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**China Regenerative Medicine International Limited**  
**中國再生醫學國際有限公司**

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

**(Stock Code: 8158)**

**DISCLOSEABLE TRANSACTION**  
**IN RESPECT OF THE TENANCY AGREEMENT OF THE PREMISES**

**THE TENANCY AGREEMENT**

On 13 December 2021, the Company, as the tenant entered into the Tenancy Agreement with Shahdan, an Independent Third Party, as the landlord pursuant to which Shahdan agreed to lease the Premises to the Company.

**GEM LISTING RULES IMPLICATIONS**

Pursuant to HKFRS 16, the Company shall recognise the value of the right-of-use asset in its consolidated financial statements in relation to the lease of the Premises under the Tenancy Agreement. Accordingly, the transaction contemplated thereunder will be regarded as acquisition of asset by the Company according to the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the value of the right-of-use asset of the Premises under Tenancy Agreement is more than 5% and below 25%, the transaction contemplated under the Tenancy Agreement constitutes a discloseable transaction for the Company, and is therefore subject to the reporting and announcement requirements but is exempted from Shareholders' approval requirement pursuant to Chapter 19 of the GEM Listing Rules.

## INTRODUCTION

The Board would like to announce that on 13 December 2021, the Company, as the tenant entered into the Tenancy Agreement with Shahdan, an Independent Third Party, as the landlord pursuant to which Shahdan agreed to lease the Premises to the Company.

## THE TENANCY AGREEMENT

Details of the principal terms of the Tenancy Agreement are set out below:

Date:	13 December 2021
Parties :	(i) Shahdan, as the landlord; and  (ii) the Company, as the tenant.
Location of the Premises:	Units Nos. 2310-18, 23 <sup>rd</sup> Floor, Mira Place Tower A, No. 132 Nathan Road, Kowloon.
Term:	A term of three years commencing on 14 June 2022 and expiring on 13 June 2025 (both days inclusive) (the “ <b>Fixed Term</b> ”).
Monthly rental:	During the Fixed Term, the monthly rental shall be HK\$774,372 (exclusive of rates, air conditioning charges, management fee and other outgoings). The monthly rental shall be payable in advance on the first day of each calendar month.
Deposits:	(1) A rental deposit of HK\$5,656,666 which represents the monthly rent, management fee, air-conditioning charges and rates for six months; (2) a reinstatement deposit of HK\$471,389.
Basis of determining the monthly rental:	The monthly rent was determined after arm’s length negotiations between the parties taking into account the prevailing market rent and lease terms of similar premises in the proximity of the Premises.  The monthly rental is expected to be funded through the internal resources of the Group.

## **RIGHT-OF-USE ASSET**

Pursuant to HKFRS 16, the Premises leased under the Tenancy Agreement will be recognised as right-of-use assets with an initial amount (unaudited) of approximately HK\$25,945,000, which represents the present value of the aggregate lease payments for the Fixed Term by adopting a discount rate of 5%.

## **INFORMATION ON THE PARTIES**

### **The Company**

The Company is an investment holding company. The Group principally engages in provision of healthcare products and services in Hong Kong and China.

### **Shahdan**

Shahdan is a company incorporated in Hong Kong on 3 February 1981 with limited liability. Shahdan is a wholly-owned subsidiary of Miramar Hotel and Investment Company, Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 71). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shahdan, its ultimate beneficial owners and its respective associates are Independent Third Parties.

## **REASONS FOR AND THE BENEFITS OF THE TENANCY AGREEMENT**

The Group has been leasing the Premises as its head office and principal place of business in Hong Kong and the existing lease of the Premises has expired on 13 June 2022. In evaluating the options of renewal of lease or leasing a new office, the Directors consider that the Premises are located in the heart of the commercial zone in Tsim Sha Tsui which is easily accessible by transportation by the customers of the Group in Hong Kong. Renewing the lease would have saved the renovation costs and the expenditure on relocation.

The Directors considered that the transaction contemplated under the Tenancy Agreement is entered into in the ordinary and usual course of business of the Group, and the Tenancy Agreement is entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transaction contemplated under the Tenancy Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

Pursuant to HKFRS 16, the Group shall recognise the value of the right-of-use assets in its consolidated financial statements of the Group in relation to the lease of the Premises under the Tenancy Agreement. Accordingly, the transaction contemplated thereunder will be regarded as acquisition of asset by the Group according to the GEM Listing Rules.

As one or more of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rule in respect of the Tenancy Agreement is more than 5% and below 25%, the transaction contemplated under the Tenancy Agreement constitutes a discloseable transaction for the Company, and is therefore subject to the reporting and announcement requirements but is exempted from Shareholders' approval requirement pursuant to Chapter 19 of the GEM Listing Rules.

## **REMEDIAL ACTIONS**

The Company acknowledges that this announcement should have been published as soon as practicable after entering into the Tenancy Agreement pursuant to the GEM Listing Rules in relation to the adoption of HKFRS 16. To prevent similar non-compliance in the future, the Company has taken the following measures and actions: (i) the Company's responsible management, with assistance from external accounting professionals and legal advisers of the Company, shall continue to oversee and monitor the Company's on-going compliance with the GEM Listing Rules in relation to the Group's lease arrangements; and (ii) the Company should, as and when appropriate and necessary, seek advice from its external legal, accounting or other professionals as to any action required to be taken in relation to any proposed lease transactions or events in the future. Going forward, the Company will use its best endeavours to make disclosure in a timely manner to ensure compliance with the GEM Listing Rules in this regard.

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Company”	China Regenerative Medicine International Limited (中國再生醫學國際有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 20 April 2001 and the Shares of which are listed on GEM (stock code: 8158)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not connected persons of the Company and is/are third party(ies) independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Shahdan”	Shahdan Limited (正信有限公司), a company incorporated in Hong Kong on 3 February 1981 with limited liability.
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of the nominal value of HK\$0.20 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Premises”	Units Nos. 2310-18, 23 <sup>rd</sup> Floor, Mira Place Tower A, No. 132 Nathan Road, Kowloon
“Tenancy Agreement”	an agreement entered into between Shahdan and the Company on 13 December 2021 in relation to the lease of the Premises
“%”	per cent

By order of the Board  
**China Regenerative Medicine International Limited**  
**Wang Chuang**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 9 August 2022

*As at the date of this announcement, the executive Director is Mr. Wang Chuang (Chairman and Chief Executive Officer); the non-executive Director is Mr. Tsang Ho Yin; and the independent non-executive Directors are Dr. Liu Ming, Ms. Huo Chunyu and Mr. Leung Man Fai.*

*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](http://www.hkgem.com) for at least seven days from the date of the publication and will be published on the website of the Company at [www.crmi.hk](http://www.crmi.hk).*