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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)

(1) DISCLOSEABLE TRANSACTION IN RELATION TO THE CAPITAL INJECTION IN AND DEEMED DISPOSAL OF EQUITY INTEREST IN PENGBO (HAINAN) MEDICAL TECHNOLOGY CO., LTD#; AND (2) DISCLOSEABLE TRANSACTION IN RELATION TO THE GRANT OF THE REPURCHASE RIGHTS

THE CAPITAL INJECTION

On 27 February 2025 (after trading hours of the Stock Exchange), Pengbo (Hainan), Dynamic Healthcare, CBSH Flourish, the Company and Hubei Weiyu entered into the Capital Injection Agreement, pursuant to which it is conditionally agreed that (i) the registered capital of Pengbo (Hainan) would be increased from RMB150,000,000 (equivalent to approximately HK\$162,000,000) to RMB166,666,667 (equivalent to approximately HK\$180,000,000); and (ii) Hubei Weiyu agreed to contribute up to RMB50,000,000 (equivalent to approximately HK\$54,000,000) into Pengbo (Hainan) to subscribe for 10% of the registered capital of Pengbo (Hainan) in the amount of RMB16,666,667 (equivalent to approximately HK\$18,000,000) as enlarged by the increase in the registered capital. Among the contribution amount of RMB50,000,000 (equivalent to approximately HK\$54,000,000), RMB16,666,667 (equivalent to approximately HK\$18,000,000) shall be accounted for as the registered capital of Pengbo (Hainan) with the remaining balance of RMB33,333,333 (equivalent to approximately HK\$36,000,000) shall stand to the credit of the Share Premium Account.

GEM LISTING RULES IMPLICATIONS

Upon the payment of the First Installment and the Second Installment, the effective interest in the registered capital of Pengbo (Hainan) held by the Group will be reduced from 100% to approximately 90%. The Capital Injection therefore constitutes a deemed disposal under Rule 19.29 of the GEM Listing Rules for the Company.

As one or more of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules exceeds 5% but all of the applicable percentage ratios are below 25%, the Capital Injection constitutes a discloseable transaction on the part of the Company under the GEM Listing Rules and is subject to the reporting and announcement but is exempt from circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The Repurchase Rights are exercisable at the discretion of Hubei Weiyu upon satisfaction of certain specified events, with the Exercise Price for the Repurchase Rights to be determined in accordance with the terms of the Capital Injection Agreement. Based on the maximum monetary value of the Exercise Price, the grant of the Repurchase Rights shall be classified as a discloseable transaction on the part of the Company pursuant to Rule 19.74(1) of the GEM Listing Rules. The grant of the Repurchase Rights is subject to the notification and announcement but is exempt from circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. The Company will comply with the relevant requirements under the GEM Listing Rules as and when appropriate should Hubei Weiyu exercise the Repurchase Rights.

Background

Reference is made to the announcements of the Company dated 5 August 2024, 26 August 2024, 23 September 2024, 4 October 2024, 4 November 2024 and 15 November 2024 in relation to, among others, the capital injection agreement dated 5 August 2024 (as amended and supplemented by various supplement agreements, the “**2024 Agreement**”) and entered into between Pengbo (Hainan), Dynamic Healthcare, CBSH Flourish, Mr. Liu, the Company and Hubei Weiyu in relation to the proposed capital injection of RMB242,307,600 (equivalent to approximately HK\$261,692,208) to Pengbo (Hainan). As the conditions precedent of the 2024 Agreement were not fulfilled on or before its long stop date, the 2024 Agreement had lapsed on 15 November 2024. Pursuant to the 2024 Agreement, Hubei Weiyu paid RMB2,000,000 (equivalent to approximately HK\$2,160,000) to Pengbo (Hainan).

