弘和仁愛
HOSPITAL CORPORATION

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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Director(s)**") of Hospital Corporation of China Limited (the "**Company**") is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**", "**we**" or "**our**") for the six months ended 30 June 2026 (the "**Reporting Period**"), together with the comparative figures for the six months ended 30 June 2025 (the "**Corresponding Period of Previous Year**").

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**732,772**	743,044
– Hospital management services	**21,971**	25,309
– General hospital services	**705,021**	712,237
– Sales of pharmaceutical products	**4,656**	4,294
– Other	**1,124**	1,204
Adjusted gross profit (1)	**185,184**	154,981
Adjusted net profit (2)	**101,095**	70,584
Adjusted gross profit margin	**25.3%**	20.9%
Adjusted net profit margin	**13.8%**	9.5%
Adjusted items		
Interest expenses on convertible bonds and gain on modification of convertible bonds and foreign exchange losses, net (2)(i)	**50,323**	(105,965)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation and amortisation of identifiable assets identified in acquisitions *(2)(ii)*	**7,809**	7,929
Revenue	**732,772**	743,044
Gross profit *(1)*	**177,375**	147,052
Net profit *(2)*	**42,963**	168,620
Basic earnings per share (in RMB)	**0.11**	1.13

Notes:

(1) The gross profit of the Group for the Reporting Period amounted to approximately RMB177.4 million. Adjusted gross profit is calculated as the gross profit for the Reporting Period, excluding the impact from depreciation and amortisation of identifiable assets identified in acquisitions.

(2) The Group recorded a net profit of approximately RMB43.0 million during the Reporting Period. The adjusted net profit (the "**Adjusted Net Profit**") is calculated as the profit for the Reporting Period excluding the impact from certain items which are considered as non-operating by the management, including (i) the interest expenses on convertible bonds of approximately RMB41.3 million, and foreign exchange losses of approximately RMB9.0 million mainly arising from cash and cash equivalents and other foreign currency assets and liabilities; (ii) depreciation and amortisation of identifiable assets identified in acquisitions of approximately RMB7.8 million. For the calculation of the Adjusted Net Profit, tax impacts of the adjusted items were not considered.

FINANCIAL INFORMATION

The financial information set out below in this announcement represents an extract from the interim financial report, which is unaudited but has been reviewed by the Group's external auditor, KPMG, and by the audit committee of the Company (the "**Audit Committee**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2026 – unaudited
*(Expressed in Renminbi ("**RMB**"))*

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
Revenue	*4*	**732,772**	743,044
Cost of revenue		**(555,397)**	(595,992)
Gross profit		**177,375**	147,052
Other income	*5*	**4,862**	9,866
Selling expenses		**–**	(17)
Administrative expenses		**(56,988)**	(62,373)
Operating profit		**125,249**	94,528
Finance (costs)/income		**(48,766)**	106,719
Profit before taxation		**76,483**	201,247
Income tax	*6*	**(33,520)**	(32,627)
Profit for the period		**42,963**	168,620
Attributable to:			
Owners of the Company		**15,336**	153,717
Non-controlling interests		**27,627**	14,903
Profit for the period		**42,963**	168,620
Earnings per share:			
– Basic earnings per share (in RMB)	*7*	**0.11**	1.13
– Diluted earnings per share (in RMB)	*7*	**0.11**	0.24

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2026 – unaudited
(Expressed in RMB)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit for the period	**42,963**	168,620
Other comprehensive income for the period (after tax):		
Item that will not be subsequently reclassified to profit or loss		
– Remeasurement of defined benefit plan obligations	**(605)**	27
Item that may be subsequently reclassified to profit or loss		
– Exchange differences on translation of financial statements into presentation currency	**46,759**	16,098
	46,154	16,125
Total comprehensive income for the period	**89,117**	184,745
Attributable to:		
Owners of the Company	**62,095**	169,815
Non-controlling interests	**27,022**	14,930
Total comprehensive income for the period	**89,117**	184,745

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026 – unaudited

(Expressed in RMB)

