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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)

**FULFILLMENT OF PROFIT GUARANTEE IN RELATION TO THE
ACQUISITION OF JIANDE HEXU ENTERPRISE MANAGEMENT CO., LTD.***

Reference is made to the circular of Hospital Corporation of China Limited (the “**Company**”) dated December 15, 2017 (the “**Circular**”) in relation to, among others, the acquisition of the entire equity interest in Jiande Hexu Enterprise Management Co., Ltd.* (建德和煦企業管理有限公司) (the “**Target Company**”). Capitalised terms used herein shall have the same meanings as defined in the Circular unless the context herein requires otherwise.

Pursuant to the Sale Purchase Agreement, the Vendors, namely Mr. Hong Jiangxin and Mr. Hong Yang, guaranteed to the Purchaser, a wholly-owned subsidiary of the Company, that the adjusted net profit of the Hospital and DJ Medicines, on a combined basis, for the year ended December 31, 2017 (the “**2017 Net Profit**”) will be no less than RMB28 million. Such profit guarantee shall be deemed to have been fulfilled if the 2017 Net Profit is not less than RMB26 million.

The Board hereby announces that according to the audited consolidated financial statements of the Target Company, the 2017 Net Profit of the Hospital and DJ Medicines exceeded RMB26 million. Accordingly, the profit guarantee shall be deemed having been fulfilled, and no compensation is required to be paid by the Vendors to the Company pursuant to the Sale Purchase Agreement.

By order of the Board
Hospital Corporation of China Limited
Zhao John Huan
Chairman

Beijing, July 11, 2018

As at the date of this announcement, the directors of the Company are Mr. LU Wenzuo being the executive director; Mr. ZHAO John Huan, Mr. LIN Sheng, Ms. LIU Lu, and Ms. WANG Nan being the non-executive directors; Ms. CHEN Xiaohong, Mr. SHI Luwen and Mr. ZHOU Xiangliang being the independent non-executive directors.

** for identification purpose only*