



KKR Forms Hospital Management Company SinoCare Group to Provide Quality Health Care Services to Patients in China

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New Platform Makes First Investment in HeTian Hospital Management Co.

BEIJING--(BUSINESS WIRE)-- Global investment firm KKR today announced the creation of SinoCare Group ("SinoCare" or the "Company"), a hospital investment and management platform company in China. SinoCare aims to provide high-quality health care services to patients in China through the acquisition, build-out and consolidation of hospitals.

SinoCare will work alongside KKR to bring top medical resources and management experience that aim to improve service capabilities and operational efficiencies to health care service providers within the SinoCare platform, as well as to address the high demand for quality medical services in China. The Company will build its platform through organic growth and acquisitions. Additionally, KKR's support will enable partner hospitals and care centers to be on the leading edge of health care technology and global best practices.

In conjunction with the launch of SinoCare, KKR also announced that the Company has acquired a majority stake in leading Chinese hospital management company, HeTian Hospital Management Co. ("HeTian"). The investment will support HeTian's continued development of new medical practice areas, its expansion plans and scope to service more patients. The partnership between HeTian and SinoCare aims to serve as a model for how Chinese health care providers can be substantially enhanced through the support of a leading international investor and increased access to global best practices and medical resources.

Established by Founder and Chairman Dr. Li Fangjun, HeTian is a leading comprehensive health care provider in China. HeTian operates two general hospitals in Anhui province – Lu'An Shili Hospital and WuHe Hospital – and Lu'An HeTian Nephrosis Specialty Hospital, an operator of three dialysis centers. The group manages a total of 1,300 beds, in addition to overseeing the construction of a new hospital with 500 beds planned to be completed by 2020.

SinoCare will support HeTian's expansion and growth through acquisitions, with a focus in third- and fourth-tier cities where medical resources are scarce and quality health care services are lacking. This is consistent with the Chinese government's encouragement of more medical resources being extended to lower-tier cities, where there is urgent need but currently limited supply and high costs for medical treatments. There are fewer than three hospital beds per 1,000 people in China's fourth-tier and smaller cities, according to the National Health and Family Planning Commission.

Paul Yang, Member and CEO of KKR Greater China, said, "This is a pivotal time for health care in China given the growing demand for quality medical services and treatments nationwide. We've seen first-hand some of the issues facing Chinese patients and are dedicated to supporting their needs through the launch of SinoCare and through the platform's initial investment in HeTian. We are impressed with HeTian's respected and experienced team of doctors led by Dr. Li, and believe that the company has a unique opportunity to build on its success to deliver excellent care to more Chinese patients."

Dr. Li Fangjun, Founder and Chairman of HeTian, added, "As China faces a shortage of medical professionals and clinics, the role of private hospitals is becoming increasingly important. KKR has a long-standing reputation for bringing global best practices to its partners in the health care industry internationally, in addition to supporting Chinese entrepreneurs. We are excited to partner with SinoCare and KKR to grow our hospital group to meet the needs of patients in the Yangtze River Delta and beyond. This investment marks the beginning of an exciting and vital chapter in HeTian's bright future."

KKR's investment in SinoCare is being funded from KKR Asian Fund III. Further terms of the transaction were not disclosed.

About SinoCare Group

SinoCare Group ("SinoCare") is a hospital investment and management platform company in China created and managed by leading global investment firm, KKR. The company aims to provide high quality and accessible health care services to patients in China through the acquisition, build-out and consolidation of hospitals and introduction of global best practices.

About HeTian Hospital Management

HeTian Hospital Management Co. ("HeTian") is a professional hospital management company specialized in operating and investing in integrated health care service providers. HeTian currently operates seven award-winning hospitals and health care centers focused on underserved Chinese cities. The company's vision is to improve access to quality health care services by building a network of primary medical care providers supported by modern health care management best practices.

About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic manager partnerships that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE:KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

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