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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **China Biotech Services Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**MAJOR TRANSACTION IN RELATION TO  
THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL IN  
PHC MEDICAL DIAGNOSTIC CENTRE LIMITED  
AND  
PREMIER MEDICARE SERVICES LIMITED**

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A letter from the Board is set out on pages 4 to 18 of this circular.

The Sale and Purchase Agreement, the Disposal and the transactions contemplated respectively thereunder have been approved by a written shareholder's approval obtained from Genius Lead Limited pursuant to Rule 19.44 of the GEM Listing Rules in lieu of a general meeting of the Company. This circular is being despatched to the Shareholders for information only.

This circular will remain on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) on the "Latest Listed Company Information" for at least 7 days from the date of its publication and on the website of the Company at [www.cbshhk.com](http://www.cbshhk.com).

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## CHARACTERISTICS OF GEM

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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 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.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board”             | the board of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| “Business Day(s)”   | a day on which licensed banks in Hong Kong are open for general commercial business, other than a Saturday, Sunday or public holiday in Hong Kong                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| “Company”           | China Biotech Services Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the GEM of the Stock Exchange (stock code: 8037)                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| “Completion”        | completion of the Disposal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| “Completion Date”   | date of Completion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| “Consideration”     | the consideration of the Disposal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| “Director(s)”       | the director(s) of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| “Disposal”          | the disposal of the Sale Shares by the Seller to the Purchaser pursuant to the terms of the Sale and Purchase Agreement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| “FactSet”           | FactSet Research Systems Inc., commonly known as FactSet, is a leading American financial data and software company publicly traded on the New York Stock Exchange under the ticker symbol FDS. Recognized as a component of the S&P 500 index since December 2021, FactSet provides integrated financial data, analytical tools, and services to investment professionals across the globe, including portfolio managers, market analysts, and risk managers. Its comprehensive suite of offerings includes business advisory services, data consolidation, advanced market analytics, and portfolio data management, catering to a diverse clientele |
| “GEM”               | GEM operated by the Stock Exchange                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM of the Stock Exchange                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| “Genius Lead”       | Genius Lead Limited, a company incorporated in Samoa and a substantial shareholder of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| “Group”             | the Company and its subsidiaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| “HK\$”              | Hong Kong dollars, the lawful currency of Hong Kong                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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## DEFINITIONS

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|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Hong Kong”                           | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                                                                  |
| “Independent Third Party(ies)”        | individual(s) or company(ies) which is/are independent of and not connected with any member of the Group, the Directors, chief executive and substantial shareholders of the Company and its subsidiaries and their respective associates (within the meaning of the GEM Listing Rules) |
| “Intercompany Balance”                | the intercompany balance and liability between the Company, its subsidiaries and affiliates and the Target Companies up to the Completion Date                                                                                                                                          |
| “Latest Practicable Date”             | 29 June 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein                                                                                                                             |
| “Long Stop Date”                      | 60 days from the date of signing the Sale and Purchase Agreement or such later date as the Purchaser and the Seller may agree in writing                                                                                                                                                |
| “Material Adverse Change (or Effect)” | any change (or effect), the consequence of which is to materially and adversely affect the financial position, business or property, results of operations, business prospects or assets of the Target Companies                                                                        |
| “Mr. Liu”                             | Mr. Liu Xiaolin, an executive Director and a controlling Shareholder of the Company                                                                                                                                                                                                     |
| “PHC”                                 | PHC Medical Diagnostic Centre Limited, a company incorporated in Hong Kong with limited liability and an indirectly non-wholly owned subsidiary of the Company                                                                                                                          |
| “PHC Sale Shares”                     | 1,980 ordinary shares of PHC, representing the entire issued share capital of PHC                                                                                                                                                                                                       |
| “PMS”                                 | Premier MediCare Services Limited, a company incorporated in Hong Kong with limited liability and an indirectly non-wholly owned subsidiary of the Company                                                                                                                              |
| “PMS Sale Shares”                     | three (3) ordinary shares of PMS, representing the entire issued share capital of PMS                                                                                                                                                                                                   |
| “PRC”                                 | the People’s Republic of China                                                                                                                                                                                                                                                          |
| “Purchaser”                           | Mr. Chan Kam Fuk, an Independent Third Party                                                                                                                                                                                                                                            |
| “RMB”                                 | Renminbi, the lawful currency of the PRC                                                                                                                                                                                                                                                |

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## DEFINITIONS

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|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Sale and Purchase Agreement”    | the agreement dated 18 May 2026 and entered into among the Seller, the Company and the Purchaser in respect of the Disposal                                                                                                                       |
| “Sale Shares”                    | collectively, the PHC Shares and the PMS Shares                                                                                                                                                                                                   |
| “Seller”                         | Central Laboratory (Group) Limited, a company incorporated in the British Virgin Islands with limited liability                                                                                                                                   |
| “Share(s)”                       | ordinary share(s) of HK\$0.10 each in the share capital of the Company                                                                                                                                                                            |
| “Shareholder(s)”                 | holder(s) of the Share(s)                                                                                                                                                                                                                         |
| “Stock Exchange”                 | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                           |
| “Target Companies”               | collectively, PHC and PMS                                                                                                                                                                                                                         |
| “USD”                            | United States Dollar(s), the lawful currency of the United States of America                                                                                                                                                                      |
| “Valuer”                         | Masterpiece Valuation Advisory Limited, a professional independent valuer and an Independent Third Party, engaged by the Company for the purpose of the appraisal of the value of the entire issued share capital in each of the Target Companies |
| “Valuation Date”                 | 31 March 2026                                                                                                                                                                                                                                     |
| “Valuation Report”               | the valuation report dated 30 June 2026 and issued by the Valuer with respect to the appraisal of the value of the entire issued share capital in each of the Target Companies                                                                    |
| “Written Shareholder’s Approval” | the written shareholder’s approval dated 18 May 2026 of the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder given by Genius Lead Limited                                                                   |
| “%”                              | per cent.                                                                                                                                                                                                                                         |

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Liu Xiaolin (*Chairman*)  
Dr. Huang Song  
Dr. Yin Ye

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton  
HM 11 Bermuda

*Independent non-executive Directors:*

Mr. Yan Guoxiang  
Dr. Guo Yuantao  
Dr. Zhang Xiao

*Head office and principal place  
of business in Hong Kong:*

Suites 1904-05A, 19/F  
Sino Plaza  
255-257 Gloucester Road  
Causeway Bay, Hong Kong

30 June 2026

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO  
THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL IN  
PHC MEDICAL DIAGNOSTIC CENTRE LIMITED  
AND  
PREMIER MEDICARE SERVICES LIMITED**

#### INTRODUCTION

Reference is made to the announcement of the Company dated 18 May 2026 in relation to, among other things, the Disposal.

On 18 May 2026 (after the trading hours of the Stock Exchange), the Seller, a subsidiary of the Company, the Company and the Purchaser entered into the Sale and Purchase Agreement in relation to the Disposal. Pursuant to the Sale and Purchase Agreement, the Seller conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Shares, consisting of the PHC Sale Shares and the PMS Sale Shares, for an aggregate Consideration of HK\$3,500,000 subject to the terms of the Sale and Purchase Agreement. As at the date of the Sale and Purchase Agreement, each of PHC and PMS are wholly-owned by the Seller.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal; and (ii) other information as required under the GEM Listing Rules.

### THE DISPOSAL

The principal terms of the Sale and Purchase Agreement are set out below:

Date: 18 May 2026

Parties: The Seller;

The Company; and

The Purchaser.

### Assets to be disposed

Pursuant to the Sale and Purchase Agreement, the Seller shall sell as legal and beneficial owner and the Purchaser shall purchase the Sale Shares. The Sale Shares, consisting of the PHC Sale Shares and the PMS Sale Shares which represent the entire issued share capital of each of PHC and PMS respectively, will be sold free from all Encumbrances together with all rights attaching thereto at Completion including but not limited to all dividends to be paid, declared or made in respect thereof at any time on or after the date of Completion.

Neither the Seller nor the Purchaser shall be obliged to complete the purchase of the Sale Shares unless the sale of all of the Sale Shares is completed simultaneously.

### Consideration

The total Consideration for the sale and purchase of the Sale Shares is HK\$3,500,000. The Consideration shall be satisfied by the Purchaser to the Seller in cash in the following manner:

- (i) as to HK\$500,000 (the “**Deposit**”) shall be payable by the Purchaser to the Seller in cash by way of cheque drawn on a licensed bank in Hong Kong or otherwise agreed between the Purchaser and the Seller upon the signing of the Sale and Purchase Agreement; and
- (ii) as to the remaining balance of HK\$3,000,000 shall be payable by the Purchaser to the Seller in cash by way of cheque drawn on a licensed bank in Hong Kong or otherwise agreed between the Purchaser and the Seller at Completion.

In the event that Completion does not take place solely as a result of the default of the Purchaser, the Seller shall be entitled to terminate the Sale and Purchase Agreement by giving written notice to the Purchaser whereupon (i) the Sale and Purchase Agreement shall terminate and cease to have any effect, and (ii) the Deposit shall be forfeited to the Seller absolutely, and the forfeiture of the Deposit shall be in full and final settlement of any and all liabilities of the Purchaser towards the Seller and whereupon none of the parties to the Sale and Purchase Agreement shall take any action to claim for damages or to enforce specific performance or any other rights and remedies.

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## LETTER FROM THE BOARD

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In the event that Completion does not take place in accordance solely as a result of the default of the Seller, the Purchaser shall be entitled to terminate Sale and Purchase Agreement by giving written notice to the Seller whereupon (i) Sale and Purchase Agreement shall terminate and cease to have any effect, and (ii) the Deposit (without interest) shall be refunded in full to the Purchaser within three (3) Business Days after the termination of the Sale and Purchase Agreement. The receipt of the Deposit in full shall be in full and final settlement of any and all liabilities of the Seller towards the Purchaser and whereupon none of the parties hereto shall take any action to claim for damages or to enforce specific performance or any other rights and remedies.

In the event that Completion does not take place in accordance other than solely as a result of the default of the Purchaser or the Seller, either the Purchaser or the Seller shall be entitled to terminate the Sale and Purchase Agreement by giving written notice to the other party(ies) whereupon (i) the Sale and Purchase Agreement shall terminate and cease to have any effect, and (ii) the Deposit (without interest) shall be refunded in full to the Purchaser within three (3) Business Days after the termination of the Sale and Purchase Agreement.

The Consideration was arrived at after arm's length negotiations between the Company, the Seller and the Purchaser on normal commercial terms by taking into account, among other things, (i) the financial performance of the Target Companies including the audited loss after taxation of HK\$18,907,000 and HK\$15,790,000 of PHC for the years ended 31 December 2025 and 2024 respectively and the audited loss after taxation of HK\$6,172,000 and HK\$5,339,000 of PMS for the years ended 31 December 2025 and 2024 respectively; (ii) the audited net liabilities of each of PHC and PMS of approximately HK\$6,548,000 and HK\$18,610,000 as at 31 December 2025 respectively and the unaudited net liabilities of each of PHC and PMS of approximately HK\$9,556,000 and HK\$19,457,000 as at 31 March 2026 respectively; (iii) the appraised value of the entire issued share capital of each of PHC and PMS of HK\$2,213,000 and HK\$1,143,000 as at the Valuation Date by way of market approach as set out in the Valuation Report issued by the Valuer; (iv) the expected continuing loss-making condition due to the continuing difficult operating environment of the laboratory testing business in Hong Kong as detailed in the section headed "Reasons for and benefit of the Disposal" of this circular; and (v) the waiver of the net Intercompany Balance of HK\$19,408,000 owing by the Target Companies to the Group.

The Company has engaged the Valuer to conduct a valuation of the Sale Shares as at Valuation Date. The valuation was prepared by the Valuer on the basis of market value, which is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. Guideline company method of the market approach is applied and considered as appropriate and reliable by the Valuer. Under such method, the enterprise value is derived from enterprise value-to-revenue multiples of a selected set of comparable companies. In accordance with International Valuation Standard (IVS) 200 *Businesses and Business Interests*, the enterprise value represents the total value of the equity in a business plus its debt or debt-related liabilities, net of cash. After determining the value of 100% enterprise value of the Target Companies, the Valuer then assessed the value of 100% equity interest in the Target Companies by (i) adding cash and cash equivalents of the Target Companies and (ii) deducting interest-bearing debt (i.e. lease liabilities) from the aforesaid enterprise value. Pursuant to Hong Kong Financial Reporting Standard 16 *Leases*, a lease liability is initially recognised at the present value of lease payments payable over the lease term (where the company is a lessee) and after initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. The lease liability is categorised as financial liability at amortised cost and constitutes debt-related liabilities. It is therefore deducted from enterprise value to properly isolate the equity value attributable to equity shareholders. Pursuant to the Valuation Report, the appraised value of the Sale Shares is HK\$3,356,000 as at the Valuation Date. Please refer to Appendix III to this circular for the Valuation Report.