INTRODUCTION

On 27 February 2025 (after trading hours of the Stock Exchange), Pengbo (Hainan), Dynamic Healthcare, CBSH Flourish, the Company and Hubei Weiyu entered into the Capital Injection Agreement, pursuant to which it is conditionally agreed that (i) the registered capital of Pengbo (Hainan) would be increased from RMB150,000,000 (equivalent to approximately HK\$162,000,000) to RMB166,666,667 (equivalent to approximately HK\$180,000,000); and (ii) Hubei Weiyu agreed to contribute up to RMB50,000,000 (equivalent to approximately HK\$54,000,000) into Pengbo (Hainan) to subscribe for 10% of the registered capital of Pengbo (Hainan) in the amount of RMB16,666,667 (equivalent to approximately HK\$18,000,000) as enlarged by the increase in the registered capital. Among the contribution amount of RMB50,000,000 (equivalent to approximately HK\$54,000,000), RMB16,666,667 (equivalent to approximately HK\$18,000,000) shall be accounted for as the registered capital of Pengbo (Hainan) with the remaining balance of RMB33,333,333 (equivalent to approximately HK\$36,000,000) shall stand to the credit of the Share Premium Account.

THE CAPITAL INJECTION AGREEMENT

The principal terms of the Capital Injection Agreement are set out below:

Date : 27 February 2025

Parties : (1) Pengbo (Hainan);
(2) Dynamic Healthcare;
(3) CBSH Flourish;
(4) the Company; and
(5) Hubei Weiyu (collectively, the “**Parties**” and each a “**Party**”)

The Capital Injection

Hubei Weiyu conditionally agreed to contribute up to RMB50,000,000 (equivalent to approximately HK\$54,000,000) in aggregate into Pengbo (Hainan) to subscribe for 10% of the equity interest of Pengbo (Hainan) as enlarged by the Capital Injection in the amount of RMB16,666,667 (equivalent to approximately HK\$18,000,000, with the remaining balance of RMB33,333,333 (equivalent to approximately HK\$36,000,000) to stand to the credit of the Share Premium Account. Upon completion, the registered capital of Pengbo (Hainan) would be increased from RMB150,000,000 (equivalent to approximately HK\$162,000,000) to RMB166,666,667 (equivalent to approximately HK\$180,000,000).

Hubei Weiyou shall pay the full amount of the Capital Injection, being RMB50,000,000 (equivalent to approximately HK\$54,000,000) to Pengbo (Hainan) in two installments as follows:

- (i) RMB2 million (equivalent to approximately HK\$2,160,000) shall be deemed to be made by Hubei Weiyou under the 2024 Agreement, among which RMB666,667 (equivalent to approximately HK\$720,000) shall be the new registered capital of Pengbo (Hainan) and the remaining amount of RMB1,333,333 (equivalent to approximately HK\$1,440,000) shall be credited into the Share Premium Account; (the “**First Installment**”); and
- (ii) the remainder of the amount of the Capital Injection of RMB48,000,000 (equivalent to approximately HK\$51,840,000) (the “**Second Installment**”) within 5 days from the date of fulfillment or waiver of all the conditions precedent of the Capital Injection Agreement, among which RMB16,000,000 (equivalent to approximately HK\$17,280,000) shall be the new registered capital of Pengbo (Hainan) and the remaining amount of RMB32,000,000 (equivalent to approximately HK\$34,560,000) shall be credited into the Share Premium Account.

If any of the conditions precedent for the payment of the Second Installment is not fulfilled or waived on or before the Long Stop Date, the transaction to subscribe for the registered capital of RMB16,000,000 (equivalent to approximately HK\$17,280,000) at the Second Installment may be terminated by Hubei Weiyou or Pengbo (Hainan) unilaterally. In such event, Hubei Weiyou will subscribe for the registered capital of RMB666,667 (equivalent to approximately HK\$720,000) at the First Installment and completion will take place on the date of such termination.

Subject to the fulfillment or waiver of all the conditions precedent for the payment of the Second Installment on or before the Long Stop Date, completion of subscription for the registered capital of RMB16,666,667 (equivalent to approximately HK\$18,000,000) at the First Installment and the Second Installment shall take place on the date of payment of the Second Installment.

