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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)

DISCLOSEABLE TRANSACTION INVESTMENT IN A SUBSIDIARY OF THE COMPANY BY AN INVESTOR

The Investment

The Definitive Agreements in relation to the Investment were entered into on 11 July 2025.

The Investment will be made in the following manner:

- (1) pursuant to the Convertible Loan Agreement, BGI Songhe shall advance a loan of RMB30 million to Pengbo (Hainan);
- (2) pursuant to the Warrant Agreement, Dynamic Healthcare shall grant the Warrant to BGI Songhe for the subscription of shares in Dynamic Healthcare, with the Exercise Price being the equivalent amount of the Loan in USD; and
- (3) after BGI Songhe completes the ODI Filing in respect of the Subscription, Pengbo (Hainan) shall repay the Loan to BGI Songhe, which shall then subscribe for shares in Dynamic Healthcare by way of exercising the Warrant. In effect, the Loan will be converted into shares in Dynamic Healthcare.

Assuming that no other subscription of shares in Dynamic Healthcare is involved in Series A financing, BGI Songhe will hold a maximum of 6.25% of the issued share capital of Dynamic Healthcare as enlarged by the issue of the Warrant Shares and the shares to be issued to Jiabao Zhongzhi (Hainan) (the platform of the share award scheme of Pengbo (Hainan)).

GEM LISTING RULES IMPLICATIONS

The Group's shareholding in Dynamic Healthcare will be reduced from 100% to approximately 85.31% upon completion of the Jiabao Zhongzhi (Hainan) Subscription and the Subscription by BGI Songhe.

The Subscription therefore constitutes a deemed disposal for the Company under Rule 19.29 of the GEM Listing Rules. As one or more of the applicable percentage ratios in respect of the Subscription (whether on a standalone basis or when aggregated with the Jiabao Zhongzhi (Hainan) Subscription) exceed 5% but all of the applicable percentage ratios are below 25%, the Subscription is exempt from the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The Repurchase Right is exercisable by BGI Songhe at its discretion upon the occurrence of certain specified event. The Repurchase Price shall be determined in accordance with the formula set out in the Investment Agreement. Based on the maximum monetary value of the Repurchase Price, the grant of the Repurchase Right shall be classified as a discloseable transaction of the Company under Rule 19.74(1) of the GEM Listing Rules. The grant of the Repurchase Right is subject to the notification and announcement requirements but is exempt from the 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 BGI Songhe exercise the Repurchase Right.

INTRODUCTION

Reference is made to the announcement of the Company dated 25 February 2025 in relation to, among other things, the signing of a letter of intent on investment between Pengbo (Hainan) and BGI Songhe.

The Company is pleased to announce that Definitive Agreements in relation to the Investment were entered into on 11 July 2025.

The Investment will be made in the following manner:

- (1) pursuant to the Convertible Loan Agreement, BGI Songhe shall advance a loan of RMB30 million to Pengbo (Hainan);
- (2) pursuant to the Warrant Agreement, Dynamic Healthcare shall grant the Warrant to BGI Songhe for the subscription of shares in Dynamic Healthcare, with the Exercise Price being the equivalent amount of the Loan in USD; and
- (3) after BGI Songhe completes the ODI Filing in respect of the Subscription, Pengbo (Hainan) shall repay the Loan to BGI Songhe, which shall then subscribe for shares in Dynamic Healthcare by way of exercising the Warrant. In effect, the Loan will be converted into shares in Dynamic Healthcare.

Assuming that no other subscription of shares in Dynamic Healthcare is involved in Series A financing, BGI Songhe will hold a maximum of 6.25% of the issued share capital of Dynamic Healthcare as enlarged by the issue of the Warrant Shares and the shares to be issued to Jiabao Zhongzhi (Hainan) (the platform of the share award scheme of Pengbo (Hainan)).

The Definitive Agreements include the Convertible Loan Agreement, the Warrant Agreement and the Investment Agreement, the principal terms of which are set out below.

