

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
PROVISION OF 2023 CORPORATE GUARANTEE  
AND  
CHANGE OF TERMS OF THE EXSITING 2020 LOAN**

**PROVISION OF 2023 CORPORATE GUARANTEE**

Reference is made to the 2022 Announcement and the supplemental announcement of the Company dated November 11, 2022 in relation to, among other things, the 2022 Guarantee Agreement entered into between the Company, as guarantor, and the Bank regarding the financial assistance to Jinhua Hospital.

The Board announces that, since the 2022 Corporate Guarantee provided under the 2022 Guarantee Agreement has terminated on November 2, 2023, on November 3, 2023 (after the trading hours of the Stock Exchange), the Company entered into the 2023 Guarantee Agreement with the Bank, pursuant to which the Company agreed to provide a corporate guarantee in favour of the Bank in connection with the Repayment Obligations up to a maximum outstanding amount of RMB50 million.

The principal terms and conditions of the 2023 Guarantee Agreement are set out in the paragraph headed “Principal Terms of the 2023 Guarantee Agreement” in this announcement. The Directors consider that the 2023 Guarantee Agreement and its terms are on normal commercial terms, fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

## **CHANGE OF TERMS OF THE EXSITING 2020 LOAN**

As disclosed in the 2020 Announcement, on November 20, 2020, Tibet Honghe Zhiyuan, a wholly-owned subsidiary of the Company, entered into the Existing 2020 Loan Agreement with Jinhua Hospital, pursuant to which Tibet Honghe Zhiyuan has conditionally agreed to grant the Existing 2020 Loan to Jinhua Hospital.

According to the Existing 2020 Loan Agreement, any amendments to the Existing 2020 Loan Agreement shall be agreed by Tibet Honghe Zhiyuan and Jinhua Hospital in writing. In considering the cash management requirements of the Company, on November 3, 2023, Tibet Honghe Zhiyuan and Jinhua Hospital entered into the 2023 Supplemental Loan Agreement, pursuant to which the revolving loan credit limit granted by Tibet Honghe Zhiyuan to Jinhua Hospital was revised from RMB100 million to RMB20 million.

Save as disclosed above, all the terms of the Existing 2020 Loan Agreement (as supplemented by the 2023 Supplemental Loan Agreement) shall remain unchanged as in full force and effect and binding on the parties.

The principal terms of the Existing 2020 Loan Agreement (as supplemented by the 2023 Supplemental Loan Agreement) are set out in the paragraph headed “Principal terms of the Existing 2020 Loan Agreement (as supplemented by the 2023 Supplemental Loan Agreement)” in this announcement.

## **LISTING RULES IMPLICATIONS**

According to Rule 14.22 of the Listing Rules, the Stock Exchange will aggregate a series of transactions and treat them as if there were one transaction if they are all completed within a 12-month period or are otherwise related. Reference is also made to the 2019 Announcement and the 2020 Announcement in relation to the Existing 2019 Loan and the Existing 2020 Loan, respectively. Since the Existing Loans remain outstanding as at the date of this announcement and the transaction contemplated under the 2023 Guarantee Agreement constitute financial assistance provided by the Company to Jinhua Hospital, the outstanding Existing Loans and the transaction contemplated under the 2023 Guarantee Agreement are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction contemplated under the 2023 Guarantee Agreement, when aggregated with the outstanding Existing Loans, is more than 5% but less than 25%, the transaction contemplated under the 2023 Guarantee Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **PROVISION OF 2023 CORPORATE GUARANTEE**

Reference is made to the 2022 Announcement and the supplemental announcement of the Company dated November 11, 2022 in relation to, among other things, the 2022 Guarantee Agreement entered into between the Company, as guarantor, and the Bank regarding the financial assistance to Jinhua Hospital.

### **Background**

The Board announces that, since the 2022 Corporate Guarantee provided under the 2022 Guarantee Agreement has terminated on November 2, 2023, on November 3, 2023 (after the trading hours of the Stock Exchange), the Company entered into the 2023 Guarantee Agreement with the Bank, pursuant to which the Company agreed to provide a corporate guarantee in favour of the Bank in connection with the Repayment Obligations up to a maximum outstanding amount of RMB50 million.

