



## Executive Summary

**Business Overview-**JHCC is a privately held corporate registered in Florida and 100% holds JHCL, which is a privately held limited liability company registered in BVI. Through its wholly owned subsidiary, Runteng, a Hong Kong registered Limited Liability Company; it holds 70% ownership over JR hospital. A company duly incorporated, organized and validly existing under the laws of China (“Jiarun”). We provide full scale medical services in the Heilongjiang region in China. As the parent company, we rely on Jiarun to conduct One Hundred Percent (100%) of our businesses and operations

### Services

Like most private hospitals, JHCC provides full-scale medical services in the Heilongjiang region in China. We providing both Western and Chinese health and medical services and has capacity to serve as many as 4,315 inpatients and 263 thousand outpatients annually.

In 2013, JHCC generated revenue of \$4.35 Million and net profit of \$1.32 Million.

### Business Strategy

We intend to implement two primary strategies to expand and grow the size of our hospital:

(i) **Organic Growth:** We are expanding our hospital operation capacity through the cash generated from operations and through current owner contributions. To date we have already completed construction of the building. The building is presently undergoing painting and outfit. This is expected to be finished in third quarter of 2014 so that the Hospital can be prepared for expanded medical service operations to commence towards the third quarter of 2014. The current service capacity of the Hospital is limited by our small space of operation. The following table shows the comparison between pre expansion and post expansion.

**Expansion and growth: New building operation start from the third quarter of 2014 (all figures here are estimated)**

	<u>Before Expansion</u>	<u>Post Expansion</u>	<u>Comparison Increased</u>	<u>Comparison %</u>
Operation spaces square meters	3,200	24,030	20,830	651%
Beds providing	150	500	350	233%
Medical staff	160	320	160	100%
Admin staff	36	72	36	100%
Sales	\$5,163,467	\$10,326,934	5,163,467	100%
Profit	\$1,569,595	\$3,139,190	\$1,569,595	100%
Total assets	\$3,172,925	\$22,074,131	\$18,901,206	596%

(ii) **Acquisition:** We have plans to acquire similar sized hospitals in second tier cities throughout China. With more than 30 years working and business experience in health and medical services industry, management believes that we have strong opportunities to acquire other similar and/or smaller size hospitals in second tier cities throughout China. We intend to actively pursue acquisition opportunities as they arise. Currently we have no written agreements for hospital acquisition targets, and there can be no assurance that we will be able to locate any suitable target or negotiate definitive terms with them.

### Company Profile:

Industry: Medical Healthcare, Hospitals  
Employees: 196  
Founded: JHCC-Dec,2013  
JHCL-Feb, 2013  
Runteng-Sept, 2012  
JR-Feb, 2006

### Contacts: Mary Xing

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### Auditor: De Jova Griffith

Legal Counsel: SOUTH MILHAUSEN, P.A.

### Transfer agent: Vstock

### Seeking amount: 20m USD

**First Phase:** seeking 4.58M Equity (Selling 8m S1 shares)

**Second Phase:** 15.42M DEBT/equity (acquisition financing for secondary financing)

Interest rate: 10% per annual for debt funding

### Management Team:

Mr. Zhang  
Mr. Qi  
Miss. Zhang  
Miss. Xing

### Investors:

Accredited Investors/institutional investors

### OLD OPERATION BUILDING



### NEW OPERATION BUILDING



### **China looks to boost its healthcare services industry**

The Chinese Private Healthcare sector has become a major attraction for international investment target since 2007. For example, IFC has a US\$35m JV investment with Chindex and JP Morgan's US\$50m JV investments in 2 Class 2 hospitals in Beijing and Shenzhen.

Oct.23 2013- China's State Council released the "several opinions on promoting the development of the healthcare services industry(guofa[2013]) No. 40, which puts forward several development goals for the country's healthcare industry to achieve by 2020. By 2020, the healthcare service industry shall become an important force in promoting the sustainable development of society, and its total scale is expected to reach RMB8 trillion. Moreover, the country shall establish a healthcare service industry system covering the entire life cycle while cultivating a batch of well-known brands and healthcare service industrial clusters.

China's per capita healthcare expenditures have expanded steadily over the last few years, with annual growth rates of up to 20 percent. Meanwhile, rising income levels and growing social security throughout the country have favored massive government and private investments throughout the industry, and this trend is still far from reaching its potential. In fact, more and more foreign and local investors are discovering the possibilities within the market, gradually turning major parts of China's health care industry into profit-making ventures.

China's one-child policy has led to one of the world's largest elderly populations. Roughly 10 percent of the population is expected to be over 65 by 2015 and, by 2050, the average age in China is forecast to be nearly 45 – one of the oldest in the world. Additionally, some 20 percent of the population is already suffering from liver disease, cancer, diabetes and similar afflictions, and this number is likely to grow alongside its aging population.