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## LETTER FROM THE BOARD

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Having reviewed the Valuation Report and discussed the results thereof with the Valuer, the Board is of the view that the basis and assumptions adopted by the Valuer are fair and reasonable, the principles applied by the Valuer are in accordance with applicable accounting and valuation standard and the adoption of the guideline company method of the market approach is in line with market practices. The valuation is therefore considered fair and reasonable. Based on the market value of 100% equity interest in the Target Companies as assessed by the Valuer of approximately HK\$3,356,000, the Consideration represents a premium of approximately HK\$144,000 over the assessed value of the Sale Shares. Moreover, the Group has been continuously providing financial support to the Target Companies to sustain their business operations, which has caused the Intercompany Balances to keep increasing. Despite the implementation of several operational measures for the business of the Target Companies, their financial performance has not improved. The Target Companies have been unable to generate sufficient operating cash inflows to sustain their business operations on a standalone basis for the years ended 31 December 2025 and 2024 and up to June 2026. As such, the outstanding Intercompany Balances owed to the Group remain unlikely to be recovered in the foreseeable future and the Group will continue to incur further costs in sustaining the operations of the Target Companies and thereby increasing the Intercompany Balances. If the Intercompany Balances were not waived, the Purchaser would be required to pay the net amount of HK\$19,408,000 to the Group upon completion of the Disposal. This would effectively increase the total consideration from HK\$3,500,000 to HK\$22,908,000, representing approximately 6.8 times the market value of the 100% equity interest in the Target Companies (HK\$3,356,000) as assessed by the Independent Valuer. Accordingly, the Board is of the view that the waiver of the Intercompany Balances facilitated the divestment of this non-performing segment, and allowed the Group to reallocate resources and prevent further losses from such segment.

In light of the foregoing, the Directors consider that the Consideration is fair and reasonable and are on normal commercial terms and are in the interest of the Company and the Shareholders as a whole.

### **Conditions precedent**

Completion of the Sale and Purchase Agreement is conditional upon the following conditions (“**Conditions Precedent**”) being satisfied (or waiver by the Purchaser):

- (i) the Purchaser having completed financial and legal due diligence review in all aspects on the Target Companies and the results of which are reasonably satisfactory to the Purchaser;
- (ii) all necessary consents, license and approvals from any relevant government authorities, regulatory bodies required to be obtained on the part of the Target Companies or the Seller in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained;
- (iii) all necessary consents, license and approvals from any relevant government authorities, regulatory bodies required to be obtained on the part of the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained;
- (iv) the written shareholders’ approval having been obtained from a shareholder or a closely allied group of shareholders of the Company who together hold more than 50% of the voting rights at that general meeting of the Company to approve the Sale and Purchase Agreement and the transactions contemplated thereunder, or the passing by the shareholders of the Company at a special general meeting of the Company to be convened and held of ordinary resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder;

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## LETTER FROM THE BOARD

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- (v) the warranties remaining true and accurate in all respects as given as at the date of the Sale and Purchase Agreement;
- (vi) the Intercompany Balance having been waived in form and substance satisfactory to the Purchaser; and
- (vii) the Purchaser having reasonably satisfied that there has been no Material Adverse Change of the Target Companies from the date of the Sale and Purchase Agreement and including and up to Completion Date.

The Seller shall use its best endeavours to procure the fulfillment of the Conditions Precedent set out in (ii), (iv), (v), (vi) and (vii) above and the Purchaser shall use his best endeavours to procure the fulfillment of the Conditions Precedent set out in (iii) above. Save for the Conditions Precedent set out in (ii), (iii) and (iv) above, the other Conditions Precedent may be waived by the Purchaser at his sole and absolute discretion.

In the event that any of the Conditions Precedent are not fulfilled or waived by the Purchaser on or prior to the Long Stop Date or such later date as may be agreed between the Purchaser and the Seller in writing, the Sale and Purchase Agreement shall become null and void and be of no further effect whatsoever and all the obligations and liabilities of the parties to the Sale and Purchase Agreement shall cease and determine (save for the rights of the parties to the Sale and Purchase Agreement to claim the others in respect of any antecedent breaches or any rights or remedies which shall have accrued prior thereto).

### **Completion**

Subject to the fulfillment (or where applicable, waiver) of the Conditions Precedent, Completion shall take place on the Completion Date, being a date within 20 Business Days after all the Conditions Precedent have been satisfied and/or waived or such later date as the Purchaser and the Seller may mutually agree in writing.

Upon Completion, the Seller will no longer hold any shares of each of PHC and PMS and each of PHC and PMS will cease to be a subsidiary of the Group and the financial results of each of PHC and PMS will no longer be consolidated into those of the Group.

### **Conduct of business and pre-completion restriction**

Pending Completion and save as contemplated by the Sale and Purchase Agreement, the Seller shall not, without the prior written consent of Purchaser procure or consent to any of the following being done by any of the Target Companies:

- (i) allot or issue, or agree to allot or issue, any share, warrants, other securities or loan capital, debentures or other securities convertible into debentures or grant, or agree to grant, any option over or right to acquire or to subscribe for any share, warrants, other securities or loan capital;
- (ii) create, extend, grant, issue or permit to arise any encumbrance of whatsoever nature, in respect of any other part of their respective undertaking, property or assets;
- (iii) purchase or redeem of any shares or provide financial assistance for any such purchase;

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## LETTER FROM THE BOARD

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- (iv) borrow or raise any money from any person, save and except for the provision of capital from the Company, its subsidiaries and affiliates to the Target Companies for the operation of the Target Companies;
- (v) incur any liabilities (including, without limitation, indebtedness or any management agreement) save and except for the provision of capital from the Company, its subsidiaries and affiliates to the Target Companies for the operation of the Target Companies, or enter into any transactions, agreements or arrangements or undertake any expenditure, save and except in the ordinary and usual course of businesses of the Target Companies;
- (vi) make any advances or other credits to any person or give any guarantee or indemnity or act as surety for or otherwise securing or accepting any direct or indirect liabilities of or obligations of any person;
- (vii) alter the material terms of any financing/lending documents or security arrangements;
- (viii) cause any material breach of its duties and obligations (including payment obligations) under all agreements and contracts entered into by it which would have a Material Adverse Effect on the business or financial position of any of the Target Companies;
- (ix) create or permit to raise any mortgage, charge (fixed or floating), lien, pledge, other form of security or encumbrance or equity of whatsoever nature, whether similar to the foregoing or not, or in respect of any part of their respective assets, property, business or undertakings;
- (x) sell, transfer, lease, assignment, license or in any other way dispose of or agree to sell, transfer, lease, assignment, license or in any other way dispose of (in any manner whatsoever) any part or interest of their respective assets, property, business or undertakings unless pre-approval has been obtained from the Purchaser;
- (xi) make any capital expenditure in excess of HK\$100,000 unless pre-approval has been obtained from the Purchaser save and except in the ordinary and usual course of businesses of the Target Companies;
- (xii) enter into or amend any contract or other transaction or capital commitment or undertaking for any contingent liability which exceeds in aggregate a monetary value of HK\$100,000, save and except in the ordinary and usual course of businesses of the Target Companies or unless pre-approval has been obtained from the Purchaser;
- (xiii) amend or alter its articles of association, save as required by applicable law;
- (xiv) enter into or amend any service agreements, that deviates from normal commercial terms, with or increase the remuneration payable thereto or vary the terms of employment of directors, employees, consultants or officers or change the composition of the board of directors of any of the Target Companies unless pre-approval has been obtained from the Purchaser;

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## LETTER FROM THE BOARD

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- (xv) establish any pension, retirement scheme, share option scheme, profit sharing or bonus scheme or any other benefit scheme operated by any of the Target Companies;
- (xvi) take any step to commence, compromise, settle, release, discharge or compound any civil, criminal, arbitration or other proceedings or any liability, claim, action, demand or dispute or waive any right in relation to any of the foregoing;
- (xvii) alter, amend or terminate any agreement or agreement related to its business or waive any right thereunder unless pre-approval has been obtained from the Purchaser;
- (xviii) terminate or allow to lapse any insurance policy (if any) in respect of any material assets now in effect or default under any provision thereof unless pre-approval has been obtained from the Purchaser;
- (xix) carry on any business other than its existing business or any business not being ancillary or incidental to their respective existing businesses or make any material change in the nature or scope of their respective existing businesses;
- (xx) dispose of the ownership, possession, custody or control of any corporate or other books or records which are required under any law, regulation or rule to be kept;
- (xxi) pass any resolutions for the winding up, liquidation or receivership of any of the Target Companies, or make any composition or arrangement with their respective creditors;
- (xxii) declare or pay any dividend or other form of distribution;
- (xxiii) change or amend any rights attaching to the Sale Shares;
- (xxiv) pass any resolutions inconsistent with the provision of the Sale and Purchase Agreement; or
- (xxv) do any act or thing which would have a Material Adverse Effect on the business or financial position of any of the Target Companies.

### INFORMATION OF THE SELLER

The Seller is a company incorporated in the British Virgin Islands with limited liability and an investment holding company.

The issued share capital of the Seller is wholly-owned by DVF Holdco (Cayman) Limited, a company incorporated in the Cayman Islands with limited liability, which is in turn wholly-owned by Central Laboratory (Holdings) Limited, a company incorporated in the British Virgin Islands with limited liability, which is in turn owned as to 97% by Central Laboratory Investments Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by the Company.

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## LETTER FROM THE BOARD

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### INFORMATION OF THE COMPANY

The Company is a company incorporated in the Cayman Islands and continued in Bermuda and is principally engaged in investment holding. The principal activities of its subsidiaries are (i) provision of medical laboratory testing services and health check services in Hong Kong; (ii) provision of tumor immune cell therapy and health management services in the PRC; (iii) provision of boron neutron capture therapy services in the PRC; (iv) sale and distribution of health related and pharmaceutical products in the PRC and Hong Kong; and (v) provision of insurance brokerage services in Hong Kong.

### INFORMATION OF THE PURCHASER

The Purchaser is Mr. Chan Kam Fuk, a businessman principally engaged in the corporate advisory and other related business in Hong Kong.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser is an Independent Third Party.

### INFORMATION OF THE TARGET COMPANIES

#### PHC

PHC is a company incorporated in Hong Kong with limited liability. PHC is wholly-owned by the Seller and is an indirectly non-wholly owned subsidiary of the Company.

The principal activities of PHC are the provision of medical laboratory testing services and health check services.

Set out below is the financial information of PHC for the years ended 31 December 2025 and 2024:

|                      | <b>For the year ended<br/>31 December 2025</b> | <b>For the year ended<br/>31 December 2024</b> |
|----------------------|------------------------------------------------|------------------------------------------------|
|                      | <i>HK\$'000</i>                                | <i>HK\$'000</i>                                |
|                      | <i>(Audited)</i>                               | <i>(Audited)</i>                               |
| Revenue              | 23,151                                         | 27,100                                         |
| Loss before taxation | 18,907                                         | 15,790                                         |
| Loss after taxation  | 18,907                                         | 15,790                                         |

PHC had unaudited net liabilities of approximately HK\$9,556,000 as at 31 March 2026.

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## LETTER FROM THE BOARD

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### PMS

PMS is a company incorporated in Hong Kong with limited liability. PMS is wholly-owned by the Seller and is an indirectly non-wholly owned subsidiary of the Company.

The principal activity of PMS is the provision of health check services.

