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## **新世紀醫療控股有限公司**

**New Century Healthcare Holding Co. Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1518)**

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS FRAMEWORK PROPERTY MANAGEMENT AND CLEANING SERVICES AGREEMENT**

#### **FRAMEWORK PROPERTY MANAGEMENT AND CLEANING SERVICES AGREEMENT**

References are made to the Company's announcements dated December 31, 2021 and January 5, 2022 disclosing, among others, the terms of the Framework Property Management and Cleaning Services Agreement in relation to the provision of property management, facilities and equipment maintenance and cleaning services by Muhe Jiaye to Jiahua Yihe Hospitals. Pursuant to the Framework Property Management and Cleaning Services Agreement, it was entered into between Jiahua Yihe and Muhe Jiaye on December 31, 2021 for an initial contractual term from January 1, 2022 to December 31, 2024, and shall be renewed automatically for successive periods of three years thereafter, subject to compliance with the then applicable Listing Rules as well as other relevant requirements of the Stock Exchange from time to time.

The Company has approved the renewal of the Framework Property Management and Cleaning Services Agreement for continuing the transactions contemplated thereunder with Muhe Jiaye and maintain the Annual Caps at the same level as the annual caps for the years ended December 31, 2022, 2023 and 2024. Accordingly, the Annual Caps for each of the years ended December 31, 2025, 2026 and 2027 will not exceed RMB15 million.

## **LISTING RULES IMPLICATIONS**

Muhe Jiaye is a company in which Ms. Zhao holds a 35.0% equity interest and thus is a connected person of the Group by virtue of it being an associate of Mr. Zhou pursuant to Rule 14A.12(1)(c) of the Listing Rules.

Since the highest applicable percentage ratio calculated with reference to the maximum aggregate annual service fees payable to Muhe Jiaye under the Framework Property Management and Cleaning Services Agreement for each of the three years ending December 31, 2027 exceeds 0.1% but is less than 5%, the Framework Property Management and Cleaning Services Agreement and the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempt from circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

References are made to the Company's announcements dated December 31, 2021 and January 5, 2022 disclosing, among others, the terms of the Framework Property Management and Cleaning Services Agreement in relation to the provision of property management, facilities and equipment maintenance and cleaning services by Muhe Jiaye to Jiahua Yihe Hospitals. Pursuant to the Framework Property Management and Cleaning Services Agreement, it was entered into between Jiahua Yihe and Muhe Jiaye on December 31, 2021 for an initial contractual term from January 1, 2022 to December 31, 2024, and shall be renewed automatically for successive periods of three years thereafter, subject to compliance with the then applicable Listing Rules as well as other relevant requirements of the Stock Exchange from time to time.

## **RENEWAL OF THE FRAMEWORK PROPERTY MANAGEMENT AND CLEANING SERVICES AGREEMENT**

The Company has approved the renewal of the Framework Property Management and Cleaning Services Agreement for continuing the transactions contemplated thereunder with Muhe Jiaye and maintain the Annual Caps at the same level as that for the years ended December 31, 2021, 2022 and 2023.

The principal terms of the Framework Property Management and Cleaning Services Agreement are set out below.

**Date:** December 31, 2021

**Parties:** (a) Jiahua Yihe (as a customer); and  
(b) Muhe Jiaye (as a service provider).

**Subject matter:** Pursuant to the Framework Property Management and Cleaning Services Agreement, Muhe Jiaye has agreed to provide property management, facilities and equipment maintenance and cleaning services to Jiahua Yihe Hospitals. The transactions contemplated thereunder are in the ordinary and usual course of business of the Group.

**Term (as renewed):** From January 1, 2025 to December 31, 2027, automatically renewable for successive periods of three years thereafter, subject to compliance with the then applicable provisions of the Listing Rules, unless terminated earlier by not less than one months' prior written notice.

**Consideration and pricing policy:** In consideration for the services provided by Muhe Jiaye, Jiahua Yihe has agreed to pay to Muhe Jiaye a monthly fee, to be adjusted based on: (i) increases in applicable statutory minimum wages, social insurance, other allowances or market price; (ii) deviations from the agreed scope of work and services to be provided by Muhe Jiaye; and (iii) if the increase or decrease in the actual number of beds, surgical procedures or emergency procedures for three consecutive months exceeds 10.0% of estimates which results in an increase or reduction in the agreed number and working hours of service personnel to be provided by Muhe Jiaye.

Given that the services fee for the property management and cleaning services of a medical institution varies depending on the gross floor area, medical facilities and medical equipment involved and the detailed services requirements, it is not commercially practical for Jiahua Yihe to agree with Muhe Jiaye on specific unit price or monthly fee in advance. However, the following pricing policies for the continuing connected transactions under the Framework Property Management and Cleaning Services Agreement will be followed to ensure the price and terms offered by Muhe Jiaye are no less favorable than the price and terms offered by unrelated service providers:

- in respect of any Jiahua Yihe Hospital that plans to engage Muhe Jiaye for property management and cleaning services under the Framework Property Management and Cleaning Services Agreement, the services fees shall be determined based on arm's length negotiations with regard to the gross floor area, medical facilities and equipment and the detailed services requirement of Jiahua Yihe Hospitals;
- Jiahua Yihe or Jiahua Yihe Hospitals shall solicit at least two other quotations from unrelated service providers for similar services, and take into account the quotations received, the payment terms, the qualification, the quality of services and the track record of the service providers to determine if the price and terms offered by Muhe Jiaye are not less favorable than those offered by unrelated service providers;
- if Muhe Jiaye is selected as the service provider, a separate property management and cleaning services agreement will be entered into to set out, among others, the contract price and the detailed scope of services; and
- the monthly fee will be calculated based on the aggregate annual services fee payable by Jiahua Yihe Hospitals.

