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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)**

### **EXERCISE OF PUT OPTION**

Reference is made to the announcement of Hospital Corporation of China Limited (the “**Company**”) dated May 29, 2018 and the circular of the Company dated June 24, 2018 (together, the “**Previous Disclosures**”) in relation to, among others, (i) the acquisition of 75% equity interest in Zhejiang Honghe Zhiyuan Medical Technology Co., Ltd. (formerly known as Zhejiang Guangsha Medical Technology Co., Ltd) (“**Zhejiang Honghe Zhiyuan**”) by the Company at the consideration of RMB630 million and (ii) the grant of a put option (the “**Put Option**”) by the Company to the Guangsha Minority Shareholders under the Undertaking Letter pursuant to which the Company undertook to acquire the remaining 25% equity interest in Zhejiang Honghe Zhiyuan held by Kangshou at the purchase price of not less than RMB210 million (plus other reasonable expenses incurred by the Guangsha Minority Shareholders in connection with their investment in Zhejiang Honghe Zhiyuan) no later than the date falling on the third anniversary of the Completion Date (i.e. on or before August 7, 2021).

Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Previous Disclosures.

### **EXERCISE OF THE PUT OPTION**

The Board would like to announce that the Guangsha Minority Shareholders had informed the Company on August 5, 2021 that they intended to exercise the Option to require the Company to acquire the Remaining Interests in accordance with the terms and conditions of the Undertaking Letter.

After receipt of the exercise notice, the Company shall enter into definitive agreement(s) in respect of the Subsequent Acquisition with Kangshou, and the Subsequent Acquisition is expected to be effected by way of equity transfer or through alternative transaction structure permitted under the PRC laws and regulations.

### **PROGRESS OF THE SUBSEQUENT ACQUISITION**

The parties are in the process of negotiating the specific terms of the Subsequent Acquisition, including but not limited to, the actual purchase price for the Remaining Interests which shall be determined with reference to a valuation of the Remaining Interest to be conducted by an independent professional valuer appointed by the parties.

As disclosed in the Previous Disclosures, the Subsequent Acquisition will not be entered into nor completed by the parties until the fulfillment of the following conditions:

- (a) the acquisition of the Remaining Interest having complied with all applicable requirements under the Listing Rules or any other applicable laws, rules and regulations;
- (b) if required by the Listing Rules, the Company having obtained the approval by independent shareholders at general meeting of the Company in respect of the acquisition of the Remaining Interest; and
- (c) the independent board committee and, if required by the Listing Rules, the independent financial adviser as appointed for the purpose of the acquisition of the Remaining Interest having formed the view that the terms of the acquisition of the Remaining Interest are fair and reasonable, on commercial terms or better and in the interests of the Company and its Shareholders as a whole.

The Company currently expects that the above conditions will be fulfilled in the first quarter of 2022.

## **INFORMATION ON THE GUANGSHA MINORITY SHAREHOLDERS**

Kangshou is a limited liability company established under the laws of the PRC and is held as to 99.9% by Hony 2015 (Shenzhen) Equity Investment Funds Center (Limited Partnership)\* (弘毅貳零壹伍(深圳)股權投資基金中心(有限合夥)) and 0.1% by Hony Capital Management (Tianjin) (Limited Partnership)\* (弘毅投資管理(天津)(有限合夥)). Kangshou directly holds the Remaining Interest in Zhejiang Honghe Zhiyuan.

As at the date of this announcement, the Company is indirectly held as to 70.19% by Hony Fund V, which is ultimately managed by Hony Capital Fund V GP Limited. Kangshou is managed by Hony Capital Management (Tianjin) (Limited Partnership). Hony Capital Fund V GP Limited and Hony Capital Management (Tianjin) (Limited Partnership) are both investment management companies of Hony Capital.

As disclosed in the Previous Disclosures, the Board deems Kangshou as a connected person of the Company for the purpose of the Subsequent Acquisition, and therefore the Subsequent Acquisition will constitute a connected transaction of the Company. The Company will comply with the relevant requirements under the Listing Rules with respect to the Subsequent Acquisition in due course, including but not limited to the announcement, circular, appointment of independent financial adviser and shareholders' approval requirements (as applicable).

\* *For identification purpose only*

By order of the Board  
**Hospital Corporation of China Limited**  
**Chen Shuai**  
*Chairman and Acting Chief Executive Officer*

Hong Kong, China, August 5, 2021

*As at the date of this announcement, the Directors of the Company are Mr. Chen Shuai, Mr. Lu Wenzuo and Mr. Pu Chengchuan being the executive Directors; Ms. Shi Wenting, Ms. Liu Lu and Ms. Wang Nan being the non-executive Directors; Mr. Dang Jinxue, Mr. Shi Luwen and Mr. Zhou Xiangliang being the independent non-executive Directors.*