Set out below is the financial information of PMS for the years ended 31 December 2025 and 2024:

|                      | <b>For the year ended<br/>31 December 2025</b> | <b>For the year ended<br/>31 December 2024</b> |
|----------------------|------------------------------------------------|------------------------------------------------|
|                      | <i>HK\$'000</i>                                | <i>HK\$'000</i>                                |
|                      | <i>(Audited)</i>                               | <i>(Audited)</i>                               |
| Revenue              | 9,214                                          | 8,989                                          |
| Loss before taxation | 6,172                                          | 5,339                                          |
| Loss after taxation  | 6,172                                          | 5,339                                          |

PMS had unaudited net liabilities of approximately HK\$19,457,000 as at 31 March 2026.

### VALUATION

In order to assess and support the fairness and reasonableness of the total consideration for the Sale Shares, the Company engaged the Valuer to prepare a valuation of the entire issued share capital in each of the Target Companies.

According to the Valuation Report, the appraised value of the entire equity value of PHC and PMS was HK\$2,213,000 and HK\$1,143,000 respectively as of the Valuation Date under the market approach.

The Valuer comprises a team of professional individuals, who are members of various professional bodies (or charter holders of their programs), such as Hong Kong Institute of Surveyors, Hong Kong Institute of Certified Practising Accountants. The past work of the Valuer covered a wide range of industries, including but not limited to medical, real estate, financial institutions, resources, manufacturing, etc.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, no relationship or interest exists between the Valuer and any members of the Group, or any of their respective substantial shareholders, directors or chief executives, or of their respective associates that could reasonably be regarded as relevant to the independence of the Valuer.

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## LETTER FROM THE BOARD

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### **Valuation approach and methodology**

#### ***Valuation Approach***

In arriving at the appraised value of the entire equity value of PHC and PMS, the Valuer considered three accepted approaches, namely, income approach, cost approach and market approach.

In the appraisal regarding the fair value of the equity value of the Target Companies, the Valuer applied the Market Approach due to the following reasons:

- (a) Cost Approach is not appropriate in current appraisal as it assumed the assets and liabilities of the Target Companies are separable and can be sold separately. This methodology is more appropriate for the industry that their assets are highly liquid, like property development and financial institution. Thus, Cost Approach is not adopted in the valuation.
- (b) The Income Approach is also considered inappropriate as numerous assumptions were involved in formulating the financial projections of the Target Companies, and these assumptions might not be able to reflect the uncertainties in their future performance. As the income approach requires detailed operational information and financial projections, it may be subject to management bias regarding future performance. Since objective supporting data is not available to support in conducting the valuation using the income approach, improper assumptions would impose a significant impact on the fair value. Therefore, the Income Approach is not adopted in the valuation.
- (c) Fair value arrived from Market Approach reflects the market expectations over the corresponding industry as the price multiples of the comparable companies were arrived from market consensus. Since there are sufficient public companies in similar nature and business to that of the Target Companies, their market values are good indicators of the industry. Therefore, Market Approach has been adopted in the valuation. The Valuer's valuation procedure under the guideline company method is illustrated as below.

#### ***Guideline Company Method***

The comparable public companies are selected by adopting FactSet and their latest audited annual reports, with reference to the following selection criteria:

- the primary business of the comparable public companies is clinical lab test or body check services, with over 50% of their revenues coming from these activities;
- the revenue is primarily generated from Hong Kong and China, with over 50% of its revenue coming from those geographical segments;
- the comparable public companies are listed on exchange markets in Hong Kong;
- the financial information of the comparable public companies is publicly available; and
- the enterprise values of the comparable public companies are positive.

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## LETTER FROM THE BOARD

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Having considered the above selection criteria and bases, the Valuer has selected nine comparable public companies (of which three of them are considered as outliers), the Valuer has not considered other comparable companies.

The Valuer has to determine the appropriate valuation multiples for the valuation of the Target Companies, in which the Valuer has considered price-to-earnings ratio, price-to-book ratio, price-to-earnings before interest, tax, depreciation and amortisation (“**EBITDA**”) ratio and enterprise value-to-sales ratio (the “**EV/S Ratio**”). In order to reflect the latest financial performance of the Target Companies, the Valuer has considered that the suitable multiple in the valuation is the EV/S Ratio. The price-to-earnings ratio is deemed inappropriate for valuation due to the Target Companies’ history of net losses. The price-to-book ratio is considered not appropriate for the valuation because book value captures only the tangible assets of a company. A company’s intangible assets as well as company-specific competencies and advantages are not captured in the price-to-book ratio. The price-to-EBITDA ratio is not selected in the valuation because the Target Companies have experienced negative EBITDA historically, aligning with the rationale behind excluding the price-to-earnings ratio. Therefore, EV/S Ratio is considered appropriate and adopted in the valuation.

The EV/S Ratio of comparable companies are calculated by dividing their respective enterprise value by their respective revenue. The enterprise values of the comparable companies are computed based on the market capitalisation of the comparable companies as of the valuation date and the latest financial data of the comparable companies available as of the Valuation Date.

### ***Key Assumptions***

In arriving at the opinion of value, the Valuer has considered the following principal factors:

- the economic outlook for the region operated by the Target Companies and specific competitive environments affecting the industry;
- the business risks of the Target Companies;
- the comparable companies are engaging in business operations similar to the Target Companies;
- the experience of the management team of the Target Companies and support from its shareholders; and
- the legal and regulatory issues of the industry in general.

The key assumptions adopted in the valuation include:

- there will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Companies;
- the Valuer assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported values. Further, the Valuer assume no responsibility for changes in market conditions after the Valuation Date;

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## LETTER FROM THE BOARD

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- the Target Companies operate continuously as a going concern;
- there is no material change to the national macro-economic, industrial and regulation development policies;
- there is no material change to the relevant tax base and tax rates after the Valuation Date;
- the management of the Target Companies is responsible and stable, and is capable of its undertakings after the Valuation Date;
- the Target Companies fully comply with all relevant laws and regulations; and
- there is no force majeure which has material adverse effects on the Target Companies.

### *Source of Information*

For the purpose of the valuation, the Valuer was provided with information in respect of the Target Companies prepared by the Company, the Target Companies and their authorised representatives. The valuation required the consideration of all relevant factors including, but not limited to the following:

- background information of the operation and relevant corporate information of the Target Companies;
- historical financial information of the Target Companies;
- the economic outlook in general, the specific economic environment and market elements affecting the business, industry and market; and
- FactSet and other reliable sources of market data. The Directors have reviewed the assumptions adopted and valuation approach used in the Valuation Report and have been advised that the key assumptions adopted in the Valuation Report are commonly used in valuing similar companies. There are no irregularities noted by the Directors in relation to the quantitative inputs in the valuation. The Directors therefore consider that the key assumptions, key inputs, valuation approach and methodology adopted in the valuation are fair and reasonable.

### **REASONS FOR AND BENEFITS OF THE DISPOSAL**

For the years ended 31 December 2025 and 2024, the Group recorded significant losses of approximately HK\$28,779,000 and HK\$100,150,000 in the provision of medical laboratory testing services and health check services segment. These losses were primarily attributable to reduced demand for routine testing and preventive health checks by individuals and corporations resulting from public health conditions stabilised and the fiercer competition in Hong Kong. The Group has faced significant challenges in developing the medical laboratory testing services and health check services business in recent years.

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## LETTER FROM THE BOARD

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The Group continually seeks to improve its business and financial performance by periodically evaluating its assets and businesses and considering divestiture as and when suitable offers arise. As at 31 March 2026, the unaudited net liabilities of the Target Companies amounted to approximately HK\$29,013,000, which represented the total unaudited net liabilities of PHC and PMS. Such net liabilities mainly arose from the funding support provided by the Company and its subsidiaries to the Target Companies in the form of intercompany advances. The Hong Kong laboratory testing business operated by the Target Companies has been facing intense market competition and persistently high operating costs, resulting in reduced cash flow and continuous losses. As a result, the Target Companies have been unable to generate sufficient cash flow from its own operations to repay such intercompany advances to the Company and its subsidiaries. In order to divest this non-performing segment and to optimise the Group's business performance and prevent the ongoing losses of Target Companies from placing an additional burden on the Group, the Disposal will enable the Company to reallocate its resources to support its overall strategic development. The Group will continue to scale down its operation in the medical and health related services segment after the Disposal.

The Disposal represents a commercial and strategic decision made by the Board after prudent evaluation, with the objective of concentrating the Group's resources and efforts on developing its high-growth-potential cancer treatment business segment. This includes, but is not limited to, the operation of Pengbo (Hainan) Boron Neutron Hospital ("**Pengbo Hospital**") (which is currently in the trial operation stage and has already completed multiple treatment cases), as well as the provision of a comprehensive one-stop solution covering equipment sales, installation and commissioning, hospital design, turnkey construction works and maintenance services. Such solution leverages the Group's role as the exclusive agent in the Greater China region for NeuCure®, the world's first approved boron neutron capture therapy equipment, and its consumables. The trial operation stage of Pengbo Hospital commenced in February 2026. It is expected that Pengbo Hospital will end the trial operation stage and be officially launched in August 2026. For the period from the commencement of the trial operation stage in February 2026 up to 31 May 2026, the revenue of Pengbo Hospital amounted to approximately HK\$16.9 million.

In addition, the Group has entered into a memorandum of understanding with Stella Pharma Corporation, pursuant to which the parties will jointly advance the regulatory approval process of Steboronine®, the world's first boron neutron capture therapy drug, by the National Medical Products Administration, with a view to supporting the launch of the drug in China and localising its production. According to the memorandum of understanding, the said company intends to grant the Group exclusive rights to manufacture and sell such licensed products in China, and the Group expects to be able to significantly expand the scale of its production and sales. This initiative will accelerate the Group's upstream positioning in the boron neutron capture therapy industry and strengthen its future competitiveness. The Group will continue to focus on the development of new technologies and products, thereby enhancing the Group's overall operational efficiency and long-term shareholder value.

Based on the above, the Directors are of the view that the Disposal is in the interest of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Group will cease to hold any equity interest in the Target Companies and the Target Companies cease to be subsidiaries of the Company, and hence the financial results of the Target Companies will no longer be consolidated into the financial statements of the Group.

#### Earnings

Based on the net proceeds from the Disposal, the unaudited net liabilities of the Target Companies of HK\$29,013,000 (which will decrease to HK\$9,605,000 after the waiver of the net Intercompany Balance of HK\$19,408,000) in aggregate as at 31 March 2026, and the waiver of the net Intercompany Balance of HK\$19,408,000 owing by the Target Companies to the Group, the Group will record a gain of approximately HK\$12,617,000 as a result of the Disposal, being the difference between the aggregate net liabilities of the Target Companies of HK\$9,605,000 as at 31 March 2026 after the waiver of the net Intercompany Balance owing by the Target Companies to the Group and the net proceeds of approximately HK\$3,012,000. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to the net liabilities of the Target Companies as at the Completion Date and final audit to be performed by the auditors of the Company.

#### Assets and liabilities

Based on the Consideration of HK\$3,500,000 and given that the Group is expected to record an unaudited gain on the Disposal of approximately HK\$12,617,000 upon Completion, the estimated consolidated net asset value of the Group is expected to increase by approximately HK\$12,617,000 upon Completion, after taking into account (i) net proceeds from the Disposal, after deducting expenses directly attributable thereto, is expected to amount to approximately HK\$3,012,000; (ii) the estimated consolidated total assets of the Group is expected to decrease by approximately HK\$8,506,000; and (iii) the estimated consolidated total liabilities of the Group is expected to decrease by approximately HK\$18,111,000.

### INTENDED USE OF PROCEEDS

The net proceeds from the Disposal, after deducting the transaction cost associated with the Disposal, are estimated to be approximately HK\$3,012,000, will be used as general working capital.

### GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposal under Rule 19.07 of the GEM Listing Rules exceeds 25% but all of the applicable percentage ratios are below 75%, the Disposal constitutes a major transaction on the part of the Company under the GEM Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

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## LETTER FROM THE BOARD

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### WRITTEN SHAREHOLDERS' APPROVAL

Under Rule 19.44 of the GEM Listing Rules, shareholders' approval may be obtained by way of written shareholders' approval in lieu of holding a general meeting if (a) no shareholder is required to abstain from voting if the issuer were to convene a general meeting to obtain such shareholders' approval; and (b) written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and no Shareholder is required to abstain from voting in respect of the approval of the Sale and Purchase Agreement, the Disposal and the transactions contemplated respectively thereunder if the Company were to convene a general meeting. Pursuant to Rule 19.44 of the GEM Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, the Company has received a written approval from Genius Lead Limited. As at the Latest Practicable Date, Genius Lead Limited owns 529,500,546 Shares (representing approximately 54.27% of the total issued share capital of the Company) carrying rights to vote at a general meeting. Accordingly, no general meeting will be held by the Company for approving the Sale and Purchase Agreement, the Disposal and the transactions contemplated respectively thereunder. Genius Lead Limited is ultimately wholly-owned by Mr. Liu.

