

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**New Century Healthcare Holding Co. Limited**  
**新世紀醫療控股有限公司**

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

**(Stock Code: 1518)**

**CONNECTED TRANSACTION**  
**ACQUISITION OF CARPARK OPERATION RIGHTS**

**CONTINUING CONNECTED TRANSACTION**  
**PAYMENT OF CARPARK ANNUAL MANAGEMENT FEE**

**CARPARK COOPERATION AGREEMENT**

On March 29, 2019, BNC Children's Hospital entered into the Carpark Cooperation Agreement with BCH in relation to the acquisition of operation rights of the Carpark and the Management Fee Payment.

**LISTING RULES IMPLICATIONS**

As of the date of this announcement, BNC Children's Hospital is owned by the Company as to 65% and by BCH as to 35%. Therefore, the Acquisition and the Management Fee Payment constitutes a connected transaction and a continuing connected transaction of the Company, respectively, under Chapter 14A of the Listing Rules by virtue of BCH being a substantial shareholder of a subsidiary of the Company.

The highest of all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition and the Management Fee Payment is more than 0.1% but less than 5%. Since each of the Acquisition and the Management Fee Payment is a connected transaction or continuing connected transaction of the Company at the subsidiary level only on normal commercial terms or better; (ii) the Board had approved the Acquisition and the Management Fee Payment; and (iii) the Independent Non-Executive Directors had confirmed that the terms of the Acquisition and the Management Fee Payment are fair and reasonable, on normal commercial terms or better and are in the interests of the Company and its Shareholders as a whole, the Acquisition and the Management Fee Payment are only subject to the announcement,

annual review and reporting requirements, but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Financial Adviser had confirmed that it is normal business practice for the Management Fee Payment to be of 20 years.

## **CARPARK COOPERATION AGREEMENT**

### **Date**

March 29, 2019

### **Parties**

- (1) BNC Children's Hospital
- (2) BCH

As of the date of this announcement, BNC Children's Hospital is owned by the Company as to 65% and by BCH as to 35%. BCH is a connected person of the Company by virtue of it being a substantial shareholder of a subsidiary of the Company.

### **Subject Matter**

BCH has agreed to grant, and BNC Children's Hospital has agreed to acquire, the operation rights of the Carpark (the "**Carpark Operation Rights**") for a period of 20 years (the "**Operation Rights Period**"). The Carpark, located at 56 Nanlishi Road, Xicheng District, Beijing, the PRC, has a height of 16.6 meters comprising six storeys and having 113 parking lots in total.

### **Consideration and Payment Terms**

BCH has constructed the Carpark according to the relevant standard and regulation. Pursuant to the Carpark Cooperation Agreement, BNC Children's Hospital agreed to pay BCH a consideration of RMB12,762,428.58 (the "**Consideration**") for the Carpark Operation Rights. The Consideration represented the expenses incurred by BCH with respect to the construction of the Carpark and purchase and installation of the equipment.

The Consideration shall be paid in cash in RMB within 90 days after delivery of the Carpark by BCH to BNC Children's Hospital.

The Consideration will be satisfied by the Group's internal resources.

## **Carpark Annual Management Fee**

During the Operation Rights Period, BNC Children's Hospital shall pay to BCH an annual management fee of RMB550,000 (the "**Carpark Annual Management Fee**").

The Carpark Annual Management Fee was determined after arm's length negotiation between BNC Children's Hospital and BCH after taking into account the comparable carpark management fee in the relevant region.

## **OPINION FROM THE INDEPENDENT FINANCIAL ADVISER**

As the duration term of the management fee payment under Carpark Cooperation Agreement exceeds 3 years, pursuant to Rule 14A.52 of the Listing Rules, the Company has appointed the Independent Financial Adviser to advise whether it is a normal business practice for the contract term of agreements.

As mentioned above, BCH agreed to sell the Carpark Operation Rights to BNC Children's Hospital to facilitate patients visiting the hospital premises, which is important to the business development of the Group. BCH would continue to manage the carpark and BNC Children's Hospital shall pay to BCH an annual management fee of RMB550,000 during the Operation Rights Period.

In assessing the reasons for the duration of the management fee payment under the Carpark Cooperation Agreement to be longer than three years, the Independent Financial Adviser has considered, the following factors:

- (i) the Carpark may secure stable and reliable supply of parking space for patients visiting the hospital premises;
- (ii) the location of the Carpark, which is in proximity to its hospital premises;
- (iii) the operation of the BNC Children's Hospital is expected to be longer than three years;
- (iv) BCH has more than 10 years of experience in operations management of its carpark which is close to the Carpark. The sufficient experience can guarantee the normal operation of the Carpark; and
- (v) a long duration can maintain the operational consistency for the Carpark and minimize the risks and costs associated with the frequent switch of Carpark managers.

In considering whether it is normal business practice for agreements of similar nature with the management fee payment under Carpark Cooperation Agreement to have a term of such duration, the Independent Financial Adviser has also searched transactions entered into by companies listed on the Stock Exchange requiring carpark management services with duration of more than three years. However, we are lack of comparables and hence recognize transactions entered into by companies

listed on the Stock Exchange requiring property management services with duration of more than three years because of the similar nature of carpark and property. Taking into account the above, the Independent Financial Adviser confirms that the duration of the Carpark Cooperation Agreement, which is longer than three years is necessary and it is normal business practice for the Carpark Cooperation Agreement to be of such duration.

