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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

DISCLOSEABLE TRANSACTION CAPITAL INJECTIONS INTO SHANGHAI LONGYAO BIOTECH COMPANY LIMITED AND GRANT OF PUT OPTION – COOPERATION AGREEMENT

References are made to the announcements of China Biotech Services Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 8 December 2023 (the “**Announcement**”) and 20 December 2023 in relation to, among other things, the Capital Injections into Shanghai Longyao and grant of Put Option. Unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

On 8 January 2024, Shanghai Longyao, an indirect non-wholly owned subsidiary of the Company, and Yixing EST Management Committee, the majority shareholder of Yixing Environmental Protection Industry which is one of the limited partners of the Investor, entered into a cooperation agreement (the “**Cooperation Agreement**”) to supplement the cooperation arrangement in the Capital Injection Agreement. Information on Yixing EST Management Committee is set out in the Announcement.

THE COOPERATION AGREEMENT

The principal terms of the Cooperation Agreement are summarized below:

- (1) Yixing EST Management Committee shall provide a production site of about 6,000 square meters located at Block 2, Area B, Yixing Pharmaceutical Valley* (宜興藥谷B區2號樓) in Yixing City, Jiangsu Province, the PRC (the “**Production Site**”) to the project company (the “**Project Company**”) to be set up by Shanghai Longyao.
- (2) Shanghai Longyao shall establish the Project Company in Yixing Pharmaceutical Valley within 30 days of the Cooperation agreement with a total registered capital of RMB80 million and an initial capital contribution of RMB40 million, and the remaining amount which shall fully contributed within two years.
- (3) Shanghai Longyao shall proceed with the development of the Production Site with reference to the agreed timetable. If Shanghai Longyao fails to provide the comprehensive design and commence interior renovation works of the Production Site by 31 December 2024, Yixing EST Management Committee shall be entitled to require Shanghai Longyao and the Company to repurchase the Investor’s equity interest in Shanghai Longyao with reference to the Capital Injection Agreement.
- (4) In return for the preferential treatment set out in paragraph (5) below, Shanghai Longyao commits to accomplish certain sales and tax revenue targets from 2026 to 2028.
- (5) Yixing EST Management Committee shall, in accordance with the progress of cooperation between the parties, provide, among others, the following preferential treatment to the Project Company if the Project Company accomplishes the economic indicators set out in paragraph (4) above:
 - a. The 100% of the rent for the Production Site will be reimbursed for the first three years and 50% of the rent for the Production Site will be reimbursed for the following two years. The Project Company shall pay the full amount of the rent when due, and receive the relevant rental reimbursement out of the industry support fund based on the preferential policy of the local government.

- b. Yixing EST Management Committee shall provide four apartments for the staff of the Project Company, and the preferential arrangement set out under paragraph (a) above shall apply to the rent of these apartments for the first three years.
- c. For four consecutive years starting from the date of the first invoice issued by the Project Company for sale of CD20-CART-OX40, certain monetary incentives will be granted to the Project Company based on the available budget of the Environmental Protection Technology Industrial Park.

All terms of the Capital Injection Agreement remain valid and effective.

The Board considers that entering into the Cooperation Agreement will facilitate Shanghai Longyao to move forward to Phase II clinical work upon completion of Phase I clinical work, which will enable the Company to have adequate production capacity, and to integrate into the Environmental Protection Technology Industrial Park, forming synergies with the local high-end biotech companies.

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

Hong Kong, 8 January 2024

** The English name of individuals and the PRC entities referred to in this announcement is a translation from its Chinese name and is for identification purposes only. If there is any inconsistency, the Chinese name shall prevail.*

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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