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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)

PROPOSED EXTENSION OF MATURITY DATE OF CONVERTIBLE BONDS

THE AMENDMENT AGREEMENT

On 10 May 2022 (after trading hours), the Company and the Subscriber entered into the Amendment Agreement for the purpose of extending the maturity date of the outstanding Convertible Bonds for two years from 10 May 2022 to 10 May 2024.

APPLICATION FOR LISTING AND GEM LISTING RULES IMPLICATIONS

No application has been or will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which may be allotted and issued upon full conversion of the outstanding Convertible Bonds. Application will also be made by the Company to the Stock Exchange for its approval of the Proposed Amendments as required under Rule 34.05 of the GEM Listing Rules.

The Extension is subject to the satisfaction of the Conditions Precedent. As the Extension may or may not proceed, Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

BACKGROUND

Reference is made to the announcements of the Company dated 24 April 2020, 27 April 2020 and 11 May 2020 respectively in relation to the placing and issue of the Convertible Bonds and the announcement of the Company dated 27 May 2021 in relation to the Partial Redemption.

As at the date of this announcement, none of the Convertible Bonds has been converted into Conversion Shares and the principal amount of the outstanding Convertible Bonds is US\$5,000,000, which is repayable in full on 10 May 2022.

THE AMENDMENT AGREEMENT

On 10 May 2022 (after trading hours), the Company and the Subscriber entered into the Amendment Agreement for the purpose of extending the maturity date of the outstanding Convertible Bonds for two years from 10 May 2022 to 10 May 2024 (the “**Extension**”). A summary of the principal terms of the Amendment Agreement is set out below.

Amendments

Subject to the suspension taking effect pursuant to the paragraph below and the satisfaction (or, where applicable, waiver) of the Conditions Precedent, each of the Parties agrees that, with effect from the Effective Date, the maturity date of the outstanding Convertible Bonds shall be amended to mean 10 May 2024 and each of the Transaction Documents (unless the Subscriber decides otherwise in its absolute discretion) shall be amended and restated to reflect this amendment such that the maturity date is extended for another two (2) years from the existing maturity date.

The Company shall pay the Subscriber all accrued and unpaid interest of the Convertible Bonds up to (and including) 10 May 2022 in the amount of US\$166,458.33 on 10 May 2022. Subject to the receipt of such payment, the Subscriber agrees to suspend, until (a) the Proposed Amendments take effect or (b) the Long Stop Date, whichever is the earlier (the “**Condition Fulfilment Period**”), its right to demand for redemption of the outstanding Convertible Bonds. The Parties agree that the interest on the outstanding principal amount of the Convertible Bonds shall accrue at the same rate of 8.5% per annum as provided in the terms and conditions of the Convertible Bonds from 10 May 2022 until (and including the day falling on) the end of the Condition Fulfilment Period (“**Condition Fulfilment Period Interest**”) and shall become payable on the Effective Date unless the same amount of interest in respect of the same period is payable under the Restated Documents, in which case such interest shall be paid in accordance with the terms of the Restated Documents.

If the Proposed Amendments do not take effect on or before the Long Stop Date, the Convertible Bonds shall be redeemed forthwith by the Company at the Applicable Redemption Amount plus the Condition Fulfilment Period Interest on the Long Stop Date. All such amounts shall be due, and any suspension of the Subscriber's right under the Amendment Agreement shall cease, on the Long Stop Date.

For avoidance of doubt, as a result of the suspension taking effect pursuant to the Amendment Agreement, the outstanding Convertible Bonds not being redeemed by the Company on the existing maturity date shall not be treated as an event of default under the Bond Instrument during the Condition Fulfilment Period.

Save as stated above, all other principal terms of the Convertible Bonds will remain unchanged.