**Historical transaction amounts:** The historical transaction amounts for the years ended December 31, 2022 and 2023 and the eleven months ended November 30, 2024 were approximately RMB9.3 million, RMB9.8 million and RMB9.0 million, respectively.

*Note: As of the date of this announcement, the historical transaction amount for the year ended December 31, 2024 is subject to confirmation and audit*

**Annual Caps:** The maximum aggregate annual amount payable to Muhe Jiaye under the Framework Property Management and Cleaning Services Agreement for the years ending December 31, 2025, 2026 and 2027, respectively, shall not exceed the caps set out below:

	Year ending December 31,		
	2025	2026	2027
	RMB millions		
Total Fees	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>

**Basis of caps:** The above Annual Caps are determined with reference to (i) the number of Jiahua Yihe Hospitals; (ii) the anticipated demand for Muhe Jiaye's services by Jiahua Yihe Hospitals; (iii) the past average adjustments of the statutory minimum wages and social insurance; (iv) the likelihood of future price adjustment due to increase or decrease in beds, surgical procedures or emergency procedures; (v) the historical transaction amounts as illustrated above; (vi) business development plan, including the potential acquisitions and establishment of healthcare institutions expected to be owned, operated, invested and/or managed by Jiahua Yihe during the period from 2025 to 2027; and (vii) a reasonable buffer.

## **INFORMATION IN RELATION TO THE GROUP, JIAHUA YIHE AND MUHE JIAYE**

### **The Group**

The Group is principally engaged in the provision of pediatrics, obstetrics and gynecology specialty services in the PRC.

### **Jiahua Yihe**

Jiahua Yihe is a wholly-owned subsidiary of the Company and is engaged in the provision of hospital consulting services.

### **Muhe Jiaye**

Muhe Jiaye is a qualified property management, facilities and equipment maintenance and cleaning services contractor.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as of the date of this announcement, Muhe Jiaye is ultimately owned by (i) Ms. Zhao as to 35.0%, (ii) Zhonghe Qingrun as to 20.0%, (iii) Mr. Wang Zhaohui (王朝暉) as to 14.0%, (iv) Mr. Wu Bo (吳波) as to 10.0%, (v) Mr. Liu Wei (劉巍) as to 10.0%, and (vi) three other individuals as to 5.0%, 3.0% and 3.0%, respectively. Zhonghe Qingrun, a company principally engaged in investment in real estate and healthcare entity, is ultimately owned by (i) Ms. Liang as to 51.0%, (ii) Mr. Liang as to 39.0%, and (iii) two other individuals each as to 5.0%.

Ms. Zhao is the spouse of Mr. Zhou. Ms. Liang is a substantial Shareholder of the Company who indirectly holds 11.8% interests in the Company through Victor Gains Limited as of the date of this announcement. Pursuant to a voting agreement, Ms. Liang agreed to follow Mr. Zhou's voting directions when exercising the voting rights attached to the Shares beneficially owned by her during the term of such agreement. For details, please refer to the 2024 interim report of the Company published on September 20, 2024. Mr. Liang is the brother of Ms. Liang and thus is a connected person of the Company.

Save for Ms. Zhao, Ms. Liang, Mr. Liang and Zhonghe Qingrun, each of the ultimate beneficial owners of Muhe Jiaye mentioned above is a third party independent of the Company and its connected persons and has not entered into any significant relationship with the connected persons of the Company.

## **REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTION**

In respect of the transactions contemplated under the Framework Property Management and Cleaning Services Agreement, the Directors are of the view that it is in the interests of the Group to outsource property management, facilities and equipment maintenance and cleaning services to Muhe Jiaye, a qualified and long term service provider of the Group, in order to better manage the premises of the medical institutions and maintain the facilities and equipment as well as to ensure that the hygiene and hospital disinfection meet required standards. Muhe Jiaye has established business relationship with the Group since 2015 and has consistently provided satisfactory services over the years. The Company values the long-term and stable relationships with its suppliers because it believes that the quality and work performance of suppliers contribute to the continuous enhancement of its medical service offerings to customers.

