



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

精準治療
Precision Treatment

未來生物科技平臺
Future Biotech Platform

精準檢測
Precision Diagnosis

2025 INTERIM REPORT

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The board of directors (the “**Board**”) of China Biotech Services Holdings Limited (the “**Company**”) presents the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, 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 interim 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

	Notes	For the six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (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)

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	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Loss per share for loss attributable to owners of the Company			
– Basic and diluted (HK\$)	10	(0.033)	(0.083)
Loss for the period		(36,753)	(125,731)
Other comprehensive income/(loss), net of tax			
<i>Items that will not be reclassified to profit or loss:</i>			
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 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (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

		30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
	Notes		
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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the Company (Unaudited)											
	Share capital HK\$'000	Share premium HK\$'000	Share-based payment reserves HK\$'000	Special reserves HK\$'000	Shares held under share award scheme HK\$'000	Other reserves HK\$'000	Financial assets at fair value through other comprehensive income reserves HK\$'000	Foreign currency translation reserves HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
Balance at 1 January 2025	97,573	494,182	-	212,948	(6,622)	18,603	4,021	(21,296)	(534,467)	264,942	(22,554)	242,388
Comprehensive loss												
Loss for the period	-	-	-	-	-	-	-	-	(32,006)	(32,006)	(4,747)	(36,753)
Other comprehensive income												
Fair value change of financial assets at FVTOCI	-	-	-	-	-	-	474	-	-	474	-	474
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	5,521	-	5,521	256	5,777
Total comprehensive income/(loss)	-	-	-	-	-	-	474	5,521	(32,006)	(26,011)	(4,491)	(30,502)
Balance at 30 June 2025	97,573	494,182	-	212,948	(6,622)	18,603	4,495	(15,775)	(566,473)	238,931	(27,045)	211,886

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the Company (Unaudited)											
	Share capital HK\$'000	Share premium HK\$'000	Share-based payment reserves HK\$'000	Special reserves HK\$'000	Shares held under share award scheme HK\$'000	Other reserves HK\$'000	Financial assets at fair value through other comprehensive income reserves HK\$'000	Exchange reserves HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
Balance at 1 January 2024	96,323	490,692	6,502	212,948	(6,622)	6,488	(18,000)	(14,779)	(310,798)	462,764	27,972	490,726
Comprehensive loss												
Loss for the period	-	-	-	-	-	-	-	-	(79,917)	(79,917)	(45,814)	(125,731)
Other comprehensive loss												
Fair value change of financial assets at FVTOCI	-	-	-	-	-	-	(1,134)	-	-	(1,134)	-	(1,134)
Exchange differences arising from translation of foreign operations	-	-	-	-	-	-	-	(5,800)	-	(5,800)	(308)	(6,108)
Total comprehensive loss	-	-	-	-	-	-	(1,134)	(5,800)	(79,917)	(86,851)	(46,122)	(132,973)
Transactions with owners at their capacity as owners												
Share-based payments	-	-	304	-	-	-	-	-	-	304	-	304
Lapse of share options	-	-	(1,590)	-	-	-	-	-	1,590	-	-	-
Changes in ownership interests in subsidiaries without loss of control	-	-	-	-	-	14,010	-	-	-	14,010	9,257	23,267
	-	-	(1,286)	-	-	14,010	-	-	1,590	14,314	9,257	23,571
Balance at 30 June 2024	96,323	490,692	5,216	212,948	(6,622)	20,498	(19,134)	(20,579)	(388,125)	380,217	(8,893)	381,324

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(4,936)	(95,539)
Net cash used in investing activities	(22,769)	(61,468)
Net cash generated from financing activities	23,128	118,558
Net decrease in cash and cash equivalents	(4,577)	(38,449)
Cash and cash equivalents at beginning of the period	18,913	72,087
Effect of foreign exchange rate changes	(3,046)	(397)
Cash and cash equivalents at end of the period	11,290	33,241

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

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 HK\$'000 (Unaudited)	2024 HK\$'000 (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	–	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	–	provision of 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.

