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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

*This announcement, for which the directors (the "**Directors**") of China Biotech Services Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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.*

The board of directors (the "**Board**") of China Biotech Services Holdings Limited (the "**Company**") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (together the "**Group**") for the six months ended 30 June 2025, together with the unaudited comparative figures for the corresponding period in 2024 and for the condensed consolidated statement of financial position only, the audited comparative figures as at 31 December 2024.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		For the six months ended 30 June	
		2025	2024
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**38,872**	32,449
Cost of sales		**(36,330)**	(35,556)
Gross profit/(loss)		**2,542**	(3,107)
Other income and gains/(losses), net	*5*	**21,728**	(26,460)
Selling and distribution expenses		**(3,630)**	(6,548)
Research and development cost		**(5,965)**	(17,593)
Administrative expenses		**(33,983)**	(70,880)
Loss from operations		**(19,308)**	(124,588)
Finance costs	*6*	**(12,536)**	(4,686)
Fair value (loss)/gain on derivative financial liabilities		**(5,315)**	3,016
Loss before tax	*7*	**(37,159)**	(126,258)
Income tax credit	*8*	**406**	527
Loss for the period		**(36,753)**	(125,731)
Loss for the period attributable to:			
Owners of the Company		**(32,006)**	(79,917)
Non-controlling interests		**(4,747)**	(45,814)
		(36,753)	(125,731)
Loss per share for loss attributable to owners of the Company			
– Basic and diluted (HK$)	*10*	**(0.033)**	(0.083)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(36,753)**	(125,731)
Other comprehensive income/(loss), net of tax		
Items that will not be reclassified to profit or loss:		
Fair value change of financial assets at fair value through other comprehensive income ("**FVTOCI**")	**474**	(1,134)
Exchange differences on translating foreign operations	**5,777**	(6,108)
Other comprehensive income/(loss) for the period, net of tax	**6,251**	(7,242)
Total comprehensive loss for the period	**(30,502)**	(132,973)
Total comprehensive loss for the period attributable to:		
– Owners of the Company	**(26,011)**	(86,851)
– Non-controlling interests	**(4,491)**	(46,122)
	(30,502)	(132,973)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	**30 June 2025**	31 December 2024
		HK$'000	*HK$'000*
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	*11*	**248,508**	219,341
Right-of-use assets		**16,590**	15,996
Goodwill	*12*	**107,225**	103,894
Intangible assets	*13*	**32,013**	34,944
Financial assets at fair value through other comprehensive income		**43,703**	43,229
Deposits	*14*	**54,559**	49,456
Total non-current assets		**502,598**	466,860
Current assets			
Inventories		**2,550**	3,971
Trade and other receivables, deposits and prepayment	*14*	**21,988**	25,416
Tax recoverable		**–**	80
Pledged bank deposits		**–**	14,715
Bank and cash balances		**11,290**	18,913
Total current assets		**35,828**	63,095
TOTAL ASSETS		**538,426**	529,955

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	30 June 2025 HK$'000 (Unaudited)	31 December 2024 HK$'000 (Audited)
EQUITY AND LIABILITIES			
Share capital		**97,573**	97,573
Other reserves		**141,358**	167,369
Equity attributable to owners of the Company		**238,931**	264,942
Non-controlling interests		**(27,045)**	(22,554)
TOTAL EQUITY		**211,886**	242,388
LIABILITIES			
Non-current liabilities			
Convertible bonds	*16*	**42,919**	41,635
Derivative financial liabilities	*16*	**56,382**	46,482
Lease liabilities		**5,027**	1,793
Borrowings	*17*	**21,917**	–
Deferred tax liabilities		**4,604**	5,043
Total non-current liabilities		**130,849**	94,953
Current liabilities			
Trade payables	*15*	**8,098**	7,353
Other payables and accruals		**43,794**	40,740
Lease liabilities		**4,391**	5,711
Borrowings	*17*	**139,179**	138,693
Current tax liabilities		**229**	117
Total current liabilities		**195,691**	192,614
TOTAL LIABILITIES		**326,540**	287,567
TOTAL EQUITY AND LIABILITIES		**538,426**	529,955

Notes:

1. GENERAL INFORMATION

China Biotech Services Holdings Limited and its subsidiaries are principally engaged in the provision of medical laboratory testing services and health check services in Hong Kong, provision of tumor immune cell therapy and health management services in the People's Republic of China (the "**PRC**"), provision of boron neutron capture therapy ("**BNCT**") services in the PRC, sales and distribution of health related and pharmaceutical products in the PRC and Hong Kong and provision of insurance brokerage services in Hong Kong.

The Company is a limited liability company incorporated in the Cayman Islands on 5 June 2003 and continued in Bermuda on 29 August 2013. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the address of its principal place of business in Hong Kong is Suites 1904-05A, 19/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong.

The Company is listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

This interim unaudited condensed consolidated financial information is presented in thousands of Hong Kong dollars (HK$'000), unless otherwise stated.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This interim unaudited condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 Interim Financial Reporting as issued by the Hong Kong Institute of Certified Public Accountants. This interim condensed consolidated financial information does not include all of the notes of the type normally included in annual consolidated financial statements. Accordingly, this interim condensed consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards ("**HKFRS**").

The accounting policies adopted are consistent with those of the annual consolidated financial statements for the year ended 31 December 2024, as described in those annual consolidated financial statements, except for the adoption of new and amended standards as set out below.

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Going concern basis

The Group reported a loss of approximately HK$36,753,000 during the six months ended 30 June 2025 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$159,863,000. As at 30 June 2025, the Group had total borrowings and lease liabilities of approximately HK$161,096,000 and approximately HK$9,418,000 respectively, while bank and cash balances amounted to HK$11,290,000 only. These circumstances indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

(i) The Group has been implementing operational plans to control costs and generate sufficient operating cash flows to meet its current and future obligations including streamlining business processes, optimising resources allocation, enhancing overall efficiency, reducing staff costs and negotiating price and payment terms with suppliers. The Group will continue to monitor the effectiveness of these operational measures.

(ii) The Group has been actively seeking alternative financing and borrowings to meet its existing financial obligations and future operating and capital expenditures.

(iii) The Group is actively exploring fund-raising options including but not limited to share placings and issuance of convertible bonds to strengthen equity and support the Group's growth.

(iv) The Group is actively exploring opportunities to realise the financial assets at fair value through other comprehensive income to reallocate resources for supporting the Group's operation and growth.

The Directors of the Company have reviewed the Group's cash flow projections prepared by management for not less than twelve months from 30 June 2025. The directors of the Company are of the opinion that, taking into account the above-mentioned plan and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2025. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare these interim condensed consolidated financial statements on a going concern basis.

However, material uncertainties exist as to whether the Group will be able to continue as a going concern which would depend upon the successful securing of alternative financing and borrowings.

Should the Group fail to achieve the above-mentioned plans and measures, it may be unable to operate as a going concern in the foreseeable future, adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect of these adjustments has not been reflected in these interim condensed consolidated financial statements.

