the Master Service Agreement.

9. THE AUDIT COMMITTEE

As at the Latest Practicable Date, the auditor committee (the "**Audit Committee**") of the Company was composed of three independent non-executive Directors, namely Mr. Yan Guoxiang (chairman of the Audit Committee), Dr. Ho Ivan Chun Kit and Mr. Qian Hongji. The primary duties of the audit committee are to review and supervise the financial reporting process, risk management and internal control systems of the Group, relationship with external auditors and to provide advices and recommendations to the Board for review and follow-up.

Mr. Yan Guoxiang ("**Mr. Yan**"), aged 56, has been appointed as an independent non-executive Director on 7 August 2017. He is also the chairman of the audit committee and remuneration committee of the Company and a member of the nomination committee of the Company. Mr. Yan is currently an executive director of Shenzhen Sichen Consulting Service Co. Ltd.*(深圳市士辰諮詢服務有限責任公司). Mr. Yan possesses over 20 years of experience in accounting and management. He was a partner of Da Hua Certified Public Accountants from March 2012 to December 2014. He has also been a visiting professor of the accounting school of Jiangxi University of Finance and Economics since May 2013. Mr. Yan obtained the bachelor degree in accounting from Southwest University in 2005. He was also a qualified intermediate economist of the PRC from June 1995, a certified public valuer of the PRC from August 1997 and a certified public accountant of the PRC from April 1998. Mr. Yan was the independent non-executive director of MLS Co., Ltd (stock code: 002745) from July 2010 to September 2016 and Huasu Holdings Co., Ltd. (stock code: 000509) from March 2014 to March 2017, both of which are companies listed on the Shenzhen Stock Exchange. Mr. Yan was the independent non-executive director of Eaglerise Electric (China) Co., Ltd. (stock code: 002922.SZ) from November 2015 to November 2021. Since August 2018, Mr. Yan is the independent non-executive director of Shenzhen Topway Video Communication Co., Ltd. (stock code: 002238.SZ), a company listed on the Shenzhen Stock Exchange.

Dr. Ho Ivan Chun Kit ("**Dr. Ho**"), aged 45, has been appointed as an independent non-executive Director on 31 December 2018. He is also a member of the audit committee, nomination committee and remuneration committee of the Company. Dr. Ho received his bachelor degree of Arts summa cum laude in Chemistry from Harvard College in Cambridge, MA, USA in 1997 and a medical doctor's degree from Harvard Medical School in Boston, MA, USA in 2001. Dr. Ho is currently a Partner in cardiac electrophysiology at Los Angeles Cardiology Associate and an Assistant Health Sciences Clinical Professor of Medicine at University of California Los Angeles David Geffen School of Medicine since 2010. He is the Medical Director of the Complex Ablation Program at the Good Samaritan Hospital, and the assistant director of Atrial Fibrillation Research of Cedars-Sinai Medical Center Health Institute. He is also the director of Cardiac Electrophysiology Program and Laboratory at Garfield Medical Center. Professionally, he is a fellow of Heart Rhythm Society and the America College of Cardiology. Starting in February 2019, he joined the faculty of Keck School of Medicine at University of Southern California where he is an Associate Professor of Clinical Medicine, and the director of Clinical Electrophysiology of Keck Medical Center at University of Southern California.

Mr. Qian Hongji ("**Mr. Qian**"), aged 47, has been appointed as an independent non-executive Director since 2 March 2018. He is also a member of the audit committee of the Company. Mr. Qian graduated from the Peking University in 2009 with a Juris Master degree. Mr. Qian is an experienced lawyer with extensive practice in the areas of mergers and acquisition and other corporate practice. He has served as the legal advisor of several domestic and international corporations in bankruptcy, project acquisition and other corporate regulatory matters. Mr. Qian is currently a senior partner at Dentons, a law firm in the PRC and the chairman of the board of supervisors of Beijing Tepia Technology Limited* (北京太比雅科技股份有限公司), whose equity securities are being exchanged and quoted on the National Equities Exchange and Quotations (Securities code: 838941).

10. MISCELLANEOUS

(a) The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company's head office and principal place of business in Hong Kong is situated at Suites 1904-05A, 19/F Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong.

(b) The Hong Kong branch share registrar and transfer office is Union Registrars Limited, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

(c) The secretary of the Company is Ms. Wong Miu Shun, who is a member of the Hong Kong Institute of Certified Public Accountants.

(d) The compliance officer of the Company is Mr. Liu Xiaolin.

(e) In case of inconsistency, the English text of this circular shall prevail over its Chinese text.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange and the website of the Company for a period of 14 days from the date of this circular:

(a) the memorandum of continuance and bye-laws of the Company;

(b) the annual reports of the Company for each of the three financial years ended 31 December, 2019, 2020 and 2021, the first quarterly report of the Company for the three months ended 31 March 2022 and the interim report of the Company for the six months ended 30 June 2022;

(c) the accountants' report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;

(d) the written consents referred to in the paragraph headed "7. QUALIFICATION AND CONSENTS OF EXPERTS" in this appendix;

(e) the Sales Contract;

(f) the Service Contract;

(g) the MOU;

(h) the Master Service Agreement; and

(i) this circular.