4. SEGMENT INFORMATION (CONTINUED)

An analysis of the Group's revenue and results for the six months ended 30 June 2025 and 2024 by operating segment is as follows:

For the six months ended 30 June 2025

	Unaudited						Total HK\$'000
	Medical and health related services HK\$'000	Immunotherapy HK\$'000	BNCT HK\$'000	Insurance brokerage HK\$'000	Pharmaceutical products HK\$'000	Others 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						Total HK\$'000
	Medical and health related services HK\$'000	Immunotherapy HK\$'000	BNCT HK\$'000	Insurance brokerage HK\$'000	Pharmaceutical products HK\$'000	Others 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)

4. SEGMENT INFORMATION (CONTINUED)

The segment assets and liabilities as at 30 June 2025 and 2024 are as follows:

As at 30 June 2025

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

As at 31 December 2024

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

4. SEGMENT INFORMATION (CONTINUED)

Other segment information for the six months ended 30 June 2025 and 2024 is as follows:

For the six months ended 30 June 2025

	Unaudited						Total HK\$'000
	Medical and health related services	Immunotherapy	BNCT	Insurance brokerage	Pharmaceutical products	Others	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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						Total HK\$'000
	Medical and health related services	Immunotherapy	BNCT	Insurance brokerage	Pharmaceutical products	Others	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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 (Unaudited)	HK\$'000 (Unaudited)
Interest income	11	441
Sundry income	1,407	1,408
Government grants	39	205
Compensation income <i>(Note)</i>	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 (Unaudited)	HK\$'000 (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 has been arrived at 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

	For the six months ended 30 June	
	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

	Unaudited				Total HK\$'000
	Customer relationship HK\$'000	Brand name HK\$'000	Patents HK\$'000	Non- competition agreement HK\$'000	
Six months ended 30 June 2025					
Opening net book amount	-	-	33,620	1,324	34,944
Amortisation charge	-	-	(4,005)	-	(4,005)
Exchange differences	-	-	1,074	-	1,074
Closing net book amount	-	-	30,689	1,324	32,013
Six months ended 30 June 2024					
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

14. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade receivables	12,054	11,126
Less: loss allowance	(4,066)	(4,093)
Trade receivables, 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

14. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT (CONTINUED)

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 incorporated 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 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (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 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (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, Pengbo (Hainan) Medical Technology Co., Ltd (鹏博(海南)硼中子醫療科技有限公司) ("**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

16. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL LIABILITIES (CONTINUED)

b. Written put option liability

On 8 December 2023, the Company, Shanghai Longyao Biotech Company Limited (上海隆耀生物科技有限公司) (“**Shanghai Longyao**”) and Yixing Huanke Product Development Equity Investment Enterprise (Limited Partnership) (宜興環科園產發股權投資合夥企業(有限合夥)) (“**Yixing Huanke**”) entered into a capital injection agreement (the “**Capital Injection Agreement**”), pursuant to which, 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 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\$52,643,000) 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\$36,612,000) is recognised in the consolidated financial statement as derivative financial liability 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

17. BORROWINGS (CONTINUED)

- (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)
	LPR less 0.45% or 3.45% – 3.85%	LPR less 0.45% or 3.45% – 3.85%
Bank borrowings	6% – 18%	6% – 12%
Other borrowings	10%	10%
Loans from a controlling shareholder		

Bank borrowing, 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 (31 December 2024: HK\$1,060,000), 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 period ended 30 June 2025 (2024: same).

18. SHARE-BASED PAYMENTS

(a) Equity-settled share option scheme

Share option scheme was approved to be adopted by the shareholders of the Company on 6 June 2024. The share option scheme will remain in force for 10 years from that date, unless otherwise terminated earlier by shareholders in a general meeting.

The purpose of the share option scheme is to provide incentive to eligible participants, in order to prompt the development and success of the business of the Group. The share option scheme will give the eligible participants an opportunity to have a personal take in the Company and motivate the eligible participants in optimising working performance and efficiency and also, attract and retain the eligible participants whose contributions are important to the long-term growth of the Group. The eligible participants are employee participants, related entity participants and service providers.

The total number of shares which may be issued upon exercise of all share options (excluding share options which have lapsed) to be granted under the share option scheme together with options and awards which may be granted under any other schemes of the Company must not in aggregate exceed 10% of the shares in issue on 6 June 2024 being the date of adoption of the share option scheme. The maximum number of shares issuable under share options to each eligible participant in the share option scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval of the independent non-executive directors in advance. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the grant of the share options subject to the provision for early termination thereof.