	Notes	**30 June 2026** *RMB'000*	31 December 2025 *RMB'000*
Non-current assets			
Property and equipment		**163,735**	175,667
Right-of-use assets		**69,027**	71,840
Intangible assets		**1,119,699**	1,126,973
Amounts due from related parties		**81,876**	81,876
Other non-current assets		**3,478**	3,561
Deferred tax assets		**18,074**	18,178
		1,455,889	1,478,095
Current assets			
Inventories		**20,721**	22,450
Trade receivables	*8*	**144,873**	139,733
Other receivables, deposits and prepayments		**8,908**	6,506
Amounts due from related parties		**109,579**	125,426
Financial assets measured at fair value through profit or loss ("**FVPL**")		**24,157**	18,971
Term deposits		**105,681**	119,703
Restricted bank deposits		**292**	304
Cash and cash equivalents		**732,822**	665,673
		1,147,033	1,098,766
Current liabilities			
Trade payables	*9*	**132,244**	165,352
Contract liabilities		**1,129**	991
Accruals, other payables and provisions		**382,841**	408,063
Amounts due to related parties		**7,800**	7,843
Borrowings		**60,000**	69,000
Lease liabilities		**3,183**	3,581
Current taxation		**26,202**	23,573
		613,399	678,403
Net current assets		**533,634**	420,363
Total assets less current liabilities		**1,989,523**	1,898,458

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

as at 30 June 2026 – unaudited

(Expressed in RMB)

	Notes	30 June 2026 RMB'000	31 December 2025 RMB'000
Non-current liabilities			
Lease liabilities		**14,828**	17,433
Other payables		**14,841**	14,841
Convertible bonds	*10*	**969,696**	966,356
Defined benefit plan obligations		**54,590**	51,752
Deferred tax liabilities		**125,623**	127,248
		1,179,578	1,177,630
NET ASSETS		**809,945**	720,828
CAPITAL AND RESERVES			
Share capital		**123**	123
Reserves		**564,475**	502,380
Total equity attributable to owners of the Company		**564,598**	502,503
Non-controlling interests		**245,347**	218,325
TOTAL EQUITY		**809,945**	720,828

NOTES

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

Hospital Corporation of China Limited (the "**Company**") was incorporated in the Cayman Islands on 21 February 2014 as an exempted company with limited liability under the Companies Law (Cap.22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands.

The Company, together with its subsidiaries (collectively referred to as the "**Group**"), is principally engaged in the (i) operation and management of hospitals; (ii) provision of management services, supply chain services and other ancillary services to hospitals; and (iii) sale of pharmaceutical products in the People's Republic of China (the "**PRC**").

The ordinary shares of the Company were listed on The Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 March 2017.

2 BASIS OF PREPARATION

This interim financial report for the six months ended 30 June 2026 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), including compliance with International Accounting Standard ("**IAS**") 34, *Interim financial reporting*, issued by the International Accounting Standards Board (the "**IASB**"). It was authorised for issue on 25 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Segment reporting

The Group manages its businesses by businesses lines (services and products). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments.

(i) General hospital services

Revenue from this segment is derived from the provision of hospital services, including outpatient and inpatient services.

(ii) Hospital management services

Revenue from this segment is derived from the provision of comprehensive management services to hospitals, including operation management services, supply chain services and other ancillary services.

(iii) Sales of pharmaceutical products

Revenue from this segment is mainly derived from the sales of pharmaceutical products by the Group's retail pharmacy.

(b) Segment results, assets and liabilities

The Group assesses the performance of the operating segments based on a measure of earnings before interests, income tax, depreciation and amortisation ("**EBITDA**"), which is measured consistently with the Group's profit before tax except that depreciation, amortisation, finance income and costs, and other unallocated expenses and losses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis. Segment liabilities exclude convertible bonds and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Inter-segment sales are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The following is an analysis of the Group's revenue and results, and assets and liabilities by reportable operating segments.

