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Bloomage BioTechnology Corporation Limited

華熙生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00963)

CONTINUING CONNECTED TRANSACTION NEW PROPERTY LEASING AGREEMENT

TERMINATION OF THE OLD PROPERTY LEASING AGREEMENT

Reference is made to the announcement dated 28 May 2012 of the Company in relation to the Old Property Leasing Agreement entered into between Bloomage Hyinc and Bloomage Property, pursuant to which Bloomage Hyinc leased from Bloomage Property (i) Property A for a term from 1 January 2012 to 31 December 2013; and (ii) Property B for a term from 26 August 2012 to 31 December 2013.

The Board announces that on 18 January 2013, Bloomage Hyinc and Bloomage Property entered into the Termination Agreement I and the Termination Agreement II, pursuant to which the parties agreed to terminate the lease for Property A with effect from 30 April 2013 and agreed and confirmed to terminate the lease for Property B with effect from 15 December 2012, respectively.

Pursuant to the Termination Agreement I and the Termination Agreement II, neither party is required to pay any penalty or compensation to any other party in respect of the termination of the lease for Property A and Property B, respectively.

NEW PROPERTY LEASING AGREEMENT

The Board further announces that on 18 January 2013, Bloomage Hyinc and Bloomage Property entered into the New Property Leasing Agreement, pursuant to which Bloomage Hyinc leases from Bloomage Property the Property C as office for a term from 1 January 2013 to 31 December 2015.

LISTING RULES IMPLICATIONS

Bloomage Property is ultimately owned as to 98.02% by Ms. Zhao, a controlling shareholder of the Company, the chairman of the Company and an executive Director and as such, Bloomage Property is a connected person to the Company. Accordingly, the New Property Leasing Agreement constitutes a continuing connected transaction of the Company.

As none of the applicable percentage ratios (other than the profits ratio) for the lease for Property A and the New Property Leasing Agreement in aggregate, on an annual basis, exceeds the 5% threshold under Rule 14A.34 of the Listing Rules, the New Property Leasing Agreement is only subject to the reporting, annual review and announcement requirements and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

TERMINATION OF THE OLD PROPERTY LEASING AGREEMENT

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Pursuant to the Termination Agreement I and the Termination Agreement II, neither party is required to pay any penalty or compensation to any other party in respect of the termination of the lease for Property A and Property B, respectively.

NEW PROPERTY LEASING AGREEMENT

Date: 18 January 2013

Parties: Bloomage Hyinc (as leasee); and
Bloomage Property (as leasor).

Description

Pursuant to the New Property Leasing Agreement, Bloomage Hyinc leases from Bloomage Property the Property C as office with a gross area of approximately 1,371.11 square metres for a term from 1 January 2013 to 31 December 2015. Bloomage Hyinc shall pay the rent quarterly at a rate of RMB1,563,065.4 (i.e. RMB380 per square metre per month) and is responsible for the related utility charges and monthly management fees at the rate of RMB29 per square metre.

Bloomage Hyinc shall also pay an amount of RMB1,682,351.97 as warranty money to Bloomage Property within three working days after execution of the New Property Leasing Agreement. If Bloomage Hyinc commits any breach causing any damages or expenses or if there is any unpaid rental, Bloomage Property has right to deduct such damages, expenses and unpaid rental from the warranty money. However, if no such damages, expenses or unpaid rental is deducted, the warranty money will be fully refunded to Bloomage Hyinc without interest upon expiry of the lease period.

CAP AMOUNTS

The annual caps for the rental payable by Bloomage Hyinc under the New Property Leasing Agreement are set out as follows:

Period	Relevant annual cap
Year ending 31 December 2013	RMB6,252,261.60 (approximately HK\$7,718,841.48)
Year ending 31 December 2014	RMB6,252,261.60 (approximately HK\$7,718,841.48)
Year ending 31 December 2015	RMB6,252,261.60 (approximately HK\$7,718,841.48)

The rental under the New Property Leasing Agreement had been determined by Bloomage Hyinc and Bloomage Property after arm's length negotiation with reference to the prevailing market rates for comparable properties in the relevant neighborhood.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Owing to the continuous development of the Group, additional office spaces are required to meet the Group's operation need. The rental has been determined by Bloomage Hynic and Bloomage Property with reference to the prevailing market rental of comparable properties in the area where Property C situated.