(1) Convertible Loan Agreement

Date: 11 July 2025

Parties: (1) Pengbo (Hainan) (as borrower)
(2) BGI Songhe (as lender)
(3) Mr. Liu (as guarantor)
(4) the Company (as guarantor)

Loan amount: RMB30,000,000

Drawdown: Within 10 business days after all the following conditions precedent to drawdown are satisfied:

- (1) the competent bodies of the Dynamic Healthcare Group companies having considered and approved the Investment;
- (2) the full set of transaction documents having been signed and taken effect;
- (3) the competent bodies of the guarantors having considered and approved the joint and several guarantees to be provided by the guarantors for Pengbo (Hainan)'s repayment obligations under the Convertible Loan Agreement;
- (4) there being no laws, judgments, verdicts, rulings or prohibitions restricting, prohibiting, delaying, cancelling or otherwise preventing the Investment;
- (5) during the due diligence conducted by BGI Songhe on the Dynamic Healthcare Group companies, all the data and information provided by the Dynamic Healthcare Group companies to BGI Songhe being true, accurate, complete, and there being no false records, misleading statements or material omissions;

- (6) all the representations and warranties made by the Dynamic Healthcare Group companies under the transaction documents being true, accurate, complete and not misleading;
- (7) there being no event or circumstance which will or may have any material adverse effect on the valid existence, production management, business license, product registration, business operations, profit prospects, financial conditions, asset structure and status, business reputation or other material aspects of the Dynamic Healthcare Group companies, and there being no bonuses, distributions or other matters outside the normal course of business of the Dynamic Healthcare Group companies.

Term of the Loan: Not exceeding one year

Purpose of the Loan: For business development of the main businesses of Pengbo (Hainan), Dynamic Healthcare, or their subsidiaries; shareholding restructuring of Pengbo (Hainan); meeting general working capital requirements of such companies; or other purposes agreed in writing by BGI Songhe

Repayment: (i) Within 5 business days after completing the ODI Filing, BGI Songhe shall issue a written confirmation of completion of the ODI Filing (the “**Filing Completion Notice**”) to Pengbo (Hainan). Unless otherwise provided in paragraph (iii) below, Pengbo (Hainan) shall repay the Loan to BGI Songhe within 30 days after (a) receiving the Filing Completion Notice; or (b) all the conditions set out in paragraph (ii) below are satisfied (whichever is later). For these purposes, the parties agree that: (1) considering Pengbo (Hainan)’s cash flow and capital-flow issues, BGI Songhe agrees to allow Pengbo (Hainan) to repay the Loan by reasonable installments until Pengbo (Hainan) has fully repaid the Loan (but the actual loan term shall not exceed one year); and (2) if repayment is delayed due to factors beyond Pengbo (Hainan)’s control, such as foreign exchange controls issues, the parties agree to negotiate a reasonable extension of the loan term.

- (ii) The exercise of the Warrant by BGI Songhe under the Warrant Agreement is subject to the satisfaction of the following condition:
 - (1) BGI Songhe having completed all the ODI Filing procedures;
 - (2) Pengbo (Hainan) having completed the following financing arrangements (or equivalent alternative funding arrangements) by 31 December 2025 (the “**Long-Stop Date**”):
 - (a) other investors directly or indirectly (through investment in Dynamic Healthcare) completing follow-on investments amounting to an equivalent of RMB100 million, and the pre-money valuation shall not be lower than the pre-Series A financing valuation; or
 - (b) securing funds amounting to an equivalent of RMB100 million through debt financing, finance leases, trust or bank borrowings (with financing cycle not shorter than 2 years and interest rate not exceeding 10%); or
 - (c) a combination of the above two financing arrangements, with the total amount involved amounting to an equivalent of RMB100 million
 - (3) BGI Songhe or the guarantors having repaid the Loan in full;
 - (4) the shareholder’s loans advanced by the Company as referred to in the subsection headed “Shareholder’s loans advanced by the Company” in the section headed “Investment Agreement” below having been converted into the registered capital of Dynamic Healthcare;