Private healthcare expenditures are expected to grow another 36 percent by 2015 to over US\$200 billion, while the government has announced its goal to have 20 percent of hospital beds privately owned in three years' time. This gradual shift from a predominately publicly-owned industry to a more efficient, but less affordable private one, caters to the development of China's growing middle and upper classes

As a country where 95 percent of the population has some form of health insurance and where disposable income is steadily on the rise, China is definitely an investment location to consider for business in the medical services sector.

### **Competition**

China is facing a big problem of small and fragment in health care sector. JHCC is filing S1 (including two prospectus) with the U.S. Securities and Exchange Commission (the "SEC") for the offering to which this communication relates. The issuer is seeking a platform to support its long term hospital chain development goals.

### **Use of Proceeds**

First round funding – the company is looking to raise US\$20m for the following:

ITEM	AMOUNT(US\$)
<b>New hospital outfit</b>	
• Outfit of new building	3,000,000
• Recruitment of specialists and physicians	1,000,000
• Expansion of medical facilities & purchases of new medical equipment	2,000,000
<b>IR service fees</b>	500,000
<b>Professional Fees and Expenses</b>	1,500,000
	<b>\$8,000,000</b>
<b>Acquisition Lines:</b>	
• Q4 2014, acquire one pharmaceuticals whole sale and one medicine retail	\$3,000,000
• 2015, acquire one hospital	4,000,000
• 2015, acquire second hospital	5,000,000
•	<b>12,000,000</b>

Use of proceeds to include \$500,000 in placed for investor relations program

### **Revenue Growth**

The Company had completed construction of the new hospital building, now it is in the period of outfit. The new hospital building start operation from September 2014, since the new building operation, the hospitals will increase their operation capacity by as much as 145.66% and will increase the Company's revenue to \$10.69M by 2014 with net profit of \$3.22M.

### **Operational Build Out**

- JHCC will obtain US public trading status
- Initiate PR work – Road Show and marketing
- Complete construction and expansion of new facilities in the hospital
- Target industry expansion by acquisition of local medical facilities
- Partnership with Western firms wanting to market their medical devices and supplements and drugs for use in the hospitals in China.

### **Management**

**Mr. Zhang—Chairman** , Mr. Zhang is one of the founders of JR Hospital. Founder of JR Hospital and JR Medical



- Former General Manager of Dongtai Medical Ltd
- Bachelor Degree in Traditional Chinese Medicine
- EMBA degree from Peking University
- More than 30 years working experience in China medical services industry.
- Owning one full services hospital, one medical whole sell company and a few medicine retail shops.

**Mr. Qi—President of JR hospital.**



- Doctor of The 102nd Hospital of PLA (1967-1974)
- Doctor, Attending Physician, Associate Chief Physician, Chief Physician, Deputy Director of Harbin Railway Central Hospital (The Fourth Hospital Of Medical University) (1974-2003)
- Director of The Northeast hospital of Heilongjiang(2003-2006)
- Director of Heilongjiang Hongqiao Hospital(2008)
- Director of JR Hospital(2008-2014)
- Committee member of Rheumatism institute in Heilongjiang province
- Director of Harbin medical association
- Committee member of Hospital management committee in Heilongjiang province
- Jury of Technology Application Award by The health department of Heilongjiang Province

**Mrs.Sun—CEO.**



- Cofounder of JR Hospital
- Many years in the healthcare industry.
- Former General Manager of Ankang Medicine in Hulan district
- Director of Heilongjiang Dahua Medicine Co., Ltd.

**Mr.Zhang-CFO of JHCC.**



- Bachelor degree from university of Exeter
- Worked as finance manger of JR hospital since 2009
- Promote to CFO position since January 2012

**Miss.Xing-CFO Assistant.**



- Seven years overseas working and study experiences.
- Master of Banking and Bachelor degree in accounting,
- Three years international accounting firm senior position
- Multiple years in the investment banking industry

## Conclusions

The company manages Hospital in Heilongjiang and has 196 employees in the healthcare facilities. Revenue for the year 2013 was US\$4.35 Million (net profit US\$1.32M) and YoY growth of 25.00% from 2012's result. It has huge potential to grow in the fast moving health sector in China. The management team has extensive experience in the field of medical, entrepreneurial, accounting and management. The issuer has filed a registration statement (including a prospectus) with the U.S. Securities and Exchange Commission (the "SEC") for the offering to which this communication relates. You may get these documents at the SEC website at:

[http://www.sec.gov/Archives/edgar/data/1597892/000114420414013680/v370774\\_s1.htm](http://www.sec.gov/Archives/edgar/data/1597892/000114420414013680/v370774_s1.htm)

