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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: RENEWAL OF THE 2013 PROPERTY LEASING AGREEMENT**

Reference is made to the announcement of the Company dated 18 January 2013 in relation to, among other things, the 2013 Property Leasing Agreement.

Pursuant to the 2013 Property Leasing Agreement, Bloomage Hyinc agreed to lease from Bloomage Property the Property as office for a term from 1 January 2013 to 31 December 2015.

On 4 January 2016, Bloomage Hyinc and Bloomage Property entered into the 2016 Property Leasing Agreement for renewal of the 2013 Property Leasing Agreement. Pursuant to the 2016 Property Leasing Agreement, Bloomage Hyinc agreed to lease from Bloomage Property the Property as office for a term from 1 January 2016 to 31 December 2016.

#### **LISTING RULES IMPLICATIONS**

Bloomage Property is ultimately owned as to 86.8% 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 of the Company. Accordingly, the 2016 Property Leasing Agreement and the transaction contemplated thereunder constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the 2016 Property Leasing Agreement and the transactions contemplated thereunder are below 5%, the 2016 Property Leasing Agreement and the transactions contemplated thereunder (including the related annual cap) are only subject to the reporting, annual review and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 18 January 2013 in relation to, among other things, the 2013 Property Leasing Agreement. Pursuant to the 2013 Property Leasing Agreement, Bloomage Hyinc agreed to lease from Bloomage Property the Property as office for a term from 1 January 2013 to 31 December 2015.

On 4 January 2016, Bloomage Hyinc and Bloomage Property entered into the 2016 Property Leasing Agreement for renewal of the 2013 Property Leasing Agreement.

## **2016 PROPERTY LEASING AGREEMENT**

**Date:** 4 January 2016

**Parties:** Bloomage Hyinc (as lessee); and  
Bloomage Property (as lessor).

### **Principal terms:**

Pursuant to the 2016 Property Leasing Agreement, Bloomage Hyinc agreed to lease from Bloomage Property the Property as office with a gross area of approximately 1,371.11 square metres for a term from 1 January 2016 to 31 December 2016. Bloomage Hyinc shall pay the rent monthly at a rate of RMB562,155.10 (i.e. RMB410 per square metre per month) on the 25th to 28th day of each month. Bloomage Hyinc shall also be responsible for the related monthly management fees at the monthly rate of RMB33 per square metre, which shall be paid by Bloomage Hyinc to the designated property management company.

Bloomage Hyinc shall also pay an amount of RMB1,822,205.19 (equivalent to the sum of the monthly rents and management fee of the Property for three months) as warranty money to Bloomage Property within three working days after the execution of the 2016 Property Leasing Agreement. If Bloomage Hyinc commits any breach causing any damages or expenses or if there is any unpaid rental or other amount which shall be payable by Bloomage Hyinc under the 2016 Property Leasing Agreement, Bloomage Property has the right to deduct such damages, expenses and unpaid amount from the warranty money. The warranty money (if any) will be fully refunded to Bloomage Hyinc without interest upon expiry of the lease period and after all amount which shall be payable by Bloomage Hyinc under the 2016 Property Leasing Agreement (including but not limited to rents, management fees, miscellaneous fees, default fees and compensation fees) have been settled.

### **Historical transaction amount and annual cap:**

The historical figures for the rental payable by Bloomage Hyinc under the 2013 Property Leasing Agreement are set out as follows:

<b>Period</b>	<b>Historical transaction amount</b>
Year ended 31 December 2013	RMB6,252,261.60
Year ended 31 December 2014	RMB6,252,261.60
Year ended 31 December 2015	RMB6,252,261.60

The cap amount for the rental payable by Bloomage Hyinc under the 2016 Property Leasing Agreement shall be RMB6,745,861.20.

### **Basis of the annual cap:**

The rental payable by Bloomage Hyinc under the 2016 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 2016 PROPERTY LEASING AGREEMENT**

The Group has been leasing the Property from Bloomage Property as office under the 2013 Property Leasing Agreement. Due to the expiry of the lease under the 2013 Property Leasing Agreement on 31 December 2015, the Group entered into the 2016 Property Leasing Agreement to renew the lease for the Property for a term from 1 January 2016 to 31 December 2016. The Directors are of the view that the renewal of the lease of the Property under the 2016 Property Leasing Agreement will help the Group to maintain stability of its operations and it is in the interests of the Group in terms of cost and time to enter into the 2016 Property Leasing Agreement instead of finding and relocating to a new premises.

The Directors (including all the independent non-executive Directors) are of the view that the 2016 Property Leasing Agreement is entered into in the ordinary and usual course of business of the Group and on normal commercial terms negotiated on arm's length basis, and the 2016 Property Leasing Agreement and the transactions contemplated thereunder (including the related annual cap) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION OF THE GROUP**

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in the development, manufacture and sale of a diversified range of hyaluronic acid raw materials and end products.

Bloomage Hyinc is a company established in the PRC with limited liability and is principally engaged in the sale of diversified medical instruments. As at the date of this announcement, Bloomage Hyinc is an indirect wholly-owned subsidiary of the Company.

## **INFORMATION OF BLOOMAGE PROPERTY**

Bloomage Property is a company established in the PRC with limited liability and is principally engaged in leasing and sale of properties, property management and public parking services. As at the date of this announcement, Bloomage Property is ultimately owned as to 86.8% by Ms. Zhao.

## **LISTING RULES IMPLICATIONS**

Bloomage Property is ultimately owned as to 86.8% 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 of the Company. Accordingly, the 2016 Property Leasing Agreement and the transaction contemplated thereunder constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the 2016 Property Leasing Agreement and the transactions contemplated thereunder are below 5%, the 2016 Property Leasing Agreement and the transactions contemplated thereunder (including the related annual cap) are only subject to the reporting, annual review and announcement requirements and are 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 2016 Property Leasing Agreement and thus no Directors except for Ms. Zhao have abstained from voting on the Board resolutions for considering and approving the 2016 Property Leasing Agreement and the related annual cap.

## DEFINITIONS

The following words and phrases used in this announcement have the same meanings assigned:

“2013 Property Leasing Agreement”	the leasing agreement dated 18 January 2013 and entered into between Bloomage Hyinc and Bloomage Property regarding the leasing of the Property for a term from 1 January 2013 to 31 December 2015
“2016 Property Leasing Agreement”	the leasing agreement dated 4 January 2016 and entered into between Bloomage Hyinc and Bloomage Property regarding the leasing of the Property for a term from 1 January 2016 to 31 December 2016
“Bloomage Hyinc”	Beijing Bloomage Hyinc Technology Company Limited (北京華熙海御科技有限公司) (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 indirect wholly-owned subsidiary of the Company
“Bloomage Property”	Beijing Bloomage Central Property Management Co., Ltd. (北京華熙中環物業管理有限公司), a company established in the PRC and ultimately owned as to 86.8% by Ms. Zhao
“Board”	board of Directors
“Company”	Bloomage BioTechnology Corporation Limited (華熙生物科技有限公司), a 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 PRC
“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
“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”	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
“%”	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.*

By order of the Board  
**Bloomage BioTechnology Corporation Limited**  
**Zhao Yan**  
*Chairman*

Hong Kong, 4 January 2016

*As at the date of this announcement, the executive Directors are Ms. Zhao Yan, Mr. Jin Xuekun, 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. Hai Wen and Mr. Li Junhong.*