- (5) the Dynamic Healthcare Group companies having issued shares to the platforms of share incentives schemes (including but not limited to Jiabao Zhongzhi (Hainan)), ensuring that the interest of BGI Songhe in the Dynamic Healthcare Group companies after BGI Songhe has exercised the Warrant would not be diluted by the Dynamic Healthcare Group companies issuing shares to the platforms of share incentives schemes;
- (6) as at the date of exercise of the Warrant, there being no adverse changes in respect of the shareholding structure of the Dynamic Healthcare Group companies which are detriment to BGI Songhe and will result in the dilution/reduction of the number of shares/ shareholding/equity interests in Dynamic Healthcare Group companies to be acquired by BGI Songhe after exercising the Warrant as compared with that on the date of signing of the Convertible Loan Agreement, or which will cause changes in the actual control of Dynamic Healthcare Group companies;
- (7) as at the date of exercise of the Warrant, there being no event or circumstance which will or may have any material adverse effect on the valid existence, production management, business license, product registration, business operations, profit prospects, financial conditions, asset structure and status, business reputation or other material aspects of the Dynamic Healthcare Group companies;
- (8) there being no laws, judgments, verdicts, rulings or prohibitions restricting, prohibiting, delaying, cancelling or otherwise preventing the Investment.

- (iii) If (1) any of the conditions set out in paragraph (ii)(2) above is not satisfied by the Long-Stop Date (and at that time BGI Songhe has not yet subscribed for shares in Dynamic Healthcare pursuant to the Warrant Agreement), then BGI Songhe shall be entitled to unilaterally declare an adjustment of the loan term to one year from the actual drawdown date; or (2) for whatever reasons, BGI Songhe fails to complete the process of converting the Loan into shares in Dynamic Healthcare, then BGI Songhe shall be entitled to unilaterally notify Pengbo (Hainan) in writing of an early maturity of the Loan. In the event described in (2) above, (a) the Warrant Agreement and the Investment Agreement shall terminate immediately, and (b) Pengbo (Hainan) shall repay the entire principal amount of the Loan within 30 days after receiving the written notice of early maturity of the Loan from BGI Songhe, and shall pay interest at the rate of 8% per annum from the date of actual receipt of the funds up to the date of full repayment.
- (iv) For the avoidance of doubt, if BGI Songhe completes the Subscription pursuant to the Warrant Agreement, no interest shall be payable on the Loan.

Guarantee:	Mr. Liu and the Company jointly and severally guarantee Pengbo (Hainan)'s repayment obligations under the Convertible Loan Agreement for a term of 2 years.
Subscription of shares:	Upon completion of the ODI filing and the satisfaction of the condition set out in paragraph (ii) of the subsection headed "Repayment" above, BGI Songhe must exercise the Warrant and, within 10 business days after receiving the repayment of the entire Loan amount from Pengbo (Hainan), subscribe for Dynamic Healthcare's Series A Preferred Shares in accordance with the terms and conditions of the Warrant Agreement using a USD equivalent of the Loan amount (i.e. RMB30 million).
Establishment of a wholly-owned subsidiary:	Subject to BGI Songhe converting the Loan into shares in Dynamic Healthcare in accordance with the terms of the Convertible Loan Agreement and the Warrant Agreement, Pengbo (Hainan) undertakes to establish a wholly-owned subsidiary in Yantian District, Shenzhen, Guangdong Province, with a registered capital of no less than the Loan amount and to complete all capital contributions by 31 December 2026.

(2) Warrant Agreement

Date: 11 July 2025

Parties: (1) Dynamic Healthcare (as grantor)
(2) BGI Songhe (as grantee)

Grant Price: Nil

Grant Date: The date of receipt of the full amount of the Loan by Pengbo (Hainan)

Exercise Price: RMB30,000,000 in USD equivalent (the exchange rate shall be based on the actual exchange rate at the time of payment at the BGI Songhe's bank)

Warrant Shares: Such number of Series A Preferred Shares of Dynamic Healthcare as calculated in accordance with the following formula:

$$30,000,000 / (450,000,000 + \text{total amount of Series A financing})$$

“**Series A financing**” means RMB30,000,000 plus the follow-on investments by investors referred to in paragraphs (ii)(a) of the subsection headed “Repayment” under the section headed “Convertible Loan Agreement” above, the latter to be confirmed by Dynamic Healthcare and BGI Songhe.

