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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)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO CAPITAL INJECTIONS INTO SHANGHAI LONGYAO BIOTECH COMPANY LIMITED AND GRANT OF PUT OPTION**

Reference is made to the announcement of China Biotech Services Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 8 December 2023 (the “**Announcement**”) in relation to, among other things, the Capital Injections into Shanghai Longyao and the grant of Put Option. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to supplement the information in the Announcement as follows.

#### **BASIS OF CONSIDERATION**

As disclosed in the Announcement, the amount of the Capital Injections was determined after arm’s length negotiations among the parties with reference to, among other matters, the business, product pipeline and growth potential of Shanghai Longyao, the financial performance of Shanghai Longyao and the valuation of comparable companies based on available information. The following sets out further information on the valuation of comparable companies considered by the Company.

#### **(a) The valuation methodology used by the Company**

For the valuation analysis applied in consideration of the Capital Injections and the grant of Put Option, the Company adopted the market approach in deriving the value of the equity interest of Shanghai Longyao.

**(b) Selection basis of the comparable companies**

In arriving at the conclusion that the amount of the Capital Injections was fair and reasonable, the Company had assessed the value of Shanghai Longyao based on the market approach and considered the fundraising activities conducted during the period from June 2019 up to November 2023 by five unlisted PRC companies (the “**Unlisted Comparable Companies**”) principally engaged in the research and development of cell therapies (the “**Comparable Deals**”). The Comparable Deals were selected for comparison and analysis primarily because the Comparable Companies were similar to Shanghai Longyao, as they were pre-revenue biotech companies principally engaged in research and development of cell therapies, and their core products were in pre-clinical or clinical stage and had not yet commenced commercialisation. The table below sets out certain information on the Unlisted Comparable Companies and the Comparable Deals based on available information:

	<b>Company Name</b>	<b>Funding round</b>	<b>Month/Year</b>	<b>Amount of fundraising</b>	<b>Estimated valuation</b>
1.	Company A <i>(Note 1)</i>	A+	November 2023	RMB100 million	RMB1 billion
		A	January 2022	RMB210 million	RMB800 million
		Angel	June 2019	RMB30 million	RMB300 million
2.	Company B <i>(Note 2)</i>	B	March 2020	US\$60 million	RMB2 billion
3.	Company C <i>(Note 3)</i>	B+	July 2022	RMB100 million	RMB1.2 billion
4.	Company D <i>(Note 4)</i>	A	September 2022	US\$50 million	RMB1 billion
5.	Company E <i>(Note 5)</i>	A	September 2020	RMB200 million	RMB2 billion
		Pre-A	September 2019	RMB200 million	RMB1.8 billion

*Note:*

1. Company A is an immune cell therapy company with multiple original platform technologies, featuring the treatment of solid tumors and allogeneic universal cell technology.
2. Company B is a Nanjing-based biopharmaceutical company focused on the discovery, development and commercialisation of cell therapies in the field of oncology.
3. Company C is principally engaged in the development of innovative cellular immunotherapy products.

4. Company D is an innovative biopharmaceutical company focusing on the development of general-purpose, mass-produced, next-generation immune cell products for the treatment of solid tumors.
5. Company E is an innovative biopharmaceutical company focused on the development and manufacture of breakthrough immune cell therapy drugs.

**(c) Directors' view of the valuation method**

The Board and the management of Shanghai Longyao considered that the basis of determining the amount of the Capital Injections with reference to, among other matters, the valuation of the Unlisted Comparable Companies in the Comparable Deals is appropriate on the following basis: (i) the similarities, as enumerated above, between Shanghai Longyao and the Unlisted Comparable Companies as unlisted pre-revenue biotech companies with a focus on cell therapies research and development in the PRC with funding needs to support their ongoing activities to ultimately reach commercialization; (ii) the Capital Injections would imply a post-money valuation of Shanghai Longyao of approximately RMB900 million, which is within the range of estimated valuation of the Unlisted Comparable Companies; and (iii) given that Shanghai Longyao only has one core product, namely LY007 Injection (or CD 20 CAR-T-OX40), that has been approved by the Center for Drug Evaluation under the National Medical Products Administration to undergo phase I clinical trial stage and another three other cell therapies remain at pre investigational new drug stage, while the Unlisted Comparable Companies that achieved a higher valuation based on the Comparable Deals, such as Company B and Company E, had at least one core product that was at phase II clinical trial stage and a larger number of other cell therapies under development that could justify a higher valuation.

Save as disclosed above, all other information as set out in the Announcement remains unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 20 December 2023

*As at the date of this announcement, 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.*

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

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