3. REVENUE

Disaggregation of revenue from contracts with customers by major products or services line for the period is as follows:

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
Recognised at a point in time		
Provision of medical laboratory testing services and health check services	**16,164**	19,729
Provision of insurance brokerage services	**22,640**	12,255
Sale and distribution of health related and pharmaceutical products and other services	**–**	437
Provision of logistic services	**68**	28
	38,872	32,449

4. SEGMENT INFORMATION

The Group has five operating segments as follows:

Medical and health related services	–	provision of medical laboratory testing services and health check services
Immunotherapy	–	provision of tumor immune cell therapy and health management services
BNCT	–	provision of boron neutron capture therapy services
Insurance brokerage	–	insurance brokerage services
Pharmaceutical products	–	sale and distribution of health related and pharmaceutical products
Others	–	provision of logistic services

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The Group's other operating segment includes provision of logistics services, which does not meet any of the quantitative thresholds for determining reportable segments. The information of this operating segment is included in the 'others' column.

Segment profits or losses do not include other income and gain/(losses) excluding loss on disposal of property, plant and equipment, loss on written-off of property, plant and equipment and compensation income, unallocated administrative expenses, fair value (loss)/gain on derivative financial instruments, finance costs and income tax credit. Segment assets do not include the unallocated bank and cash balances, tax recoverable and financial assets at fair value through other comprehensive income. Segment liabilities do not include borrowings, current and deferred tax liabilities, convertible bonds and derivative financial liabilities.

For the six months ended 30 June 2025

	Unaudited						
	Medical and health related services *HK$'000*	Immunotherapy *HK$'000*	BNCT *HK$'000*	Insurance brokerage *HK$'000*	Pharmaceutical products *HK$'000*	Others *HK$'000*	Total *HK$'000*
Revenue from external customers	**16,164**	**–**	**–**	**22,640**	**–**	**68**	**38,872**
Segment (loss)/profit	**(14,788)**	**(13,118)**	**8,776**	**1,870**	**(720)**	**(340)**	**(18,320)**
Other income and gains, net							**8,033**
Finance costs							**(12,536)**
Fair value loss on derivative financial instruments							**(5,315)**
Unallocated corporate expenses							**(9,021)**
Loss before tax							**(37,159)**
Income tax credit							**406**
Loss for the period							**(36,753)**

For the six months ended 30 June 2024

	Unaudited						
	Medical and health related services *HK$'000*	Immunotherapy *HK$'000*	BNCT *HK$'000*	Insurance brokerage *HK$'000*	Pharmaceutical products *HK$'000*	Others *HK$'000*	Total *HK$'000*
Revenue from external customers	19,729	–	–	12,255	437	28	32,449
Segment (loss)/profit	(71,707)	(25,206)	(3,147)	(62)	(485)	(342)	(100,949)
Other income and losses, net							(10,450)
Finance costs							(4,686)
Fair value gain on derivative financial instruments							3,016
Unallocated corporate expenses							(13,189)
Loss before tax							(126,258)
Income tax credit							527
Loss for the period							(125,731)

Segment assets and liabilities

As at 30 June 2025

	Unaudited						
	Medical and health related services *HK$'000*	**Immunotherapy** *HK$'000*	**BNCT** *HK$'000*	**Insurance brokerage** *HK$'000*	**Pharmaceutical products** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*
Segment assets	**23,205**	**140,883**	**302,622**	**12,077**	**549**	**50**	**479,386**
Unallocated corporate assets							**59,040**
Total assets							**538,426**
Segment liabilities	**23,994**	**6,929**	**13,568**	**4,631**	**235**	**180**	**49,537**
Unallocated corporate liabilities							**277,003**
Total liabilities							**326,540**

As at 31 December 2024

	Audited						
	Medical and health related services *HK$'000*	Immunotherapy *HK$'000*	BNCT *HK$'000*	Insurance brokerage *HK$'000*	Pharmaceutical products *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment assets	26,525	137,127	272,889	10,310	887	34	447,772
Unallocated corporate assets							82,183
Total assets							529,955
Segment liabilities	15,827	3,510	18,050	1,803	20	122	39,332
Unallocated corporate liabilities							248,235
Total liabilities							287,567

Other segment information

For the six months ended 30 June 2025

	Unaudited						
	Medical and health related services *HK$'000*	**Immunotherapy** *HK$'000*	**BNCT** *HK$'000*	**Insurance brokerage** *HK$'000*	**Pharmaceutical products** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*
Capital expenditures	**8**	**–**	**22,692**	**–**	**–**	**–**	**22,700**
Amortisation of intangible assets	**–**	**4,005**	**–**	**–**	**–**	**–**	**4,005**
Depreciation of property, plant and equipment	**988**	**186**	**11**	**–**	**–**	**4**	**1,189**
Depreciation of right-of-use assets	**101**	**496**	**229**	**126**	**–**	**–**	**952**
Written-down of inventories	**–**	**–**	**–**	**–**	**194**	**–**	**194**
Impairment loss on right-of-use assets	**3,524**	**–**	**–**	**–**	**–**	**–**	**3,524**
Reversal of provision for impairment on financial assets, net	**(27)**	**–**	**–**	**–**	**–**	**–**	**(27)**

For the six months ended 30 June 2024

	Unaudited						
	Medical and health related services *HK$'000*	Immunotherapy *HK$'000*	BNCT *HK$'000*	Insurance brokerage *HK$'000*	Pharmaceutical products *HK$'000*	Others *HK$'000*	Total *HK$'000*
Capital expenditures	739	–	161,074	–	–	–	161,813
Amortisation of intangible assets	–	4,036	–	–	–	–	4,036
Depreciation of property, plant and equipment	4,030	633	–	–	17	16	4,696
Depreciation of right-of-use assets	642	499	123	66	1,527	–	2,857
Provision for impairment on financial assets, net	708	–	–	–	–	–	708
Write-down of inventories	5,089	–	–	–	–	–	5,089
Written-off of property, plant and equipment	15,901	–	–	–	–	–	15,901

5. OTHER INCOME AND GAINS/(LOSSES), NET

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest income	**11**	441
Sundry income	**1,407**	1,408
Government grants	**39**	205
Compensation income *(Note)*	**13,695**	–
Loss on disposal of property, plant and equipment	**–**	(109)
Loss on written-off of property, plant and equipment	**–**	(15,901)
Exchange gain/(losses), net	**6,576**	(12,504)
	21,728	(26,460)

Note:

The amount of HK$13,695,000 represents insurance claim in relation to the damages to construction site in Hainan by a rainstorm happened in 2024.

6. FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank borrowings	**523**	814
Interest on other borrowings	**4,191**	1,115
Interest on loans from a controlling shareholder	**1,291**	205
Interest on convertible bonds and put option liability	**6,294**	2,158
Interest on lease liabilities	**237**	394
	12,536	4,686

7. LOSS BEFORE TAX

Loss before tax is stated after charging/(crediting) the following:

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Amortisation of intangible assets	**4,005**	4,036
Cost of inventories sold	**23,217**	19,411
Depreciation of property, plant and equipment	**1,189**	4,696
Depreciation of right-of-use assets	**2,123**	4,172
Loss on disposal of property, plant and equipment	**–**	109
(Reversal of)/provision for impairment on financial assets, net	**(27)**	708
Write-down of inventories (included in cost of sales)	**194**	5,089
Written-off of property, plant and equipment	**–**	15,901
Impairment loss on right-of-use assets	**3,524**	–
Research and development cost	**5,965**	17,593
Operating lease charges		
– Office premises and warehouses	**546**	559
Staff costs (including Directors' remuneration)		
– Salaries, bonuses and allowances	**25,021**	38,985
– Equity-settled share-based payment	**–**	304
– Retirement benefits scheme contributions	**981**	1,181

8. INCOME TAX CREDIT

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax		
– Hong Kong Profits Tax	**(195)**	(78)
Deferred income tax	**601**	605
	406	527

9. DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: same).

10. LOSS PER SHARE

Basic and diluted loss per share are calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares during the six months ended 30 June 2025 and 2024.

	For the six months ended 30 June	
	2025	2024
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**975,731**	963,231

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company (HK$'000)	**(32,006)**	(79,917)
Basic and diluted loss per share (HK$)	**(0.033)**	(0.083)

The calculation of the diluted loss per share did not assume the conversion of convertible bonds nor exercise of share options as their inclusion would be anti-dilutive for the six months ended 30 June 2025 and 2024.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, major additions to property, plant and equipment was construction in progress amounted to HK$22,692,000.

12. GOODWILL

	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost		
At 1 January	**133,543**	136,830
Exchange differences	**3,331**	(2,389)
At 30 June	**136,874**	134,441
Accumulated impairment		
At 1 January and 30 June	**29,649**	29,649
Carrying amount		
At 30 June	**107,225**	104,792

13. INTANGIBLE ASSETS

	Customer relationship	**Brand name**	**Patents**	**Non-competition agreement**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30 June 2024 (Unaudited)					
Opening net book amount	–	13,374	42,946	1,324	57,644
Amortisation charge	–	–	(4,036)	–	(4,036)
Exchange differences	–	–	(985)	–	(985)
Closing net book amount	–	13,374	37,925	1,324	52,623
Six months ended 30 June 2025 (Unaudited)					
Opening net book amount	**–**	**–**	**33,620**	**1,324**	**34,944**
Amoritisation charge	**–**	**–**	**(4,005)**	**–**	**(4,005)**
Exchange differences	**–**	**–**	**1,074**	**–**	**1,074**
Closing net book amount	**–**	**–**	**30,689**	**1,324**	**32,013**

14. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**12,054**	11,126
Less: Loss allowance	**(4,066)**	(4,093)
Trade receivable, net	**7,988**	7,033
Rental and other deposits *(Note)*	**56,799**	51,822
Other receivables	**8,246**	14,012
Prepayment	**3,490**	1,991
Others	**24**	14
	68,559	67,839
Total trade and other receivables, deposits and prepayment	**76,547**	74,872
Analysed as:		
Current assets	**21,988**	25,416
Non-current assets	**54,559**	49,456
	76,547	74,872

Note: Included in rental and other deposits, amount of HK$54,559,000 (equivalent to Japanese Yen 1,000,000,000) (31 December 2024: HK$49,456,000 (equivalent to Japanese Yen 1,000,000,000) represented deposit paid to a pharmaceutical company in Japan in relation to the purchase of BNCT drug for the use in BNCT cancer treatment centre in Hainan.

The aging analysis of trade receivables based on the invoice date, and net of allowance, is as follows:

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 90 days	**7,774**	6,447
91 to 180 days	**175**	510
181 to 365 days	**39**	68
Over 365 days	**–**	8
	7,988	7,033

15. TRADE PAYABLES

The aging analysis of trade payables based on invoice date, is as follows:

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 90 days	**4,440**	4,883
91 to 180 days	**1,278**	1,549
181 to 365 days	**1,610**	166
Over 365 days	**770**	755
	8,098	7,353

16. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL LIABILITIES

a. Convertible bonds

On 27 December 2024, the Company issued convertible bonds ("**2024 Convertible Bonds**") in the aggregate principal of US$6,000,000 (equivalent to approximately HK$47,100,000), which shall be settled by the way of set-off on a dollar-to-dollar basis against the principal amount of US$6,000,000 of the 2022 Convertible Bonds. The 2024 Convertible Bonds are convertible at the option of the bondholders into ordinary shares at the initial conversion price of HK$1.20 per conversion share (subject to adjustments pursuant to the terms and conditions of the 2024 Convertible Bonds, if any) and at the exchange rate of HK$7.85 to US$1.00, and on this basis a maximum number of 39,250,000 conversion shares of the Company will be allotted and issued upon exercise of the conversion rights attached to the 2024 Convertible Bonds in full assuming there is no adjustment to the conversion price. The 2024 Convertible Bonds carry interest at a rate of 8.25% per annum, which is payable half-yearly in arrears on 20 June and 20 December. The maturity date is two years from issue date. The 2024 Convertible Bonds are guaranteed by one of the Company's subsidiaries, 鵬博(海南)硼中子醫療科技有限公司 (Pengbo (Hainan) Medical Technology Co., Ltd) ("**Pengbo (Hainan)**").

The convertible bond comprised of liability component and derivative component. As at 30 June 2025, the liability component of the convertible bond was HK$42,919,000 (31 December 2024: HK$41,635,000) and the fair value of the derivative component was HK$11,317,000 (31 December 2024: HK$6,002,000).

The interest charged for the six months ended 30 June 2025 was calculated by applying an effective interest rate of 15.0% (six months ended 30 June 2024: 8.62%) to the liability component.

The derivative financial assets and derivative financial liabilities are embedded in the convertible bonds, which is the call option and the conversion option respectively. Each derivative component is measured at its fair value at the date of issue and at the end of each reporting period. The fair values are estimated using Binomial Option Pricing Model (level 3 fair value measurements). The key assumptions used are as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Weighted average share price (HK$)	**0.71**	0.51
Weighted average exercise price (HK$)	**1.20**	1.20
Expected volatility	**118.01%**	95.55%
Expected life	**1.49**	1.99
Risk free rate	**1.68%**	3.29%
Expected dividend yield	**Nil**	Nil

b. **Written put option liability**

On 8 December 2023, the Company, 上海隆耀生物科技有限公司 (Shanghai Longyao Biotech Company Limited) ("**Shanghai Longyao**") and 宜興環科園產發股權投資合夥企業(有限合夥) (in English, for identification purpose only, Yixing Huanke Product Development Equity Investment Enterprise (Limited Partnership) (the "**Yixing Huanke**") entered into a capital injection agreement (the "**Capital Injection Agreement**"), pursuant to which, the Yixing Huanke had agreed to acquire approximately 5.35% effective shareholding in Shanghai Longyao through capital injection to Shanghai Longyao in the amount of RMB48,000,000. Upon the completion of the capital injection, Shanghai Longyao remains as a subsidiary of the Group.