18. SHARE-BASED PAYMENTS (CONTINUED)

(a) Equity-settled share option scheme (continued)

Unless the directors otherwise determined and stated in the offer to a grantee, a grantee is not required to achieve any performance targets before any options granted under the share option scheme. Save for certain prescribed circumstances in which the Board may in its discretion accelerate the vesting dates, a grantee is required to hold an option for a minimum of 12 months before it can be exercised.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer, when applicable.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

Details of the specific categories of options are as follows:

Date of grant	Vesting period	Exercise period	Exercise price (HK\$)	Number of share options granted	Outstanding number of share options	
					2025	2024
Directors and Consultants:						
2 September 2020	2 September 2020 to 1 September 2023	2 September 2023 to 1 September 2024	2.00	3,220,000	–	3,220,000
26 November 2020	26 November 2020 to 25 November 2023	26 November 2023 to 25 November 2024	2.20	1,670,000	–	1,670,000
6 January 2023	6 January 2023 to 5 January 2024	6 January 2024 to 5 January 2025	1.45	1,665,000	–	–
6 January 2023	6 January 2023 to 5 January 2025	6 January 2025 to 5 January 2026	1.45	1,665,000	–	–
6 January 2023	6 January 2023 to 5 January 2026	6 January 2026 to 5 January 2027	1.45	1,670,000	–	–
				9,890,000	–	4,890,000

If this options remain unexercised after a period of 4 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group.

18. SHARE-BASED PAYMENTS (CONTINUED)

(a) Equity-settled share option scheme (continued)

Details of the movement of share options during the period are as follows:

	30 June 2025		30 June 2024	
	Number of share options	Weighted average exercise price HK\$	Number of share options	Weighted average exercise price HK\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Outstanding at the beginning of the period	-	-	9,890,000	1.76
Granted during the period	-	-	-	N/A
Lapsed during the period	-	-	(5,000,000)	1.45
Outstanding and exercisable at the end of the period	-	-	4,890,000	2.07

No options outstanding as at 30 June 2025. The options outstanding had a weighted average remaining contractual life of 1.4 years and the exercise prices ranged from HK\$2.00 to HK\$2.20 as at 30 June 2024.

No share-based payment expense was recognised by the Company for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$304,000).

These fair values were calculated using the Binomial model. The inputs into the model were as follows:

Date of grant	2 September 2020	26 November 2020	6 January 2023
Weight average share price (HK\$)	1.53	1.43	1.10
Weighted average exercise price (HK\$)	2.00	2.10	1.45
Expected volatility	38.77% – 60.78%	40.52% – 54.91%	65.42%-77.83%
Expected life	4 years	4 years	4 years
Risk-free interest rate	0.26% – 0.28%	0.12% – 0.24%	3.63%-3.93%
Expected dividend yield	Nil	Nil	Nil

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous four years. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

18. SHARE-BASED PAYMENTS (CONTINUED)

(b) Share award scheme

The Company operates a share award scheme (the “**Share Award Scheme**”) for the purpose of providing incentives and rewards (“**Award Shares**”) to selected participants who contribute to the success of the Group’s operations. Selected participants include the employees, officers, directors and consultants of the Company and the Company’s subsidiaries. The Share Award Scheme became effective on 18 August 2021 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

Pursuant to the rules of the Share Award Scheme, the Company shall not make any further grant of Award Shares which will result in the number of shares granted under the Share Award Scheme exceeding 10% of the total number of issued shares of the Company as at 18 August 2021. The maximum number of Award Shares may be granted under the Share Award Scheme to a Selected Participant shall not exceed 1% of the total number of issued shares as at 18 August 2021.

A trust is constituted by the trust deed entered by the Company and a trustee (the “**Trustee**”) appointed to service the Share Award Scheme.

The Board may, from time to time, select any eligible person to participate in the Share Award Scheme, make an offer to the selected participants and grant Award Shares to such selected participants which are to be satisfied by (i) the new shares to be subscribed by the Trustee under the Company’s available general mandate on the relevant grant date or under a specific mandate approved or to be approved by the shareholders of the Company; or (ii) the existing shares received by the Trustee from any shareholder of the Company; or (iii) purchased by the Trustee in the open market (either on-market or off-market) as directed by the Board.

The Board may, from time to time, subject to all applicable laws, determine vesting criteria and conditions or periods for the Award Shares to be vested.