### **Principal Terms of the 2023 Guarantee Agreement**

The principal terms of the 2023 Guarantee Agreement are summarized as follows:

**Date:** November 3, 2023

**Parties:** (i) the Company as the guarantor  
(ii) the Bank

**Scope of guarantee:** the Company agreed to provide a corporate guarantee in favour of the Bank in respect of the Repayment Obligations (up to a maximum outstanding amount of RMB50 million, which includes, among other things, the principal amounts and any interest (including statutory interest, contractual interest, compound interest, penalty interest), default payment, liquidated damages and other relevant expenses reasonably incurred for the enforcement of the Bank's rights in relation to the Repayment Obligations).

**Availability period:** In respect of loan agreement(s), the 2023 Corporate Guarantee shall continue until three years from the day after the expiry of the term of the loan under the relevant loan agreement. Where the loan is paid in installments, the 2023 Corporate Guarantee shall from the effective date of the 2023 Guarantee Agreement and continue until three years from the day after the expiration of the last repayment. During the suretyship period, the bank shall have the right to demand the suretyship liability from the surety for all or part of the principal creditor's right, for several or for a single suretyship, together or separately.

The Company will not receive any fee or income from providing the 2023 Corporate Guarantee.

### **Source of funding for the provision of the 2023 Corporate Guarantee**

In the event that the Company becomes liable to pay to the Bank under the 2023 Guarantee Agreement, the Company intends to fund such payment through the internal resources of the Group.

## **INFORMATION ON THE GROUP, JINHUA HOSPITAL AND THE BANK**

### **The Group**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability, the shares of which have been listed on the Stock Exchange since March 16, 2017. The Group principally engages in hospital management business and general hospital business in the PRC.

### **Jinhua Hospital**

Jinhua Hospital, located in Jinhua city of Zhejiang province, is a general Class IIIB Hospital and registered as a Privately-funded Non-enterprise Entity, which serves as a local medical services platform offering comprehensive medical services with specialty in oncology and cancer treatments. Jinhua Hospital is managed by Zhiyuan Medical (formerly known as Zhejiang Guangsha Medical Technology Co., Ltd\* (浙江廣廈醫療科技有限公司) and currently is indirectly owned as to 75% by the Company) as at the date of this announcement, under a hospital management agreement as disclosed in the announcement of the Company published on May 29, 2018. Jinhua Hospital was founded by Zhiyuan Medical, Hangzhou Linglan Industry Co., Ltd\* (杭州鈴藍實業有限公司) and Hangzhou Dingsheng Industry Co., Ltd\* (杭州頂盛實業有限公司). Hangzhou Linglan Industry Co., Ltd\* (杭州鈴藍實業有限公司) is wholly owned by Zheng Kan (郑侃) and Hangzhou Dingsheng Industry Co., Ltd\* (杭州頂盛實業有限公司) is owned as to 95% by Xu Shenlong (徐申龙) and Zhang Yu (张玉). To the best of the Directors' knowledge, information and belief, having made all reasonable inquiries, each of Zheng Kan (郑侃), Xu Shenlong (徐申龙) and Zhang Yu (张玉) is a third party independent of the Company and connected persons of the Company.

In 2017, Zhiyuan Medical and Jinhua Hospital entered into the Letter of Intent, pursuant to which Zhiyuan Medical shall provide consultancy and management services to Jinhua Hospital, and Jinhua Hospital shall pay to Zhiyuan Medical hospital management service fees, which shall be calculated based on a percentage of Jinhua's Hospital's revenue for the relevant year and a number of target performance indicators.

The Letter of Intent creates a binding contractual obligation on both Zhiyuan Medical and Jinhua Hospital to enter into hospital management agreements in relation to the provision of consultancy and management services during the term of the Letter of Intent.