As part of the Capital Injection Agreement, Yixing Huanke was granted a put option ("**Put Option**"), whereby Yixing Huanke can request the Shanghai Longyao to repurchase all Yixing Huanke's equity interest in Shanghai Longyao at its discretion under certain conditions at an exercise price of RMB48,000,000 (equivalent to approximately HK$51,337,000) plus 6.0% interest per annum. The capital injection was completed on 24 January 2024. As a result of this transaction, a put option liability of approximately RMB33,383,000 (equivalent to approximately HK$36,247,000) is recognised based on the present value of the exercise price of RMB48,000,000 plus 6% interest rate per annum, and on the assumption that the Put Option will be redeemable at 31 December 2027. As at 30 June 2025, the amount of written put option liability of HK$45,065,000 (31 December 2024: HK$40,480,000) was denominated in Renminbi ("**RMB**") and classified under non-current liabilities.

17. BORROWINGS

	30 June 2025 HK$'000 (Unaudited)	31 December 2024 HK$'000 (Audited)
Bank borrowings	**33,981**	25,981
Other borrowings	**99,041**	87,940
Loans from a controlling shareholder	**28,074**	24,772
	161,096	138,693
Analysed as:		
Current portion	**139,179**	138,693
Non-current portion	**21,917**	–
	161,096	138,693

(a) The range of interest rates of the Group's borrowings at the end of the reporting period were as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Bank borrowings	**LPR less 0.45% or 3.45% – 3.85%**	LPR less 0.45% or 3.45% – 3.85%
Other borrowings	**6% – 18%**	6% – 12%
Loans from a controlling shareholder	**10%**	10%

Bank borrowings, other borrowings and loans from a controlling shareholder of approximately HK$139,179,000 (31 December 2024: HK$125,434,000) are arranged at fixed interest rates for the six months ended 30 June 2025.

Bank borrowings of HK$21,917,000 (31 December 2024: HK$13,259,000) are arranged at floating interest rates for the six months ended 30 June 2025.

(b) The details of pledged assets and collaterals to the Group's borrowings are as follows:

As at 30 June 2025, bank borrowing of HK$21,917,000 (31 December 2024: HK$13,259,000) are secured by a charge over the Group's construction in progress amounted to HK$233,866,000 (31 December 2024: HK$203,570,000) and land use rights amounted to HK$11,799,000 (31 December 2024: HK$11,526,000) in the PRC.

Other borrowings of HK$37,394,000 (31 December 2024: HK$26,503,000) are secured by a charge over the Group's property, plant and equipment of HK$10,743,000 (31 December 2024: Nil), other receivables of HK$1,864,000 (equivalent to RMB1,700,000) (31 December 2024: HK$1,060,000 (equivalent to RMB1,000,000)), intangible assets of HK$30,689,000 (31 December 2024: HK$33,620,000) and 47% (31 December 2024: 47%) shareholding of a subsidiary of the Company.

(c) The details of loan covenants of the Group's borrowing are as follows:

Certain banking facilities of the Group are subject to the fulfillment of covenants. Some of those relating to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the related borrowings would become payable on demand. The Group has complied with the financial covenants of its borrowing facilities during the year ended 30 June 2025 (2024: same).

18. CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities.

19. RELATED PARTY TRANSACTIONS

(a) In addition to those related party transactions and balances disclosed elsewhere in the interim condensed consolidated financial statements, the Group had the following transaction with its related party during the period:

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest expenses to the controlling shareholder	**1,291**	205

(b) Remuneration of key management personnel

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Salaries, bonus and benefits	**2,580**	3,302
Equity-settled share-based payments	**–**	304
Retirement benefits scheme contributions	**9**	9
	2,589	3,615

The remuneration of key management personnel is determined by the remuneration committee of the Board with regard to the individual performance and market trends.

20. EVENT AFTER BALANCE SHEET DATE

On 11 July 2025, the Company together with Dynamic Healthcare Holdings Limited ("**Dynamic Healthcare**"), an indirect wholly-owned subsidiary of the Company and its subsidiaries (including but not limited to Pengbo (Hainan)) entered into Convertible Loan Agreement, Warrant Agreement and Investment Agreement for the subscription of shares in Dynamic Healthcare with 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)) ("**BGI Songhe**"). BGI Songhe shall advance a loan of RMB30 million to Pengbo (Hainan) and upon completion of the necessary filing with the relevant PRC government authorities in respect of overseas direct investment by PRC entities, Pengbo (Hainan) shall repay the loan of RMB30 million to BGI Songhe, which shall then subscribe for shares in Dynamic Healthcare. In effect, the loan of RMB30 million will be converted into shares in Dynamic Healthcare. 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)).

For details, please refer to the announcement of the Company dated 11 July 2025. As at the date of this announcement, Pengbo (Hainan) has successfully obtained the loan.

FINANCIAL REVIEW

During the six months ended 30 June 2025 (the "**2025 Interim Period**"), the Group is principally engaged in the provision of medical laboratory testing services and health check services in Hong Kong, provision of tumor immune cell therapy and health management services in the PRC, provision of BNCT services in the PRC, sales and distribution of health related and pharmaceutical products in the PRC and Hong Kong and provision of insurance brokerage services.

Revenue

The Group's revenue for the 2025 Interim Period increased by 19.8% to approximately HK$38.9 million, compared to approximately HK$32.4 million for the six months ended 30 June 2024 (the "**2024 Interim Period**"). The growth was driven primarily by robust growth in the insurance brokerage services segment and partially net off by a decline in medical laboratory testing and health check services segment. Revenue from the provision of medical laboratory testing and health check services decreased by 18.1% to approximately HK$16.2 million from approximately HK$19.7 million in 2024 Interim Period, mainly attributable to lower demand as public health conditions stabilised, leading to reduced demand for routine testing and preventive health checks by individuals and corporations. In contrast, the insurance brokerage services segment achieved a significant revenue increase of 84.7% to approximately HK$22.6 million from approximately HK$12.3 million, primarily driven by an expanded sales network and distribution channels, alongside a growing base of high-end customers.

Gross profit/(loss) and gross profit/(loss) margin

The Group achieved a gross profit of approximately HK$2.5 million for the 2025 Interim Period, representing a significant improvement from the gross loss of approximately HK$3.1 million recorded for the 2024 Interim Period. This positive shift resulted in a gross profit margin of approximately 6.5% for the 2025 Interim Period, compared to a gross loss margin of approximately 9.6% for the 2024 Interim Period. The enhanced performance was primarily driven by a significant reduction in inventory write-offs, which decreased from approximately HK$5.1 million in the 2024 Interim Period to approximately HK$0.2 million in the 2025 Interim Period.

Selling and distribution expenses

Selling and distribution expenses for the 2025 Interim Period were approximately HK$3.6 million, representing approximately 44.6% decrease as compared to approximately HK$6.5 million for the 2024 Interim Period. The decrease was primarily due to reduced staff costs during the 2025 Interim Period.