Conditions Precedent

The Proposed Amendments shall take effect conditional upon the following conditions being fulfilled (or waived by the Parties, except in respect of the conditions set out in paragraphs (1) and (2) below which cannot be waived):

- (1) the Company has obtained the approval from the Stock Exchange in relation to the Proposed Amendments in accordance with the GEM Listing Rules;
- (2) the Company has obtained the approval from the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued upon conversion of the outstanding Convertible Bonds in accordance with the Restated Documents;
- (3) the Company has obtained all other necessary consents, authorisations and approvals in respect of the Proposed Amendments and the transactions contemplated by the Amendment Agreement and the Restated Documents;
- (4) each party which is required to execute the Restated Documents shall have passed all the necessary resolutions of the board of directors or obtained necessary internal approval approving, inter alia, the terms of, and the transactions contemplated by, the Amendment Agreement and the Restated Documents and resolving that it executes the documents to which it is a party and such resolutions or approval shall remain in full force and effect and shall not have been revoked or amended;
- (5) each party which is required to execute the Restated Documents shall have delivered to the Subscriber an executed version of the Restated Documents as duly executed by it;
- (6) legal opinions, in form and substance satisfactory to the Subscriber, dated the Effective Date from the legal advisors to the Company as to Bermuda law and Samoa law;

- (7) from the date of the Amendment Agreement and up to (and including) the Effective Date, there shall not be any event existing or having occurred or a condition in existence which would constitute a breach of the Amendment Agreement by the Company, or such event or condition as contemplated under the Bond Instrument to trigger:
 - (a) an adjustment to the Conversion Price (as defined below), and
 - (b) an event of default under the Bond Instrument (other than the subjects which the Subscriber agrees to suspend under the Amendment Agreement),
 and no event or act shall have occurred which (with the giving of notices, or the lapse of time, or both) would constitute the same; and
- (8) on the Effective Date, the representations, warranties and undertakings set out in the Amendment Agreement shall be true, accurate and correct at, and as if made on, such date.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS UPON EXTENSION

The principal terms of the Convertible Bonds upon the Proposed Amendments taking effect will be as follows:

- Issuer:** The Company
- Outstanding principal amount:** US\$5,000,000 in aggregate
- Form:** The Convertible Bonds are in registered form.
- Maturity date (the “Maturity Date”):** 10 May 2024.
- Interest:** The Convertible Bonds shall bear interest at the rate of 8.5% per annum on the principal amount outstanding from and including the Completion Date, payable semi-annually, with the first payment made on 20 June 2020.

Conversion rights:

Subject to the terms and conditions set out in the Bond Instrument, the Subscriber shall have the right to convert all or any part of the outstanding principal amount of its Convertible Bonds (if in part, of a minimum amount of US\$150,000 unless the remaining outstanding principal amount of its Convertible Bonds is less than US\$150,000, in which case the balance) into Conversion Shares at any time during the Conversion Period at the Conversion Price provided that no conversion right may be exercised where such exercise will result in (i) the Subscriber and parties acting in concert with it, taken together, triggering a mandatory general offer under the Takeovers Code, or (ii) the Company being in breach of the minimum public float requirement under the GEM Listing Rules (“**Conversion Ceiling**”).

The conversion rights attached to the Convertible Bonds is also subject to the Company’s option to make cash payment to the Subscriber in lieu of the issue of the Conversion Shares exercisable by the Company by giving a notice in writing (the “**Cash Settlement Option**”). The Company is entitled to exercise the Cash Settlement Option only in respect of the Shares that the Company cannot issue (i) pursuant to the limitation of the general mandate to issue shares granted by the Shareholders, (ii) pursuant to the limitation of the specific mandate granted by the Shareholders at the extraordinary general meeting of the Company, or (iii) where a Conversion Ceiling occurs or will occur should the conversion right be so exercised. The amount of cash to be paid by the Company will be arrived at by multiplying (aa) the number of Conversion Shares otherwise deliverable upon the exercise of the conversion right in respect of the Convertible Bonds, and in respect of which the Company has exercised the Cash Settlement Option; and (bb) the closing price of the Shares on the last day on which trading of the Shares on the Stock Exchange is not suspended preceding the day on which the conversion notice is served on the Subscriber.