In view of the above, the Directors (including the independent non-executive Directors) consider that the Framework Property Management and Cleaning Services Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group, and the Framework Property Management and Cleaning Services Agreement, the transactions contemplated thereunder and respective Annual Caps for the years ending December 31, 2025, 2026 and 2027 are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Mr. Zhou had declared his interest in the Framework Property Management and Cleaning Services Agreement and the transactions contemplated thereunder by virtue of his relationship with Muhe Jiaye, and had abstained from voting on the relevant Board resolutions in respect of the above matters. Save as disclosed above, none of the Directors has an interest in the Framework Property Management and Cleaning Services Agreement and the transactions contemplated thereunder, and therefore no other Director had abstained from voting on the relevant Board resolutions in respect of the above matters.

## **INTERNAL CONTROL PROCEDURES**

The Company has a system to monitor its connected transactions, which includes maintaining and regularly updating the list of connected persons of the Company, maintaining a list of connected transactions, checking the contracting party in each transaction to confirm whether it is a connected person, and monitoring the value of transactions that are identified as connected transactions (on an aggregated basis where applicable) against the thresholds for triggering various regulatory requirements under the Listing Rules. In relation to the monthly payments under the Framework Property Management and Cleaning Services Agreement, the Company has a system to regularly manage and review the transaction amounts to ensure that the transactions are being conducted in accordance with the Framework Property Management and Cleaning Services Agreement.



In accordance with the Listing Rules, the independent non-executive Directors would review the Framework Property Management and Cleaning Services Agreement and the transactions contemplated thereunder on annual basis and confirm whether they have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the Framework Property Management and Cleaning Services Agreement on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Company's auditor will also confirm to the Directors whether anything has come to their attention that causes them to believe the transactions contemplated under the Framework Property Management and Cleaning Services Agreement (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the Framework Property Management and Cleaning Services Agreement; or (iv) have exceeded the Annual Caps.

## **LISTING RULES REQUIREMENTS**

Muhe Jiaye is a company in which Ms. Zhao holds a 35.0% equity interest and thus is a connected person of the Group by virtue of it being an associate of Mr. Zhou pursuant to Rule 14A.12(1)(c) of the Listing Rules.

Since the highest applicable percentage ratio calculated with reference to the maximum aggregate annual service fees payable to Muhe Jiaye under the Framework Property Management and Cleaning Services Agreement for each of the three years ending December 31, 2027 exceeds 0.1% but is less than 5%, the Framework Property Management and Cleaning Services Agreement and the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempt from circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“Annual Caps”	the annual caps in respect of the transactions contemplated under the Framework Property Management and Cleaning Services Agreement for the years ending December 31, 2025, 2026 and 2027;
“associate”	has the same meaning ascribed to it in the Listing Rules;



“Board”	the boards of Directors;
“Company”	New Century Healthcare Holding Co. Limited (新世紀醫療控股有限公司), 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 ascribed to it in the Listing Rules;
“controlling shareholder(s)”	has the same meaning ascribed to it in the Listing Rules;
“Directors”	the directors of the Company;
“Framework Property Management and Cleaning Services Agreement”	the framework property management and cleaning services agreement entered into between Jiahua Yihe and Muhe Jiaye on December 31, 2021;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Jiahua Yihe”	Beijing Jiahua Yihe Management and Consulting Co., Ltd. (北京嘉華怡和管理諮詢有限公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of the Company;
“Jiahua Yihe Hospitals”	Hospitals, clinics and/or other medical institutions owned, operated, invested and/or managed by Jiahua Yihe at the relevant time (including any future time during the term of the Framework Property Management and Cleaning Services Agreement) or, where the context so requires, any of them;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Mr. Liang”	Mr. Liang Yanmin (梁燕民), a shareholder of Zhonghe Qingrun;
“Mr. Zhou”	Mr. Jason ZHOU, Chairman of the Board, chief executive officer, an executive Director and a controlling Shareholder;

“Ms. Liang”	Ms. Liang Yanqing (梁艷清), a shareholder of Zhonghe Qingrun;
“Ms. Zhao”	Ms. ZHAO Juan (趙娟), the spouse of Mr. Zhou;
“Muhe Jiaye”	Beijing Muhe Jiaye Property Management Co., Ltd. (北京睦合嘉業物業管理有限公司), a company incorporated in the PRC with limited liability, a connected person of the Company;
“percentage ratios”	the percentage ratio(s) set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction;
“PRC”	the People’s Republic of China, for the purpose of this announcement, not including Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of US\$0.0001 each in the issued capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the same meaning ascribed to it in the Listing Rules;
“substantial shareholder(s)”	has the same meaning ascribed to it in the Listing Rules;
“Zhonghe Qingrun”	Beijing Zhonghe Qingrun Investment Co., Ltd.* (北京眾和清潤投資有限公司);

“%”

percent.

By Order of the Board  
**New Century Healthcare Holding Co. Limited**  
**Jason ZHOU**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, January 8, 2025

*As of the date of this announcement, the Board of Directors comprises Mr. Jason ZHOU, Ms. XIN Hong and Mr. XU Han, as executive Directors; Mr. WANG Siye, Ms. LI Suyu, Mr. YANG Yuelin and Mr. XIE Qiang, as non-executive Directors; and Mr. WU Guanxiong, Mr. SUN Hongbin, Mr. JIANG Yanfu and Dr. MA Jing, as independent non-executive Directors.*

\* *For identification purposes only*