The amount of the Capital Injection of up to RMB50,000,000 (equivalent to approximately HK\$54,000,000) in aggregate was determined based on arms length negotiations between the Parties having considered the prospects and future development of Pengbo (Hainan). As set out in the section headed “Reasons for and benefits of the Capital Injection and the use of proceeds”, Pengbo (Hainan) has committed to building and to operating a cancer treatment centre by adoption of the accelerator-based BNCT system covering the cyclotron accelerator, dose calculation program and related medical device for BNCT treatment to be procured and supplied by Sumitomo (as defined below). The BNCT centre is under construction in Hainan Boao Lecheng International Medical Tourism Pilot Zone of Hainan Free Trade Port. During 2023, the construction works of the BNCT centre had been progressing under planned schedule. Structural construction of the facility was completed in December 2023. Arrival of the BNCT system and its peripheral parts in Hainan has completed in February 2024. The BNCT centre is targeted to commence operation in the fourth quarter of 2025. This has demonstrated the strong execution and management capability of the management team of Pengbo (Hainan). As at 30 June 2024, the unaudited net assets value of Pengbo

(Hainan) of RMB120,546,000 (equivalent to approximately HK\$130,189,680). Having considered the above and the prospect of the BNCT business of Pengbo (Hainan), Hubei Weiyou agreed to make the Capital Injection representing a premium over the unaudited net assets value of Pengbo (Hainan) as at 30 June 2024.

The following tables sets out the registered capital of Pengbo (Hainan) (i) as at the date of this announcement, (ii) if only the First Installment was paid by Hubei Weiyou; and (iii) if both the First Installment and the Second Installment were paid by Hubei Weiyou:

	Amount of registered capital held (RMB)	Equity interest (%)	Total registered capital of Pengbo (Hainan) (RMB)
<i>As at the date of this announcement</i>			

Existing shareholder			
CBSH Flourish	150,000,000	100	<u>150,000,000</u>

if only the First Installment was paid by Hubei Weiyou

Existing shareholder			
CBSH Flourish	150,000,000	99.6	
Subscriber			
Hubei Weiyou	666,667	0.4	<u>150,666,667</u>

if both the First Installment and the Second Installment were paid by Hubei Weiyou

Existing shareholder			
CBSH Flourish	150,000,000	90	
Subscriber			
Hubei Weiyou	16,666,667	10	<u>166,666,667</u>

Conditions precedent for the payment of the Second Installment

The Parties agree that the payment of the Second Installment by Hubei Weiyou to Pengbo (Hainan) shall be conditional upon the satisfaction of all of the following conditions or waiver by Hubei Weiyou in writing on or before the Long Stop Date:

- (i) the Company has complied with all relevant procedures in relation to the Capital Injection in accordance with the GEM Listing Rules;
- (ii) there are no laws, regulations, judgments, rulings, decisions or injunctions of the courts or relevant governmental authorities restricting, prohibiting or cancelling the Capital Injection;

- (iii) the entering into of 武漢硼中子癌症治療中心國際醫院項目投資合作協定 (Wuhan BNCT Cancer Medical Centre international hospital project investment cooperation agreement*) among Pengbo (Hainan), 武漢東湖新技術開發區管理委員會 (Wuhan Donghu New Technology Development District Management Committee*) and other relevant parties; and
- (iv) the Group Companies have issued a confirmation letter to Hubei Weiyou confirming that all of the above conditions precedent have been fulfilled and have provided all relevant supporting documents.

Special Rights

Repurchase rights

Hubei Weiyou shall have the right to require the Company to repurchase all or part of the equity interests held by Hubei Weiyou in Pengbo (Hainan) (the “**Repurchase Rights**”) in the event of any of the following circumstances (other than those arising from force majeure or reasons attributable to Hubei Weiyou:

- (1) if the Group Companies fail to complete the qualified listing or merger and acquisition on or before the date following five years from completion date, and if Pengbo (Hainan) is then in the process of having its listing application reviewed by the competent exchange/securities regulatory commission or in the midst of an merger and acquisition transaction, the aforesaid date shall be automatically deferred to the date of the competent exchange/securities regulatory commission’s formal rejection of Pengbo (Hainan)’s listing application or the termination of the merger and acquisition transaction due to failure;
- (2) change of *de facto* controller of Pengbo (Hainan) or the Group Companies;
- (3) any serious breach of representations and warranties by Pengbo (Hainan) (such as, among others, the provision of financial information and other relevant information that is false, materially omitted or misleading, or Pengbo (Hainan) has performed off-book sales) which has a material adverse impact on Pengbo (Hainan) or constitute a material impediment to the qualified listing;
- (4) no standard unqualified audit report has been issued by an auditor recognised by Hubei Weiyou in respect of Pengbo (Hainan) or the Group Companies (if involved) in any year;
- (5) any dispute between Pengbo (Hainan) with a third party over the assets (including intellectual property rights) related to the main business of Pengbo (Hainan) which has a material adverse effect on Pengbo (Hainan);

- (6) any seriously breach of the laws and regulations or the transaction documents by Pengbo (Hainan) which has a material adverse effect on the normal business operations of Pengbo (Hainan), or the breach of laws and regulations has resulted in a revocation of Pengbo (Hainan)'s business licence or its main business being ordered to be shut down or suspended by the government authorities for a period of more than six months, or Pengbo (Hainan) and/or the Company are criminally liable by any court's final judgement which has a material adverse effect on the normal business operations of Pengbo (Hainan); and
- (7) other investors of the Group Companies requesting Pengbo (Hainan) and/or the Company to repurchase their equity interests in accordance with the terms of the relevant agreements.

The repurchase amount (the “**Exercise Price**”) is 100% of the total subscribed capital contribution of each period actually invested by Hubei Weiyou, plus 6% per annum (simple interest) and less the dividends received.

For the avoidance of doubt, in the event that Pengbo (Hainan) increases registered capital or reduces registered capital in the same proportion for all shareholders by way of capital reserve or undistributed profits, or if Hubei Weiyou disposes of part of its equity interest in Pengbo (Hainan) prior to the exercise of the Repurchase Rights, the repurchase consideration shall be downward adjusted accordingly on the basis of such capital event or equity change event.

Right to appoint and remove directors and executives

The Pengbo (Hainan) Board shall have a total of three directors, and Hubei Weiyou shall be entitled to one director during the period in which it holds of not less than 9% equity interest in Pengbo (Hainan).

Preferential liquidation rights

Hubei Weiyou shall be entitled to receive, in priority to the other shareholders, the following “investor’s preferential liquidation payment” for each RMB1 of the registered capital of Pengbo (Hainan) obtained by Hubei Weiyou under the Capital Injection: Hubei Weiyou’s capital contribution and the total investment income calculated on the basis of Hubei Weiyou’s capital contribution at the rate of 6% per annum (simple interest), less any dividends received from Pengbo (Hainan) up to the date of the liquidation.

In the event that the distributable property of Pengbo (Hainan) is insufficient to cover all preferential liquidation payment, the distribution shall be made in accordance with the then respective shareholding of each investor entitled to preferential liquidation rights in Pengbo (Hainan) at the time.

Each shareholder shall take all effective measures in compliance with the applicable PRC laws to ensure that Hubei Weiyou shall have priority over the other shareholders of Pengbo (Hainan) in obtaining the preferential liquidation payment from the distributable liquidation property in a manner consistent with the applicable PRC laws. In the event that Hubei Weiyou is unable to obtain the said property in full, the Company shall compensate Hubei Weiyou for the shortfall in cash to the extent of the distribution it received from the distributable liquidation property.

Preferential subscription rights

After completion, if Pengbo (Hainan) intends to increase its registered capital, or issue new shares, or carry out subsequent financing, Hubei Weiyou shall have the right (but not the obligation) to contribute all or part of the additional registered capital in accordance with its corresponding shareholding in Pengbo (Hainan) at that time under the same conditions, to avoid its shareholding from being diluted.

Right of first refusal and right of joint sale

If the Company or other shareholders (the “**Transferring Shareholder(s)**”) intend to transfer part or all of their equity interests in Pengbo (Hainan) directly or indirectly to a third party, Hubei Weiyou shall be entitled to exercise a right of first refusal in accordance with the same terms and conditions of the Transferring Shareholders’ intended sale in proportion to their corresponding shareholdings in Pengbo (Hainan) at the time.