The rate of exchange to be used for any particular date under any of the Transaction Documents where US Dollars are converted to HK Dollars or vice versa shall be at the rate of US\$1.00 to HK\$7.85, provided that, if the average exchange rate of the Telegraphic Transfer Bank Buy and the Telegraphic Transfer Bank Sell as quoted on the website of The Hongkong and Shanghai Banking Corporation Limited on the Business Day immediately prior to such date is at the rate of US\$1.00 to HK\$7.85001 or more (“**Adjusted Exchange Rate**”), the rate of exchange to be used for any particular date under any of the Transaction Documents shall be such Adjusted Exchange Rate; and provided further that if the Subscriber exercises its conversion right attached to the Convertible Bonds, the exchange rate for the purpose of conversion will be the rate of US\$1.00 to HK\$7.85, and that the Company shall pay the Subscriber in cash at the time of conversion in an amount resulting from the difference between such rate and the Adjusted Exchange Rate.

Conversion price (the “Conversion Price”):

The Conversion Price is HK\$1.75 per Conversion Share, subject to the adjustments as provided in the terms and conditions of the Bond Instrument.

The Conversion Price represents:

- (a) a premium of approximately 29.63% to the closing price of HK\$1.35 per Share as quoted on the Stock Exchange on 10 May 2022, being the date of the Amendment Agreement;
- (b) a premium of approximately 30.79% to the average closing price of HK\$1.338 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately before the date of the Amendment Agreement; and
- (c) a premium of approximately 29.44% to the average closing price of HK\$1.352 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares immediately before the date of the Amendment Agreement.

**Adjustment of the
Conversion Price:**

The Conversion Price shall from time to time be adjusted in accordance with the relevant provisions under Bond Instrument upon the occurrence of, among other things, the following events:

- (a) if there is an alteration to the nominal amount of the Shares by reason of any consolidation or sub-division;
- (b) if the Company issues (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalization of profits or reserves (including any share premium account or, if any, capital redemption reserve fund);
- (c) if the Company makes any capital distribution (including distributions in cash or specie) to the Shareholders (whether on a reduction of capital or otherwise) or grant to such Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries, except where the issue of Shares is paid out of profits or reserves and issued in lieu of a cash dividend;
- (d) if the Company offers new Shares to the Shareholders for subscription by way of rights, or grants to the Shareholders any options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than eighty-five per cent (85%) of the Current Market Price per Share on the date of announcement of the terms of such offer or grant;
- (e) if the Company issues (otherwise than as mentioned in paragraph (d) above) wholly for cash any new Shares (other than Shares issued on the exercise of conversion right of the Convertible Bonds or on the exercise of any other rights of conversion into, or subscription for, Shares) or the issue or grant (otherwise than as mentioned in paragraph (d) above) of options, warrants or other rights to subscribe or purchase Shares, at a price per Share which is less than eighty-five per cent (85%) of the Current Market Price on the date of announcement of the terms of such issue;

- (f) save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this paragraph, the issue wholly for cash by the Company or any of its subsidiaries (otherwise than as mentioned in paragraph (d) or (e)) or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity of any securities (other than the Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, new Shares to be issued by the Company upon conversion, exchange or subscription, at a consideration per Share which is less than the Current Market Price on the date of announcement of the terms of issue of such securities.

The adjustment to the Conversion Price shall not apply to an issue of Shares or other securities of the Company or any of its subsidiary wholly or partly convertible into, or rights to acquire, Shares to eligible participants pursuant to the share option scheme duly approved by the Company.

Conversion period (the “Conversion Period”):

The period from the date falling three months after the Completion Date up to the Maturity Date (both days inclusive).