The Group is able to exercise its influence over the operational and managerial decisions of Jinhua Hospital based on the following management rights under the articles of association of Jinhua Hospital:

- (i) right to nominate six out of the seven members in the executive committee of Jinhua Hospital, one of which shall be nominated according to the results of the labour union election;
- (ii) among these executive committee members nominated, one of them is the chairman of the executive committee;
- (iii) entitled to nominate the hospital administrator, finance officer and the supervisor of Jinhua Hospital.

Jinhua Hospital, as a not-for-profit hospital, is different from for-profit hospitals. The founder of Jinhua Hospital is not entitled to the rights to dividend or the remaining assets after liquidation available under the laws and regulations of the PRC. The remaining assets shall be used for public welfare purposes in accordance with its articles of association or under the decision of its governing body. Where the remaining assets is unable to be used in accordance with the articles of association of Jinhua Hospital or under the decision of its governing body, the remaining assets shall be transferred to legal entities with the same or similar purposes under the auspices of the competent governmental authority and announced to the public. As such, given Jinhua Hospital's nature as a not-for-profit hospital with its current articles of association, the Company is not considered to be the ultimate beneficial owner of Jinhua Hospital. Accordingly, Jinhua Hospital is a third party independent of the Company and connected persons of the Company.

## **The Bank**

The Bank is a financial institution established in the PRC and is principally engaged in, among others, the provision of banking business in the PRC. The Bank is wholly owned by Nanyang Commercial Bank, Limited, which is a subsidiary of China Cinda Asset Management Co., Ltd., a listed company on the Stock Exchange. To the best of the Directors' knowledge, information and belief, having made all reasonable inquiries, each of the Bank and its ultimate beneficial owner(s) is a third party independent of the Company and connected persons of the Company.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE 2023 GUARANTEE AGREEMENT**

The Group principally engages in hospital management business and general hospital business in the PRC, and the revenue growth of the Group relies on the business growth and value enhancement of hospitals owned, managed and founded by the Group. Jinhua Hospital is managed by the Group and the Group receives management service fees in respect of the provision of management and consultancy services to Jinhua Hospital. Therefore, the provision of the 2023 Corporate Guarantee enables the Company to derive commercial benefits from ensuring the continuous and steady growth of Jinhua Hospital, and ultimately contribute to the overall strategy layout of the Group.

The 2023 Corporate Guarantee is provided as a security to enable Jinhua Hospital to obtain funds from the Bank for the purpose of maintaining its day-to-day business operations, supporting its development, and further improving its competitiveness in the healthcare sector. Specifically, Jinhua Hospital intends to reserve sufficient working capital to maintain its day-to-day operations, such as procurement of medicine and consumables and repayment of loans. It will also pay performance-based cash bonuses from time to time to incentivize its management and employees to maintain the provision of high-quality medical services. In addition, Jinhua Hospital will invest in advanced medical equipment and technologies to enhance its competitiveness, and will upgrade its information and database systems to improve its operational efficiency and capability. The Directors are of the view that the provision of the 2023 Corporate Guarantee will contribute to the growth and development of Jinhua Hospital. The obtaining of funds from the Bank by Jinhua Hospital will enhance its competitiveness in the medical and healthcare industry, and enable Jinhua Hospital to maintain or even increase its market share.

Further, the provision of the 2023 Corporate Guarantee by the Company should be considered in light of the credit risk of Jinhua Hospital associated with the Repayment Obligations as the Company will only incur liabilities upon a call on the 2023 Corporate Guarantee arising from an event of default of Jinhua Hospital on the Repayment Obligations. The Company has been closely monitoring the business and financial conditions of Jinhua Hospital by reviewing its periodic financial reports and other information in connection with its business operation and is not aware of any material risks that Jinhua Hospital may breach the Repayment Obligations. Based on the information currently available to the Company and barring unforeseen circumstances, the Directors are of the view that the probability of an event of default of Jinhua Hospital is remote.

As the Group receives management service fees in respect of the provision of management and consultancy services to Jinhua Hospital, and the level of management service fees received is in turn based on the operating revenue of Jinhua Hospital, the sustainable and steady development of Jinhua Hospital will ultimately be beneficial to the sustainability and growth of the management fees income of the Group.