If Hubei Weiyou waives its right of first refusal, Hubei Weiyou shall be entitled to exercise the right of joint sale. The amount of equity interests in respect of which Hubei Weiyou may exercise the right of joint sale shall be calculated in accordance with the following formula: amount of equity interests to be jointly-sold = the transferring equity interests* Hubei Weiyou’s shareholding percentage/(shareholding percentage of Hubei Weiyou + shareholding percentage of the Transferring Shareholder).

If Hubei Weiyou exercises the right of joint sale, the Transferring Shareholder(s) and the Company shall be obliged to procure the transferee to acquire all or part of the equity interests in Pengbo (Hainan) to be sold by Hubei Weiyou under the exercising of the right of joint sale at the same price and on the same terms and conditions. If the transferee refuses in any way to purchase such equity interests from Hubei Weiyou, the Transferring Shareholder(s) and the Company shall not sell any equity interests to the transferee unless, at the same time of such sale or transfer, such Transferring Shareholder(s) and the Company purchases such equity interests from Hubei Weiyou on the terms and conditions.

Restrictions on transfers

Without the written consent of Hubei Weiyou, the Company and CBSH Flourish undertake not to transfer, directly or indirectly, any of their equity interests in Pengbo (Hainan) which will results in, or is likely to result in, a change of control of Pengbo (Hainan).

Right to information

Pengbo (Hainan) shall deliver the following documents or reports to Hubei Weiyou upon receipt of the written request:

- (1) within 90 days after the end of each fiscal year, annual financial statements and key operating data audited in accordance with PRC accounting standards by an accounting firm approved by the Pengbo (Hainan) Board;
- (2) within 45 days after the end of each quarter, quarterly financial statements prepared in accordance with PRC accounting standards;
- (3) the annual budget for the following year shall be submitted before the end of each fiscal year.

Termination

A breach of the Capital Injection Agreement shall be constituted if either Party fails to perform or breaches its obligations, covenants, undertakings under the Capital Injection Agreement (such Party being the “**Defaulting Party**”).

In such case, the Defaulting Party shall notify the non-defaulting party in writing of its breach of the Capital Injection Agreement and shall be entitled to seek indemnification from the Defaulting Party for the losses suffered by the non-defaulting party in respect of the aforesaid breach.

The Parties may terminate the Capital Injection Agreement by consent or upon the occurrence of any of the following circumstances, either Party may terminate the Capital Injection Agreement by notifying the other Parties in writing and setting out the effective date of the termination in the notification:

- (i) either Party materially breach the covenants of the Capital Injection Agreement and fails to effectively cure such breach within 10 Business Days after receipt of written notice from the other Parties requiring such breach to be cured; or
- (ii) the principal purpose of the Capital Injection Agreement cannot be achieved as a result of a material change in any applicable laws or their interpretation or as a result of any amendment, supplement or revocation of applicable laws or and regulations or their interpretation by any governmental authority.

Upon termination of the Capital Injection Agreement, each Party shall use its best endeavours to cooperate with each other in returning the amount of the Capital Injection received to Hubei Weiyou.

The termination of the Capital Injection Agreement shall not affect the right of either Party to receive compensation or indemnity under the Capital Injection Agreement.

INFORMATION OF THE PARTIES

Pengbo (Hainan)

Pengbo (Hainan) is a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company. Pengbo (Hainan) is principally engaged in the provision of BNCT.

Dynamic Healthcare

Dynamic Healthcare is a company incorporated in the British Virgin Islands with limited liability and an indirect non-wholly owned subsidiary of the Company. Dynamic Healthcare is principally engaged in investment holding.

CBSH Flourish

CBSH Flourish is a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company. CBSH Flourish is principally engaged in investment holding.