Conversion Shares:

Based on the initial Conversion Price of HK\$1.75 at the exchange rate of HK\$7.85 to US\$1.00, a maximum number of 22,428,571 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the outstanding Convertible Bonds in full, which represent approximately 2.33% of the existing issued share capital of the Company and approximately 2.28% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The Conversion Shares shall rank pari passu in all respects with the fully paid Shares in issue on the relevant conversion date.

Transferability:

The Convertible Bonds are not transferrable.

Early redemption at the option of the Company:

The Company may at any time and from time to time during the period between six months from the date of issue of the Convertible Bonds to one year from the date of issue of the Convertible Bonds redeem all or part of the Convertible Bonds at an amount equal to the aggregate of (i) the principal amount of the outstanding Convertible Bonds to be redeemed; (ii) any interest for such outstanding Convertible Bonds (including default interest) accrued and unpaid under the terms and conditions of the Bond Instrument (together with any interest accruing on overdue but unpaid amounts); (iii) an additional interest for the period from the date after the date of actual repayment to the first anniversary of the date of issue of the Convertible Bonds calculated at the rate of 8.5% per annum; and (iv) any other payment accrued and unpaid to the Subscriber pursuant to the terms and conditions of the Bond Instrument by giving no less than five (5) Business Days' prior notice to the Subscriber in writing.

The Company may at any time and from time to time on and after one year of the date of issue of the Convertible Bonds redeem all or part of the Convertible Bonds at their Applicable Redemption Amount by giving no less than five (5) Business Days' prior notice to the Subscriber in writing.

Redemption on the Maturity Date:

The Company shall redeem all outstanding Convertible Bonds held by the Subscriber on the Maturity Date at the Applicable Redemption Amount.

Events of default:

The Subscriber shall be entitled at any time so long as the event of default is continuing to require, by lodging a notice of repayment, all or a portion of the Convertible Bonds registered in its name to be redeemed at the Applicable Redemption Amount, which at the time of such notice of repayment shall become due and payable.

The events of default include, among other things:

- (a) an Obligor fails to pay the amount due and payable (except interest) pursuant to any Transaction Documents;
- (b) the Company fails to pay any interest due and payable pursuant to any Transaction Documents;

- (c) any Obligor fails to perform or observe any of its obligations under the terms and conditions of the Bond Instrument, the Subscription Agreement or any other Transaction Documents to which it is a party;
- (d) a representation, statement or warranty made or deemed to be made or repeated by any Obligor under any Transaction Documents is or proves to have been incorrect or misleading when made or deemed to be made or repeated;
- (e) unless otherwise agreed in writing by the Subscriber, the Corporate Guarantor ceases to hold 51% or more equity interest directly or indirectly in the Company, or the Individual Guarantor ceases to be a Director and the chairman of the Board, or unless otherwise agreed in writing by the Subscriber, the Individual Guarantor ceases to hold 51% or more beneficial interest directly or indirectly in the Company;
- (f) the Company is unable or admits inability to redeem all the Convertible Bonds on the Maturity Date, or the Company is unable or admits inability to redeem the Convertible Bonds (in whole or in part) at the Applicable Redemption Amount as required under the terms and conditions of the Bond Instrument;
- (g) the net consolidated asset value (as determined by reference to the Company's latest published interim or annual financial statements) of the Company at any time is less than HK\$200,000,000;
- (h) the Company fails to ensure that its gearing ratio (as determined by reference to the Company's latest published interim or annual financial statements) at all times is less than 75%;