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

**1. FINANCIAL INFORMATION OF THE GROUP**

The audited financial information of the Company is disclosed in the annual reports of the Company for the years ended 31 December 2023 (pages 87 to 177), 2024 (pages 86 to 176) and 2025 (pages 83 to 166), which were published on 1 April 2024, 23 April 2025 and 29 April 2026 respectively.

There was no qualified audit opinion expressed on the consolidated financial statements of the Company for the three years ended 31 December 2023, 2024 and 2025.

The said annual reports of the Company are published on both the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.cbshhk.com](http://www.cbshhk.com)):

- (a) the annual report of the Company for the year ended 31 December 2023 in relation to the financial information of the Company for the same year (<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0401/2024040100249.pdf>);
- (b) the annual report of the Company for the year ended 31 December 2024 in relation to the financial information of the Company for the same year (<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0423/2025042300809.pdf>); and
- (c) the annual report of the Company for the year ended 31 December 2025 in relation to the financial information of the Company for the same year (<https://www1.hkexnews.hk/listedco/listconews/gem/2026/0429/2026042900151.pdf>).

**2. STATEMENT OF INDEBTEDNESS**

As at the close of business on 30 April 2026, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the indebtedness of the Group was as follows:

**(a) Borrowings**

The Group had secured borrowings of approximately HK\$185,600,000 and unsecured borrowing of approximately HK\$77,938,000.

**(b) Convertible bonds**

The Group had secured convertible bonds of approximately HK\$315,590,000 at nominal value of US\$41,000,000 (equivalent to HK\$321,276,000). The convertible bonds are secured by 410,000,000 ordinary Shares held by Genius Lead, the controlling Shareholder, and guaranteed by Mr. Liu, the chairman and executive Director, and Genius Lead.

**(c) Written put option liability**

The Group has a written put option liability of approximately HK\$53,165,000 in relation to the approximately 5.35% equity interest held by Yixing Huanke Product Development Equity Investment Enterprise (Limited Partnership) (“**Yixing Huanke**”) in Shanghai Longyao Biotech Company Limited (“**Shanghai Longyao**”), a non-wholly owned subsidiary of the Group. Pursuant to the capital injection agreement dated 8 December 2023, Yixing Huanke injected RMB48,000,000 and was granted a put option to require Shanghai Longyao to repurchase its entire equity interest at an exercise price of RMB48,000,000 plus 6.0% interest per annum.

**(d) Lease liabilities**

The Group had lease liabilities of approximately HK\$10,558,000 for various offices, health centres, warehouses, laboratories, and staff quarters.

Save as aforesaid and normal trade and other payables in the ordinary course of business and apart from intra-group liabilities, as at the close of business on 30 April 2026, being the latest practicable date for determining indebtedness, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantee or other material contingent liabilities, nor any authorised or otherwise created but unissued debt securities.

**3. WORKING CAPITAL**

The Directors are of the opinion that, in the absence of any unforeseen circumstances and taking into account the estimated net proceeds from the Disposal, the internal resources of the Group, the Group’s available banking facilities, and the expected financing and refinancing of certain bank loans, the Group has sufficient working capital for its requirements for at least 12 months from the date of this circular.

The Company has obtained the relevant letter as required under Rule 19.66(13) of the GEM Listing Rules.

**4. MATERIAL ADVERSE CHANGE**

Save as disclosed in the annual report of the Company for the year ended 31 December 2025, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

## **5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group's two core business segments – boron neutron capture therapy (“**BNCT**”) and CAR-T cell therapy – have both achieved milestone breakthroughs, further solidifying its position as a leading innovator in China's Big Health industry. These mark the successful transition of the Group's strategic blueprint from planning to full implementation, laying a solid foundation for substantial future growth.

In the BNCT segment, the Group advanced preparations in the year ended 31 December 2025 for the soft opening of the BNCT Center located at the Hainan Boao Lecheng International Medical Tourism Pilot Zone, which officially commenced trial operations in February 2026. This flagship facility will serve as a demonstration centre for the technology and act as the cornerstone for building a nationwide network of BNCT cancer treatment centers across the PRC. Building on its existing hospital ownership, the Group will operate and manage its directly-owned hospitals while actively developing a franchise hospital model. Leveraging its role as the exclusive agent of the BNCT equipment and consumables in the Greater China region, the Group will deliver comprehensive one-stop solutions encompassing equipment sales, maintenance services, centre design, turnkey construction, as well as equipment installation and commissioning. In parallel, the Group aims to collaborate with Stella Pharma Corporation to secure NMPA approval for the production and commercialisation of domestically manufactured boron drugs, Steboronine®, in the PRC.

In the CAR-T segment, the launch of China's first clinically approved CD20-targeted CAR-T therapy, LY007 Cellular Injection, together with the successful completion of its Phase I clinical trial, marked a major step forward in the transition from research to commercialisation. Phase II trial preparations are progressing on schedule, supported by positive clinical data presented at multiple international oncology and haematology conferences that validated the therapy's promising efficacy and favourable safety profile.

## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and chief executive's interests and short positions in Shares and underlying Shares

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executives of the Company and their associates in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required to be entered in the register referred to therein pursuant to section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules, were as follows:

#### (i) Long position in Shares of the Company

| Name of Director | Nature of Interest                 | Number of Shares        | Approximate percentage or attributable percentage of shareholding |
|------------------|------------------------------------|-------------------------|-------------------------------------------------------------------|
|                  |                                    |                         | (Note 1)                                                          |
| Mr. Liu          | Interest of controlled corporation | 529,500,546<br>(Note 2) | 54.27%                                                            |
|                  | Beneficial owner                   | 4,692,000               | 0.48%                                                             |

Notes:

- The percentage figure is based on the number of Shares in issue as at the Latest Practicable Date, being 975,731,150 Shares.
- 529,500,546 Shares are held by Genius Lead, which is wholly-owned by Genius Earn Limited ("Genius Earn"), which is in turn wholly-owned by Mr. Liu. Therefore, Mr. Liu is deemed to be interested in the 529,500,546 Shares held by Genius Lead under Part XV of the SFO.

*(ii) Long position in shares of associated corporations*

| Name of Director | Name of associated corporation | Nature of Interest                 | Number of Shares | Approximate percentage or attributable percentage of shareholding |
|------------------|--------------------------------|------------------------------------|------------------|-------------------------------------------------------------------|
| Mr. Liu          | Genius Earn                    | Beneficial owner                   | 1                | 100%                                                              |
|                  | Genius Lead                    | Interest of controlled corporation | 1,000            | 100%                                                              |

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executive of the Company had or was deemed to have 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 (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules.

**(b) Substantial shareholders' interests and short positions in Shares and underlying Shares**

As at the Latest Practicable Date, so far as any Directors are aware, the interest or short positions owned by the following parties (other than the Directors or chief executives of the Company) in the Shares, underlying shares or debentures of the Company which are required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital or relevant securities of the Company or any member of the Group were as follows:

**(i) Long position in Shares and underlying Shares**

| <b>Name of Shareholder</b>                   | <b>Nature of Interest</b>                   | <b>Number of Shares</b> | <b>Approximate percentage or attributable percentage of shareholding<br/>(Note 1)</b> |
|----------------------------------------------|---------------------------------------------|-------------------------|---------------------------------------------------------------------------------------|
| Genius Earn (Note 2)                         | Interest of a controlled corporation        | 529,500,546             | 54.27%                                                                                |
| Genius Lead (Note 2)                         | Beneficial owner                            | 529,500,546             | 54.27%                                                                                |
| Wealth Strategy Holding Limited              | Person having a security interest in shares | 410,000,000<br>(Note 3) | 42.02%                                                                                |
|                                              | Beneficial owner                            | 412,575,757<br>(Note 3) | 42.28%                                                                                |
| Mr. Kung Hung Ka                             | Interest of a controlled corporation        | 822,575,757<br>(Note 3) | 84.30%                                                                                |
| Richlane Ventures Limited (Note 4)           | Beneficial owner                            | 58,000,000              | 5.94%                                                                                 |
| Mr. Ko Chun Shun Johnson ("Mr. Ko") (Note 4) | Interest of controlled corporation          | 95,545,000              | 9.79%                                                                                 |

*Notes:*

1. The percentage figure is based on the number of Shares in issue as at the Latest Practicable Date, being 975,731,150 Shares.
2. 529,500,546 Shares are held by Genius Lead, which is wholly-owned by Genius Earn. Therefore, Genius Earn is deemed to be interested in the 529,500,546 Shares held by Genius Lead under Part XV of the SFO.
3. Pursuant to the subscription agreement dated 29 December 2025 entered into between the Company as issuer and Wealth Strategy Holding Limited as subscriber in relation to the subscription of convertible bonds in the aggregate amount of USD35,000,000, Genius Lead provided a share charge over 410,000,000 Shares in favour of Wealth Strategy Holding Limited as security for the due performance by the Company of all its obligations under the convertible bonds. On 20 February 2026, convertible bonds in the aggregate principal amount of USD35,000,000 were issued by the Company to Wealth Strategy Holding Limited. Based on the initial conversion price of HK\$0.66 per conversion share at the exchange rate of HK\$7.78 to USD1.00, a maximum number of 412,575,757 conversion shares of the Company will be allotted and issued upon exercise of the conversion rights attached to the convertible bonds in full. Wealth Strategy Holding Limited is wholly-owned by Wealth Strategy Group Limited which is in turn wholly-owned by Mr. Kung Hung Ka, as such, Mr. Kung Hung Ka is deemed to be interested in the underlying Shares held by Wealth Strategy Holding Limited under Part XV of the SFO.
4. 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.

Saved as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executives of the Company) in the Shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital or relevant securities of the Company or any member of the Group.

### **3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

### **4. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

**5. DIRECTORS' INTERESTS IN CONTRACTS, ASSETS AND ARRANGEMENT OF SIGNIFICANCE**

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, or disposed of by, or leased to any member of the Group, or were proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Company were made up).

**6. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

**7. QUALIFICATION AND CONSENTS OF EXPERTS**

The following is the qualification of the experts who have been named in this circular or have given opinions, letter or advice contained in this circular:

| <b>Name</b>                            | <b>Qualification</b> |
|----------------------------------------|----------------------|
| Masterpiece Valuation Advisory Limited | Independent valuer   |

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters/reports or its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the expert had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert had no interest, direct or indirect, in the promotion of, or in any assets which since 31 December 2025, the date to which the latest published audited financial statements of the Group were made up, have been acquired or disposed of by or leased to, the Group, or are proposed to be acquired or disposed of by or leased to the Group.