For the avoidance of doubt, if Dynamic Healthcare conducts any subsequent financing rounds after the Series A financing, such financing shall be subject to the anti-dilution provisions and the pre-emption rights provisions in the Investment Agreement.

Transferability: Transferable by BGI Songhe only to any special purpose vehicle wholly owned by BGI Songhe and established solely for the purpose of holding equity interests in Dynamic Healthcare, provided that if at any time the transferee ceases to be wholly owned by BGI Songhe, the transferee shall forthwith transfer the Warrant back to the BGI Songhe.

Exercise period: The Warrant shall be exercisable for a period commencing on the grant date of the Warrant and ending on the 10th business day (business day in the PRC) after BGI Songhe receives full repayment of the Loan amount from Pengbo (Hainan).

Exercising the Warrant: Upon receipt of the Filing Completion Notice and satisfaction of the conditions set out in paragraph (ii) under the subsection headed “Repayment” under the section headed “Convertible Loan Agreement” above, the parties shall promptly commence the Loan repayment and share subscription process.

Within 10 business days of receipt of full repayment of the Loan amount from Pengbo (Hainan) (otherwise than pursuant to paragraph (iii)(2) under the subsection headed “Repayment” under the section headed “Convertible Loan Agreement” above), BGI Songhe shall pay Dynamic Healthcare the USD equivalent of RMB30,000,000 (the exchange rate shall be based on the actual exchange rate at the time of payment at the BGI Songhe’s bank).

Issuance of Warrant Shares: Dynamic Healthcare shall issue all of the Warrant Shares issuable under the Warrant to BGI Songhe simultaneously upon the payment of the Exercise Price for the Warrant Shares by BGI Songhe.

No Adjustment: No adjustment shall be made to the Exercise Price.

(3) Investment Agreement

Date: 11 July 2025

Parties:

- (1) Pengbo (Hainan)
- (2) Dynamic Healthcare
- (3) Mr. Liu
- (4) the Company
- (5) BGI Songhe

Shareholder's loans advanced by the Company:	As at 30 April 2025, the Company has advanced shareholder's loan of approximately HK\$252 million to the Dynamic Healthcare Group. Upon receipt by Dynamic Healthcare of the notice from BGI Songhe of the exercise of the Warrant, if the shareholder's loan remains outstanding, the Company undertakes to convert approximately HK\$171 million of the shareholder's loan into registered capital of Dynamic Healthcare immediately (and before Dynamic Healthcare issues shares to BGI Songhe).
Non-compete undertaking:	Mr. Liu and the Company have given undertakings in relation to non-competition in the business of BNCT.
Special rights of BGI Songhe:	<p>Repurchase Right</p> <p>If the following material events occur, BGI Songhe shall have the right to require Dynamic Healthcare to repurchase all or part of the shares in Dynamic Healthcare held by BGI Songhe:</p> <ol style="list-style-type: none"> (1) failure of Pengbo (Hainan) or any overseas listing entity holding its equity interest to list on the Shanghai Stock Exchange, Shenzhen Stock Exchange, the Stock Exchange, or any other securities exchange recognised by BGI Songhe by 31 December 2029. BGI Songhe must exercise the Repurchase Right by 31 December 2031. If the Repurchase Right is not exercised by the said deadline, it shall lapse immediately; (2) any change in the controlling shareholder or actual controller of Pengbo (Hainan) without the consent of BGI Songhe; (3) any breach of the non-compete undertakings referred to above by Mr. Liu or the Company;