## **ANNUAL CAPS**

The maximum annual carpark management fee payable under the Carpark Cooperation Agreement for each of the years ending December 31, 2039 is RMB550,000, which was determined by reference to annual carpark management fee payable by BNC Children's Hospital to BCH under the Carpark Cooperation Agreement.

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

The Carpark Cooperation Agreement enabled BNC Children's Hospital to operate a carpark that is in proximity to its hospital premises. This arrangement facilitates patients visiting the hospital premises, which is important to the business development of the Group.

The Directors are of the view that the Carpark Cooperation Agreement, the Acquisition and the Management Fee Payment are fair and reasonable, on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole. The Carpark Cooperation Agreement had been approved by the Board. None of the Directors has a material interest in the Carpark Cooperation Agreement, the Acquisition or the Management Fee Payment.

The Independent Non-Executive Directors comprising Mr. Wu Guanxiong, Mr. Sun Hongbin, Mr. Jiang Yanfu and Dr. Ma Jing had confirmed that the terms of the Carpark Cooperation Agreement, the Acquisition and the Management Fee Payment are fair and reasonable, on normal commercial terms or better and are in the interests of the Company and its Shareholders as a whole.

## **GENERAL INFORMATION**

### **Information on the Group**

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

### **Information on BNC Children's Hospital**

BNC Children's Hospital is a non-wholly-owned subsidiary of the Group and is engaged in provision of pediatric healthcare services in Beijing, the PRC.

## **Information on BCH**

BCH is engaged in provision of pediatric healthcare services in Beijing, the PRC.

## **LISTING RULES IMPLICATIONS**

As of the date of this announcement, BNC Children's Hospital is owned by the Company as to 65% and by BCH as to 35%. Therefore, the Acquisition and the Management Fee Payment constitutes a connected transaction and a continuing connected transaction of the Company, respectively, under Chapter 14A of the Listing Rules by virtue of BCH being a substantial shareholder of a subsidiary of the Company.

The highest of all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Carpark Cooperation Agreement, the Acquisition and the Management Fee Payment is more than 0.1% but less than 5%. Since each of the Acquisition and the Management Fee Payment is a connected transaction or continuing connected transaction of the Company at the subsidiary level only on normal commercial terms or better; (ii) the Board had approved the Carpark Cooperation Agreement, the Acquisition and the Management Fee Payment; and (iii) the Independent Non-Executive Directors had confirmed that the terms of the Carpark Cooperation Agreement, the Acquisition and the Management Fee Payment are fair and reasonable, on normal commercial terms or better and are in the interests of the Company and its Shareholders as a whole, the Carpark Cooperation Agreement, the Acquisition and the Management Fee Payment are only subject to the announcement, annual review and reporting requirements, but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Financial Adviser had confirmed that it is normal business practice for the Management Fee Payment to be of 20 years.

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the operation rights of the Carpark contemplated under the Carpark Cooperation Agreement;
“BCH”	Beijing Children's Hospital, Capital Medical University (首都醫科大學附屬北京兒童醫院), a connected person of the Company on the subsidiary level only due to its 35.0% interest in BNC Children's Hospital;

“BNC Children’s Hospital”	Beijing New Century Children’s Hospital Co., Ltd. (北京新世紀兒童醫院有限公司), a company incorporated in the PRC with limited liability, which is a non-wholly-owned subsidiary of the Company;
“Board”	the board of Directors of the Company;
“Carpark”	a carpark located at 56 Nanlishi Road, Xicheng District, Beijing, the PRC, which has a height of 16.6 meters comprising six storeys and having 113 parking lots in total;
“Carpark Cooperation Agreement”	the carpark cooperation agreement entered into between BNC Children’s Hospital and BCH dated March 29, 2019;
“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;
“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;
“Independent Financial Adviser”	Red Solar Capital Limited, the independent financial adviser of the Company in respect of the Carpark Cooperation Agreement;
“Independent Non-Executive Directors”	the independent non-executive Directors of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time;
“Management Fee Payment”	the payment of the Carpark Annual Management Fee contemplated under the Carpark Cooperation Agreement;
“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;

“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; and
“%”	percent.

*The English names of PRC entities are an informal English translation of their respective official Chinese names.*

By order of the Board  
**New Century Healthcare Holding Co. Limited**  
**Mr. Jason ZHOU**  
*Chairman, Executive Director and Chief Executive Officer*

Hong Kong, March 29, 2019

*As of the date of this announcement, the executive Directors are Mr. Jason ZHOU, Ms. XIN Hong and Mr. XU Han; the non-executive Directors are Mr. GUO Qizhi, Mr. WANG Siye, Dr. CHENG Chi-Kong, Adrian, Mr. YANG Yuelin and Mr. FENG Xiaoliang; and the independent non-executive Directors are Mr. WU Guanxiong, Mr. SUN Hongbin, Mr. JIANG Yanfu and Dr. MA Jing.*