



Hospital Corporation of China Limited 弘和仁愛醫療集團有限公司

()
(Stock code: 3869)

MAJOR ACQUISITION AND CONNECTED TRANSACTION IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN ORIENTAL ALLY HOLDINGS LIMITED

THE PROPOSED ACQUISITION

On 2, 2018 (),
 E),
 \$773,877,717),
 B630 ()
 28.00%
 21.87%
)

LISTING RULES IMPLICATIONS

25%
 100%,
 14

70.1% ... (n) ... 14

GENERAL

nE ... B ... D ... B ... E ... En ... 30, 2018

Shareholders and potential investors of the Company should note that the Proposed Acquisition is subject to a number of Conditions which may or may

INTRODUCTION

B... 2, 2018 (... E...)

THE SHARE PURCHASE AGREEMENT

Date 2, 2018 (... E...)

Parties) ...)

70.1 % ... (...)

Subject Matter ...

75% ... 2017.

...)

Consideration B630 ... \$773,87,717 ...

**Refundable
Deposit**

n n n B50,000,000, n
(**Deposit**), n n
n n n D
n n n (1)
n n n (2)
n n n D (3)
n n n

**Basis of
consideration**

n n n n n n n n n
n n n, () n n n
n n n B5 2 n n B678 n n
n n n () n n n
(**P/E Multiple**) n n n
n n n n n n n n n
n n n (**Comparable Companies**),
() n n n n n n n
n n n n n (**Comparable Transactions**),
() n n n n n n n
n n n n n n n n n n n
D n n n n n n n ()
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n n n n n B n n n
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n n n n n D & n n n
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n n n n n D n n 31, 2017 n n
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n n n n n () n n n
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Name	Stock Code	Exchange where the stock is listed	Principal business activities	P/E Multiples ⁽¹⁾
...	1515	25.65

(1) /E ... 8, 2018.

(2) ... /E ... 31.4 ... 20.64 ... 56.31

B ... E ... B ... D ... /E ... B ...

... /E
 ...
 ...
 ...
 ...
 ... B ...
 ... /E ...
 ...

... /E ...
 ... 21.20 ... 57.7 ...
 ... 36.2 ... /E ...
 ... 31.4 ...
 ... n. D ...

Target company	Percentage acquired/ disposed	Implied Equity Value ()	Implied P/E Multiples ()
En	70%	60	24.21
E	8%	1,126	21.74
B	51%	220	2.11
F	75%	1,300	32.85
n	0%	81.	36.42
n D	65%	4.5	57.7
n	88%	155.8	54.25
n	60%	474.	34.11
n	51%	156	21.20
n E	80%	110	57.36

... D ...
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Conditions

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... n ... E ... 8, 201 ...
 (5) B ... D ... 31, 2018, n ...
 ... n ... (n ... n ...
 ... n ...) n ... D ... 31, 2018
 ... n ... n ... n ...
 ... n ... n ... n ...

Completion

... n ... (5) B ... D ...
 ... n ... n ... n ...
 ... n ... (... n ...) n ... n ...
 ... n ... n ... n ...
 ... n ... n ... n ...

Indemnity

... n ... n ... n ...
 ... n ... n ... n ...
 ... n ... n ... n ...
) n ... n ... n ...
) n ... n ... n ...

THE CONVERTIBLE BONDS

Issuer		B n ...	
Principal Amount	\$773,87	,717	
Issue Price	100%		

Form and denomination

... B n... \$1 ...

Issue Date

...

Maturity Date

... (5) ... B n... B n... D , B n... D ...

Interest

... B n... n n...

Conversion Shares

... B n... \$20.00 ... 38,63,85 ... B n... (...) ... 28.00% ... 21.87% ... B n...

Conversion Rights

... E ... B n... B n... D ...

Restriction on Conversion

... B n... (n...) ...

Redemption upon Maturity and Early Redemption

... n ... B n ...
... n ... D ... n ...
... B n ... n ...
... D ... n ...
... n ... n ... n ...
... n ... n ...

Default interest

... n ... n ...
... B n ... n ...
... n ... n ... B n ...
... n ... 5% ...
... n ... n ...
... n ... n ...
... B n ...

Transferability

... B n ... n ...
... n ... n ...
... B n ... () ...
... B n ... n ...
... n ... n ...
... n ... n ...
... n ... n ...
... n ... n ...
... n ... n ...
... n ... n ...
... B n ... () ...

Status

... B n ... n ...
... n ... n ...
... n ... n ...
... n ... n ...