	General hospital services *RMB'000*	Hospital management services *RMB'000*	Sale of pharmaceutical products *RMB'000*	Elimination *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Six months ended 30 June 2026						
Segment revenue	705,021	195,571	4,656	(173,600)	1,124	732,772
Inter-segment revenue	–	(173,600)	–	173,600	–	–
Revenue from external customers	705,021	21,971	4,656	–	1,124	732,772
EBITDA	44,379	115,292	139	1,511	(6,458)	154,863
As at 30 June 2026						
Segment assets	783,461	736,030	6,704	(97,908)	377,183	1,805,470
Goodwill	110,079	687,373	–	–	–	797,452
Total assets	893,540	1,423,403	6,704	(97,908)	377,183	2,602,922
Total liabilities	465,266	282,350	3,442	(92,218)	1,134,137	1,792,977

	General hospital services *RMB'000*	Hospital management services *RMB'000*	Sale of pharmaceutical products *RMB'000*	Elimination *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Six months ended 30 June 2025						
Segment revenue	712,519	207,563	4,294	(182,536)	1,204	743,044
Inter-segment revenue	(282)	(182,254)	–	182,536	–	–
Revenue from external customers	712,237	25,309	4,294	–	1,204	743,044
EBITDA	12,389	122,127	329	173	(7,806)	127,212
As at 30 June 2025						
Segment assets	834,719	621,725	6,497	(101,710)	387,920	1,749,151
Goodwill	110,079	687,373	–	–	–	797,452
Total assets	944,798	1,309,098	6,497	(101,710)	387,920	2,546,603
Total liabilities	502,125	331,955	3,717	(98,570)	1,080,084	1,819,311

(c) Reconciliation of reportable segment results

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
EBITDA	**154,863**	127,212
Depreciation	**(21,866)**	(24,914)
Amortisation	**(7,748)**	(7,770)
Finance (costs)/income	**(48,766)**	106,719
Profit before taxation	**76,483**	201,247

5 OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Government grants and subsidies	**4,177**	9,008
Net fair value gain on financial assets measured at FVPL	**176**	535
Others	**509**	323
	4,862	9,866

6 INCOME TAX

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current income tax:		
– PRC Corporate Income Tax	**35,041**	34,131
Deferred income tax	**(1,521)**	(1,504)
	33,520	32,627

(a) The Cayman Islands and the British Virgin Islands (the "BVI") Income Tax

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

(b) Hong Kong Profits Tax

Hong Kong Profits Tax rate was 16.5% for the period ended 30 June 2026 (six months ended 30 June 2025: 16.5%). No Hong Kong Profit Tax was provided for as there was no estimated assessable profits that are subject to Hong Kong Profits Tax for the six-month periods ended 30 June 2026 and 2025.

(c) PRC Corporate Income Tax

Subsidiaries established and operating in the Mainland China are subject to the PRC Corporate Income Tax at the rate of 25% for the six months ended 30 June 2026 (six months ended 30 June 2025: 25%), except for the subsidiaries of the Group which have been approved as small and low-profit enterprises and are subject to a preferential income tax rate of 5%.

7 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2026 and 2025.

	Six months ended 30 June	
	2026	2025
Profit attributable to the owners of the Company *(RMB'000)*	**15,336**	153,717
Issued ordinary shares at 1 January *(in '000)*	**138,194**	138,194
Effect of shares held as treasury shares *(in '000)*	**(1,698)**	(1,698)
Weighted average number of ordinary shares in issue *(in '000)*	**136,496**	136,496
Basic earnings per share *(in RMB)*	**0.11**	1.13

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the period ended 30 June 2026, the Group's potential dilutive ordinary shares are from convertible bonds issued. The potential dilutive ordinary shares were not included in the calculation of diluted earnings per share as their inclusion would be anti-dilutive. Accordingly, diluted earnings per share for the period ended 30 June 2026 is the same as basic earnings per share. The calculation of diluted earnings per share for the period ended 30 June 2025 was set out below.

	Six months ended 30 June 2025 *RMB'000*
Profit attributable to the owners of the Company	153,717
Add: Interest expenses on convertible bonds *(Note 10)*	59,162
Less: Gain on modification of convertible bonds *(Note 10)*	(165,179)
Profit attributable to the owners of the Company	47,700
Weighted average number of ordinary shares in issue *(in '000)*	136,496
Adjustment for calculation of diluted earnings per share	
– Effect of deemed conversion of convertible bonds *(in '000)*	64,694
Weighted average number of ordinary shares in issue (diluted) *(in '000)*	201,190
Diluted earnings per share *(in RMB)*	0.24

8 TRADE RECEIVABLES

	As at 30 June 2026 ***RMB'000***	As at 31 December 2025 *RMB'000*
Trade receivables	**145,562**	140,402
Less: loss allowance	**(689)**	(669)
	144,873	139,733