## 8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business carried on or intended to be carried on by the Group) have been entered into by members of the Group within the two years immediately preceding the date of this Circular and up to the Latest Practicable Date which are or may be material:

- (a) the placing agreement dated 20 July 2024 and entered into between Genius Lead and Mr. Ming Fu as placee, pursuant to which Genius Lead had agreed to sell 12,500,000 Shares to Mr. Ming Fu at a price of HK\$0.40 per placing share;
- (b) the top-up subscription agreement dated 20 July 2024 and entered into between Genius Lead and the Company, pursuant to which the Company had conditionally agreed to allot and issue, and Genius Lead had conditionally agreed to subscribe for, 12,500,000 Shares (equivalent to the number of placing shares sold by Genius Lead under the placing agreement dated 20 July 2024) at a price of HK\$0.40 per top-up subscription share;
- (c) the capital injection agreement dated 5 August 2024 and entered into amongst Pengbo (Hainan) Medical Technology Co., Ltd.\* (鵬博(海南) 礪中子醫療科技有限公司) (“**Pengbo (Hainan)**”), Dynamic Healthcare Holdings Limited (“**Dynamic Healthcare**”), CBSH Flourish (Hong Kong) BNCT Medical Centre Limited (鵬博(香港) 中子癌症治療中心有限公司) (“**CBSH Flourish**”), the Company and Hubei Weiyou Equity Investment Partnership (Limited Partnership)\* (湖北惟宥股權投資合夥企業(有限合夥)) (“**Hubei Weiyou**”) pursuant to which it is conditionally agreed that (i) the registered capital of Pengbo (Hainan) would be increased from RMB150,000,000 (equivalent to approximately HK\$162,000,000) to RMB230,969,200 (equivalent to approximately HK\$249,446,736); and (ii) Hubei Weiyou agreed to contribute up to RMB242,307,600 (equivalent to approximately HK\$261,692,208) into Pengbo (Hainan) to subscribe for 35% of the registered capital of Pengbo (Hainan) in the amount of RMB80,769,200 (equivalent to approximately HK\$87,230,736) as enlarged by the increase in the registered capital;
- (d) the subscription agreement dated 17 December 2024 and entered into between the Company and Guoyuan Securities Investment (Hong Kong) Limited (“**Guoyuan Securities**”) as the subscriber, pursuant to which the Company has conditionally agreed to issue, and Guoyuan Securities has conditionally agreed to subscribe for, the convertible bonds in an aggregate principal amount of USD6,000,000 (equivalent to approximately HK\$46,680,000);
- (e) the (i) strategic cooperation framework agreement dated 25 February 2025 and entered into between the Company and Shenzhen BGI Technology Co., Ltd.\* (深圳華大基因科技有限公司) (“**Shenzhen BGI Technology**”); and (ii) the letter of intent dated 25 February 2025 entered into between Pengbo (Hainan) and 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**”) in relation to BGI Songhe’s intended investment in Pengbo (Hainan).

\* for identification purposes only

- (f) the capital injection agreement dated 27 February 2025 and entered into amongst Pengbo (Hainan), Dynamic Healthcare, CBSH Flourish, the Company and Hubei Weiyu pursuant to which it is conditionally agreed that (i) the registered capital of Pengbo (Hainan) would be increased from RMB150,000,000 (equivalent to approximately HK\$162,000,000) to RMB166,666,667 (equivalent to approximately HK\$180,000,000); and (ii) Hubei Weiyu agreed to contribute up to RMB50,000,000 (equivalent to approximately HK\$54,000,000) into Pengbo (Hainan) to subscribe for 10% of the registered capital of Pengbo (Hainan) in the amount of RMB16,666,667 (equivalent to approximately HK\$18,000,000) as enlarged by the increase in the registered capital;
- (g) the non-legally binding memorandum of understanding dated 10 July 2025 and entered into amongst the Company, AXA China Region Insurance Company (Bermuda) Limited, AXA International Reinsurance (Shanghai) Company Limited, Qianhai Reinsurance Co., Ltd. and Arthur J. Gallagher (Singapore) Pte. Ltd. in relation to the collaboration on the joint development of an inclusive medical insurance product covering boron neutron capture therapy (BNCT) treatment costs and related services;
- (h) the convertible loan agreement (the “**Convertible Loan Agreement**”) dated 11 July 2025 between Pengbo (Hainan) (as borrower), BGI Songhe (as lender), Mr. Liu and the Company (as guarantors) in relation to the loan (the “**Loan**”) in the principal amount of RMB30,000,000 advanced by BGI Songhe to Pengbo (Hainan) and the exercise of the Warrant (as defined below) under the Warrant Agreement (as defined below);
- (i) the warrant agreement (the “**Warrant Agreement**”) dated 11 July 2025 between Dynamic Healthcare (as grantor) and BGI Songhe (as grantee) in relation to the grant of the warrant (the “**Warrant**”) by Dynamic Healthcare to BGI Songhe to subscribe for such number of shares in Dynamic Healthcare as determined by a specified formula at the exercise price for the Warrant, being the USD equivalent of RMB30,000,000, which is the Loan amount, and its exercise;
- (j) the investment agreement (the “**Investment Agreement**”) dated 11 July 2025 between Pengbo (Hainan), Dynamic Healthcare, Mr. Liu, the Company and BGI Songhe in relation to, among others, the investment by BGI Songhe and the related transactions contemplated under the Convertible Loan Agreement and the Warrant Agreement, including but not limited to the provision of the Loan by BGI Songhe to Pengbo (Hainan), the grant of the Warrant by Dynamic Healthcare to BGI Songhe, the subscription of validly issued and fully paid series A preferred shares with par value of USD0.00001 per share in the share capital of Dynamic Healthcare by BGI Songhe upon its exercise of the Warrant by BGI Songhe, and the grant of the repurchase right granted to BGI Songhe under the Investment Agreement pursuant to which BGI Songhe may, upon the occurrence of specified event, require Dynamic Healthcare to repurchase all of the shares in Dynamic Healthcare held by BGI Songhe and certain rights of BGI Songhe in connection therewith;

- (k) the subscription agreement dated 29 December 2025 and entered into between the Company and Wealth Strategy Holding Limited (“**Wealth Strategy**”) as the subscriber, pursuant to which the Company has conditionally agreed to issue, and Wealth Strategy has conditionally agreed to subscribe for, the convertible bonds due on the date falling on the fourth anniversary of its issue date in an aggregate principal amount of USD35 million (equivalent to approximately HK\$272,300,000);
- (l) the Sale and Purchase Agreement.

## 9. THE AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee (the “**Audit Committee**”) of the Company was composed of three independent non-executive Directors, namely Mr. Yan Guoxiang (chairman of the Audit Committee), Dr. Guo Yuantao and Dr. Zhang Xiao. The primary duties of the audit committee are to review and supervise the financial reporting process, risk management and internal control systems of the Group, relationship with external auditors and to provide advices and recommendations to the Board for review and follow-up.

Mr. Yan Guoxiang (“**Mr. Yan**”), aged 60, has been appointed as an independent non-executive Director on 7 August 2017. He is also the chairman of the Audit Committee and remuneration committee of the Company and a member of the nomination committee of the Company. Mr. Yan obtained a Bachelor’s degree in Accounting from Southwest University (西南大學) in July 2005. Mr. Yan obtained his certified public accountant qualification in April 1998. He is a non-practising member of the Chinese Institute of Certified Public Accountants (CICPA). He has also obtained professional qualifications as a Certified Asset Valuer, awarded by the China Appraisal Society (中國資產評估協會) in August 1997. Mr. Yan has over 20 years of experience in accounting and management. Mr. Yan has served as an executive director of Shenzhen Sichen Consulting Service Co. Ltd.\* (深圳市士辰諮詢服務有限責任公司) since June 2018, as an independent non-executive Director of Guangdong Huicheng Vacuum Technology Co., Ltd. (廣東匯成真空科技股份有限公司) (stock code: 301392.SZ) since September 2025 and as an independent non-executive Director of Eaglerise Electric & Electronic (China) Co., Ltd. (伊戈爾電氣股份有限公司) (stock code: 002922.SZ) (“**Eaglerise Electric**”) since November 2025. Mr. Yan served as a department manager of ShineWing Certified Public Accountants from March 2004 to September 2007, as a department manager of Pan-China Certified Public Accountants (天健會計師事務所) from September 2007 to June 2010, as an assistant to the general manager and manager of the finance department of Chongyi Zhangyuan Tungsten Industry Co., Ltd (stock code: 002378.SZ) from July 2010 to January 2012, as a partner of Dahua Certified Public Accountants (大華會計師事務所) from March 2012 to December 2014, as a general manager of Shenzhen Junxing Information Technology Co., Ltd.\* (深圳市君行信息科技有限公司) from August 2016 to August 2019, as an independent non-executive director of Eaglerise Electric from November 2015 to November 2021 and as an independent non-executive director of Shenzhen Tianwei Video Co., Ltd. (深圳市天威視訊股份有限公司) (stock code: 002238.SZ) from August 2018 to July 2024.

Dr. Guo Yuantao (“**Dr. Guo**”), aged 52, has been appointed as an independent non-executive Director on 6 June 2024. She is also the member of the Audit Committee, remuneration committee and nomination committee of the Company. She has over 20 years of equity research experience in various international investment banks with both sector exposure and macro exposure. Dr. Guo obtained a Bachelor of Arts with a major in International Economics from the School of Economics of Nankai University in 1995, a Master of Arts from the School of Economics of Peking University in 1998, and a Master of Philosophy from the Center of Development Studies and Churchill College of the University of Cambridge in 1999. Dr. Guo obtained her PhD from the Judge Business School and Churchill College of the University of Cambridge. Dr. Guo was the former Chief Strategist and Economist, Head of Equity Research and Managing Director of the China Merchants Securities (Hong Kong) from 2017 to 2023. Prior to joining China Merchants Securities (Hong Kong), Dr. Guo was the former Head of Asia Consumer/Internet/Media Equity, Research and Managing Director of Jefferies (Hong Kong) from 2011 to 2017. Dr. Guo also has extensive international exposure from working as an analyst in the equity research team of HSBC (Hong Kong), Goldman Sachs (Gaohua Beijing) and Goldman Sachs (Singapore). Dr. Guo was accredited as a permanent member of the China Independent Non-Executive Directors Association (中國獨立非執行董事協會) in December 2023. Since 29 August 2024, Dr. Guo has been appointed as an independent non-executive director of Tianneng Power International Limited (stock code: 0819.HK), a company listed on the Stock Exchange.

Dr. Zhang Xiao (“**Dr. Zhang**”), aged 64, has been appointed as an independent non-executive Director on 25 July 2025. He is also a member of the Audit Committees. Dr. Zhang has over 30 years of management experience in senior management within the healthcare sector. He was the global senior vice president and president of Greater China of Varian Medical Systems before his retirement in 2024. He joined Varian Medical Systems in 2013 as the managing director of China, responsible for the business of radiotherapy, proton therapy and its X-ray imaging components in China. In 2014, he was appointed as the global vice president and president of Greater China of Varian, responsible for the business in Mainland China and Taiwan. Under his leadership, Varian’s business continued to grow and had taken a leading position in the Greater China market. Dr. Zhang was committed to expanding the accessibility of tumor radiotherapy in China and improving the five-year survival rate of Chinese cancer patients. He has driven a series of transformative and innovative initiatives for Varian in China, including the launch of Halcyon, a next-generation intelligent radiotherapy platform, the application of advanced technologies such as artificial intelligence to create a comprehensive radiotherapy cloud solution, etc. Prior to joining Varian, he had worked in different business groups of General Electric. Dr. Zhang obtained a Master of Science and a Doctor of Philosophy from the University of Tennessee, Knoxville in 1989 and 1992 respectively.

**10. MISCELLANEOUS**

- (a) The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company's head office and principal place of business in Hong Kong is situated at Suites 1904-05A, 19/F Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong.
- (b) The Hong Kong branch share registrar and transfer office is Union Registrars Limited, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.
- (c) The secretary of the Company is Ms. Fung Pui Yin. She graduated from The Hong Kong Polytechnic University with a degree in Bachelor of Accountancy and is a member of CPA Australia.
- (d) The compliance officer of the Company is Mr. Liu. Mr. Liu graduated from The Macau University of Science and Technology in 2005 with a Master degree of Business Administration.
- (e) In case of inconsistency, the English text of this circular shall prevail over its Chinese text.

**11. DOCUMENTS ON DISPLAY**

Copies of the following documents are published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cbshhk.com](http://www.cbshhk.com)) for a period of 14 days from the date of this circular:

- (a) the valuation report of the Disposal Company as set out in Appendix III to this circular;
- (b) the written consent referred to in the paragraph headed "7. QUALIFICATION AND CONSENTS OF EXPERTS" in this appendix; and
- (c) the Sale and Purchase Agreement.

As the Sale and Purchase Agreement contains certain sensitive personal information, being the identity card numbers of the Purchaser and Ms. Fung Pui Yin, who are natural persons (the "**Personal Information**"), the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 19.66(11) and paragraph 42(2)(c) of Appendix D1B to the GEM Listing Rules allowing the Company to redact the Personal Information from the Sale and Purchase Agreement to be displayed on the websites of the Stock Exchange and the Company based on the following grounds:-

- (i) disclosure of the Personal Information, such as identity card number increases the potential risks of identity theft, fraud, or harassment of the Purchaser and Ms. Fung Pui Yin; and
- (ii) Personal Information, such as identity card number is considered "personal data" under the Personal Data (Privacy) Ordinance (Cap 486) ("**PDPO**") and such disclosure would result in a violation of the PDPO and other applicable privacy laws in Hong Kong.

