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iKang forms partnership for healthcare investments

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iKang and China Industrial Asset Management will each contribute up to RMB 50 million to the investment funds as limited partners. The investment funds will admit other limited partners which will contribute up to RMB 400 million.



iKang Healthcare Group, Inc., a major provider in China's fast growing private preventive healthcare services market, will cooperate with China Industrial Asset Management Limited, an asset management company with total RMB 185 billion funds under its management, which is under China Industrial Bank, to form certain healthcare investment funds to invest in medical centers.

The aggregate size of the healthcare investment funds will not exceed RMB 502 million. An affiliate of Mr. Lee Ligang Zhang, iKang's Chairman and CEO, and an affiliate of China Industrial Asset Management will act as general partners and each contribute RMB 1 million to the investment funds.

iKang and China Industrial Asset Management will each contribute up to RMB 50 million to the investment funds as limited partners. The investment funds will admit other limited partners which will contribute up to RMB 400 million.

Pursuant to the arrangements, the investment funds will either set up new medical centers or acquire existing medical centers. After operating these medical centers for a period of at least two years, the investment funds will transfer their interests in these medical centers to iKang at a price equal to their original costs with an annual return rate of 15 per cent.

Since its inception, iKang has achieved fast expansion through both organic growth and acquisitions. Based on its past experience, iKang believes that this is a very cost efficient way to further accelerate iKang's business expansion and enhance the Company's financial performance.