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Hospital Corporation of China Limited

弘和仁愛醫療集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3869)

**FULL EXERCISE OF OVER-ALLOTMENT OPTION, STABILIZING
ACTIONS AND END OF STABILIZING PERIOD**

FULL EXERCISE OF OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option was fully exercised by the Sole Global Coordinator (on behalf of the International Underwriter) on April 7, 2017 in respect of 5,000,000 additional Shares (the “**Over-allotment Shares**”), representing approximately 15% of the Offer Shares initially available under the Global Offering to cover over-allocations under the International Offering. The Over-allotment Shares will be issued and allotted by the Company at HK\$12.80 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

STABILIZING ACTIONS AND END OF STABILIZING PERIOD

Pursuant to section 9(2) of the Stabilizing Rules, the Company further announces that the stabilizing period in connection with the Global Offering ended on April 8, 2017, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering.

Stabilizing actions were undertaken by the Stabilizing Manager during the stabilizing period, further information in relation to which is set out below.

FULL EXERCISE OF OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option was fully exercised by the Sole Global Coordinator (on behalf of the International Underwriter) on April 7, 2017 in respect of 5,000,000 Over-allotment Shares, representing approximately 15% of the Offer Shares initially available under the Global Offering to cover over-allocations under the International Offering. The Over-allotment Shares will be issued and allotted by the Company at HK\$12.80 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

Approval for the listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Listing of and dealings in the Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:00 a.m. on April 13, 2017.

Pursuant to the Stock Borrowing Agreement (as defined below), the Stabilizing Manager has borrowed 5,000,000 Shares from Vanguard Glory Limited to cover over-allocations in the International Offering. The Over-allotment Shares will be used to facilitate the return in full to Vanguard Glory Limited of the 5,000,000

borrowed Shares. Immediately after the allotment and issue by the Company of the Over-allotment Shares, approximately 27.74% of the issued share capital of the Company will be held by the public in compliance with Rule 8.08 of the Listing Rules.

The shareholding structure of the Company immediately before and immediately after the allotment and issue by the Company of the Over-allotment Shares is as follows:

Shareholders	Immediately before the completion of the sale of the Over-allotment Shares		Immediately after the completion of the sale of the Over-allotment Shares	
	Number of Shares	Percentage of the Company's issued share capital	Number of Shares	Percentage of the Company's issued share capital
Vanguard Glory Limited	97,000,000	72.83%	97,000,000	70.19%
Midpoint Honour Limited ⁽¹⁾	2,860,000	2.15%	2,860,000	2.07%
Public shareholders	<u>33,334,000</u>	<u>25.02%</u>	<u>38,334,000</u>	<u>27.74%</u>
Total	<u>133,194,000</u>	<u>100%</u>	<u>138,194,000</u>	<u>100%</u>

Note (1): As at the Latest Practicable Date as defined in the Prospectus, Midpoint Honour Limited is indirectly held as to 83.33% by Mr. Zhang Xiaopeng, as to 4.67% by Mr. Zang Chuanbo, as to 4% by Ms. Ding Yue, as to 3.33% by Ms. Kan Ruihan, through his or her respective Management SPV, and as to 4.67% by Vanguard Glory through Han Prestige Limited. Mr. Zhang, our executive Director and chief executive officer, and Vanguard Glory Limited, our Controlling Shareholder, are connected persons and other shareholders of Midpoint Honour Limited are all members of our management team.

The additional net proceeds of approximately HK\$64.0 million, after deducting the transaction levy and trading fee payable by the Company, from the issue of the Over-allotment Shares by the Company, will be used on a pro rata basis for the same purposes as set out in the section headed “Future plans and use of proceeds — Use of proceeds” in the Prospectus.

STABILIZING ACTIONS AND END OF STABILIZING PERIOD

Pursuant to section 9(2) of the Stabilizing Rules, the Company further announces that the stabilizing period in connection with the Global Offering ended on April 8, 2017, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering.

The stabilizing actions undertaken by China International Capital Corporation Hong Kong Securities Limited, the Stabilizing Manager, during the stabilizing period were:

- (1) over-allocations of an aggregate of 5,000,000 Shares in the International Offering, representing approximately 15% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option);
- (2) the borrowing of an aggregate of 5,000,000 Shares by China International Capital Corporation Hong Kong Securities Limited from Vanguard Glory Limited pursuant to the stock borrowing agreement dated March 10, 2017 entered into between China International Capital Corporation Hong Kong Securities Limited and Vanguard Glory Limited (the “**Stock Borrowing Agreement**”) to cover over allocations in the International Offering. Such Shares will be returned and redelivered to Vanguard Glory Limited in accordance with the terms of the Stock Borrowing Agreement;
- (3) purchase of an aggregate of 200 Shares at the price of HK\$12.80 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) on the market during the stabilizing period. The last purchase made by the Stabilizing Manager on the market during the stabilizing period was on March 16, 2017 at the price of HK\$12.80 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%);
- (4) the full exercise of the Over-allotment Option by the Sole Global Coordinator (on behalf of the International Underwriter) on April 7, 2017 in respect of an aggregate of 5,000,000 Over-allotment Shares, representing approximately 15% of the total number of Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price, to facilitate the return of 5,000,000 Shares borrowed by the Stabilizing Manager from Vanguard Glory Limited under the Stock Borrowing Agreement, which were used to cover the over-allocations in the International Offering.

PUBLIC FLOAT

The Company continues to comply with the public float requirements under Rule 8.08(1)(a) of the Listing Rules that at least 25% of the Company's total issued share capital must at all times be held by the public.

By order of the Board of Directors
Hospital Coproration of China Limited
Zhang Xiaopeng
*Executive Director and
Chief Executive Officer*

Beijing, China, April 8, 2017

As at the date of this announcement, the Board comprises Mr. Zhao John Huan as the chairman and the non-executive Director, Mr. Zhang Xiaopeng and Mr. Lu Wenzuo as executive Directors, Mr. Yuan Bing, Mr. Lin Sheng and Mr. Lin Tun as non-executive Directors, and Ms. Chen Xiaohong, Mr. Shi Luwen and Mr. Zhou Xiangliang as independent non-executive Directors.