As at 30 June 2026, the ageing analysis based on invoice date of the trade receivables and net of loss allowance, is as follows:

	As at 30 June 2026 *RMB'000*	As at 31 December 2025 *RMB'000*
Within 90 days	**131,877**	124,813
91 – 180 days	**3,916**	5,408
181 days to 1 year	**8,966**	9,216
Over 1 year	**114**	296
	144,873	139,733

The Group, being a provider of healthcare service to patients, has a highly diversified customer base, without any single customer contributing material revenue. However, the Group has a concentrated debtor portfolio, as majority of the patients will claim their medical bills from public medical insurance program. The reimbursement from these organisations may take one to twelve months.

9 TRADE PAYABLES

As of the end of the Reporting Period, the ageing analysis of trade payables, based on invoice date, is as follows:

	As at 30 June 2026 *RMB'000*	As at 31 December 2025 *RMB'000*
Within 90 days	**111,221**	142,146
91 to 180 days	**11,655**	14,708
181 days to 1 year	**6,737**	5,534
Over 1 year	**2,631**	2,964
	132,244	165,352

10 CONVERTIBLE BONDS

The movements of the convertible bonds are as follows:

	Convertible Bonds *RMB'000*
As at 1 January 2025	1,059,371
Interest expenses	59,162
Gain on modification of convertible bonds	(165,179)
Exchange adjustment	(16,580)
As at 30 June 2025 and 1 July 2025	936,774
Interest expenses	40,651
Exchange adjustment	(11,069)
As at 31 December 2025 and 1 January 2026	966,356
Interest expenses	41,288
Exchange adjustment	(37,948)
As at 30 June 2026	969,696

None of the convertible bonds was converted into ordinary shares of the Company during the six months ended 30 June 2026 (six months ended 30 June 2025: none).

11 DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

INDUSTRY OVERVIEW

In July 2026, the State Council of the People's Republic of China formulated and issued the "National Health '15th Five-Year' Plan" (《國民健康「十五五」規劃》), calling for a shift in the development model of the healthcare sector towards a more health-centred approach. The policy explicitly set out the need to promote the specialisation, branding and chain development of private hospitals, and proposed accelerating the improvement in quality and expansion of health-related consumption.

BUSINESS REVIEW

Business Strategy

Closely aligning with the genuine needs of an ageing society, we have fully integrated geriatric medicine into the full-chain service model encompassing "medical care, rehabilitation, elderly care and nursing", driving a shift in service philosophy from "disease treatment" to "whole-life-cycle health management". Adhering to the principles of "strategic leadership, compliance management, differentiated development and value-based healthcare", we have established a three-pronged business model comprising "full-chain compliance standards for medical insurance management, specialised clinics as the foundation of core competitiveness, and resource integration to create value-added services".

Building upon the resource endowments of each hospital owned, managed and operated by the Group (the "**Group Hospital(s)**") and the regional competitive landscape, we have focused on service areas where public hospitals within the region are "relatively weak" or where "patient experience is suboptimal". Through a "one hospital, one strategy" approach, we have guided the Group Hospitals to clarify their differentiated market positioning and systematically build core competitiveness.

In strict adherence to standardised management requirements, we have continued to prioritise the "Comprehensive Medical Quality Improvement" initiative and the "Enhancing Patient Experience" initiative. Leveraging information technology and project management tools, we have driven the Group Hospitals to continuously refine their medical quality, safety and service management systems, promoted the standardisation of quality control indicators and the humanisation of patient services, thereby laying a solid foundation for the Group's high-quality development.

We have strengthened external industrial collaboration by engaging with medical AI and big data service providers, innovative pharmaceutical companies, and providers of advanced medical technologies such as boron neutron capture therapy, to explore opportunities and develop a blueprint for in-depth industrial cooperation within the medical group.

Development of AI Digital Platforms

The Group continued to build a unified digital foundation for smart hospitals, driving the commercialisation of research and development outcomes across three key areas: medical quality management, hospital operations management, and patient health management:

Medical Quality Management

By developing an integrated AI-assisted diagnostic platform for medical imaging (combining multiple diagnostic algorithms) and an intelligent monitoring system for the content of imaging reports, the Group enhanced quality and efficiency while ensuring clinical quality and safety.

