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Suzhou Basecare Medical Corporation Limited

蘇州貝康醫療股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2170)

**DISCLOSEABLE TRANSACTION
ENTERING INTO THE GENERAL CONSTRUCTION CONTRACTS
FOR THE CONSTRUCTION OF OUR HEADQUARTERS,
R&D CENTER AND PLANTS**

On September 30, 2021 and June 15, 2022 the Company entered into the General Construction Contracts with the Contractor with Total Contract Price of RMB157,500,000 in respect of the construction of our headquarters, R&D center and plants located to the east of Xingtang Street and north of Jiangyun Road, Suzhou Industrial Park, Jiangsu, PRC.

The First General Construction Contract by itself does not constitute discloseable transaction of the Company under Rule 14.06 of the Listing Rules. However, pursuant to Rule 14.22 of the Listing Rules, when the relevant consideration under the General Construction Contracts are aggregated as if they were one transaction all entered into within a 12-month period, the highest applicable percentage ratio in respect of entering into the General Construction Contracts (on an aggregated basis) exceeds 5% but less than 25%. Therefore, entering into the General Construction Contracts, on an aggregate basis, constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement set out in Chapter 14 of the Listing Rules.

On September 30, 2021 and June 15, 2022 the Company entered into the General Construction Contracts with the Contractor with Total Contract Price of RMB157,500,000 in respect of the construction of our headquarters, R&D center and plants located to the east of Xingtang Street and north of Jiangyun Road, Suzhou Industrial Park, Jiangsu, PRC.

THE GENERAL CONSTRUCTION CONTRACTS

The principal terms of the General Construction Contracts are set out below:

	The First General Construction Contract	The Second General Construction Contract
Parties	(1) The Company (2) The Contractor	(1) The Company (2) The Contractor
Date of execution	September 30, 2021	June 15, 2022
Subject matter	Pursuant to the General Construction Contracts, the Company is responsible for applying for relevant approvals for the construction, paying the Contractor at the Total Contract Price and providing construction site under conditions as prescribed thereunder, and the Contractor is responsible for the construction of our headquarters, R&D center and plants located to the east of Xingtang Street and north of Jiangyun Road, Suzhou Industrial Park, Jiangsu, PRC, including but not limited to the overall management of the construction, applying for relevant certificates for the construction and completing registrations according to relevant laws and regulations.	
Contract price	RMB51,288,321.5	RMB106,211,678.5
	The Total Contract Price shall mean the all-inclusive and lump sum price set forth in the General Construction Contracts, which is a total of RMB157,500,000, subject to adjustment according to the fluctuation of market price of labor, materials and equipment.	
	The contract price was determined after arm's length negotiations between the parties with reference to the contract work and prevailing market price. The Total Contract Price payable by the Company under the General Construction Contracts will be funded by the Group's internal resources and proceeds from the initial public offering.	
Expected duration of construction from the date of commencement of the construction work	450 days	336 days
Payment terms	The contract price will be paid in tranches according to the payment schedule in connection with the construction schedule set forth under the General Construction Contracts.	

INFORMATION ON THE CONTRACTOR

The Contractor, Zhongyifeng Construction Group Co., Ltd. (中億豐建設集團股份有限公司), formerly known as Suzhou Erjian Construction Group Co., Ltd., was founded in 1952. Based in Suzhou City, Jiangsu Province, the Contractor is engaged in providing first-class service for China's urbanization construction and comprehensive operation, and it takes the general contracting construction of large-scale projects as main business.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Contractor and its ultimate beneficial owner(s) is a third party independent of the Company and the connected persons of the Company as of the date of the General Construction Contracts and the date of this announcement.

INFORMATION ON THE GROUP

Headquartered in Suzhou, PRC, the Group is an innovative platform of genetic testing solutions for assisted reproduction in China. The Group has pioneered a solution model under which the Group provides its clients, which are hospitals and reproductive clinics in China offering the relevant assisted reproductive services, with one-stop, customized integrated solutions.

REASONS FOR ENTERING INTO THE GENERAL CONSTRUCTION CONTRACTS

The headquarters construction project of the Company is a key project in Suzhou Industrial Park. The planned gross floor area of the project is 71,850 sq.m., with 21,700 sq.m. for research and development office use and 32,800 sq.m. for production use. The construction of our headquarters can render better support to the production and operation of the Group. The headquarters building of the Group will also serve as an exchange platform for the field of fertility, facilitate our communication with upstream and downstream enterprises in the field of assisted reproduction and fertility, promote industry development through synergy, and create cluster effect for the next-generation sequencing testing industry. The development and construction of the headquarters building will also be conducive to laying a solid foundation for the existing and future operation of the Group, so that the Group can further improve in the key areas of business operation, including control of product research and development, production, finance and sales. The Company considers that the construction of the headquarters building of the Company will lay a solid foundation for the strategic development of the Group. They are consistent with the Group's development strategies.

In view of the production growth potential of this central processing facility project, the Directors expect that entering into the General Construction Contracts is beneficial to the Group and the Board is of the view that the terms of the General Construction Contracts are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS ON ENTERING INTO THE GENERAL CONSTRUCTION CONTRACTS

The First General Construction Contract by itself does not constitute discloseable transaction of the Company under Rule 14.06 of the Listing Rules. However, pursuant to Rule 14.22 of the Listing Rules, when the relevant consideration under the General Construction Contracts are aggregated as if they were one transaction all entered into within a 12-month period, the highest applicable percentage ratio in respect of entering into the General Construction Contracts (on an aggregated basis) exceeds 5% but less than 25%. Therefore, entering into the General Construction Contracts, on an aggregate basis, constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement set out in Chapter 14 of the Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Company”	Suzhou Basecare Medical Corporation Limited (蘇州貝康醫療股份有限公司), a company incorporated in the PRC with limited liability on December 14, 2010 and converted into a joint stock company with limited liability on August 27, 2020
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Contractor”	Zhongyifeng Construction Group Co., Ltd. (中億豐建設集團股份有限公司), a company established in the PRC on December 4, 1980, a party of the General Construction Contract
“Directors”	the directors of the Company
“First General Construction Contract”	the first general construction contract (施工總承包合同) entered into by the Company and the Contractor on September 30, 2021 as a result of the successful bidding by the Contractor for the construction project of our headquarters

“General Construction Contracts”	the First General Construction Contract and the Second General Construction Contract
“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, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Second General Construction Contract”	the second general construction contract (施工總承包合同) entered into by the Company and the Contractor on June 15, 2022 as a result of the successful bidding by the Contractor for the construction project of our headquarters
“Shareholder(s)”	holder(s) of the shares of the Company
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Total Contract Price”	RMB157,500,000, being the sum of the consideration of RMB51,288,321.5 of the First General Construction Contract and RMB106,211,678.5 of the Second General Construction Contract

By order of the Board
Suzhou Basecare Medical Corporation Limited
Dr. Liang Bo
Chairman and General Manager

Suzhou, PRC, June 15, 2022

As of the date of this announcement, the Board comprises Dr. LIANG Bo, Mr. KONG Lingyin and Ms. YANG Ying as executive Directors; Mr. XU Wenbo, Mr. ZHANG Jiecheng and Mr. WANG Weipeng as non-executive Directors; and Dr. KANG Xixiong, Dr. HUANG Taosheng and Mr. CHAU Kwok Keung as independent non-executive Directors.