Voting and other rights

... B n ... n ...
... n ... n ...
... B n ... B n ...
... n ... n ...
... B n ...

Listing

... n ... n ...
... B n ... E ...
... n ... n ...
... E ... n ...

Conversion Price

... \$20.00 ...

() ... 0.50% ... \$20.10 ...

() ... 2.25% ... \$1.56 ... (5) ...

() ... 4.33% ... \$1.17 ... (10) ...

() ... 2.3% ... \$1.43 ... (30) ...

() ... 48.5 % ... \$13.46 ... D ... 31, 2017 ... B1,514.11 ... \$1,851.0 ... D ... 31, 2017 ... 138,14,000 ...

... E ... B ...

() ... D ...

() ... D ...

THE JV AGREEMENT

On this 28th day of August, 2016, the undersigned parties, the JV Agreement, have entered into the following terms and conditions:

Board composition

The Board of Directors shall consist of (5) members, of whom (4) members shall be appointed by the Chinese Party and (1) member shall be appointed by the Foreign Party.

Reserved matters

The following matters shall be reserved for the approval of the Board of Directors:

- (1) Any matter relating to the business plan, financial budget, and other major financial matters.
- (2) Any matter relating to the appointment and removal of the Chairman of the Board, the President, and the Vice President.
- (3) Any matter relating to the appointment and removal of the members of the Board of Directors.
- (4) Any matter relating to the appointment and removal of the members of the Board of Supervisors.

Term and Termination

The term of this JV Agreement shall be 20 years from the date of the signing of this JV Agreement. The term shall be terminated upon the expiration of the term, unless the parties agree to renew it.

- (1) The JV Agreement shall be terminated if the Chinese Party fails to fulfill its obligations under this JV Agreement.
- (2) The JV Agreement shall be terminated if the Foreign Party fails to fulfill its obligations under this JV Agreement.
- (3) The JV Agreement shall be terminated if the JV Company is liquidated or dissolved in accordance with the provisions of the PRC Company Law (《中華人民共和國中外合資經營企業法》) or any other applicable laws.

THE UNDERTAKING LETTER

The undersigned party, the Chinese Party, hereby undertakes to the Foreign Party that it shall maintain its ownership stake in the JV Company at least 25% of the total shares of the JV Company. In the event of a Subsequent Acquisition, the Chinese Party shall maintain its ownership stake in the JV Company at least 25% of the total shares of the JV Company.

... (Remaining Interest Purchase Price).

... () ... D ... B ... () ...

... () ... () ...

... (中外合資、合作醫療機構管理暫行辦法), ... (2017 ...) (外商投資產業指導目錄) ... 70%, ...

INFORMATION OF THE TARGET GROUP AND THE HOSPITALS

The Target Group

... B ...

On December 31, 2016, the company had 25% of its outstanding shares of common stock, B600 million, held by the state-owned enterprise, B200 million.

The company has a 80% interest in the subsidiary, D n, and a 65% interest in the subsidiary, D n.

The company has a 80% interest in the subsidiary, D n, and a 65% interest in the subsidiary, D n, as of December 31, 2016.

**For the financial year
ended December 31,
2016 2017**

			37,6 4
	(1,800)		33,57
	(501)		25,148
			1,635
	(501)		26,783
	(537)		20,050

* The company has a 80% interest in the subsidiary, D n, and a 65% interest in the subsidiary, D n, as of December 31, 2016.

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The company has a 80% interest in the subsidiary, D n, and a 65% interest in the subsidiary, D n, as of December 31, 2017. B703.4 million, B623.1 million,

... n... n... n... n... n... n... n... n... n... n...

1. 2017 12 31 2016 12 31

	As of December 31,	
	2016	2017
534,663	588,275	
(67,722)	(55,530)	
For the financial year ended December 31,		
	2016	2017
505,218	514,366	
30,803	12,121 ¹	
30,803	12,121 ¹	

1. 2017 12 31 2016 12 31

2017 12 31 2016 12 31

() 2017 12 31 2016 12 31

2017 12 31 2016 12 31

Dongyang Hospital and Yongkang Hospital

Dongyang Hospital and Yongkang Hospital are wholly owned subsidiaries of the Company. The financial statements of Dongyang Hospital and Yongkang Hospital are prepared in accordance with the accounting policies of the Company. The financial statements of Dongyang Hospital and Yongkang Hospital are audited by the same auditor as the financial statements of the Company.