- (4) any material deviation from the actual situation in the relevant data and information provided by the Dynamic Healthcare Group companies and/or Mr. Liu for the purpose of the Investment or any material concealment, misleading, or false statements or suspected fraud by any Dynamic Healthcare Group company and/or Mr. Liu in the information disclosure process;
- (5) any material breach of the Investment Agreement or other transaction documents or any breach of the relevant representations, guarantees or undertakings or constitutional documents by any Dynamic Healthcare Group company and/or Mr. Liu;
- (6) any material integrity issues of any Dynamic Healthcare Group company, Mr. Liu and/or management, including but not limited to off-book cash sales income unknown to BGI Songhe, appropriation of funds, unfair connected transactions, and any significant internal control defects intentionally caused by any Dynamic Healthcare Group company, Mr. Liu and/or management;
- (7) any material adverse change in the main businesses of the Dynamic Healthcare Group companies, or any Dynamic Healthcare Group company losing or being unable to continue to fulfil the conditions for operating the existing main businesses such as the requisite raw materials, authorizations, patents, and approvals;
- (8) any serious violations of laws and regulations on industry and commerce, taxation, land, environmental protection, customs, healthcare hygiene, etc., causing substantial obstacles to the normal operation or qualification for listing of the Dynamic Healthcare Group companies;
- (9) any other circumstances in which BGI Songhe's interest suffers material losses due to any wilful acts or gross negligence of any Dynamic Healthcare Group company or Mr. Liu.

The Repurchase Price shall be the subscription amount paid by BGI Songhe to Dynamic Healthcare for the Warrant Shares required to be repurchased, plus return calculated at the interest rate of 8% per annum (simple interest) (calculated up to the date on which BGI Songhe exercises its Repurchase Right), less the investment costs already recovered by BGI Songhe such as dividends, bonuses, etc. during the period of shareholding in Dynamic Healthcare.

The Company and Mr. Liu undertake to jointly and severally guarantee Dynamic Healthcare's obligations to pay the Repurchase Price for a guarantee term of 2 years. If Dynamic Healthcare fails to fulfill its repurchase obligations, BGI Songhe shall have the right to require the Company and/or Mr. Liu to pay all the Repurchase Price.

Liquidation preference rights

Upon liquidation of Dynamic Healthcare, BGI Songhe shall have the right to receive the following liquidation preference amount in respect of the Series A Preferred Shares then held by it in priority to holders of ordinary shares: the subscription amount paid by BGI Songhe for such Series A Preferred Shares plus the total investment return calculated at the rate of 8% per annum (simple interest), less any dividends actually received by BGI Songhe from Dynamic Healthcare prior to liquidation.

If the distributable properties of Dynamic Healthcare are insufficient to pay the liquidation preference amounts of all shareholders, they shall be distributed in proportion to the then relative shareholdings of each shareholder then entitled to the liquidation preference.

Each shareholder shall take all effective measures in compliance with the applicable laws to ensure that BGI Songhe will receive properties in the liquidation preference amount from the distributable liquidation properties in priority to holders of ordinary shares of Dynamic Healthcare in a manner which is in compliance with the applicable laws. If BGI Songhe fails to obtain such properties in full, the Company shall compensate BGI Songhe for the difference in cash, but the amount of compensation shall be limited to the distribution received by the Company from the distributable liquidation properties.

Pre-emption right

After completion of the Investment, if Dynamic Healthcare proposes to increase its registered capital, issue new shares, or conduct subsequent financing (except for the Jiabao Zhongzhi (Hainan) Subscription (as defined below)), BGI Songhe shall have the right (but not the obligation) to subscribe for all or part of the increased registered capital in proportion to its relative shareholding in Dynamic Healthcare at that time on the same conditions to ensure that its shareholding will not be diluted.

Rights of first refusal and right of co-sale

If any shareholder other than BGI Songhe proposes to transfer part or all of its equity interests in Dynamic Healthcare to a third party directly or indirectly, BGI Songhe shall have the right to exercise its right of first refusal on the same terms and conditions based on its relative shareholding in Dynamic Healthcare.

If BGI Songhe does not exercise its right of first refusal, BGI Songhe shall have the right to exercise the right of co-sale. The amount of equity interests for which BGI Songhe may exercise the right of co-sale shall be calculated according to the following formula: the amount of equity interests for co-sale = total equity interests to be transferred* BGI Songhe's shareholding/(shareholding of all shareholders who propose to exercise the right of co-sale + shareholding of the Company). If the transferee refuses in any way to purchase the equity interests from BGI Songhe, which exercises the right of co-sale, the Company shall not sell any equity interests to the transferee unless, at the same time of such sale or transfer, the transferor purchases such equity interests from BGI Songhe on the terms and conditions set forth in the transfer notice.