- (i) the Shares have been temporarily suspended from trading pending the issue of an announcement by the Company under Chapter 19 and/or Chapter 20 of the GEM Listing Rules for more than five (5) consecutive trading days, or, in other cases, the Shares cease to be listed or admitted to, or are suspended from, trading on GEM for a period of more than two (2) consecutive trading days (or such longer period as may be agreed by the Subscriber), or the Shareholders pass a shareholder resolution to delist the Shares from GEM;
- (j) an event of cross default occurs under the provisions of the Bond Instrument;
- (k) if any Obligor is involved in any insolvency event;
- (l) if any Obligor repudiates or purports to repudiate the Subscription Agreement or any other Transaction Documents to which it is a party;
- (m) any litigation, arbitration, administrative, governmental, regulatory or other proceedings are commenced or, to the best knowledge of any Obligor, threatened against any Obligor or in relation to its assets which has or is likely to have a Material Adverse Effect;
- (n) any governmental agency seizes, compulsorily purchases or expropriates all or a substantial part of the assets of any Obligor or makes an order therefore which would, in any such case which has or is likely to have a Material Adverse Effect;
- (o) an issue of unlawfulness arises in relation to the Bond Instrument or the Subscription Agreement or any other Transaction Documents;
- (p) if the Corporate Guarantee or the Individual Guarantee ceases to be, or is claimed by the Corporate Guarantor or the Individual Guarantor (as the case may be) not to be, in full force or effect;
- (q) any event or circumstance occurs which has a Material Adverse Effect;

- (r) the Company ceases to carry on the whole or a substantial part of its business or materially changes the nature or scope of its business;
- (s) if the auditor's report in the audited financial statements of the Company is qualified in any way and/or contain any explanatory paragraphs.

Default interest:

In the event of non-payment by the Company of any of the amounts in respect of the Transaction Documents when due, or expressed to be due or on the occurrence of any other event of default under the Bond Instrument, additional interest shall accrue on the overdue but unpaid amount under the Transaction Documents or on the then outstanding principal amount of the Convertible Bonds (as the case may be) from the due date or the date of the occurrence of an event of default under the Bond Instrument (as the case may be) to the date of actual payment at an interest rate of 24% per annum.

Securities:

The Convertible Bonds are secured by the Guarantees and the Share Charge.

Status:

The Convertible Bonds constitute direct, unconditional, unsubordinated and guaranteed obligations of the Company and shall at all times rank pari passu and without any preference among themselves.

THE GUARANTEES AND THE SHARE CHARGE

Under the Guarantees, each of the Guarantors unconditionally and irrevocably guarantees, among other things, the punctual performance by the Company of all of its payment obligations under or pursuant to the Bond Instrument. Under the Share Charge, the Corporate Guarantor charged 529,500,546 Shares held by it to the Subscriber. Following the Partial Release, 264,750,273 Shares held by the Corporate Guarantor remain subject to the Share Charge.

The granting of the guarantees and the charging of the Charged Shares in favour of the Subscriber under the Guarantees and the Share Charge constitute financial assistance given by the Guarantors for the benefit of the Group under the GEM Listing Rules. As (i) the Individual Guarantor is a director and a substantial shareholder of the Company and (ii) the Corporate Guarantor is a controlling shareholder of the Company, the provision of the Guarantees and the charging of the Charged Shares constitute connected transactions in the form of financial assistance from connected persons in favour of the Group. As (i) the Group has not provided and will not provide any security to the Guarantors for the Guarantees and the Share Charge, and (ii) the Directors consider that the Guarantees and the Share Charge are on normal commercial terms or better, the Guarantees and the Share Charge are fully exempt from the reporting, announcement, circular, annual review and independent shareholders' approval requirements under Rule 20.88 of the GEM Listing Rules.

APPLICATION FOR LISTING AND GEM LISTING RULES IMPLICATIONS

No application has been or will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which may be allotted and issued upon full conversion of the outstanding Convertible Bonds. Application will also be made by the Company to the Stock Exchange for its approval of the Proposed Amendments as required under Rule 34.05 of the GEM Listing Rules.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is a company incorporated in the Cayman Islands and continued in Bermuda with limited liability.

The Group is principally engaged in the (i) provision of tumor immune cell therapy, immune cell storage and health management services in the PRC; (ii) the manufacture, research and development, sale and distribution of health related and pharmaceutical products in the PRC and Hong Kong; (iii) provision of medical laboratory testing services and health check services in Hong Kong; (iv) provision of insurance brokerage services; and (v) trading of securities in Hong Kong.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a company incorporated in Hong Kong and is engaged in investment holding. The Subscriber is an indirect wholly-owned subsidiary of Guoyuan Securities Co., Ltd* (國元證券股份有限公司), a company incorporated in the PRC and listed on the Shenzhen Stock Exchange (Stock code: 000728.SZ).