The Trustee shall not exercise the voting rights in respect of any shares held by it under the Share Award Scheme.

During the six months ended 30 June 2025 and 30 June 2024, no shares were purchased by the Trustee and no shares were awarded by the Company under the Share Award Scheme.

As at 30 June 2025 and 30 June 2024, 7,038,000 shares of Company were held by the Trustee under the Share Award Scheme.

19. CONTINGENT LIABILITIES

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

20. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

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

21. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

- (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 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Interest expenses to the controlling shareholder	1,291	205

- (b) Remuneration of key management personnel

	For the six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (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.

22. 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 subsidiary, Pengbo (Hainan) entered into convertible loan agreement, warrant agreement and investment agreement for shares subscription in Dynamic Healthcare by 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**”). Under the investment, BGI Songhe shall advance a loan of RMB30 million to Pengbo (Hainan) and Pengbo (Hainan) shall repay the loan of RMB30 million to BGI Songhe upon completion of necessary filing with the relevant PRC government authorities in respect of overseas direct investment by PRC entities. BGI Songhe shall then subscribe for shares in Dynamic Healthcare. In effect, the loan of RMB30 million will be converted into shares in Dynamic Healthcare by BGI Songhe. 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 announcements of the Company dated 11 July 2025 and 8 September 2025. As at the date of this report, Pengbo (Hainan) has obtained the loan of RMB30 million.

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 Investment by BGI Songhe

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 22 “Event after Balance Sheet Date” to the unaudited condensed consolidated financial statements.

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

Pengbo (Hainan) 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**”), a company listed on the Tokyo Stock Exchange, specialising in comprehensive heavy machinery manufacturing.

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 Practice License of Medical Institution (醫療機構執業許可證) by the Administration for a term of five years until December 2027. The Company also obtained the approval by Hainan Provincial Medical Products Administration for the import of BNCT medical devices.

The BNCT Cancer Treatment Centre was located at 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 commenced 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” and being part of the International Nuclear Medicine Alliance (國際核醫療聯盟) to further promote global nuclear medicine collaboration.

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 the PRC on the BNCT drug STEBORONINE® and to strengthen the Company’s presence in 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 the PRC, 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 in the progress to localise production through expanded licensing agreements, facilitating large-scale manufacturing and sales of Licensed Product. This strategic initiative will accelerate the Group’s upstream development in the BNCT industry, strengthen its future competitiveness, and drive broader 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 that covers BNCT cancer treatment costs and related services. This partnership aims to raise public awareness, promote the development of an inclusive medical insurance product for BNCT therapy, and enhance its accessibility by alleviating the financial burden on patients through comprehensive insurance coverage.

Inter-Hospital Patient Referral

The Group has established cooperative partnership with several leading 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, to facilitate patients referral to the BNCT Cancer Treatment Centre. These collaborations aim to increase public awareness and enhance accessibility of BNCT therapy for cancer patients.

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 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 trial 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 that covers 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, to facilitate patients referral to the BNCT Cancer Treatment Centre. These collaborations aim to increase public awareness, enhance accessibility and alleviate the financial burden for cancer patients through comprehensive insurance coverage.

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.

FINANCIAL RISK MANAGEMENT

The Group’s activities expose it to a variety of financial risks: market risk (including currency risk and fair value and cash flow interest rate risks), credit risk and liquidity risk. The interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024. There has been no changes in the risk management policies since the year ended 31 December 2024.

EVENT AFTER THE REPORTING PERIOD

Details of the Group's events after the reporting period are set out in note 22 "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

Details of capital commitments are stated in note 20 to the unaudited condensed consolidated financial statements.

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.

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 health 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.

INTERIM DIVIDEND

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

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.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules were as follows:

(i) Long position in shares and underlying shares

Name	Capacity and nature of interest	No. of shares held	Approximate percentage (Note a)
Mr. Liu Xiaolin ("Mr. Liu")	Interest of a controlled corporation (Note b)	529,500,546	54.27%
		1,092,000	0.11%
	Beneficial owner	530,592,546	54.38%

Notes:

- As at 30 June 2025, the total number of the issued shares of the Company was 975,731,150 ordinary shares of HK\$0.10 each of the Company.
- Genius Lead is the registered and beneficial owner of these shares of the Company, and Genius Lead is wholly-owned by Genius Earn, which is in turn wholly-owned by Mr. Liu. As such, Mr. Liu is deemed to be interested in the shares of the Company held by Genius Lead.