Restrictions on transfer

Without the written consent of BGI Songhe, the Company undertakes not to directly or indirectly transfer the equity interests in Pengbo (Hainan) to any third party such that BGI Songhe's direct shareholding in Pengbo (Hainan) will become lower than 67%, and not to cause any change in the actual controller of Pengbo (Hainan).

Before Pengbo (Hainan) is qualified for listing, without Mr. Liu's consent, BGI Songhe shall not transfer its equity interests in the Dynamic Healthcare Group companies to the competitors of the Dynamic Healthcare Group companies (i.e. other parties directly or indirectly engaging in the business of BNCT)

Right to information

BGI Songhe shall have the right to request certain financial documents (including financial statements, key operating data and annual budgets) from Pengbo (Hainan).

Anti-dilution

If Dynamic Healthcare increases its capital based on a valuation lower than the post-Investment valuation (except for the Jiabao Zhongzhi (Hainan) Subscription), BGI Songhe shall have the right to require Dynamic Healthcare to adjust the share price obtained by BGI Songhe in this round of Investment in accordance with the broad-based weighted average, and to adjust the number of shares acquired accordingly.

INFORMATION OF THE PARTIES

Pengbo (Hainan)

Pengbo (Hainan) is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company and Dynamic Healthcare as at the date of this announcement. 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 wholly owned subsidiary of the Company. Dynamic Healthcare is principally engaged in investment holding.

Mr. Liu

Mr. Liu is the chairman of the Board, an executive Director and a controlling shareholder of the Company.

The Company

The Company 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 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.

BGI Songhe

BGI Songhe is a limited partnership set up under the laws of the PRC.

The establishment of the BGI Songhe was jointly participated and facilitated by BGI Life Sciences Research Institute[#] (深圳華大生命科學研究院) (the “**Institute**”) and Shenzhen Songhe Venture Capital Investment Co., Ltd.[#] (深圳市松禾創業投資股份有限公司), etc. in 2021. BGI Songhe mainly engages in private equity venture capital business with a focus on venture capital projects in life sciences, biotechnology and other related fields. Through investments in potential start-up enterprises or projects, it helps with the growth and development of related enterprises.

Shenzhen Huasong Biotech Enterprise Management Co., Ltd.[#] (深圳市華松生科企業管理有限公司), which is held as to 40% by the Institute, is the executive partner of BGI Songhe and is interested in BGI Songhe as to 1.25%. The controlling shareholder of Shenzhen BGI Technology Co., Ltd.[#] (深圳華大基因科技有限公司) (“**Shenzhen BGI Technology**”), Wang Jian, is indirectly interested in BGI Songhe as to approximately 24%.

Shenzhen BGI Technology holds 35.78% of the shares in BGI Genomics Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 300676.SZ) (“**BGI Genomics**”). BGI Genomics wholly-owns BGI Health (HK) Company Limited, which in turn owns Sunrise Diagnostic Centre Limited, a non-wholly owned subsidiary of the Company, as to 40%.

BGI Songhe has a certain degree of affiliation and cooperation relationship with the BGI group in terms of common investments by BGI Songhe and BGI Genomics in Shenzhen Hemogen Therapeutic Co., Limited[#] (深圳市禾沐基因生物技術有限責任公司) and the possible synergy in the general direction of the life science industry with cooperation opportunities in facilitating the development of life science technologies and incubating industrial projects.

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

FINANCIAL INFORMATION

The financial information of the Dynamic Healthcare Group for the two years ended 31 December 2024 is as follows:

	For the year ended	
	31 December	
	2024	2023
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Revenue	76	–
Loss before taxation	(52,773)	(13,037)
Loss after taxation	(52,773)	(13,037)

The unaudited consolidated net liabilities of Dynamic Healthcare Group amounted to approximately HK\$80,839,000 as at 31 December 2024.