*The following is the text of a report prepared for the purpose of incorporation in this circular received from Masterpiece Valuation Advisory Limited, an independent valuer, in connection with its valuations as at 31 March 2026 of the entire equity interest of the PHC Medical Diagnostic Centre Limited and Premier MediCare Services Limited.*

The Board of Directors

**China Biotech Services Holdings Limited**

Suites 1904-05A, 19/F, Sino Plaza 255-257 Gloucester Road

Causeway Bay, Hong Kong

30 June 2026

Dear Sirs/Madams,

**Re: Valuation of 100% Equity Interest of the Target Companies**

In accordance with your instruction, Masterpiece Valuation Advisory Limited (“**Masterpiece**” or “**we**”) has conducted a fair value valuation in connection with the 100% equity interest of PHC Medical Diagnostic Centre Limited and Premier MediCare Services Limited (collectively as the “**Target Companies**”) as of 31 March 2026 (the “**Valuation Date**”). We understand that China Biotech Services Holdings Limited (the “**Company**”, “**China Biotech**” or “**you**”) intends to dispose certain shareholding of the Target Companies (the “**Proposed Disposal**”).

It is our understanding that this appraisal is strictly addressed to the directors of the Company (the “**Directors**”) and used for the Proposed Disposal solely for your internal reference and disclosure purpose. This report (the “**Report**”) does not constitute an opinion on the commercial merits and structure of the Proposed Disposal. We are not responsible for unauthorized use of the Report.

We accept no responsibility for the realization and completeness of any estimated data, or estimates furnished by or sourced from any third parties which we have used in connection with this Report. We assumed that financial and other information provided to us are accurate and complete.

This Report presents the summary of the business appraised, describes the basis of analysis and assumptions and explains the analysis methodology adopted in this appraisal process to calculate the value.

**BASIS OF ANALYSIS**

We have appraised the fair value of 100% equity interest of the Target Companies.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**COMPANY BACKGROUND**

PHC Medical Diagnostic Centre Limited is a private entity incorporated in Hong Kong. It has been primarily engaged in the provision of comprehensive medical diagnostic and laboratory services. The company operates a central laboratory facility and multiple service centers across the territory, offering a range of disciplines including pathology, biochemistry and molecular testing.

Premier MediCare Services Limited is a private entity incorporated in Hong Kong. It has been principally engaged in the provision of comprehensive body check services. The company operates a network of health centres across major districts in Hong Kong, serving both individual and corporate clients.

We understand that the Company intends to dispose of 100% equity interest of the Target Companies. As such, the Company would like to assess the fair value of the equity interest of the Target Companies as of the Valuation Date.

**REPORTING STANDARD**

We observe and follow the definitions and standards laid down by the Hong Kong Financial Reporting Standards and the International Valuation Standards.

**SCOPE OF WORK**

In conducting this valuation exercise, we have

- Co-ordinated with the Company's representatives to obtain the required information and documents for our valuation;
- Gathered the relevant information of the Target Companies, including the legal documents, financial statements, etc. made available to us;
- Discussed with the Company and the Target Companies to understand the history, business model, operations, business development plan, etc. of the Target Companies for valuation purpose;
- Carried out research in the sector concerned and collected relevant market data from reliable sources for analysis;
- Studied the information of the Target Companies made available to us and considered the bases and assumptions of our conclusion of value;
- Selected an appropriate valuation method to analyze the market data and derived the estimated fair value of the Target Companies; and
- Compiled this Report on the valuation, which outlines our findings, valuation methodologies and assumptions, and conclusion of value.

When performing our valuation, all relevant information, documents, and other pertinent data concerning the assets, liabilities and contingent liabilities should have been provided to us. We relied on such data, records and documents in arriving at our opinion of values and had no reason to doubt the truth and accuracy of the information provided to us by the Company, the Target Companies and their authorized representatives.

### **SOURCES OF INFORMATION**

For the purpose of our valuation, we were provided with information in respect of the Target Companies prepared by the Company, the Target Companies and their authorized representatives. The valuation required the consideration of all relevant factors including, but not limited to the following:

- Background information of the operation and relevant corporate information of the Target Companies;
- Historical financial information of the Target Companies;
- The economic outlook in general, the specific economic environment and market elements affecting the business, industry and market; and
- FactSet and other reliable sources of market data.

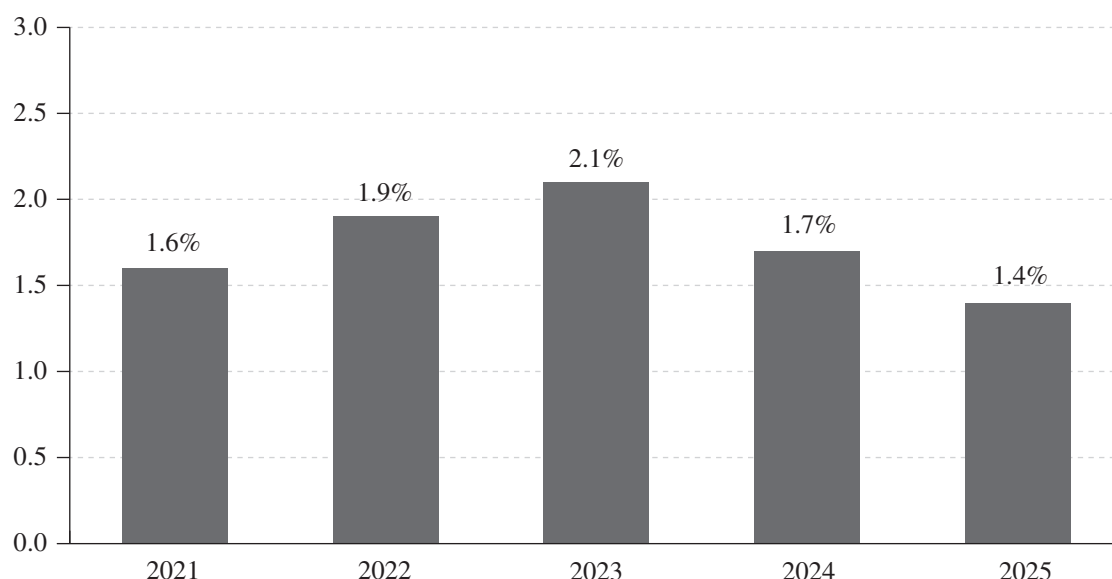
### **INDUSTRY OVERVIEW**

#### **Hong Kong Economy**

According to the Census and Statistics Department of the Government of the Hong Kong Special Administrative Region, Hong Kong's real gross domestic product grew by about 3.5% year-on-year in 2025, marking the third consecutive year of expansion and a further strengthening from 2024. Advance estimates indicated that real GDP increased by around 3.8% in the fourth quarter of 2025, reflecting continued solid growth in external trade and inbound tourism-related services. Over the past five years, following the sharp contraction in 2020, Hong Kong's GDP has returned to a moderate and improving growth trajectory, underpinned by the sustained recovery in merchandise exports, services exports and domestic demand.

According to the HKSAR Government, inflation in Hong Kong remained moderate in 2025. Based on historical data published by the Census and Statistics Department, Hong Kong's annual consumer price inflation was 0.25% in 2020, 1.57% in 2021, 1.88% in 2022, 2.10% in 2023, and 1.73% in 2024. For 2025 as a whole, the headline Composite CPI increased by 1.4% compared with the preceding year. After netting out the effects of all government one-off relief measures, the underlying inflation rate for the full year of 2025 was 1.1%. Overall, the recent inflation trend suggests that price movements and pressures in Hong Kong have remained relatively stable and well under control.

**Hong Kong Consumer Price Index, 2021 to 2025**  
(YoY % change)



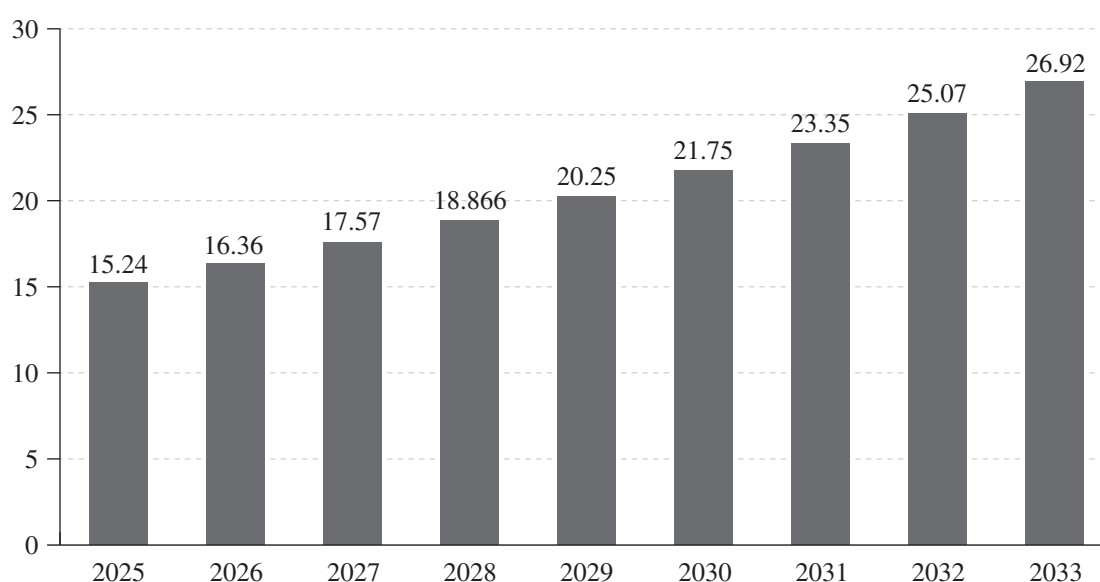
*Source: Census and Statistics Department, HKSAR Government*

### **Body Check and Clinical Laboratory Industry**

The body check and health screening industry in Hong Kong provides preventive medical services, including comprehensive body check packages, diagnostic imaging services such as MRI, CT scan, ultrasound, and X-ray examinations, and specialised health assessments. According to an industry report published by 6Wresearch, the Hong Kong Health Check Up Market is experiencing significant momentum and is poised for substantial growth over the coming years. Recent market research estimates indicated that the health checkup market in Hong Kong was valued at approximately USD15.24 billion in 2025, and it is projected to grow at a compound annual growth rate of 7.37% from 2026 to 2033, ultimately reaching approximately USD23.35 billion by the end of the forecast period.

This growth trajectory is driven by several macro-factors, including rising health awareness among the general public, a rapidly ageing demographic, and continuous technological advancements in diagnostic equipment. The industry expansion is also well-supported by overall healthcare spending trends in the territory. Based on official data from the Hong Kong Government, the total current health expenditure in Hong Kong recently reached HK\$251.2 billion, representing around 8.3% of the city's GDP. The increasing overall healthcare expenditure underscores a growing societal demand for preventive care and early disease detection, which directly favors the development and capacity expansion of the non-hospital health screening and physical examination sector.

**Hong Kong Health Check Up Market Projection, 2025 to 2033**  
(USD in billion)



*Source: Estimates based on industry report by 6Wresearch*

The clinical laboratory industry in Hong Kong covers diagnostic testing services, including clinical chemistry, molecular diagnostics, pathology, in-vitro diagnostics (IVD), and general medical laboratory testing. According to market research published by DataCube Research, the Hong Kong In-vitro Diagnostic and Clinical Laboratory Market was estimated at approximately USD579.6 million in 2025 and is projected to reach approximately USD764.5 million by 2033, exhibiting a steady compound annual growth rate of 3.5% during the forecast period from 2025 to 2033.

This moderate but stable growth trajectory is reflective of the city's constrained domestic scale combined with a growing reliance on advanced imported diagnostic technologies. The market expansion is primarily supported by rising health awareness and an ageing population, which have led to a greater demand for early disease detection, chronic disease management, and precision medicine. Additionally, Hong Kong's strategic position as a regional healthcare and medical referral hub, backed by deep clinical expertise and sophisticated laboratory networks, continues to sustain its relevance in the broader Asia-Pacific diagnostic ecosystem.

**LIMITATIONS OF THE REPORT**

The Report is addressed strictly to the Directors for their internal reference and disclosure only. Accordingly, the Report may not be used nor relied upon in any other connection by, and are not intended to confer any benefit on, any person (including without limitation the respective shareholders of the Company and the Target Companies).