The Group has developed and implemented an intelligent medical record robot capable of automatically generating ICD codes and DRG/DIP grouping schemes based on medical knowledge graphs. This enabled quality control of medical record cover pages and the automated generation of documentation, effectively improving the quality and efficiency of medical record management.

Hospital Operations Management

The Group Hospitals have now launched an intelligent operations management platform. This platform fully integrates functional modules for clinical pathways, intelligent medical insurance audits and full-cost accounting, enabling rational diagnosis and treatment while providing real-time cost control, and further enhancing lean management standards through AI technology.

Patient Health Management

A patient-centred, full-course care management platform (H.CRM Management System) has been developed to encompass all service scenarios across the entire patient care cycle, creating user profiles based on patient health data, automatically responding to patients' frequent and common needs through standard operating procedures (SOPs), and providing personalised value-added services in collaboration with physician and nursing teams.

OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the second half of 2026, the Group will continue to refine its risk management and internal control systems, strictly adhere to compliance and safety standards, and ensure the stable and positive development of its business operations and financial position. We will actively explore industry opportunities arising from the silver hair economy, leveraging the specialised diagnostic and treatment resources of our Group Hospitals to establish internal specialist alliances within the Group. We will also expand our full-lifecycle health management services outside our hospitals and, through the ongoing development of the Group's AI digital platform, support the development of medical quality management and health management services.

FINANCIAL REVIEW

Results of Operations

During the Reporting Period, our revenue was approximately RMB732.8 million, representing a decrease of approximately 1.4% when compared with approximately RMB743.0 million of the Corresponding Period of Previous Year, which was mainly attributable to the optimized revenue structure of general hospitals, with a higher proportion of medical service revenue and a reduction in pharmaceutical revenue.

Our adjusted gross profit was approximately RMB185.2 million for the Reporting Period, excluding depreciation and amortisation of identifiable assets identified in acquisitions, representing an increase of approximately 19.5% when compared with approximately RMB155.0 million for the Corresponding Period of Previous Year. This was mainly attributable to the optimized mix of medical revenue, a higher proportion of medical service revenue, and declines in the cost of inventories and other operating expenses.

We recorded administrative expenses of approximately RMB57.0 million for the Reporting Period, representing a decrease of approximately 8.6% when compared with approximately RMB62.4 million for the Corresponding Period of Previous Year, which was primarily due to the decrease in employee benefits expenses and the professional fees.

We recorded adjusted operating profit (excluding depreciation and amortisation of identifiable assets identified in acquisitions) of approximately RMB133.1 million for the Reporting Period, representing an increase of approximately RMB30.6 million from approximately RMB102.5 million for the Corresponding Period of Previous Year. This was mainly attributable to the increase in the gross profit.

For the Reporting Period, we recorded a net profit of approximately RMB43.0 million, representing a decrease of approximately 74.5% when compared to the net profit of approximately RMB168.6 million of the Corresponding Period of Previous Year, mainly attributable to the absence in the Reporting Period of the gain on extension of convertible bonds of approximately RMB165.2 million recognized in the Corresponding Period of Previous Year. Excluding the impact from the items which are considered as non-operating by the management as detailed on page 2 of this announcement, we have recorded an adjusted net profit of approximately RMB101.1 million, representing an increase of approximately

43.2% when compared to the adjusted net profit of approximately RMB70.6 million of the Corresponding Period of Previous Year. Without taking into account the impact of the adjusted items, such an increase was mainly due to the optimized mix of medical revenue, a higher proportion of medical service revenue, and declines in the cost of inventories and other operating expenses.

LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2026, the current assets of the Group were approximately RMB1,147.0 million (31 December 2025: approximately RMB1,098.8 million) and current liabilities were approximately RMB613.4 million (31 December 2025: approximately RMB678.4 million). Net current assets were approximately RMB533.6 million (31 December 2025: net current assets of approximately RMB420.4 million). As at 30 June 2026, the current ratio was approximately 1.87, as compared with approximately 1.62 as at 31 December 2025.

As at 30 June 2026, borrowings of the Group were approximately RMB60.0 million (31 December 2025: approximately RMB69.0 million), the net gearing ratio (net gearing ratio equals borrowing balance divided by total assets) was approximately 2.3% (31 December 2025: 2.7%).

