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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)

ANNOUNCEMENT REGARDING LEGAL PROCEEDINGS

This announcement is made by New Century Healthcare Holding Co. Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In April 2018, New Century Healthcare (International) Co., Ltd. (“**New Century International**”, a wholly-owned subsidiary of the Company) entered into a framework agreement with Serenium Inc. (“**Serenium**”, a Delaware corporation) for the proposed development of the pediatric sleep apnea screening and diagnosis business (“**Framework Agreement**”). During the process, Serenium failed to deliver certain products as provided for under the Framework Agreement and accordingly, New Century International made an arbitration application to Beijing Arbitration Commission in June 2019 against Serenium (“**Arbitration**”). Pursuant to the Arbitration, New Century International applied for such arbitration awards to be made for the termination of the Framework Agreement, and for Serenium to repay the principal amount of the development cost of US\$500,000 that was pre-paid by New Century International together with interest accrued thereon, as well as the legal fees incurred by New Century International for the Arbitration. The Company made full provision for the prepayment of US\$500,000. Please refer to the net impairment losses on financial assets disclosed in note 25 in the Company’s annual report for the year ended December 31, 2019. As of the date of this announcement, the hearing of the Arbitration has been completed and the parties are waiting for the final arbitration awards to be issued.

Allegedly relating to the same joint development project with Serenium, on June 2, 2020 (Hong Kong time), the Company was served with the summons issued by the United States District Court for the Northern District of California for a civil action. The complaint purports to raise claims for (1) breach of written contract, (2) violation of the Defend Trade Secrets Act, and (3) violation of the California

Uniform Trade Secrets Act. The Company will continue to seek legal advice and take all necessary actions to vigorously defend against the allegations made in the action. Further announcement(s) will be made as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, June 4, 2020

As at 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.