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, each of the Subscriber and its ultimate beneficial owner is not a connected person of the Company and is a third party independent of and not connected with the connected persons of the Company.

GENERAL MANDATE

By resolutions of the Shareholders passed at the annual general meeting of the Company held on 18 May 2021, the Directors were granted (i) a general mandate to allot, issue or deal with Shares of up to 20% of the total number of the issued Shares on that date (i.e. up to 193,088,230 Shares) (the “**Issue Mandate**”), (ii) a general mandate to repurchase Shares on the Stock Exchange of up to 10% of the total number of issued Shares on that date (the “**Repurchase Mandate**”), and (iii) a general mandate to extend the Issue Mandate by the number of Shares repurchased by the Company pursuant to the Repurchase Mandate (the “**Extension Mandate**”, together with the Issue Mandate, the “**General Mandate**”). Since the granting of the General Mandate and up to the date of this announcement, the Company has repurchased an aggregate of 2,210,000 Shares. As at the date of this announcement, no Share has been issued under the General Mandate. Accordingly, as at the date of this announcement, the number of Shares that the Company may issue under the General Mandate is 195,298,230 Shares. The Conversion Shares will be issued under the General Mandate. Assuming the conversion of the outstanding Convertible Bonds in full based on the initial Conversion Price, the Convertible Bonds will be convertible into 22,428,571 new Shares. The General Mandate is sufficient for the allotment and issue of the 22,428,571 Conversion Shares. Accordingly, the Extension is not subject to the approval of the Shareholders.

While the Conversion Price is subject to adjustment according to the terms and conditions of the Convertible Bonds, the adjustment events set out opposite the sub-heading “Adjustment of the Conversion Price” under the section headed “Principal Terms of the Convertible Bonds upon Extension” in this announcement are within the Company’s control and the Company will not take any corporate actions that would result in the total number of Conversion Shares exceeding the limitation of the General Mandate. Alternatively, the Company may elect to exercise the Cash Settlement Option in respect of Shares that the Company cannot issue pursuant to the limitation of the General Mandate. Accordingly, the Company has sufficient mandate to cover all the Conversion Shares.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not raised any funds by way of issue of Shares in the past twelve months before the date of this announcement.

REASONS FOR THE EXTENSION

The Directors consider that the Extension is in the interest of the Company for the following reasons:

1. it is important to maintain adequate capital liquidity at reasonable level of interest cost amid a volatile financial environment and to prepare for any financial contingency use;
2. the Company has to retain sufficient funding to (a) support the research and development works of the cell and gene therapies as well as the technology commercialization project of boron neutron capture therapy for the treatment of solid tumors; and (b) meet additional investment needs for system and technology upgrade of the medical laboratory testing services and health check services segment from time to time; and
3. the cooperation with more established institutional investors such as the Subscriber will bring in long term corporate development of the Company. The potential conversion of the Convertible Bonds, if applicable, can diversify the shareholder base of the Company as well.

The Directors (including the independent non-executive Directors) consider that the terms of the Amendment Agreement and the terms of the Convertible Bonds (as amended by the Amendment Agreement) are on normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

As disclosed in the annual report of the Company for the year ended 31 December 2020, the Company had fully used the net proceeds from the issue of the Convertible Bonds amounting to US\$76,800,000 during the year ended 31 December 2020. US\$21,000,000 US\$35,000,000 and US\$20,800,000 of the net proceeds were used for (i) repayment of loan and interests to the controlling shareholder of the Company, (ii) potential investments, and (iii) research and development costs and general working capital respectively. No additional proceeds will be raised as a result of the Extension.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structures of the Company (i) as at the date of this announcement and (ii) upon full conversion of the outstanding Convertible Bonds at the initial Conversion Price (assuming that there will be no other change in the issued share capital of the Company since the date of this announcement) respectively:

Shareholders	As at the date of this announcement		Upon full conversion of the outstanding Convertible Bonds	
	Shares	Approximate%	Shares	Approximate%
Genius Lead Limited (<i>Note</i>)	529,500,546	54.97%	529,500,546	53.72%
Subscriber	–	–	22,428,571	2.28%
Other public Shareholders	433,730,604	45.03%	433,730,604	44.00%
Total	963,231,150	100%	985,659,721	100%

Note: Mr. Liu Xiaolin, an executive Director and the chairman of the Company, is the sole director of Genius Lead Limited and also indirectly holds all the issued shares in Genius Lead Limited through Genius Earn Limited.

DISCLOSURE PURSUANT TO RULES 17.19 AND 17.20 OF THE GEM LISTING RULES

Pursuant to the terms and conditions of the Convertible Bonds, it is an event of default if (i) the controlling shareholder of the Company, namely, the Corporate Guarantor ceases to hold 51% or more equity interest directly or indirectly in the Company (unless otherwise agreed by the Subscriber in writing), or (ii) the Individual Guarantor ceases to be a Director and the chairman of the Board, or (iii) the Individual Guarantor ceases to hold 51% or more beneficial interest directly or indirectly in the Company (unless otherwise agreed by the Subscriber in writing), or (iv) if there is a breach of any warranty, representation or statement to be made or given, or any other obligations, by the Corporate Guarantor and the Individual Guarantor under the Guarantees and the Share Charge including without limitation the warranty that the Corporate Guarantor shall be the legal and beneficial owner of the Charged Shares during the subsistence of the Share Charge. As at the date of this announcement, the Corporate Guarantor beneficially owns 529,500,546 Shares, representing approximately 54.97% of the issued share capital of the Company as at the date of this announcement.

In accordance with the requirements under Rule 17.23 of the GEM Listing Rules, the Company will make disclosure in its subsequent quarterly, interim and annual reports for so long as the circumstances giving rise to the aforesaid charging of Shares by the controlling shareholder of the Company and the aforesaid specific performance obligations of the controlling shareholder of the Company continue to exist.

The Extension is subject to the satisfaction of the Conditions Precedent. As the Extension may or may not proceed, Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings when used herein:

“Applicable Redemption Amount”	a redemption amount equal to the aggregate of (i) the principal amount of the outstanding Convertible Bonds to be redeemed, (ii) the outstanding interest and (iii) any other outstanding amount due but unpaid to the Subscriber pursuant to the terms and conditions of the Bond Instrument
“Amendment Agreement”	the amendment agreement entered into between the Company and the Subscriber dated 10 May 2022 in respect of the Proposed Amendments
“Board”	the board of Directors
“Bond Instrument”	the instrument entered into by the Company constituting the Convertible Bonds, as may be amended and restated pursuant to the Amendment Agreement
“Business Day”	a day (other than a Saturday, Sunday, public holiday or any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which commercial banks are open for business in Hong Kong
“Charged Shares”	the 264,750,273 Shares held by the Corporate Guarantor which remain subject to the Share Charge following the Partial Release
“Company”	China Biotech Services Holdings Limited, a company incorporated in Cayman Islands and continued in Bermuda with limited liability and listed on GEM (stock code: 8037)
“Completion Date”	11 May 2020, being the date of issue of the Convertible Bonds
“Conditions Precedent”	the conditions precedent as set out under the section headed “Conditions Precedent” in this announcement