Administrative expenses

Administrative expenses mainly consisted of staff costs, legal and professional fees, depreciation and amortisation of intangible assets. For the 2025 Interim Period, administrative expenses were approximately HK$34.0 million, representing approximately 52.0% decrease as compared to approximately HK$70.9 million for the 2024 Interim Period, which was mainly attributable to reduced staff cost of approximately 9.5 million and one-off legal claim of approximately HK$22.0 million incurred in the 2024 Interim Period.

Research and development cost

Research and development costs for the 2025 Interim Period were approximately HK$6.0 million, representing approximately 66.1% decrease from approximately HK$17.6 million for the 2024 Interim Period. The decrease was primarily due to lower expenses in the later stages of Phase I clinical trial for tumor immune cell therapy.

Shanghai Longyao, an indirect non-wholly-owned subsidiary of the Company focused on tumor immune cell therapy in the PRC, being approved in January 2021 from China's National Medical Products Administration ("**NMPA**") to commence a Phase I clinical trial for LY007 Cellular Injection. This therapy is the PRC's first CD20-targeted autologous chimeric antigen receptor T-cell ("**CAR-T**") treatment approved for clinical trials. LY007 Cellular Injection, a Class 1 investigational new drug, incorporates Shanghai Longyao's patented OX40 costimulatory molecule to enhance T-cell activation for treating relapsed or refractory CD20-positive B-cell non-Hodgkin lymphoma ("**B-NHL**").

The Phase I clinical trial for LY007 Cellular Injection, launched in early 2022, enrolled 13 patients with B-NHL who successfully received the treatment and completed dose-limiting toxicity observation. The trial was completed in the 2025 Interim Period.

Preparations for Phase II clinical trial are in the progress as of the date of this announcement. It is expected to submit the Phase II communication and interaction of the trial by October 2025.

Finance costs

For the 2025 Interim Period, the Group's interest expenses increased to approximately HK$12.5 million from HK$4.7 million for 2024 Interim Period. The increase was mainly attributable to the finance costs arising from additional bank borrowings and other borrowings for the Group's working capital and the construction of BNCT Cancer Treatment Centre.

Loss for the period

The Group recorded a net loss attributable to owners of the Company of approximately HK$32.0 million for the 2025 Interim Period, representing a 60.0% decrease compared to approximately HK$79.9 million for 2024 Interim Period. The significant improvement in operating performance is mainly attributable to an enhanced gross profit margin, reduced administrative expenses resulting from successful implementation of costs control measures and receiving an insurance claim as compensation income of approximately HK$13.7 million in relation to the damages to construction site in Hainan by a rainstorm happened in 2024.

BUSINESS REVIEW

Pengbo (Hainan):

Strategic Financing on Pengbo (Hainan) – laying a solid foundation for development

On 11 July 2025, Convertible Loan Agreement, Warrant Agreement and Investment Agreement were entered into in relation to the RMB30 million investment in Dynamic Healthcare, an indirect wholly owned subsidiary of the Company and Pengbo (Hainan) by BGI Songhe. Details refer to note 20 "Event after Balance Sheet Date" to the unaudited condensed consolidated financial statements.

Opening a BNCT Cancel Treatment Center as a new era of precision cancer treatment

Pengbo (Hainan), an indirect wholly owned subsidiary of the Company, entered into a site admission and investment agreement with the Hainan Boao Lecheng International Medical Tourism Pilot Zone Administration (the "**Administration**") in February 2022. Pursuant to the agreement, Pengbo (Hainan) has committed to build and operate a cancer treatment center (the "**BNCT Cancer Treatment Centre**") by adoption of the accelerator-based BNCT system (the "**BNCT System**") covering the cyclotron accelerator, dose calculation program and related medical device for BNCT cancer treatment to be procured and supplied by Sumitomo Heavy Industries, Ltd ("**Sumitomo**").

BNCT is an innovative and highly precise radiotherapeutic modality that selectively targets tumor cells while sparing healthy tissue, thereby minimising side effects and enhancing patient quality of life. Clinical evidence demonstrates BNCT's efficacy in treating refractory and recurrent malignancies, including glioblastoma, head and neck cancers, melanoma, and osteosarcoma, with reported response rates between 70-80% (Zhang et al., 2023).

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 the commencement at the BNCT Cancer Treatment Centre.

In 2022, the BNCT Cancer Treatment Centre was granted a 醫療機構執業許可證 (in English, for identification purpose only, the Practice License of Medical Institution) by the Administration for a term of five years until December 2027. The Company obtained the approval by Hainan Provincial Medical Products Administration for the import of BNCT medical devices.

The BNCT Cancer Treatment Centre is being built in Hainan Boao Lecheng Pilot Zone of International Medical Tourism of Hainan Free Trade Port (the "**Boao Lecheng Pilot Zone**"). The construction works of the BNCT Cancer Treatment Centre began in November 2022 and structural construction of the facility was completed in 2024. Installation of the BNCT System and its peripheral parts were started in May 2024. The BNCT Cancer Treatment Centre is targeted to open and commence operation by the end of 2025.

As a pioneer in the application of BNCT technology in the world, Pengbo (Hainan) achieved entire-chain breakthroughs including BNCT is reputed as the benchmark of "anti-cancer technology". It has joined the International Nuclear Medicine Alliance (國際核醫療聯盟) to further promote global nuclear medicine collaboration. It has officially obtained the right to host the Global YBNCT (Young BNCT) Conference 2025.

Sales and production of BNCT drug, STEBORONINE®:

In May 2025, the Company, Pengbo (Hainan), and STELLA PHARMA CORPORATION signed a memorandum of understanding to further expand their collaboration in China on the BNCT drug STEBORONINE® and to strengthen the Company's presence in the BNCT industry. This collaboration builds upon the construction of the BNCT Cancer Treatment Centre in the Boao Lecheng Pilot Zone, PRC, introducing boron drugs for BNCT implementation and commercialisation.

The parties will jointly pursue NMPA approval for STEBORONINE®, facilitate its import from Japan under the Hainan Preferential Policy, and support its launch in China, specifically for application at the BNCT Cancer Treatment Centre. STELLA PHARMA CORPORATION will transfer manufacturing technology for STEBORONINE® 9000 mg/300 mL for infusion (the "**Licensed Product**") formulations and grant its exclusive rights of license to manufacture and sell the Licensed Product in the PRC to the Company.

Furthermore, plans are underway to localise production through additional licensing cooperation, enabling large-scale manufacture and sales of Licensed Product. This initiative will accelerate the Group's upstream development in the BNCT industry, enhance its future competitiveness, and promote wider adoption of BNCT cancer treatment across multiple cities in the PRC.

Cooperation with insurance company on BNCT Medical Insurance Product

The Company, AXA China Region Insurance Company (Bermuda) Ltd, and reinsurance companies have collaborated to develop a comprehensive medical insurance product covering BNCT cancer treatment costs and related services. This cooperation aims to enhance public awareness and develop an inclusive medical insurance product covering BNCT cancer treatment costs and related services, and improve its accessibility through inclusive insurance coverage by reducing the financial burden of BNCT therapy for patients.