The Group has made the decision not to charge any fee from providing the 2023 Corporate Guarantee to Jinhua Hospital in consideration of the contractual relationship between the Group and Jinhua Hospital as well as the overall interests of the Group.

Given that Jinhua Hospital is under the management of the Group, which allows the Company to closely monitor the business and financial conditions of Jinhua Hospital enables the Directors to assess the credit risk of Jinhua Hospital associated with the Repayment Obligations. The Company will only incur liabilities upon a call on the 2023 Corporate Guarantee arising from an event of default of Jinhua Hospital on the Repayment Obligations. The Directors are of the view that the probability of an event of default of Jinhua Hospital on the Repayment Obligations is remote for the following reasons:

- (i) in previous years, Jinhua Hospital has repaid the principal and interest of its bank loans on a timely basis and has good credit standing; furthermore, Jinhua Hospital did not have any material adverse developments such as overdue loans, interest in arrears or non-performing debts on bank loans obtained by Jinhua Hospital;
- (ii) the bank loan obtained by Jinhua Hospital is mainly used for purpose of maintaining its day-to-day business operations and other expenses related to its business operations; in previous years, the business operations of Jinhua Hospital has been stable;
- (iii) taking into account the actual financial condition of Jinhua Hospital, Jinhua Hospital has sufficient sources for repayment; and
- (iv) the Group is able to exercise its influence over the operational and managerial decisions of Jinhua Hospital to keep track of the funds account of Jinhua Hospital, closely monitor the operational stability and cash flow of Jinhua Hospital, and supervise, manage and ensure the fulfillment of the Repayment Obligations.

Furthermore, as advised by the PRC legal advisors of the Company, pursuant to the relevant provisions of the Civil Code of the People's Republic of China, after the Company has assumed the suretyship liability, the Company has the right to claim indemnification against Jinhua Hospital within the scope of the suretyship liability, and may enjoy the right as creditor against debtor, provided that creditor's interests shall not be prejudiced. The form of indemnification can be in cash or other forms, and when necessary, the Company may choose to commence legal proceedings in the courts or apply for specific performance. Under the applicable laws and regulations and provided that the relevant parties have not agreed to the contrary, such rights are generally available to the Company when providing corporate guarantees.

Based on the above reasons, although there is no agreed provision for consideration or compensation under the 2023 Corporate Guarantee, the Directors are of the view that the terms of the 2023 Guarantee Agreement are on normal commercial terms and are fair and reasonable which is in the interests of the Group and its Shareholders as a whole.

None of the Directors is considered to have a material interest in the 2023 Guarantee Agreement and the transaction contemplated thereunder, and therefore none of the Directors is required to abstain from voting on the relevant Board resolution(s) approving the 2023 Guarantee Agreement and the transaction contemplated thereunder.

## **EXISTING LOANS**

### **The Existing 2019 Loan**

As disclosed in the 2019 Announcement and the 2022 Announcement, on July 24, 2019, the Company entered into the Existing 2019 Loan Agreement with Jinhua Hospital, pursuant to which the Company has conditionally agreed to grant the Existing 2019 Loan to Jinhua Hospital. The principal terms of the Existing 2019 Loan Agreement were disclosed in the 2019 Announcement and the 2022 Announcement.

As at the date of this announcement, the outstanding principal amount of the Existing 2019 Loan was RMB80 million.

### **The Existing 2020 Loan**

#### ***Change of terms of the Existing 2020 Loan***

As disclosed in the 2020 Announcement, on November 20, 2020, Tibet Honghe Zhiyuan, a wholly-owned subsidiary of the Company, entered into the Existing 2020 Loan Agreement with Jinhua Hospital, pursuant to which Tibet Honghe Zhiyuan has conditionally agreed to grant the Existing 2020 Loan to Jinhua Hospital.