The Group primarily funds its operating requirements through cash flows generated from operating activities. For the six months ended 30 June 2026, net cash generated from operating activities amounted to approximately RMB80.3 million (for the six months ended 30 June 2025: approximately RMB43.3 million).

As at 30 June 2026, cash and cash equivalents amounted to approximately RMB732.8 million (31 December 2025: approximately RMB665.7 million).

The Directors believe that, after taking into account the available financial resources, the Group has sufficient working capital to meet its requirements. Save as disclosed in this announcement, the Group did not have any other material contingent liabilities or guarantees as at 30 June 2026.

On 13 September 2024, the Company entered into a guarantee agreement (the "**2024 Nanyang Guarantee Agreement**") with Nanyang Commercial Bank (China) Limited Beijing Branch*（南洋商業銀行（中國）有限公司北京分行）(the "**Nanyang Bank**"), pursuant to which (i) the guarantee agreement dated 3 November 2023 entered into between the Company and Nanyang Bank shall be superseded by the 2024 Nanyang Guarantee Agreement and (ii) the Company agreed to provide a corporate guarantee for Zhejiang Jinhua Guangfu Oncological Hospital*（浙江金華廣福腫瘤醫院）("**Jinhua Guangfu Hospital**") in favour of Nanyang Bank in connection with the repayment obligations of Jinhua Guangfu Hospital up to a maximum outstanding amount of RMB104.0 million (the "**2024 Nanyang Corporate Guarantee**"). As at 30 June 2026, the 2024 Nanyang Corporate Guarantee remained effective.

On 13 September 2024, the Company, Tibet Honghe Zhiyuan Business Management Co., Ltd.* (西藏弘和志遠企業管理有限公司) ("**Tibet Honghe Zhiyuan**"), a wholly-owned subsidiary of the Company, and Zhejiang Honghe Zhiyuan Medical Technology Co., Ltd.* (浙江弘和致遠醫療科技有限公司) ("**Zhiyuan Medical**"), which is indirectly owned as to 75% by the Company, entered into a guarantee agreement (the "**2024 CCB Guarantee Agreement**") with China Construction Bank Corporation Jinhua Branch* (中國建設銀行股份有限公司金華分行) ("**China Construction Bank**"), pursuant to which the Company, Tibet Honghe Zhiyuan and Zhiyuan Medical agreed to provide a joint liability guarantee for Jinhua Guangfu Hospital in favour of China Construction Bank in connection with the repayment obligations of Jinhua Guangfu Hospital up to a maximum outstanding amount of RMB173.0 million. On 13 September 2024, Impeccable Success Limited ("**Impeccable Success**"), a wholly-owned subsidiary of the Company, entered into a pledge agreement with China Construction Bank (the "**CCB Pledge Agreement**"), pursuant to which Impeccable Success agreed to pledge its 75% equity interests in Zhiyuan Medical to China Construction Bank as security for the repayment obligations of Jinhua Guangfu Hospital up to a maximum outstanding amount of RMB66.66 million. For the avoidance of doubt, the financial assistance provided by the Group in favour of China Construction Bank, as contemplated under the 2024 CCB Guarantee Agreement and the CCB Pledge Agreement (the "**CCB Financial Assistance**"), will not exceed a maximum outstanding amount of RMB173.0 million. As at 30 June 2026, the CCB Financial Assistance remained effective.

On 13 September 2024, the Company entered into a credit loan agreement with Jinhua Guangfu Hospital (the "**2024 Credit Loan Agreement**"), pursuant to which the Company has conditionally agreed to grant a revolving loan credit limit of RMB150.0 million to Jinhua Guangfu Hospital at an interest rate of 3.69% per annum, for an availability period from the effective date of the 2024 Credit Loan Agreement to 30 September 2027. Accordingly, the loan agreement entered into between the Company and Jinhua Guangfu Hospital on 24 July 2019, pursuant to which the Company granted a principal amount of RMB80.0 million to Jinhua Guangfu Hospital (the "**2019 Loan Agreement**"), and the loan agreement entered into between Tibet Honghe Zhiyuan and Jinhua Guangfu Hospital on 20 November 2020 (as supplemented by the supplemental loan agreement in 2023), pursuant to which Tibet Honghe Zhiyuan granted a maximum principal amount of RMB20.0 million to Jinhua Guangfu Hospital (the "**2020 Loan Agreement**") were superseded upon the entering into of the 2024 Credit Loan Agreement. The outstanding principal amounts granted under the 2019 Loan Agreement and the revolving loan credit limit granted under the 2020 Loan Agreement were counted towards the revolving loan credit limit granted under the 2024 Credit Loan Agreement. As at 30 June 2026, the outstanding principal amount of the 2024 Credit Loan Agreement was RMB100.0 million.