Save as disclosed above, as at 30 June 2025, none of the Directors nor chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules.

NOTIFIABLE INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2025, the following person or entity (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long position in shares and underlying shares of the Company

Name of shareholder	Capacity and nature of interest	No. of ordinary shares held	Approximate percentage (Note a)
Genius Earn (Note b)	Interest of a controlled corporation	529,500,546	54.27%
Genius Lead (Note b)	Beneficial owner	529,500,546	54.27%
Richlane Ventures Limited (Note c)	Beneficial owner	58,000,000	5.94%
Ko Chun Shun Johnson ("Mr. Ko") (Note c)	Interest of controlled corporations	95,545,000	9.79%

Notes:

- (a) As at 30 June 2025, the total number of the issued shares of the Company was 975,731,150 ordinary shares of HK\$0.10 each of the Company.
- (b) Genius Lead is wholly-owned by Genius Earn. As such, Genius Earn is deemed to be interested in the shares of the Company held by Genius Lead under the SFO.
- (c) Richlane Ventures Limited is wholly-owned by Mr. Ko. As such, Mr. Ko is deemed to be interested in the 58,000,000 shares of the Company held by Richlane Ventures Limited. The remaining 37,545,000 shares of the Company in which Mr. Ko is deemed to be interested are held by other companies controlled by Mr. Ko.

Save as disclosed above, as at 30 June 2025, no other person or entity (other than a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

(1) Purpose of the Share Option Scheme and Participants

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 6 June 2024 (the “**Adoption Date**”) for the purpose of providing incentive to selected participants for their contribution to promote the development and success of the business of the Group. For the six months ended 30 June 2025 and up to the date of this report, no share options were granted under the Share Option Scheme.

(2) Total Number of Shares Available for Issue

The total number of Shares which may be issued in respect of all options which may be granted at any time under the Share Option Scheme together with options and awards which may be granted under any other schemes of the Company shall not exceed 96,323,115 Shares (representing approximately 9.87% of the issued shares as at the date of this report) being 10% of the Shares in issue (excluding treasury shares) as at the adoption date of the Share Option Scheme (the “**Scheme Mandate Limit**”).

Within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all options which may be granted at any time under the Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to service providers shall not exceed 9,632,311 Shares, being 1% of the shares in issue (excluding treasury shares) as at the Adoption Date of the Share Option Scheme (the “**Service Provider Sublimit**”).

No share options have been granted under the Share Option Scheme from the Adoption Date up to this report.

(3) Maximum Entitlement of Participants

The total number of shares of the Company issued and to be issued in respect of all options and awards granted to eligible participants under the Share Option Scheme and any other schemes of the Company in any 12-month period shall not exceed 1% of the issued share capital of the Company as at the Adoption Date within the Scheme Mandate Limit, unless obtaining shareholder approval.

(4) Exercise and Vesting Period

The period within which the share options may be exercised by the grantee in respect of the share options granted under the Share Option Scheme and the vesting period of such share options, subject to all applicable laws and the GEM Listing Rules, will be set out in the offer letter issued by the Company to the eligible participants. The exercise period shall not go beyond the day immediately prior to the 10th anniversary of the offer date. Save in certain prescribed circumstances in which the Board may in its discretion accelerate the vesting dates, an option must be held for a minimum of 12 months before it can be exercised.

(5) Acceptance

The offer letter may be accepted by an eligible participant within such time as may be specified in the offer letter (which shall not be later than 21 days from the offer date) and the share option in respect of the number of shares of the Company in respect of which the offer was so accepted will be deemed to have been granted on the offer date. A nominal consideration of HK\$1.00 is payable on acceptance of the grant of an option.

(6) Basis of Determining the Exercise Price

The exercise price for shares of the Company on the exercise of share options under the Share Option Scheme as determined by the Board, subject to any adjustments made pursuant to the applicable laws and the GEM Listing Rules, shall be no less than the highest of: (i) the closing price of the shares of the Company as stated on the Stock Exchange's daily quotations sheet on the offer date; (ii) the average closing prices of the shares of the Company as stated on the Stock Exchange's daily quotations sheets for the five consecutive business days immediately preceding the offer date; and (iii) the nominal value of the share on the offer date.