According to the Existing 2020 Loan Agreement, any amendments to the Existing 2020 Loan Agreement shall be agreed by Tibet Honghe Zhiyuan and Jinhua Hospital in writing. In considering the cash management requirements of the Company, on November 3, 2023, Tibet Honghe Zhiyuan and Jinhua Hospital entered into the 2023 Supplemental Loan Agreement, pursuant to which the revolving loan credit limit granted by Tibet Honghe Zhiyuan to Jinhua Hospital was revised from RMB100 million to RMB20 million. The Board considers that the revision of the loan credit limit under the Existing 2020 Loan Agreement is in line with the overall cash flow management of the Group, and is beneficial to the economic interests of the Group as a whole.



Save as disclosed above, all the terms of the Existing 2020 Loan Agreement (as supplemented by the 2023 Supplemental Loan Agreement) shall remain unchanged as in full force and effect and binding on the parties.

***Principal terms of the Existing 2020 Loan Agreement (as supplemented by the 2023 Supplemental Loan Agreement)***

The principal terms of the Existing 2020 Loan Agreement (as supplemented by the 2023 Supplemental Loan Agreement) are set out as below:

<b>Date:</b>	November 20, 2020
<b>Parties:</b>	(i) Tibet Honghe Zhiyuan as lender  (ii) Jinhua Hospital as borrower
<b>Amount of the Existing 2020 Loan:</b>	Up to RMB20 million of credit limit. During the availability period and with the consent of Tibet Honghe Zhiyuan, Jinhua Hospital may make revolving drawdown and repayment within the credit limit based on its needs.
<b>Availability Period:</b>	Jinhua Hospital shall apply for drawdown within three (3) years from the date of signing of the Existing 2020 Loan Agreement.
<b>Term of the Existing 2020 Loan:</b>	One year from the date of the relevant drawdown.
<b>Interest rate:</b>	4.79% per annum, which will be adjusted based on the applicable benchmark interest rate announced by the People's Bank of China from time to time.
<b>Drawdown date:</b>	During the availability period, drawdown could be made based on Jinhua Hospital's needs by serving five (5) prior Business Days' notice to Tibet Honghe Zhiyuan.
<b>Permitted use of the Existing 2020 Loan:</b>	Unless with Tibet Honghe Zhiyuan's prior written consent, Jinhua Hospital shall only use the principal amount of the Existing 2020 Loan for (i) settlement of the working capital needs of Jinhua Hospital, including but not limited to payment of staff remuneration, purchase of medicine and consumables; (ii) repayment of bank loans that are due; and (iii) procurement of medical equipment and facilities.

**Conditions precedent:**

The drawdown of the Existing 2020 Loan is conditional upon the fulfillment of the following conditions:

- (1) the due execution of the Existing 2020 Loan Agreement by Jinhua Hospital and Tibet Honghe Zhiyuan;
- (2) all representations and warranties made by Jinhua Hospital in the Existing 2020 Loan Agreement or in connection therewith being true, correct and accurate;
- (3) the Company having complied with all requirements under the Listing Rules and all applicable laws (including but not limited to the publication of an announcement in relation to the Existing 2020 Loan Agreement and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules), as well as Jinhua Hospital and Tibet Honghe Zhiyuan having complied with the requirements under all applicable laws;
- (4) no material adverse change having occurred since the execution of the Existing 2020 Loan Agreement;
- (5) Jinhua Hospital having served on Tibet Honghe Zhiyuan drawdown application and evidence proving the use of proceeds of such drawdown five (5) Business Days prior to the intended date of drawdown (including but not limited to medicine procurement agreements, orders, evidence of proof concerning the calculation of salary or other evidence to the satisfaction of Tibet Honghe Zhiyuan), and having obtained the consent of Tibet Honghe Zhiyuan.

**Repayment:**

The Existing 2020 Loan shall be repayable on the expiry date of the term of the Existing 2020 Loan, which shall be one year from the relevant drawdown date, and if such date is not a Business Day, on the first Business Day immediately following such date. The accrued interest of the Existing 2020 Loan must be repaid at the same time.