Inter-Hospital Patient Referral

The Group has entered into cooperation partnership with several hospitals in the PRC, including Huashan Hospital affiliated to Fudan University, Shanghai, Jinshazhou Hospital of Guangzhou University of Chinese Medicine and Peking University Shenzhen Hospital, for cancer patients referral to the BNCT Cancer Treatment Centre. These collaborations aim to enhance public awareness and improve accessibility of BNCT therapy.

Shanghai Longyao:

The research and development of innovative CAR-T drugs leads the revolution in blood tumor treatment

Status:

Shanghai Longyao has launched China's first clinically approved CD20-targeted CAR-T therapy, LY007 Cellular Injection, designed for relapsed or refractory CD20-positive B-NHL. It relies on fully proprietary technologies including a CD20-targeted pipeline, the OX40 stimulatory signaling platform, and universal CAR-T technology.

In January 2021, Shanghai Longyao received approval from the NMPA to initiate the Phase I clinical trial of LY007 Cellular Injection, a Class 1 investigational new drug. This innovative therapy integrates Shanghai Longyao's patented novel structural design with the OX40 costimulatory molecule to enhance T-cell activation, aiming to improve outcomes in relapsed or refractory CD20-positive B-NHL patients.

The Phase I clinical trial, with a total of 13 individuals with B-NHL undergoing reinfusion of LY007 Cellular Injection across low, medium and high dose group, has been completed successfully. The preparation work for Phase II clinical trial has been initiated and the Phase II clinical trial is expected to commence in late 2025.

Large B-cell lymphoma (LBCL), a prevalent subtype of B-NHL, responds well to standard immunochemotherapy, yet about 40% of patients still face relapse or refractory disease post first-line treatment. The Phase I study focused on evaluating LY007's safety and tolerability, offering hope for a novel therapeutic option to address this unmet medical need in LBCL.

Technological breakthroughs:

Breakthrough clinical data for the LY007 Cellular Injection, a CD20-targeted CAR-T product, were consecutively released on international conferences. Authoritative experts such as Professor Zhao Weili and Professor Li Jianyong published papers, bringing new hope of cure to patients with relapsed/refractory large B-cell lymphoma (R/R LBCL).

Global layout:

Clinical trial results for tumor immune cell therapy services – presented in international conference

The progress results of the Phase I clinical study evaluating LY007 Cellular Injection, has demonstrated promising progress. The Phase I clinical study findings were presented at prestigious US oncology and hematology forums, including the 2024 American Society of Clinical Oncology (ASCO) Annual Meeting and the 66th Annual Congress of the American Society of Hematology (ASH). Building on this momentum, the Company was invited in 2025 to share its latest clinical trial results at the 18th International Conference on Malignant Lymphoma (ICML) held in Lugano, Switzerland, and the 30th European Hematology Association (EHA) Congress in Milan, Italy. This progress marks Shanghai Longyao's innovative advancement onto the global stage and reflects its growing international recognition.

OUTLOOK

The Hong Kong economy grew steadily in the first half of 2025, driven primarily by strong export growth. However, private consumption experienced a slight decline, reflecting ongoing changes in residents' spending patterns. The Group is well positioned to expand its traditional medical laboratory and health check services into public health screening for the Hong Kong community.

Medical Laboratory Testing and Health Check Services

Despite increased competition in the medical laboratory testing and health check services sector, the Group has upgraded its laboratories to improve efficiency and capacity. In 2024, the Group completed the installation of Hong Kong's first customized virtual biochemical immune simulation systems, Abbott GLP systems Track, in private medical laboratory. This system is an innovative comprehensive laboratory automation system that includes analyzers, automation track, and informatics. It reduces report turnaround time, increases testing volume, processes samples in a fully enclosed environment, frees up manpower, minimizes human error, and supports future industry developments.

The Hong Kong Government's established the Hong Kong FDA to attract pharmaceutical companies for clinical trials. In response, the Group quickly partnered with multiple organizations to prepare for offering contract research services to both local and overseas pharma clients. The Group collaborates with the government, medical experts, and non-profits organizations, and other institutions to enter markets such as early screening markets for colorectal cancer and HPV DNA testing. Additionally, it participates in government vaccine programs and provides on-site vaccinations services for schools.

The Group continues to expand its range of medical laboratory testing and health check services, maintaining high-quality diagnostics across Hong Kong. With growing public health awareness, an aging population, increasing demand for private medical services, and more life insurance policies, the Group anticipates continued growth in demand for health checks and related medical services.

Blood Tumor Treatment: CAR-T drugs

Over the past years, the Group has continued developing its anti-tumor cell therapy products, completing the Phase I clinical trail of its CAR-T drug. It has launched China's first clinically approved CD20-targeted CAR-T therapy, LY007 Cellular Injection, designed for relapsed or refractory CD20-positive B-NHL. It relies on fully proprietary technologies including a CD20-targeted pipeline, the OX40 stimulatory signaling platform, and universal CAR-T technology.

Starting from June 2024, the progress results of Phase I clinical study of LY700 Cellular Injection have been presented at multiple international oncology and hematology conferences.

The Group will endeavor to make significant progress in the commercialization phase by accelerating the advancement of CAR-T products. It plans to promote LY007 Cellular Injection into domestic Phase II clinical trials and pursue commercialization partnerships, including patent expansion overseas. The preparation work for Phase II clinical trial has been initiated and the Phase II clinical trial is expected to commence in late 2025.

Cancer Treatment: BNCT technology

The Group has entered into agreements to acquire BNCT equipment, drugs, and related services from Sumitomo and STELLA PHARMA CORPORATION. It aims to become the first service provider offering BNCT cancer treatment to patients in the Greater China region, targeting patients with unresectable, locally advanced, or locally recurrent head and neck cancers across Mainland China, Hong Kong, and Macau.

The Group is committed to advancing commercialization by ensuring the BNCT Cancer Treatment Centre opens by the end of 2025. Leveraging supportive policies in the Boao Lecheng Pilot Zone and the BNCT Cancer Treatment Centre as a showcase, the Group aims to build a network of BNCT cancer treatment centres across PRC, develop franchise hospitals, and create a new revenue stream from BNCT equipment sales and related services.

Deepening Industry Academia Research Integration

Pengbo (Hainan) will collaborate with leading hospitals including Huashan Hospital (Shanghai), Jinshazhou Hospital of Guangzhou University of Chinese Medicine, the radiation therapy center of Foshan Fosun Chancheng Hospital, and Peking University Shenzhen Hospital to explore a new "integrated diagnosis and treatment." model for BNCT.