“connected persons”	has the meaning ascribed to it in the GEM Listing Rules
“Conversion Share(s)”	the Share(s) to be issued upon the exercise of the conversion rights attached to the Convertible Bonds
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of US\$10,000,000 issued by the Company to the Subscriber on 11 May 2020 (with principal amount of US\$5,000,000 remaining outstanding following the Partial Redemption)
“Corporate Guarantee”	the corporate guarantee executed by the Corporate Guarantor in favour of the Subscriber, as may be amended and restated pursuant to the Amendment Agreement
“Corporate Guarantor”	Genius Lead Limited, a company incorporated in Samoa and a substantial shareholder of the Company
“Current Market Price”	in respect of a Share at a particular date, the average of the closing price for the five (5) consecutive trading days ending on the trading day immediately preceding such date
“Director(s)”	the director(s) of the Company
“Effective Date”	a date on or before the Long Stop Date as mutually agreed by the Parties, subject to satisfaction of the Conditions Precedent
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantees”	the Individual Guarantee and the Corporate Guarantee
“Guarantors”	the Individual Guarantor and the Corporate Guarantor
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Individual Guarantee”	the personal guarantee executed by the Individual Guarantor in favour of the Subscriber, as may be amended and restated pursuant to the Amendment Agreement
“Individual Guarantor”	Mr. Liu Xiaolin, executive Director and chairman of the Company
“Long Stop Date”	30 June 2022 (or such other later date as may be agreed in writing between the Parties)
“Material Adverse Effect”	a material adverse effect on (a) the business, operations, property, condition (financial or otherwise) or prospects of any Obligor, or (b) the ability of any Obligor to perform its obligations under the Transaction Documents, or (c) the validity or enforceability of the Transaction Documents or the rights or remedies of the Subscriber under the Transaction Documents
“Obligors”	the Company, the Individual Guarantor and the Corporate Guarantor collectively, and each of them, an “Obligor”
“Partial Redemption”	the redemption of the Convertible Bonds by the Company in part in the principal amount of US\$5,000,000 on 27 May 2021
“Partial Release”	the release of 264,750,273 Shares out of the 529,500,546 Shares charged by the Corporate Guarantor to the Subscriber under the Share Charge, with 264,750,273 Shares held by the Corporate Guarantor remaining subject to the Share Charge
“Parties”	the Company and the Subscriber, and each of them, a “Party”
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Proposed Amendments”	the amendments to be made to the Bond Instrument (and other Transaction Documents) as contemplated in the Amendment Agreement

“Restated Documents”	the Transaction Documents to be amended and restated as required pursuant to the Amendment Agreement
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Charge”	the share charge executed by the Corporate Guarantor to charge 529,500,546 Shares held by it to the Subscriber (with 264,750,273 Shares held by the Corporate Guarantor remaining subject to the Share Charge following the Partial Release), as may be amended and restated pursuant to the Amendment Agreement
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Guoyuan Securities Investment (Hong Kong) Limited
“Subscription Agreement”	the subscription agreement dated 24 April 2020 entered into between the Company and the Subscriber in relation to the subscription of the Convertible Bonds
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Transaction Documents”	the Subscription Agreement, the Bond Instrument, the Guarantees, the certificate for the Convertible Bonds (including its terms and conditions), the warning notice signed by the Individual Guarantor and any other document designated as such by the Company and the Subscriber, as may be amended and restated pursuant to the Amendment Agreement
“US\$”	United States Dollars, the lawful currency of the United States of America
%	per cent.

Unless the context requires otherwise, amounts denominated in US\$ have been converted into HK\$ at an exchange rate of US\$1 to HK\$7.78 for the purpose of illustration only. No representation is made that any amount in HK\$ or US\$ could have been or could be converted at the relevant dates at the above rate or at any other rates or at all.

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

Hong Kong, 10 May 2022

* *for identification purpose only*

As at the date of this announcement, the board of Directors comprises four executive Directors, namely, Mr. Liu Xiaolin (Chairman), Mr. He Xun, Mr. Huang Song and Mr. Wang Zheng; and three independent non-executive Directors, namely, Mr. Yan Guoxiang, Dr. Ho Ivan Chun Kit and Mr. Qian Hongji.

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

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