REASONS FOR AND BENEFITS OF THE INVESTMENT AND THE USE OF PROCEEDS

As previously disclosed by the Company, 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.

In 2024, the construction of the BNCT Centre has been completed as scheduled, and the installation of the core BNCT equipment has been completed. The BNCT Centre was originally planned to be put into operation in December 2024 but as disclosed in the annual report of the Company for the year ended 31 December 2024, the overall construction work had to be postponed due to the extreme rainstorm weather in Hainan in October 2024. It is expected that the BNCT Centre will commence operation in the fourth quarter of 2025.

The materialization of BGI Songhe's investment in Pengbo (Hainan) signifies BGI Songhe's confidence in the future development of the BNCT Centre and the Group's commitment to providing BNCT treatment services to cancer patients in need. It will also enhance Pengbo (Hainan)'s corporate profile and enhance its capital base.

The Company is of the view that the transactions contemplated under the Investment will provide more funds for the development of the BNCT Centre. Furthermore, the proceeds from the Investment of RMB30,000,000 in USD equivalent is expected to be used for the construction, development and operation for the BNCT Centre. The Company considers that the transactions contemplated under the Investment are entered into on normal commercial terms after arm's length negotiations, and the terms and conditions of the Definitive Agreements are fair and reasonable and in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECTS OF THE INVESTMENT

As the transactions contemplated under the Investment will not result in the Company's loss of control over Dynamic Healthcare and the financial results of Dynamic Healthcare will continue to be consolidated into the financial results upon completion of the Investment, the transactions contemplated under the Investment 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 Investment.

GEM LISTING RULES IMPLICATIONS

As disclosed in the announcement of the Company dated 5 August 2024, Jiabao Zhongzhi (Hainan) as subscriber and Dynamic Healthcare have entered into a subscription agreement in relation to the conditional subscription of ordinary shares in Dynamic Healthcare by Jiabao Zhongzhi (Hainan) (the “**Jiabao Zhongzhi (Hainan) Subscription**”), the purpose of which is to enable Jiabao Zhongzhi (Hainan) to act as the platform of the share award scheme of Pengbo (Hainan). As at the date of this announcement, such subscription has not been completed. It is contemplated that completion of the Jiabao Zhongzhi (Hainan) Subscription will take place before completion of the Subscription by BGI Songhe.

The Group's shareholding in Dynamic Healthcare will be reduced from 100% to approximately 85.31% upon completion of the Jiabao Zhongzhi (Hainan) Subscription and the Subscription by BGI Songhe.

The Subscription therefore constitutes a deemed disposal for the Company under Rule 19.29 of the GEM Listing Rules. As one or more of the applicable percentage ratios in respect of the Subscription (whether on a standalone basis or when aggregated with the Jiabao Zhongzhi (Hainan) Subscription) exceed 5% but all of the applicable percentage ratios are below 25%, the Subscription is exempt from the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The Repurchase Right is exercisable by BGI Songhe at its discretion upon the occurrence of certain specified event. The Repurchase Price shall be determined in accordance with the formula set out in the Investment Agreement. Based on the maximum monetary value of the Repurchase Price, the grant of the Repurchase Right shall be classified as a discloseable transaction of the Company under Rule 19.74(1) of the GEM Listing Rules. The grant of the Repurchase Right is subject to the notification and announcement requirements but is exempt from the 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 BGI Songhe exercise the Repurchase Right.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“BGI Songhe”	Shenzhen BGI Songhe Biotechnology No. 1 Private Venture Capital Investment Fund Partnership (Limited Partnership) [#] (深圳市華大松禾生科一號私募創業投資基金合夥企業(有限合夥)), a limited partnership set up under the laws of the PRC
“BNCT”	boron neutron capture therapy
“BNCT Centre”	the Hainan Boao BNCT cancer treatment centre
“Board”	the board 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)