The Report does not constitute an opinion on the commercial merits and structure of the Proposed Disposal. The Report does not purport to contain all the information that may be necessary or desirable to fully evaluate the Proposed Disposal. We are not required to and have not conducted a comprehensive review of the business, technical, operational, strategic or other commercial risks and merits of the Proposed Disposal and such remain the sole responsibility of the Directors and the management of the Company.

We have assumed and relied upon, and have not independently verified the accuracy, completeness and adequacy of the information provided or otherwise made available to us or relied upon by us in the Report especially for the financial information of the Target Companies provided by the management of the Company, whether written or verbal, and no representation or warrant, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information.

Moreover, our valuation has also relied upon other information obtained from public sources which we believe to be reliable. We accept no responsibility for accuracy and reliability of any information obtained from public sources.

**VALUATION ASSUMPTIONS OF BUSINESS ENTERPRISE VALUE ANALYSIS**

In arriving at our opinion of value, we have considered the following principal factors:

- the economic outlook for the region operated by the Target Companies and specific competitive environments affecting the industry;
- the business risks of the Target Companies;
- the comparable companies are engaging in business operations similar to the Target Companies;
- the experience of the management team of the Target Companies and support from its shareholders; and
- the legal and regulatory issues of the industry in general.

A number of general assumptions have to be made in arriving at our value conclusion. The key assumptions adopted in this valuation include:

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Companies;
- We have assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported values. Further, we assume no responsibility for changes in market conditions after the Valuation Date;
- The Target Companies operate continuously as a going concern;
- There is no material change to the national macro-economic, industrial and regulation development policies;
- There is no material change to the relevant tax base and tax rates after the Valuation Date;
- The management of the Target Companies is responsible and stable, and is capable of its undertakings after the Valuation Date;
- The Target Companies fully comply with all relevant laws and regulations; and
- There is no force majeure which has material adverse effects on the Target Companies.

## **VALUATION APPROACH**

### **General Valuation Approaches**

There are three generally accepted approaches to appraise the fair value of the equity value of the Target Companies, namely Income Approach, Cost Approach and Market Approach. All three of them have been considered regarding the valuation of the Target Companies:

#### Income Approach

The income approach provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the subject asset.

The fundamental method for income approach is the discounted cash flow (“**DCF**”) method. Under the DCF method, the value depends on the present value of future economic benefits to be derived from ownership of the enterprise. Thus, an indication of the equity value is calculated as the present value of the future free cash flow of a company less outstanding interest-bearing debt, if any. The future cash flow is discounted at the market-derived rate of return appropriate for the risks and hazards of investing in a similar business.

Cost Approach

The cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation arising from condition, utility, age, wear and tear, or obsolescence (physical, functional or economical) present, taking into consideration past and present maintenance policy and rebuilding history.

Market Approach

The market approach provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset.

Under the market approach, the comparable company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset. The comparable transaction method computes a price multiple using recent sales and purchase transactions of assets that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset.

**Selected Valuation Approach**

Each of the abovementioned approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing business entities that are similar in nature. In this appraisal regarding the fair value of the equity value of the Target Companies, we applied the Market Approach due to the following reasons:

- Cost Approach is not appropriate in current appraisal as it assumed the assets and liabilities of the Target Companies are separable and can be sold separately. This methodology is more appropriate for the industry that their assets are highly liquid, like property development and financial institution. Thus, Cost Approach is not adopted in this valuation.
- The Income Approach is also considered inappropriate as numerous assumptions were involved in formulating the financial projections of the Target Companies, and these assumptions might not be able to reflect the uncertainties in their future performance. As the income approach requires detailed operational information and financial projections, it may be subject to management bias regarding future performance. Since objective supporting data is not available to support in conducting the valuation using the income approach, improper assumptions would impose a significant impact on the fair value. Therefore, the Income Approach is not adopted in this valuation.

- Fair value arrived from Market Approach reflects the market expectations over the corresponding industry as the price multiples of the comparable companies were arrived from market consensus. Since there are sufficient public companies in similar nature and business to that of the Target Companies, their market values are good indicators of the industry. Therefore, Market Approach has been adopted in this valuation. Our valuation procedure under the guideline company method is illustrated as below.

### **Guideline Company Method**

By adopting guideline company method, we have to select the appropriate comparable public companies. The selection of the comparable companies was based on the comparability of the overall industry sector. Although no two companies are ever exactly alike, behind the differences there are certain business universals such as required capital investment and overall perceived risks and uncertainties that guided the market in reaching the expected returns for companies with certain similar attributes.

The comparable public companies are selected by adopting FactSet and their latest audited annual reports, with reference to the following selection criteria:

- The primary business of the comparable public companies is clinical lab test or body check services, and related services or products, with over 50% of their revenues coming from these activities;
- The revenue is primarily generated from Hong Kong and China, with over 50% of its revenue coming from those geographical segments;
- The comparable public companies are listed on exchange markets in Hong Kong;
- The financial information of the comparable public companies is publicly available; and
- The enterprise values of the comparable public companies are positive.

Details of the selected comparable companies are listed as follows:

| # | Company Name                            | Ticker  | Stock Exchange                  | Business Description                                                                                                                                                                                                   | Business Segment                                                                                                                                                           |
|---|-----------------------------------------|---------|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | China Biotech Services Holdings Limited | 8037-HK | The Stock Exchange of Hong Kong | China Biotech Services Holdings Ltd. operates as an investment company, which engages in the provision of medical laboratory testing and health check services.                                                        | <ul style="list-style-type: none"> <li>– Medical &amp; Health Related Services: 55.5%</li> <li>– Insurance Brokerage: 43.4%</li> <li>– Others: 1.1%</li> </ul>             |
| 2 | UMP Healthcare Holdings Limited         | 722-HK  | The Stock Exchange of Hong Kong | UMP Healthcare Holdings Ltd is an investment company, which engages in the provision of healthcare services. It operates through the Corporate Healthcare Solution Services and Clinical Healthcare Services segments. | <ul style="list-style-type: none"> <li>– Clinical Healthcare: 63.6%</li> <li>– Corporate Healthcare Solution: 36.4%</li> </ul>                                             |
| 3 | Rici Healthcare Holdings Ltd.           | 1526-HK | The Stock Exchange of Hong Kong | Rici Healthcare Holdings Ltd. engages in market research on a variety of industries, including healthcare services. It operates through the General Hospital and Medical Examination Centers segments.                 | <ul style="list-style-type: none"> <li>– Medical Examination Centers segments: 84.4%</li> <li>– General Hospital: 15.6%</li> </ul>                                         |
| 4 | EC Healthcare                           | 2138-HK | The Stock Exchange of Hong Kong | EC Healthcare is an investment holding company, which engages in the provision of medical and healthcare services.                                                                                                     | <ul style="list-style-type: none"> <li>– Medical: 60.6%</li> <li>– Aesthetic Medical &amp; Beauty &amp; Wellness: 31.3%</li> <li>– Veterinary &amp; Other: 8.1%</li> </ul> |

| # | Company Name                             | Ticker  | Stock Exchange                  | Business Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Business Segment                                                                                                                                   |
|---|------------------------------------------|---------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| 5 | Zhong Ji Longevity Science Group Limited | 767-HK  | The Stock Exchange of Hong Kong | Zhong Ji Longevity Science Group Ltd. is an investment company, which engages in the business of money lending, provision of credits, and financing and loan facilitation services. It operates through the following segments: Longevity Science Business, Money Lending, Securities and Other Investments, Financial & Investment Advisory, and Property Investment. The Longevity Science Business segment engages in the provision of diagnostic consultation, health and medical testing and checking as well as distribution of healthcare supplements.  | <ul style="list-style-type: none"> <li>– Longevity Science: 85.8%</li> <li>– Money Lending &amp; Financial Advisory: 14.2%</li> </ul>              |
| 6 | Jiangxi Rimag Group Co., Ltd. Class H    | 2522-HK | The Stock Exchange of Hong Kong | Jiangxi Rimag Group Co. Ltd. engages in imaging business in the Mainland China. It operates through the following segments: Imaging Center Services, Imaging Solution Services, and Rimag Cloud Services. The Imaging Center Services segment offers imaging examination and diagnostic services to patients and other healthcare consumers. The Imaging Solution Services segment provides development needs of medical institution customers. The Rimag Cloud Services segment refers to its services under the Rimag brand to the medical imaging industry. | <ul style="list-style-type: none"> <li>– Imaging Center: 63.4%</li> <li>– Imaging Solution: 33.5%</li> <li>– Digital-intelligence: 3.1%</li> </ul> |
| 7 | Kindstar Globalgene Technology, Inc.     | 9960-HK | The Stock Exchange of Hong Kong | Kindstar Globalgene Technology, Inc. is an investment holding company, which engages in the provision of clinical testing services.                                                                                                                                                                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>– Hematology Testing: 60.3%</li> <li>– Others: 39.7%</li> </ul>                                             |

| # | Company Name            | Ticker  | Stock Exchange                  | Business Description                                                                                                                                                                                              | Business Segment                                                                                                                                                                |
|---|-------------------------|---------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8 | Mega Genomics Limited   | 6667-HK | The Stock Exchange of Hong Kong | Mega Genomics Ltd. operates as a genetic testing platform company, which engages in consumer genetic testing and cancer screening services.                                                                       | <ul style="list-style-type: none"> <li>– Consumer Genetic Testing &amp; Ancillary Services: 97.2%</li> <li>– Cancer Screening Testing &amp; Ancillary Services: 2.8%</li> </ul> |
| 9 | ADICON Holdings Limited | 9860-HK | The Stock Exchange of Hong Kong | ADICON Holdings Ltd. engages in the provision of independent clinical laboratory services. It offers its testing services primarily to hospitals and health check centers through its self-operated laboratories. | – Medical diagnostic services: 100%                                                                                                                                             |

*Source: FactSet and annual reports of the comparable companies.*

UMP Healthcare Holdings Limited (“UMP”), EC Healthcare and Zhong Ji Longevity Science Group Limited (“**Zhong Ji Longevity**”) are considered as comparable companies for the reasons set out below.

In particular, in relation to UMP, its major revenue segment which recorded 63.6% of its total revenue is from the clinical healthcare services segment. Under this segment, it provides medical imaging, laboratory services, and other auxiliary medical services as set out in its annual report for the year ended 30 June 2025. The annual report also mentions that medical imaging and laboratory services are an integral part of medical and healthcare. UMP, through its ProCare medical group, provides one-stop and comprehensive imaging and laboratory services. Equipped with many advanced imaging equipment and testing facilities including PET-CT, MRI, CT Scan, ultrasound, mammography, and X-ray, they provide extensive and reliable medical diagnoses and laboratory services. UMP can provide a wide range of imaging and laboratory services at their self-owned centers. By reason of the above, given that the medical imaging and laboratory services are similar to those of the Target Companies, we have chosen it as a comparable company. For EC Healthcare, its major revenue segment which recorded 60.6% of its total revenue is from the medical services segment. Under this segment, their integrated platform provides end-to-end care including advanced diagnostics, health screening, and laboratory testing, etc. As set out in its official website, EC Healthcare also provides a full range of medical services including health checkups, vaccinations, lab testing, imaging diagnostics, etc. By reason of the above, given that its business of imaging diagnostics, health checkups, and lab testing is the same as that of the Target Companies, we have chosen it as a comparable company. For Zhong Ji Longevity, its major revenue segment which recorded 85.8% of its total revenue is from the longevity science segment. Under this segment, it provides comprehensive longevity medical healthcare business services and products in key categories including registered medical tests and laboratory screenings for advanced tumor cells, immunity and killer cells, joint health blood and micronutrient levels, as well as female and male fertility and salivary hormone tests and sells health and medical products. This segment as a whole shares substantial similarities with the Target Companies not only in customer base (health-conscious individuals seeking preventive health screening, early disease detection assessment, and specialized diagnostic testing) but also in core business model, service delivery (laboratory-based testing and health

check packages), and industry risks. Deeper alignments include shared regulatory oversight by health authorities for medical laboratory operations and diagnostic accuracy, similar clinical quality control requirements, reliance on medical professionals and laboratory infrastructure, exposure to technological advancements in diagnostic tools and personalized health testing, reimbursement and pricing pressures in the preventive healthcare market, and demand driven by rising public awareness of early detection and longevity or wellness in an aging population. These fundamental similarities in operational nature, characteristics, and risk profile make Zhong Ji Longevity a meaningful comparable company.