Cooperation on BNCT Medical Insurance Product and Inter-Hospital Patient Referral

The Group is also strengthening cooperation with direct insurer and reinsurance companies likes AXA China Region Insurance Company (Bermuda) Ltd. to develop an inclusive medical insurance product covering BNCT cancer treatment costs and related services. In addition, the Group has entered into cooperation partnership with several hospitals in the PRC, including Huashan Hospital affiliated to Fudan University, Shanghai, Jinshazhou Hospital of Guangzhou University of Chinese Medicine and Peking University Shenzhen Hospital, for cancer patients referral to the BNCT Cancer Treatment Centre. These collaborations aim to enhance public awareness, improve accessibility and reduce the financial burden of BNCT therapy for patients.

BNCT is an innovative and highly precise radiotherapeutic modality that selectively targets tumor cells while sparing healthy tissue, thereby minimising side effects and enhancing patient quality of life. Clinical evidence demonstrates BNCT's efficacy in treating refractory and recurrent malignancies, including glioblastoma, head and neck cancers, melanoma, and osteosarcoma, with reported response rates between 70-80% (Zhang et al., 2023). The treatment offered significant advantages in patient convenience and healthcare resource utilisation. Establishing a BNCT Treatment Center positions the facility at the forefront of cutting-edge oncologic care, enabling increased patient throughput and attracting referrals for otherwise hard-to-treat cancers, thereby providing a distinct competitive advantage in the evolving cancer treatment landscape.

Looking ahead, the coming years will be pivotal for the Company's growth as its two primary cancer treatment platforms achieve key milestones amid emerging opportunities and challenges. Supported by favorable policies, technological advancements, and growing market demand, the Group remains committed to foster collaboration with an open mindset and pursuing steady growth. This strategic approach aims to advance its cancer treatment platforms and establish the Company as a global leader in biotechnology services.

EVENT AFTER THE REPORTING PERIOD

Details of the Group's events after the reporting period are set out in note 20 "Event after Balance Sheet Date" to the unaudited condensed consolidated financial statements.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has financed its operations and capital expenditures requirements through internal generated resources, and banks and other borrowings.

Liquidity and Financial Resources

As at 30 June 2025, the Group held cash and bank balances of approximately HK$11,290,000 (31 December 2024: HK$18,913,000), all were principally denominated in Renminbi and Hong Kong dollars. The decrease in cash and bank is mainly due to uses for operational businesses of the Group and the construction of BNCT Cancer Treatment Centre in Hainan.

As at 30 June 2025, the Group had outstanding convertible bonds of approximately HK$42,919,000 (31 December 2024: HK$41,635,000) which carried a fixed interest rate of 8.25% (31 December 2024: 8.25%) per annum and is repayable on 27 December 2026, and guaranteed by a subsidiary of the Company.

As at 30 June 2025, the Group had (i) secured bank borrowings of approximately HK$21,917,000 (31 December 2024: HK$13,259,000), which carried a floating interest rate (i.e. loan prime rate for 5-year) (31 December 2024: same) and is repayable within eight years and jointly guaranteed by Mr. Liu Xiaolin, the chairman and executive director of the Company; and (ii) unsecured bank borrowings of approximately HK$12,064,000 (31 December 2024: HK$12,722,000), which is guaranteed by the Company and is repayable within one year.

As at 30 June 2025, the Group had loan from controlling shareholder of approximately HK$28,074,000 (31 December 2024: HK$24,772,000) which carried a fixed interest of 10% per annum and is repayable within one year.

As at 30 June 2025, the Group had secured other borrowings from a non-financial institution of approximately HK$31,394,000 (31 December 2024: HK$26,503,000), which carried a fixed interest rate at 6% per annum and are repayable within one year (31 December 2024: same) and a secured other borrowing from a financial institution of HK$6,000,000 (31 December 2024: Nil), which carried a fixed interest rate at 18% per annum and is repayable within one year.

As at 30 June 2025, the Group had unsecured other borrowings of approximately HK$61,647,000 (31 December 2024: HK$61,437,000), which carried interest ranging from 8.25% to 12% per annum and is repayable within one year (31 December 2024: interest ranging from 8.25% to 12% per annum are repayable within one year).

The increase in the bank and other borrowings were mainly due to the use of additional borrowings by the Group for general working capital and for the development of the BNCT Cancer Treatment Centre.

Gearing ratio

As at 30 June 2025, total assets of the Group were approximately HK$538,426,000 (31 December 2024: HK$529,955,000), whereas total liabilities were approximately HK$326,540,000 (31 December 2024: HK$287,567,000). The gearing ratio of the Group, calculated as total liabilities over total assets, was approximately 60.6% (31 December 2024: 54.3%). Current ratio (defined as total current assets divided by total current liabilities) was 0.18 times (31 December 2024: 0.33 times).

Capital Structure

As at 30 June 2025, the total issued share capital of the Company was HK$97,573,000 (31 December 2024: HK$97,573,000) divided into 975,731,150 (31 December 2024: 975,731,150) ordinary shares of HK$0.10 each.

Fortstone International (Hong Kong) Limited ("**Fortstone**"), an indirect non-wholly owned subsidiary of the Company, is a holder of insurance broker company licence under the Insurance Ordinance. As an insurance brokerage company, Fortstone is subject to capital and net assets requirements under the Insurance Ordinance. Fortstone shall maintain a minimum net assets value and a minimum paid up share capital of HK$500,000 at all times. Fortstone oversees its compliance with the capital and net assets requirement by monitoring Fortstone's liquid asset and ranking liabilities at all times to ensure they are well above the minimum required level (i.e. HK$500,000). Fortstone had been in full compliance with capital and net assets requirement during the 2025 Interim Period.

CAPITAL COMMITMENTS

The Group had capital commitments as follows:

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Property, plant and equipment	**153,210**	122,560

PLEDGED ASSETS

As at 30 June 2025, the Group have no restricted bank deposits (31 December 2024: HK$14,715,000). As at 31 December 2024, the restricted bank deposits denominated in JPY amounting to approximately HK$14,715,000 (equivalent to JPY300,225,000) represented deposits pledged to a bank to secure issuance of an irrevocable letter of credit to the BNCT system supplier, Sumitomo.

As at 30 June 2025, the Group had secured bank borrowings of approximately HK$21,917,000 (31 December 2024: HK$13,259,000), which were secured by a mortgage of Pengbo (Hainan)'s land use rights amounted to HK$11,799,000 (31 December 2024: HK$11,526,000) and the construction-in-progress of the leasehold land of the BNCT Cancer Treatment Centre in the Boao Lecheng Pilot Zone amounted to HK$233,866,000 (31 December 2024: HK$203,570,000) and a joint and several liability guarantee provided by Mr. Liu Xiaolin, the chairman and an executive director of the Company (31 December 2024: same) in favour of banking facilities of RMB50,000,000.

As at 30 June 2025, the Group had bank borrowings of approximately HK$4,387,000 (equivalent to approximately RMB4,000,000), which was guaranteed by the Company (31 December 2024: HK$5,301,000 (equivalent to approximately RMB5,000,000)).