**Prepayment:**

Jinhua Hospital may prepay the whole or any part of the outstanding principal amount of the Existing 2020 Loan before the expiry of the Existing 2020 Loan provided that:

- (1) Jinhua Hospital shall have served on Tibet Honghe Zhiyuan five (5) Business Days' prior written notice specifying the amount to be prepaid and the date on which prepayment is to be made;
- (2) Jinhua Hospital shall on the date of prepayment pay all accrued interest to Tibet Honghe Zhiyuan on the prepaid amount upon Tibet Honghe Zhiyuan's request; and
- (3) Tibet Honghe Zhiyuan has agreed to such prepayment.

**Termination:**

Upon occurrence of any of the following termination events, the Existing 2020 Loan Agreement shall terminate immediately upon being notified by Tibet Honghe Zhiyuan and Jinhua Hospital shall repay the entire sum of the Existing 2020 Loan and all accrued interest immediately upon Tibet Honghe Zhiyuan's request, as well as fully indemnify any loss suffered by Tibet Honghe Zhiyuan as a result of such termination event:

- (a) breach of any other financial obligations by Jinhua Hospital;
- (b) service of insolvency order to Jinhua Hospital by any person, appointment of insolvency receiver or administrator for Jinhua Hospital, or liquidation of any Jinhua Hospital's assets;
- (c) any legal claims or proceedings filed or commenced against Jinhua Hospital, which will lead to the consequence as stated in paragraph (b) above;
- (d) seizure of any assets or property of Jinhua Hospital or execution of a seizure which may affect any assets or property of Jinhua Hospital;
- (e) Jinhua Hospital being considered as unable or impossible to repay debts; or

- (f) Jinhua Hospital being in breach of any of its representation, warranty, assurance or obligation under the Existing 2020 Loan Agreement.

**Security:**

Jinhua Hospital (as chargor) shall provide a charge over its accounts receivables from its medical services provision in favor of Tibet Honghe Zhiyuan (as chargee) to secure Jinhua Hospital's punctual repayment of the Loan in accordance with the Existing 2020 Loan Agreement.

As at the date of this announcement, the Existing 2020 Loan (as supplemented by the 2023 Supplemental Agreement) has been drawn down in full by Jinhua Hospital and the outstanding principal amount of the Existing 2020 Loan was RMB20 million.

**LISTING RULES IMPLICATIONS**

According to Rule 14.22 of the Listing Rules, the Stock Exchange will aggregate a series of transactions and treat them as if there were one transaction if they are all completed within a 12-month period or are otherwise related. Reference is also made to the 2019 Announcement and the 2020 Announcement in relation to the Existing 2019 Loan and the Existing 2020 Loan, respectively. Since the Existing Loans remain outstanding as at the date of this announcement and the transaction contemplated under the 2023 Guarantee Agreement constitute financial assistance provided by the Company to Jinhua Hospital, the outstanding Existing Loans and the transaction contemplated under the 2023 Guarantee Agreement are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction contemplated under the 2023 Guarantee Agreement, when aggregated with the outstanding Existing Loans, is more than 5% but less than 25%, the transaction contemplated under the 2023 Guarantee Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“2019 Announcement”	the announcement of the Company dated July 24, 2019
“2020 Announcement”	the announcement of the Company dated November 20, 2020
“2022 Announcement”	the announcement of the Company dated September 27, 2022
“2022 Corporate Guarantee”	the corporate guarantee given by the Company in favour of the Bank pursuant to the 2022 Guarantee Agreement, which has terminated on November 2, 2023
“2022 Guarantee Agreement”	the guarantee agreement dated September 27, 2022 entered into between the Company and the Bank
“2023 Corporate Guarantee”	the corporate guarantee given by the Company in favour of the Bank pursuant to the 2023 Guarantee Agreement
“2023 Guarantee Agreement”	the guarantee agreement dated November 3, 2023 entered into between the Company and the Bank, pursuant to which the Company agreed to provide a corporate guarantee in favour of the Bank in respect of the Repayment Obligations (up to a maximum outstanding amount of RMB50 million, which includes, among other things, the principal amounts and any interest (including statutory interest, contractual interest, compound interest, penalty interest), default payment, liquidated damages and other relevant expenses reasonably incurred for the enforcement of the Bank’s rights in relation to the Repayment Obligations).
“2023 Supplemental Loan Agreement”	a supplemental agreement entered into between Tibet Honghe Zhiyuan and Jinhua Hospital dated November 3, 2023 pursuant to which the revolving loan credit limit was revised from RMB100 million to RMB20 million
“Bank”	Nanyang Commercial Bank (China) Limited Beijing Branch* (南洋商業銀行(中國)有限公司北京分行)
“Board”	the board of directors of the Company
“Business Day”	a day other than a Saturday, Sunday or public holiday in the PRC