(7) Remaining Life of the Scheme

The Share Option Scheme of the Company, which was adopted on 6 June 2024, shall remain in force for a period of 10 years commencing on the date of its adoption. The Share Option Scheme will expire on 5 June 2034.

SHARE AWARD SCHEME

(1) Purpose of the Share Award Scheme and Participants

The Company adopted a share award scheme (the “**Share Award Scheme**”) on 18 August 2021 for the purpose of providing incentives and rewards to eligible participants (including employee, officer, director or consultant and related entities participants) who may contribute to the success the Group’s operation. No service provider sublimit was set under the Share Award Scheme.

For the 2025 Interim Period and up to the date of this report, 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. As at 30 June 2025, 7,038,000 shares of the Company held by the trustee.

(2) Total Number of Shares Available for Issue

Under the Share Award Scheme, the Company shall not make any further grant of award which will result in the number of shares of the Company granted under the Share Award Scheme exceeding 96,323,115 shares, being 10% of the total number of issued shares of the Company as at the adoption date of the Share Award Scheme on 18 August 2021.

Since the adoption of the Share Award Scheme and up to 31 December 2024, 582,000 shares were awarded under the Share Award Scheme. No shares were awarded during the 2025 interim period. As at the date of this report, 30 June 2025 and 31 December 2024, 95,741,115 shares (representing approximately 9.81% of the issued shares) were available for grant under the Share Award Scheme.

(3) Maximum Entitlement of Participants

The maximum entitlement of each participant under the Share Award Scheme shall not exceed 1% of the total number of issued shares of the Company as at 18 August 2021, the adoption date of the Share Award Scheme.

(4) Vesting and Conditions

The Board may from time to time while the Share Award Scheme is in force and subject to all applicable laws and the GEM Listing Rules, determine such vesting criteria and conditions or periods for the awards to be vested. All of such vesting criteria and conditions (if any) and periods (including the vesting date) shall be set out in the relevant award letter issued to each selected participant.

(5) Basis of Determining the Purchase Price

The Board may at any time during the term of the Share Award Scheme direct and procure the trustee to subscribe for new shares of the Company or to receive existing shares of the Company from any shareholder of the Company or purchase existing shares of the Company (either on-market or off-market) at such range of purchase price as the Board may direct or authorise, subject to compliance with the applicable laws and the GEM Listing Rules.

(6) Remaining life of the Scheme

The Share Award Scheme shall be valid and effective for a term of 10 years commencing from the adoption date on 18 August 2021, the Share Award Scheme will expire on 17 August 2031.

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

The Board believes that corporate governance is essential to the success of the Company. The Board is committed to maintain corporate governance with high standard and ensure 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.

CHANGES OF DIRECTORS' INFORMATION

Dr. Yin Ye was appointed as an executive director with effect from 25 July 2025.

Mr. Qian Hongji resigned as an independent non-executive director and a member of the audit committee with effect from 25 July 2025.

Dr. Zhang Xiao has been appointed as an independent non-executive director and a member of the audit committee with effect from 25 July 2025.

For details of the aforesaid changes, please refer to the announcement of the Company dated 25 July 2025.

Save as disclosed above, there is no other change in the Directors' information required to be disclosed since the date of the 2024 annual report of the Company.

AUDIT COMMITTEE

The audit committee of the Company (the **"Audit Committee"**) comprises three independent non-executive Directors, namely Mr. Yan Guoxiang, Dr. Guo Yuantao and Dr. Zhang Xiao. Mr. Yan Guoxiang is the chairman of the Audit Committee.

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.

NOMINATION COMMITTEE

The remuneration committee of the Company (the **"Nomination Committee"**) comprises two independent non-executive Directors, namely, Mr. Yan Guoxiang and Dr. Guo Yuantao and an executive director, Mr. Liu Xiaolin. Mr. Liu Xiaolin is the chairman of the Nomination Committee.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the “**Remuneration Committee**”) comprises two independent non-executive Directors, namely, Mr. Yan Guoxiang and Dr. Guo Yuantao and an executive director, Mr. Liu Xiaolin. Mr. Yan Guoxiang is the chairman of the Remuneration Committee.

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.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the GEM Listing Rules throughout the six months ended 30 June 2025.

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 report, 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.