As at 30 June 2025, the Group had other borrowings of HK$15,459,000 are secured by a charge over the Group's property, plant and equipment of HK$10,743,000, other receivables of HK$1,864,000 and intangible assets of HK$30,689,000. As at 31 December 2024, the Group had other borrowings of HK$5,301,000 are secured by a charge over the Group's other receivables of HK$1,060,000 and intangible assets of HK$33,620,000).

As at 30 June 2025, the Group had other borrowings of approximately HK$21,935,000 (31 December 2024: HK$21,202,000), which was secured by 47% shareholding of a subsidiary of the Company and guaranteed by the Company and Mr. Liu Xiaolin, the chairman and executive director of the Company (31 December 2024: same).

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities.

FOREIGN EXCHANGE AND INTEREST RATE EXPOSURE

During the 2025 Interim Period, the business activities of the Group were mainly denominated in Hong Kong dollars and Renminbi. When appropriate and at times of interest rate or exchange rate uncertainties or volatility, hedging instruments including interest rate swaps and foreign currency forwards contract will be used by the Group in the management of exposure affecting interest rates and foreign exchange rate fluctuations as appropriate.

SIGNIFICANT INVESTMENT HELD AND PERFORMANCE

As at 30 June 2025 the Group's financial assets at fair value through other comprehensive income amounted to approximately HK$43,703,000 (31 December 2024: HK$43,229,000) including an investment in unlisted equity securities. It mainly consisted an investment in Pillar Biosciences, Inc. and Zhengu Dianostics Holdings Limited (together "**Pillar**"), which represented 8.12% (31 December 2024: 8.16%) of the total asset of the Group as at 30 June 2025. Pillar is a precision testing company for cancer based in Boston, Massachusetts, the United States of America and Shanghai, the PRC. In 2023, Pillar Biosciences, Inc. spun off its Chinese business to Zhengu Diagnostics Holdings Limited.

As at 30 June 2025, the Group held approximately 3.01% (31 December 2024: 3.01%) of equity interest of Pillar with fair value of approximately HK$43,703,000 (31 December 2024: approximately HK$43,229,000) and at an initial investment costs of approximately HK$39,208,000.

Based on the latest unaudited financial statements of Pillar US for the year ended 31 December 2024, it recorded an unaudited loss of approximately US$17 million. No dividend income was received from Pillar for the 2025 Interim Period.

As part of the strategic cooperation between the Group and Pillar, a company has been set up by the parties in Hong Kong, namely Asia Molecular Diagnostic Laboratory Limited. Asia Molecular Diagnostic Laboratory Limited has established a high-standard molecular biology laboratory at the Hong Kong Science and Technology Park and has been providing NGS precision cancer diagnostic services in Hong Kong. The Group believes that the investment in Pillar will create synergies with the Group's medical laboratory testing services and heath check services.

The Group did not hold any other significant investment with a market value that account for more than 5% of the Group's unaudited total assets as at 30 June 2025.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES

There was no material acquisitions and disposal of subsidiaries and associated companies during the 2025 Interim Period.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had a total of 133 (30 June 2024: 142) full time employees which were located in the PRC and Hong Kong.

The Group remunerates its employees based on their performance, experience and the prevailing market condition. Performance bonuses are also granted on a discretionary basis. Other employee benefits include mandatory provident fund scheme, local municipal government retirement scheme, insurance and medical coverage, training (including internal training on the Group's policies and procedures, and paid external training organised by third parties), participation in the Share Option Scheme and Share Award Scheme to provide further incentive and rewards to eligible participants who contribute to the success of the Group.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on 6 June 2024 for the purpose of enabling the Group to grant share options to selected participants as incentives or rewards for their contribution to promote the development and success of the business of the Group. Details of the Share Option Scheme have been set out in the Company's 2024 Annual Report. For the six months ended 30 June 2025 and up to the date of this announcement, no share options were granted under the Share Option Scheme.

SHARE AWARD SCHEME

The Company adopted a share award scheme (the "**Share Award Scheme**") on 18 August 2021 for the purpose of enabling the Group to award shares to selected participants as incentives or rewards for their contribution to the Group. Details of the Share Award Scheme have been set out in the Company's 2024 Annual Report. For the six months ended 30 June 2025 and up to the date of this announcement, the trustee of the Share Award Scheme did not subscribe for any new shares of the Company, receive any existing shares of the Company from any shareholder of the Company or purchase any shares of the Company on the market and no shares were awarded by the Company under the Share Award Scheme.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Saved for the Share Option Scheme and the Share Award Scheme, during the 2025 Interim Period and at the end of the 2025 Interim Period, the Company, its holding company, or any of its subsidiaries or fellow subsidiaries had not been and was not a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive right under the Company's bye-laws and there was no restriction against such rights under the laws of Bermuda.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the 2025 Interim Period.

COMPLIANCE WITH CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms not less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with all Directors, the Company confirmed that all Directors have complied with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the 2025 Interim Period and there is no incident of non-compliance.

CORPORATE GOVERNANCE PRACTICES

The Board believes that corporate governance is essential to the success of the Company. The Board is committed to maintaining corporate governance with high standard and ensuring compliance of the legal and regulatory requirements. The Company has put in place governance practices with emphasis on the integrity, quality of disclosures, transparency and accountability for the shareholders of the Company.

Throughout the 2025 Interim Period, the Company has complied with the code provisions in the Corporate Governance Code as set out in Part 2 of Appendix C1 to the GEM Listing Rules.

COMPETING INTEREST

None of the Directors, the controlling shareholders of the Company nor their respective associates had any interest in a business, apart from the business of the Group, which competes or may compete, either directly or indirectly, with the business of the Group during the 2025 Interim Period.

CHANGE IN BOARD COMPOSITION

On 25 July 2025, Dr. Yin Ye has been appointed as an executive Director.

On 25 July 2025, Mr. Qian Hongji resigned and Dr. Zhang Xiao has been appointed as an independent non-executive Director and a member of the Audit Committee.

AUDIT COMMITTEE

The Board established an audit committee (the "**Audit Committee**") with the written terms of reference in compliance with the GEM Listing Rules. The Audit Committee currently comprises of three independent non-executive Directors, namely, Mr. Yan Guoxiang, Dr. Guo Yuantao and Dr. Zhang Xiao as at the date of this announcement.

The unaudited condensed consolidated interim results of the Group for the 2025 Interim Period have been reviewed by the Audit Committee together with the management of the Company. The Audit committee is of the opinion that the results comply with the applicable accounting standards, the requirements under GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

INTERIM DIVIDEND

The Board has resolved not to declare any dividend for period ended 30 June 2025 (2024: Nil).

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company's website at www.cbshhk.com. The Company's interim report will be available on the aforesaid websites and dispatched to the shareholders of the Company in due course.

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

Hong Kong, 27 August 2025

As at the date of this announcement, the board of Directors comprises four executive Directors, namely, Mr. Liu Xiaolin (Chairman), Mr. He Xun and Mr. Huang Song and Dr. Yin Ye; and three independent non-executive Directors, namely, Mr. Yan Guoxiang, Dr. Guo Yuantao and Dr. Zhang Xiao.