“Class III Hospital”	the largest regional hospitals with the highest standard in China designated as Class III hospitals by the NHFPC hospital classification system, typically having more than 500 beds in operation, providing high-quality professional healthcare services covering a wide geographic area and undertaking higher academic and scientific research initiatives
“Class IIIB Hospital”	each Class III Hospital can be further divided into A, B and C. Class IIIB hospitals are the second tier hospitals among Class III hospitals in China
“Company”	Hospital Corporation of China Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3869)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing 2019 Loan”	the loan in a principal amount of RMB80 million granted by the Company to Jinhua Hospital pursuant to the Existing 2019 Loan Agreement
“Existing 2019 Loan Agreement”	the loan agreement entered into between the Company as lender and Jinhua Hospital as borrower on July 24, 2019, the details of which could be referred to in the 2019 Announcement
“Existing 2020 Loan”	the revolving loan in a maximum principal amount of RMB20 million to be granted by Tibet Honghe Zhiyuan to Jinhua Hospital pursuant to the Existing 2020 Loan Agreement (as supplemented by the 2023 Supplemental Loan Agreement)
“Existing 2020 Loan Agreement”	the loan agreement entered into between Tibet Honghe Zhiyuan as lender and Jinhua Hospital as borrower on November 20, 2020, the details of which could be referred to in the 2020 Announcement
“Existing Loans”	the Existing 2019 Loan and the Existing 2020 Loan
“Existing Loan Agreements”	the Existing 2019 Loan Agreement and the Existing 2020 Loan Agreement
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Jinhua Hospital”	Zhejiang Jinhua Guangfu Oncological Hospital* (浙江金華廣福腫瘤醫院)
“Letter of Intent”	a hospital management letter of intent entered into between Zhiyuan Medical and Jinhua Hospital, pursuant to which Zhiyuan Medical shall provide consultancy and management services to Jinhua Hospital, and Jinhua Hospital shall pay to Zhiyuan Medical hospital management service fees
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“PRC”	The People’s Republic of China and for the purposes of this announcement, excludes Hong Kong, Taiwan and Macau Special Administrative Region of the PRC
“PRC Subsidiaries”	subsidiaries of the Company which are in the PRC
“Privately-funded Non-enterprise Entity”	an entity which is established by enterprises, institutions, associations or other civic entities as well as individual citizens using non-state assets, and which conducts not-for-profit social service activities
“Repayment Obligations”	all the repayment obligations of Jinhua Hospital under the credibility limit agreement(s), working capital loan agreement(s) and other document(s) entered into or to be entered into by the Bank and Jinhua Hospital
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tibet Honghe Zhiyuan”	Tibet Honghe Zhiyuan Business Management Co., Ltd.* (西藏弘和志遠企業管理有限公司), a company incorporated in the PRC with limited liability, which is owned as to 100% by the Company

“Zhiyuan Medical”

Zhejiang Honghe Zhiyuan Medical Technology Co., Ltd\* (浙江弘和致遠醫療科技有限公司), previously known as Zhejiang Guangsha Medical Technology Co., Ltd\* (浙江廣廈醫療科技有限公司), which is indirectly owned as to 75% by the Company

“%”

per cent.

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

Hong Kong, November 3, 2023

*As at the date of this announcement, the Directors of the Company are Mr. CHEN Shuai, Mr. PU Chengchuan and Ms. PAN Jianli being the executive Directors; 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.*

\* *For identification purpose only*