“Convertible Loan Agreement”	the convertible loan agreement dated 11 July 2025 between Pengbo (Hainan) (as borrower), BGI Songhe (as lender), Mr. Liu and the Company (as guarantors) in relation to the Loan advanced by BGI Songhe to Pengbo (Hainan) and the exercise of the Warrant under the Warrant Agreement
“Definitive Agreements”	the Convertible Loan Agreement, the Warrant Agreement and the Investment Agreement
“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 wholly-owned subsidiary of the Company
“Dynamic Healthcare Group”	Dynamic Healthcare and its subsidiaries
“Exercise Price”	the exercise price for the exercise of the Warrant under the Warrant Agreement, being the USD equivalent of RMB30,000,000
“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
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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)

“Investment Agreement”	the investment agreement dated 11 July 2025 between Pengbo (Hainan), Dynamic Healthcare, Mr. Liu, the Company and BGI Songhe in relation to, among others, the Investment and certain rights of BGI Songhe in connection therewith
“Investment”	the investment by BGI Songhe and the related transactions contemplated under the Definitive Agreements, including but not limited to the provision of the Loan by BGI Songhe to Pengbo (Hainan), the grant of the Warrant by Dynamic Healthcare to BGI Songhe, the Subscription by BGI Songhe, and the grant of the Repurchase Right by Dynamic Healthcare to BGI Songhe
“Jiabao Zhongzhi (Hainan)”	Jiabao Zhongzhi (Hainan) Hospital Management Partnership (Limited Partnership) [#] (嘉博眾治(海南)醫院管理合夥企業(有限合夥)), a limited liability partnership established in the PRC and the platform of the share award scheme of Pengbo (Hainan)
“Loan”	the loan in the principal amount of RMB30,000,000 advanced by BGI Songhe to Pengbo (Hainan) pursuant to the Convertible Loan Agreement
“Mr. Liu”	Mr. Liu Xiaolin, the chairman of the Board, an executive Director and a controlling shareholder of the Company
“ODI Filing”	the necessary filing with the relevant PRC government authorities in respect of overseas direct investment by PRC entities to be completed by BGI Songhe in order to exercise the Warrant
“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 incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company and Dynamic Healthcare as at the date of this announcement
“PRC”	the People’s Republic of China
“Repurchase Price”	the repurchase price payable to BGI Songhe for the repurchased shares in Dynamic Healthcare following the exercise of the Repurchase Right by BGI Songhe

“Repurchase Right”	the repurchase right granted to BGI Songhe under the Investment Agreement pursuant to which BGI Songhe may, upon the occurrence of specified event, require Dynamic Healthcare to repurchase all of the shares in Dynamic Healthcare held by BGI Songhe
“RMB”	Renminbi, the lawful currency of the PRC
“Series A Preferred Shares”	validly issued and fully paid Series A Preferred Shares with par value of USD0.00001 per share in the share capital of Dynamic Healthcare
“Stella Pharma”	STELLA PHARMA CORPORATION, a pharmaceutical company incorporated in Japan and the issued shares of which are listed on the Tokyo Stock Exchange Growth Market (stock code: 4888), and the manufacturer of STEBORONINE® (a drug used for BNCT which targets unresectable, locally advanced or locally recurrent head and neck cancer)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of Series A Preferred Shares of Dynamic Healthcare by BGI Songhe upon its exercise of the Warrant
“USD”	United States dollars, the lawful currency of the United States of America
“Warrant”	the warrant granted under the Warrant Agreement by Dynamic Healthcare to BGI Songhe to subscribe for such number of shares in Dynamic Healthcare as determined by a specified formula at the Exercise Price being the USD equivalent of the Loan amount
“Warrant Agreement”	the warrant agreement dated 11 July 2025 between Dynamic Healthcare (as grantor) and BGI Songhe (as grantee) in relation to the grant of the Warrant by Dynamic Healthcare to BGI Songhe and its exercise

“Warrant Shares” the Series A Preferred Shares of Dynamic Healthcare to be issued to BGI Songhe upon the exercise of the Warrant, the total number of which shall be determined in accordance with the formula set out in the Warrant Agreement

“%” per cent

For identification purposes only

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

Hong Kong, 11 July 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.