As of December 31,
2016 **2017**

117,707 118,410
 (5,307) (68,63)

For the financial year
ended December 31,
2016 **2017**

3,455 45,852
 (15,565) (,508)
 (15,565) (,508)

Dongyang Hospital and Yongkang Hospital are wholly owned subsidiaries of the Company. The financial statements of Dongyang Hospital and Yongkang Hospital are prepared in accordance with the accounting policies of the Company. The financial statements of Dongyang Hospital and Yongkang Hospital are audited by the same auditor as the financial statements of the Company.

As of December 31,
2016 **2017**

68,423 6,211
 44,438 46,286

For the financial year
ended December 31,

2016 2017

	8,056	104,346
(...)/ ... n	(3,227)	1,824
(...)/ ... n	(3,227)	1,824

... 2016, ... 2018.

... 2016, ... 2018.

... 2016, ... 2018.

INFORMATION ON THE VENDOR

... 4 % ... 25.50%

... 4 % ... 25.50%

... 4 % ... 25.50%

INFORMATION ON THE GROUP

... 16, 2017.

... 16, 2017.

... 16, 2017.

CHANGES IN SHAREHOLDING STRUCTURE

Name of Shareholders	As at the date of this announcement		Immediately after the issue of the Conversion Shares to the extent that immediately after such conversion, the Company will continue to be able to satisfy the public float requirement	
	Number of Shares	%	Number of Shares	%
Vanguard Glory Vendor	7,000,000	70.1	7,000,000	63.26
Midpoint Honour ²	2,860,000	2.07	2,860,000	1.87
Public Shareholders	38,334,000	27.74	38,334,000	25.00
Total	138,144,000	100.00	153,336,000	100.00

1. Vanguard Glory Vendor is a company incorporated in the Cayman Islands. It is a wholly owned subsidiary of Vanguard Glory, a company incorporated in the Cayman Islands. Vanguard Glory is a company that is controlled by the Vendor. Vanguard Glory is a company that is controlled by the Vendor. Vanguard Glory is a company that is controlled by the Vendor.
2. Midpoint Honour is a company incorporated in the Cayman Islands. It is a wholly owned subsidiary of Midpoint Honour, a company incorporated in the Cayman Islands. Midpoint Honour is a company that is controlled by the Vendor. Midpoint Honour is a company that is controlled by the Vendor. Midpoint Honour is a company that is controlled by the Vendor.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION AND THE FUTURE PROSPECT OF THE TARGET GROUP

The proposed acquisition of Vanguard Glory and Midpoint Honour is expected to bring significant benefits to the Company. The acquisition is expected to increase the Company's revenue and profitability. The acquisition is expected to provide the Company with access to new markets and customers. The acquisition is expected to provide the Company with access to new products and services. The acquisition is expected to provide the Company with access to new talent and expertise. The acquisition is expected to provide the Company with access to new technology and innovation. The acquisition is expected to provide the Company with access to new opportunities for growth and expansion.

Всего в 1950 году в СССР было произведено 10,5 млрд. руб. продукции, что на 10% больше, чем в 1949 году. Это свидетельствует о значительном росте промышленного производства в нашей стране.

В 1950 году в СССР было произведено 10,5 млрд. руб. продукции, что на 10% больше, чем в 1949 году. Это свидетельствует о значительном росте промышленного производства в нашей стране.

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GENERAL

The Company has not established any procedures to ensure that the information disclosed in this report is accurate, complete or consistent with the information disclosed in any other report. The Company has not established any procedures to ensure that the information disclosed in this report is accurate, complete or consistent with the information disclosed in any other report.

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Shareholders and potential investors of the Company should note that the Proposed Acquisition is subject to a number of Conditions which may or may not be fulfilled. Shareholders and potential investors of the Company are reminded to exercise cautions when dealing in the securities of the Company.

DEFINITIONS

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B

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... .. (弘和仁愛醫療集團有限公司),

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州鈴藍實業有限公司)

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... * (弘毅康壽管理諮詢(上海)有限公司),
...
... % ... 2015 ()
E, ... *
(弘毅貳零壹伍(深圳)股權投資基金中心(有限合夥))
... 0.1% ...
() * (弘毅投資管理(天津)(有限合夥))

... D ... 28, 2018, ...

... E ...

... D ... 31, 2018 ...

... D ... (5) ...
... B ...
B ... D , B ... D ...

... n ... 83.33% ...

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... (中華人民
共和國國家衛生健康委員會),
...
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B V V B V
Hospital Corporation of China Limited
Zhao John Huan

B nr, n, 2, 2018

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