As over 50% of the revenue of the above comparables are derived from the clinical lab test or body check services, and related services or products, these comparable companies, together with the Target Companies, are considered to be similarly subject to fluctuations and performance of the industry, among other factors. Thus, we consider they are confronted with similar industry risks and rewards. Besides, we have considered all the comparable companies listed in Hong Kong. Selecting listed companies in Hong Kong due to the strict laws and governance, transparency, and similar accounting standards, will lead to more accurate and reliable evaluations. Having considered the above selection criteria and bases, besides the selected nine comparable public companies, we have not considered other comparable companies. The list of selected comparable companies is exhaustive based on our research and selection criteria on a best-effort basis.

After selecting the abovementioned comparable companies, we have to determine the appropriate valuation multiples for the valuation of the Target Companies. In order to reflect the latest financial performance of the Target Companies, it is considered that the suitable multiple in this valuation is the enterprise value-to-sales ratio (the “**EV/S Ratio**”).

We have also considered other common pricing multiples, such as price-to-earnings ratio, price-to-book ratio and price-to-EBITDA ratio. The price-to-earnings ratio is deemed inappropriate for valuation due to the Target Companies’ history of net losses. The price-to-book ratio is considered not appropriate for this valuation because book value captures only the tangible assets of a company. A company’s intangible assets as well as company-specific competencies and advantages are not captured in the price-to-book ratio. The price-to-EBITDA ratio is not selected in this valuation because the Target Companies have experienced negative EBITDA historically, aligning with the rationale behind excluding the price-to-earnings ratio. Therefore, EV/S Ratio is considered appropriate and adopted in this valuation.

The EV/S of Comparable Companies are calculated by dividing their respective enterprise value by their respective revenue. The enterprise values of the comparable companies are computed based on the market capitalization of the comparable companies as of the valuation date and the latest financial data of the comparable companies available as of the Valuation Date.

The EV/S multiples, along with the enterprise value of the following comparable companies as of the Valuation Date, are listed in the table below:

| No                                                                                      | Company Name                             | Currency     | Enterprise Value<br>as of Valuation<br>Date <sup>(1), (3)</sup> | LTM till<br>31/12/2025<br>Sales <sup>(2), (3)</sup> | EV/S <sup>(4)</sup>             |
|-----------------------------------------------------------------------------------------|------------------------------------------|--------------|-----------------------------------------------------------------|-----------------------------------------------------|---------------------------------|
| 1                                                                                       | China Biotech Services Holdings Limited  | HK\$ million | 1,089                                                           | 74                                                  | 14.81x (outlier) <sup>(5)</sup> |
| 2                                                                                       | UMP Healthcare Holdings Limited          | HK\$ million | 114                                                             | 723                                                 | 0.16x                           |
| 3                                                                                       | Rici Healthcare Holdings Ltd.            | HK\$ million | 2,441                                                           | 3,032                                               | 0.80x                           |
| 4                                                                                       | EC Healthcare                            | HK\$ million | 1,493                                                           | 4,008                                               | 0.37x                           |
| 5                                                                                       | Zhong Ji Longevity Science Group Limited | HK\$ million | 308                                                             | 165                                                 | 1.86x                           |
| 6                                                                                       | Jiangxi Rimag Group Co., Ltd. Class H    | HK\$ million | 2,337                                                           | 947                                                 | 2.47x (outlier) <sup>(5)</sup>  |
| 7                                                                                       | Kindstar Globalgene Technology, Inc.     | HK\$ million | 27                                                              | 1,012                                               | 0.03x                           |
| 8                                                                                       | Mega Genomics Limited                    | HK\$ million | 1,171                                                           | 268                                                 | 4.37x (outlier) <sup>(5)</sup>  |
| 9                                                                                       | ADICON Holdings Limited                  | HK\$ million | 3,537                                                           | 2,861                                               | 1.24x                           |
| <b>Median excluding outlier<br/>Before LoMD and Control Premium <sup>(3), (5)</sup></b> |                                          |              |                                                                 |                                                     | <b>0.59x</b>                    |
| Lack of Marketability Discount<br>("LoMD") <sup>(4)</sup>                               |                                          |              |                                                                 |                                                     | 42.9%                           |
| Control Premium <sup>(4)</sup>                                                          |                                          |              |                                                                 |                                                     | 18.6%                           |
| <b>Median excluding outlier<br/>After LoMD and Control Premium</b>                      |                                          |              |                                                                 |                                                     | <b>0.40x</b>                    |

*Notes:*

- (1) Data sourced from FactSet and annual reports of the comparable companies. The enterprise value of the comparable companies is computed based on the market capitalization of the companies and the latest financial data of the comparable companies till 31 December 2025 available as of 31 March 2026.
- (2) Data sourced from FactSet. Revenues of the comparable companies are based on the latest twelve months financial data of the comparable companies till 31 December 2025 available as of 31 March 2026.
- (3) Median and average share the same role in understanding the central tendency of a set of numbers. Median, which would not be affected by extreme values, is regarded as a better mid-point measure for skewed number distributions. Hence, median is adopted to derive the result, which we consider to be a more reasonable approach to prevent the outliers from distorting the result.

(4) *Marketability Discount and Control Premium*

Lack of Marketability Discount (“LOMD”) reflects the fact that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company.

The EV/S multiple adopted in the valuation was calculated from public listed companies, which represents marketable ownership interest. Fair value calculated using such EV/S multiple, therefore, represents the marketable interest. Thus, LOMD was adopted to adjust such marketable interest fair value to non-marketable interest fair value.

The report “Stout Restricted Stock Study Companion Guide (2025 edition)” by Stout Risius Ross, LLC, a reputable research company, suggested a median marketability discount for the 5th quintile of 783 transactions is about 42.9%. The median marketability discount in the 5th quintile has been with reference to because the median market value is similar to the Target Companies. A marketability discount of 42.9% is considered appropriate and suitable for this valuation as we understand that the Target Companies are a privately held company.

The value of non-marketable interest can be calculated from marketable interest using the following formula:

$$\text{Fair Value of Non-Marketable Interest} = \text{Fair Value of Marketable Interest} \times (1 - \text{LOMD})$$

Control premium is the amount that a buyer is willing to pay over the minority equity value of the company in order to dispose of a controlling interest in that company. The EV/S multiple adopted in the valuation was calculated from public listed companies, which represents minority ownership interest; market value calculated using such EV/S multiple, therefore, represents the minority interest. Thus, control premium was adopted to adjust such minority interest market value to controlling interest market value.

Adjustment for control is made by the application of a control premium to the value of the Target Companies’ shares. The report “Control Premium Study: 4th Quarter 2025” by FactSet Mergerstat, LLC, a reputable research company, suggested a median control premium for the Invested Capital is about 18.6%. A control premium of 18.6% is considered appropriate and suitable for this valuation as we understand that the Company intends to dispose of a controlling stake in the Target Companies.

The value of controlling interest can be calculated from minority interest using the following formula:

$$\text{Fair Value of Controlling Interest} = \text{Fair Value of Minority Interest} \times (1 + \text{Control Premium})$$

Combining the adjustments on LOMD and control premium,

$$\text{Adjusted EV/S multiple} = \text{EV/S multiple} \times (1 - \text{LOMD}) \times (1 + \text{Control Premium})$$

- (5) Based on the list of comparable companies, the EV/S multiples range from a minimum of 0.03x to a maximum of 14.81x, suggesting the presence of extreme data points. China Biotech Services Holdings Limited (14.81x), Jiangxi Rimag Group Co., Ltd. Class H (2.47x), and Mega Genomics Limited (4.37x) were flagged as potential outliers due to their elevated multiples.

To confirm their outlier status, a baseline range was established using the mean and standard deviation of the comparable companies, excluding these three firms. Setting the boundary at two standard deviations from the mean:  $0.74 \pm 2 \times 0.71 = 0.00$  to  $2.16$ , yielded a range of 0.00x to 2.16x with the lower bound capped at zero, establishing a maximum threshold of 2.16x. The multiples of the outlier companies were confirmed to fall outside this interval, we conclude that China Biotech Services Holdings Limited, Inc., Jiangxi Rimag Group Co., Ltd. Class H and Mega Genomics Limited are outliers. Following their exclusion, the median EV/S multiple for the final six comparable companies before LoMD and Control Premium is 0.59x.

**Valuation Result***Guideline Company Method***PHC Medical Diagnostic Centre Limited (PHC)**

|                                                 |        |
|-------------------------------------------------|--------|
| FY2025 Revenue of PHC (HK\$'000) <sup>(1)</sup> | 20,002 |
| Adjusted Median EV/S Multiple <sup>(2)</sup>    | 0.40x  |

|                                                   |       |
|---------------------------------------------------|-------|
| Estimated 100% Enterprise Value of PHC (HK\$'000) | 7,974 |
| Add: Cash (HK\$'000) <sup>(3)</sup>               | 111   |
| Less: Debts (HK\$'000) <sup>(4)</sup>             | 5,872 |

**100% Equity Value of PHC (HK\$'000) <sup>(5)</sup> 2,213**

**Premier MediCare Services Limited (PMS)**

|                                                 |       |
|-------------------------------------------------|-------|
| FY2025 Revenue of PMS (HK\$'000) <sup>(1)</sup> | 9,214 |
| Adjusted Median EV/S Multiple <sup>(2)</sup>    | 0.40x |

|                                                   |       |
|---------------------------------------------------|-------|
| Estimated 100% Enterprise Value of PMS (HK\$'000) | 3,674 |
| Add: Cash (HK\$'000) <sup>(3)</sup>               | 447   |
| Less: Debts (HK\$'000) <sup>(4)</sup>             | 2,978 |

**100% Equity Value of PMS (HK\$'000) <sup>(5)</sup> 1,143**

|                                     |       |
|-------------------------------------|-------|
| 100% Equity Value of PHC (HK\$'000) | 2,213 |
| 100% Equity Value of PMS (HK\$'000) | 1,143 |

**100% Equity Value of the Target Companies (HK\$'000) <sup>(5)</sup> 3,356**

*Notes:*

- (1) Revenue refers to the revenue reported in the 31 December 2025 financial statements (i.e., from 1 January 2025 to 31 December 2025). For PHC, intercompany revenue has been eliminated from the total revenue.
- (2) Selected EV/S Multiple is based on the median EV/S multiple computed through Guideline Company Method.
- (3) Cash based on the 31 December 2025 financial statement. Cash refers to the cash on hand or in banks. It is unrelated to the regular operational activities.
- (4) Debts based on the 31 December 2025 financial statement. Debt refers to the lease liabilities and it is financing activities. Lease liabilities shall be deducted from enterprise value when calculating equity value because they represent contractual, interest-bearing financial obligations owed to third parties that rank senior to equity claims. From a capital structure perspective, under HKFRS 16, lease liabilities are not standard operating liabilities, rather, they function as financing obligations akin to debt. To bridge the calculated enterprise value to equity value, all debt and debt like items must be deducted. Furthermore, because the calculated enterprise values of the comparable public companies also include lease liabilities as part of their net debt, deducting them here ensures methodological consistency.
- (5) Figures may not exactly add up due to rounding.

**CONCLUSION OF VALUE**

Based on our investigation and analysis method employed, it is our opinion that the fair value of the 100% equity interest of the Target Companies as of the Valuation Date is HK\$3,356,000.

The conclusion of the fair value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

We hereby certify that we have neither present nor prospective interests in China Biotech Services Holdings Limited nor the value reported.

Yours faithfully,  
For and on behalf of  
**Masterpiece Valuation Advisory Limited**  
**Oswald Au**  
*MHKIS (GP), AAPI MSc (RE), ICPA*  
*Registered Professional Surveyor (GP)*  
*Managing Director*

Analyzed and Reported by:

**Paul Hau**  
*FCPA*  
*Director*

**Billy But**  
*Assistant Manager*

*Note:* Mr. Oswald W Y Au is a member of Hong Kong Institute of Surveyors (General Practice), Associate Member of Australian Property Institute and a Registered Professional Surveyor (General Practice) registered with Surveyors Registration Board. He has over 10 years' experience in financial valuation and property valuation in Hong Kong, the PRC, the U.S. and Asia Pacific region.