Hubei Weiyou

Hubei Weiyou is a company established in the PRC with limited liability and is held as to (i) 59.88% by Wuhan Xunjie Dingxin Technology Company Limited# (武漢訊捷鼎新科技有限公司), which is ultimately owned as to 50% by Mr. Li Kun and Mr. Chen Yang, respectively; (ii) 29.94% by Huanggang Baibang Decoration Engineering Company Limited# (黃岡百邦裝飾工程有限公司), which is ultimately owned as to 50% by Mr. Zhang Zhongping and Mr. Ma Xianghong, respectively; (iii) 9.98% by Shenzhen Xinmi New Material Technology Company Limited# (深圳市新米新材料科技有限公司), which is ultimately wholly-owned by Ms. Wu Yongfang; and (iv) 0.2% by Wuhan Tianchen Equity Fund Investment Management Company Limited# (武漢天辰股權基金投資管理有限公司), which is ultimately owned as to 99% by Mr. Liu Weimin and 1% by Mr. Liu Yingbai. Hubei Weiyou is principally engaged in equity investment activities.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Hubei Weiyou and its ultimate beneficial owners are Independent Third Parties.

FINANCIAL INFORMATION

The financial information of Pengbo (Hainan) for the two years ended 31 December 2023 is as follows:

	For the year ended	
	31 December	
	2023	2022
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Revenue	—	—
Loss before taxation	11,663	3,465
Loss after taxation	11,663	3,465

The unaudited net assets value of Pengbo (Hainan) amounted to approximately RMB120,546,000 (equivalent to approximately HK\$130,189,680) as at 30 June 2024.

REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION AND THE USE OF PROCEEDS

The Company and its subsidiaries are principally engaged in (i) provision of medical laboratory testing services and health check services in Hong Kong; (ii) provision of tumor immune cell therapy and health management services in the PRC; (iii) sale and distribution of health related and pharmaceutical products in the PRC and Hong Kong; and (iv) provision of insurance brokerage services.

As disclosed in the annual report of the Company for the year ended 31 December 2023, Pengbo (Hainan) entered into a site admission and investment agreement with the Hainan Boao Lecheng International Medical Tourism Pilot Zone Administration on 28 February 2022. Pursuant to the site admission agreement, Pengbo (Hainan) has committed to building and to operating a cancer treatment centre by adoption of the accelerator-based BNCT system covering the cyclotron accelerator, dose calculation program and related medical device for BNCT treatment to be procured and supplied by Sumitomo Heavy Industries, Ltd. (“**Sumitomo**”). The BNCT centre is under construction in Hainan Boao Lecheng International Medical Tourism Pilot Zone of Hainan Free Trade Port.

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

During 2023, the construction works of the BNCT centre had been progressing under planned schedule. Structural construction of the facility was completed in December 2023. Arrival of the BNCT system and its peripheral parts in Hainan has completed in February 2024. Installation of the BNCT system is going to start by May 2024. The BNCT centre is targeted to commence operation in the fourth quarter of 2025.

The Company is of the view that the Capital Injection Agreement and the transactions contemplated thereunder will provide more funds for the development of the BNCT centre. Further, the proceeds from the Capital Injection of up to RMB50,000,000 (equivalent to approximately HK\$54,000,000) is expected to be used for (a) settling existing loans of Pengbo (Hainan); and (b) the construction, development and operation for the BNCT centre.

The Company considers that the Capital Injection Agreement and the transactions contemplated thereunder are entered into on normal commercial terms after arm’s length negotiations, and the terms and conditions of the Capital Injection Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECTS OF THE CAPITAL INJECTION

As the transactions contemplated under the Capital Injection Agreement will not result in the Company's loss of control over Pengbo (Hainan) and the financial results of Pengbo (Hainan) will continue to be consolidated into the financial results upon completion, the transactions contemplated under the Capital Injection Agreement will be accounted for as an equity transaction and will not result in the recognition of any gain or loss in the Company's consolidated statement of profit or loss and other comprehensive income. There will be no material financial impact on the Company resulting from the transactions contemplated under the Capital Injection Agreement.

GEM LISTING RULES IMPLICATIONS

Upon the payment of the First Installment and the Second Installment, the effective interest in the registered capital of Pengbo (Hainan) held by the Group will be reduced from 100% to approximately 90%. The Capital Injection therefore constitutes a deemed disposal under Rule 19.29 of the GEM Listing Rules for the Company.