The Board, including all the independent non-executive Directors, is of the view that the Transaction is conducted in the ordinary and usual course of business of the Group and on normal commercial terms, the terms of the New Property Leasing Agreement and the proposed annual caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE GROUP AND BLOOMAGE PROPERTY

The Group is principally engaged in the development, manufacture and sale of a diversified range of hyaluronic acid products. Bloomage Hynic is principally engaged in the sale of bio-chemical products and medical instruments.

Bloomage Property is principally engaged in leasing and sale of properties, property management and public parking services.

LISTING RULES IMPLICATIONS

Bloomage Property is ultimately owned as to 98.02% by Ms. Zhao, a controlling shareholder of the Company, the chairman of the Company and an executive Director and as such, Bloomage Property is a connected person to the Company. Accordingly, the New Property Leasing Agreement constitutes a continuing connected transaction of the Company.

As none of the applicable percentage ratios (other than the profits ratio) for the lease for Property A and the New Property Leasing Agreement in aggregate, on an annual basis, exceeds the 5% threshold under Rule 14A.34 of the Listing Rules, the New Property Leasing Agreement is only subject to the reporting, annual review and announcement requirements and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Except for Ms. Zhao, no Directors have any material interests in the Transaction and thus no Directors except for Ms. Zhao have abstained from voting on the Board resolutions for considering and approving the New Property Leasing Agreement and its proposed annual caps.

DEFINITIONS

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

“Bloomage Hyinc”	北京華熙海御科技有限公司 (Beijing Bloomage Hyinc Technology Company Limited) (formerly known as 北京華熙海御健康科技有限公司), a company established in the PRC and an indirectly wholly-owned subsidiary of the Company
“Bloomage Property”	北京華熙中環物業管理有限公司 (Beijing Bloomage Central Property Management Co., Ltd.), a company established in the PRC and ultimately owned as to 98.02% by Ms. Zhao
“Board”	board of Directors
“Company”	Bloomage BioTechnology Corporation Limited (華熙生物科技有限公司), a limited company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to this term under the Listing Rules
“controlling shareholder(s)”	has the same meaning as ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Zhao”	Ms. Zhao Yan (趙燕), a controlling shareholder of the Company, the chairman of the Company and an executive Director

“New Property Leasing Agreement”	the leasing agreement entered into between Bloomage Hyinc and Bloomage Property dated 18 January 2013 regarding the leasing of Property C
“Old Property Leasing Agreement”	the leasing agreement entered into between Bloomage Hyinc and Bloomage Property dated 28 May 2012 regarding the leasing of Property A and Property B
“percentage ratios”	has the same meaning as ascribed to this term under the Listing Rules
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Property A”	the premises located at No. D, 9/F., Block D, Central International Trade Centre, Chaoyang District, Beijing, the PRC (北京市朝陽區中環世貿中心D座9層D號)
“Property B”	the premises located at No. B, 9/F., Block D, Central International Trade Centre, Chaoyang District, Beijing, the PRC (北京市朝陽區中環世貿中心D座9層B號)
“Property C”	the premises located at 23/F., Block D, Central International Trade Centre, Chaoyang District, Beijing, the PRC (北京市朝陽區中環世貿中心D座23層)
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termination Agreement I”	a termination agreement entered into between Bloomage Hyinc and Bloomage Property dated 18 January 2013, pursuant to which the parties agreed to terminate the lease for Property A with effect from 30 April 2013
“Termination Agreement II”	a termination agreement entered into between Bloomage Hyinc and Bloomage Property dated 18 January 2013, pursuant to which the parties agreed and confirmed to terminate the lease for Property B with effect from 15 December 2012

“Transaction” the transaction under the New Property Leasing Agreement

“%” “%” per cent.

In this announcement, the English names of the PRC entities or enterprises are translation of their Chinese names solely for the purpose of illustration. In the event of any inconsistency, the Chinese names shall prevail.

For the purpose of this announcement and solely for the purpose of illustration, all amounts in RMB are translated into HK\$ at an exchange rate of RMB0.81: HK\$1.

By Order of the Board
Bloomage BioTechnology Corporation Limited
Zhao Yan
Chairman

Beijing, PRC, 18 January 2013

As at the date of this announcement, the executive Directors are Ms. Zhao Yan, Ms. Liu Aihua and Ms. Wang Aihua; the non-executive Director is Mr. Guo Jiajun; the independent non-executive Directors are Ms. Zhan Lili, Mr. Zhang Fuping, Mr. Qin Bin and Mr. Jin Xuekun.