## Pro Forma Summary (estimation including hospital acquisitions)

(USD Million)	Fiscal Year ended December 31,							
	2013A	2014E	2015E	2016E	2017E	2018E	2019E	2020E
<b>Revenue</b>	<b>4.35</b>	<b>10.69</b>	<b>17.23</b>	<b>21.09</b>	<b>27.34</b>	<b>34.01</b>	<b>43.85</b>	<b>55.12</b>
YoY % Growth	25.00%	145.66%	61.15%	22.43%	29.61%	24.41%	28.93%	25.70%
Cost of Goods Sold	2.38	5.39	8.68	10.63	13.77	17.14	22.09	27.77
<b>EBITDA</b>	<b>1.45</b>	<b>3.91</b>	<b>6.30</b>	<b>7.71</b>	<b>10.00</b>	<b>12.44</b>	<b>16.04</b>	<b>20.16</b>
<b>Net Income</b>	<b>1.32</b>	<b>3.22</b>	<b>3.61</b>	<b>5.37</b>	<b>7.37</b>	<b>10.82</b>	<b>14.35</b>	<b>18.49</b>

ADDITIONAL MATERIALS ARE AVAILABLE UP ON REQUEST BY ANY INTERESTED PARTY.

**JHCC**  
**CONSOLIDATED BALANCE SHEETS**  
**(AMOUNTS IN USD, EXCEPT SHARES)**

	December 31,	
	2013 Audited	2012 Audited
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 631,288	\$ 200,475
Accounts receivable, net	271,427	206,165
Inventories	98,300	60,455
Other receivables	2,699	2,137
Prepayments	61,572	54,059
Advance to related parties	180,930	-
Deposits for capital leases - current portion	19,300	19,501
<b>Total current assets</b>	<b>1,265,516</b>	<b>542,792</b>
Construction in progress	15,346,873	-
Property and equipment, net	1,416,732	1,053,280
Deposits for capital leases	490,677	18,682
<b>Total assets</b>	<b>\$ 18,519,798</b>	<b>\$ 1,614,754</b>
<b>Liabilities and shareholder's equity</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 84,469	\$ 45,435
Deposits received	9,208	5,969
Due to related parties	-	301,324
Other payable	18,569	168
Payroll payable	26,975	44,455
Capital lease obligations - current portion	211,459	135,365
<b>Total current liabilities</b>	<b>350,680</b>	<b>532,716</b>
Capital lease obligations	15,024,218	74,124
<b>Total liabilities</b>	<b>\$ 15,374,898</b>	<b>\$ 606,840</b>
<b>Shareholder's equity</b>		
Common stock; \$0.001 par value, 100,000,000 shares authorized and 12,000,000 issued and outstanding at December 31, 2013	12,000	-
Additional paid-in capital	38,000	-
Retained earnings	399,977	-
Other comprehensive income	23,859	-
<b>Total shareholder's equity of the Company</b>	<b>473,836</b>	-
Non-controlling interest	2,671,064	1,007,914
<b>Total shareholder's equity</b>	<b>3,144,900</b>	<b>1,007,914</b>
<b>Total liabilities and shareholder's equity</b>	<b>\$ 18,519,798</b>	<b>\$ 1,614,754</b>

# JHCC

## CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (AMOUNTS IN USD, EXCEPT SHARES)

	For the Years Ended December 31,	
	2013 Audited	2012 Audited
Revenue:		
Medicine	\$ 2,084,492	\$ 1,767,902
Patient services	2,266,744	1,713,198
<b>Total revenue</b>	<b>4,351,236</b>	<b>3,481,100</b>
<b>Operating costs and expenses:</b>		
Cost of medicine sold	1,247,915	1,029,180
Medical consumables	307,493	192,502
Salaries and benefits	890,780	692,620
Office supplies	65,472	75,482
Vehicle expenses	60,353	42,335
Utilities expenses	67,474	49,124
Rentals and leases	165,667	132,915
Advertising and promotion expenses	5,344	13,103
Interest expense	12,765	14,200
Professional fee.	93,776	-
Depreciation	116,378	92,294
<b>Total operating costs and expenses</b>	<b>3,033,417</b>	<b>2,333,755</b>
Earnings from continuing operations before other income and income taxes	1,317,819	1,147,345
Other (loss) income	6,857	(264)
<b>Earnings from continuing operations before income taxes</b>	<b>1,324,676</b>	<b>1,147,081</b>
Income tax	1,984	1,987
<b>Net income</b>	<b>1,322,692</b>	<b>1,145,094</b>
Less: net income attributable to non-controlling interests	922,715	1,145,094
<b>Net income attributable to the Company</b>	<b>\$ 399,977</b>	<b>\$ -</b>
<b>Comprehensive income:</b>		
Foreign currency translation adjustment attributable to non-controlling interests	37,927	138,998
Foreign currency translation adjustment attributable to the Company	23,859	-
<b>Comprehensive income</b>	<b>\$ 1,384,478</b>	<b>\$ 1,284,092</b>
Less: Comprehensive income attributable to non-controlling interests	960,642	1,284,092
<b>Comprehensive income attributable to the Company</b>	<b>\$ 423,836</b>	<b>\$ -</b>
Basic and diluted earnings per share	<b>\$ 0.2897</b>	<b>\$ -</b>
Weighted average number of shares outstanding	<b>1,380,822</b>	<b>-</b>