As one or more of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules exceeds 5% but all of the applicable percentage ratios are below 25%, the Capital Injection constitutes a major transaction on the part of the Company under the GEM Listing Rules and is subject to the reporting and announcement but is exempt from circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The Repurchase Rights are exercisable at the discretion of Hubei Weiyu upon satisfaction of certain specified events, with the Exercise Price for the Repurchase Rights to be determined in accordance with the terms of the Capital Injection Agreement. Based on the maximum monetary value of the Exercise Price, the grant of the Repurchase Rights shall be classified as a discloseable transaction on the part of the Company pursuant to Rule 19.74(1) of the GEM Listing Rules. The grant of the Repurchase Rights is subject to the notification and announcement but is exempt from circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. The Company will comply with the relevant requirements under the GEM Listing Rules as and when appropriate should Hubei Weiyu exercise the Repurchase Rights.

DEFINITIONS

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

“BNCT”	boron neutron capture therapy
“BNCT Hospital”	Pengbo Boao BNCT Hospital a cancer treatment centre in Hainan, the PRC
“Board”	the board of the Company

“Business Days”	a day on which licensed banks in the PRC are open for general commercial business, other than a Saturday, Sunday or public holiday in the PRC
“Capital Injection Agreement”	the capital injection agreement dated 27 February 2025 and entered into between Pengbo (Hainan), Dynamic Healthcare, CBSH Flourish, the Company and Hubei Weiyou in relation to the Capital Injection
“CBSH Flourish”	CBSH Flourish (Hong Kong) BNCT Medical Centre Limited (鵬博(香港)中子癌症治療中心有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Company”	China Biotech Services Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued Shares of which are listed on the GEM of the Stock Exchange (stock code: 8037)
“Director(s)”	the director(s) of the Company
“Dynamic Healthcare”	Dynamic Healthcare Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect non-wholly owned subsidiary of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Group Companies”	collectively, CBSH Flourish, Dynamic Healthcare, Pengbo (Hainan) Medical Operation, Pengbo (Hong Kong) and Pengbo Hospital Management
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hubei Weiyou”	Hubei Weiyou Equity Investment Partnership (Limited Partnership) [#] (湖北惟有股權投資合夥企業(有限合夥)), a limited partnership established in the PRC

“Independent Third Party(ies)”	individual(s) or company(ies) which is/are independent of and not connected with any member of the Group, the Directors, chief executive and substantial shareholders of the Company and its subsidiaries and their respective associates (within the meaning of the GEM Listing Rules)
“Long Stop Date”	31 March 2025 (or such other date as may be agreed between the Company and Hubei Weiyou)
“Mr. Liu”	Mr. Liu Xiaolin, an executive Director and a controlling Shareholder of the Company
“Pengbo (Hainan)”	Pengbo (Hainan) Medical Technology Co., Ltd.# (鵬博(海南)礪中子醫療科技有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Pengbo (Hainan) Board”	the board of directors of Pengbo (Hainan)
“Pengbo (Hainan) Medical Operation”	Pengbo (Hainan) Medical Operation and Management Company Limited (鵬博(海南)醫療運營管理有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Pengbo (Hong Kong)
“Pengbo (Hong Kong)”	Pengbo (Hong Kong) Medical Management Company Limited# (鵬博(香港)醫療管理有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Pengbo Hospital Management
“Pengbo Hospital Management”	Pengbo Hospital Management Company Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Dynamic Healthcare
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Share Premium Account” the share premium account of Pengbo (Hainan)

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent.

In this announcement, amounts in RMB are translated to HK\$ on the basis of RMB1=HK\$1.08. The conversions are for illustration purpose only and should not be taken as a representation that RMB could actually be converted into HK\$ at that rate or at other rates or at all.

for identification purposes only

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

Hong Kong, 27 February 2025

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 and three independent non-executive Directors, namely Mr. Yan Guoxiang, Dr. Guo Yuantao and Mr. Qian Hongji.

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

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