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. Since the transactions contemplated under the 2024 Nanyang Guarantee Agreement, the 2024 CCB Guarantee Agreement, the CCB Pledge Agreement and the 2024 Credit Loan Agreement constitute financial assistance provided by the Group to Jinhua Guangfu Hospital, the transactions contemplated under the 2024 Nanyang Guarantee Agreement, the 2024 CCB Guarantee Agreement, the CCB Pledge Agreement and the 2024 Credit Loan 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 transactions contemplated under the 2024 Nanyang Guarantee Agreement, the 2024 CCB Guarantee Agreement, the CCB Pledge Agreement and the 2024 Credit Loan Agreement, when aggregate, is more than 25% but less than 100%, the entering into of the 2024 Nanyang Guarantee Agreement, the 2024 CCB Guarantee Agreement, the CCB Pledge Agreement and the 2024 Credit Loan Agreement and the transactions contemplated thereunder constitute a major transaction of the Company and shall be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by written shareholders' approval without convening a general meeting. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no shareholders or any of their respective associates has a material interest in each of the 2024 Nanyang Guarantee Agreement, the 2024 CCB Guarantee Agreement, the CCB Pledge Agreement and the 2024 Credit Loan Agreement and the transactions contemplated thereunder. Accordingly, no shareholder would be required to abstain from voting if a general meeting is required to be convened to approve the entering into of the 2024 Nanyang Guarantee Agreement, the 2024 CCB Guarantee Agreement, the CCB Pledge Agreement and the 2024 Credit Loan Agreement and the transactions contemplated thereunder.

As the Company has obtained the written approval from Vanguard Glory Limited, which is directly interested in 97,000,000 shares (representing approximately 70.19% of the issued share capital of the Company) on 13 September 2024, the Company is not required to convene an extraordinary general meeting for the purpose of approving the entering into of the 2024 Nanyang Guarantee Agreement, the 2024 CCB Guarantee Agreement, the CCB Pledge Agreement and the 2024 Credit Loan Agreement and the transactions contemplated thereunder in accordance with Rule 14.44 of the Listing Rules.

A circular containing, among other things, (i) further details of the 2024 Nanyang Guarantee Agreement, the 2024 CCB Guarantee Agreement, the CCB Pledge Agreement and the 2024 Credit Loan Agreement and the transactions contemplated thereunder; and (ii) other information as required under the Listing Rules, was dispatched to the shareholders for their information on 25 September 2024.

For details, please refer to the announcements of the Company dated 24 July 2019, 20 November 2020, 27 September 2022, 11 November 2022, 3 November 2023, 14 November 2023 and 13 September 2024 and the circular of the Company dated 25 September 2024.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not undertake any material acquisitions or disposals of subsidiaries, associates and joint ventures from 1 January 2026 until 30 June 2026.

CONNECTED TRANSACTION IN RELATION TO EXTENSION OF MATURITY DATE OF CONVERTIBLE BONDS

The Group did not undertake any connected transaction in relation to extension of maturity date of convertible bonds from 1 January 2026 until 30 June 2026.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of 30 June 2026, the Group did not have any significant investments or future plans for material investments or capital assets.

EXPOSURE TO FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

As at 30 June 2026, the Group was exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and HKD.

The Group mainly operates in the PRC with most of its transactions settled in RMB. Foreign exchange rate risk arises when recognized assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group did not use any derivative financial instruments to hedge foreign exchange risk. The Group will constantly review the economic situation and its foreign exchange risk profile, and will consider appropriate hedging measures in the future, as may be necessary.

PLEDGE OF ASSETS

On 13 September 2024, the Company, Tibet Honghe Zhiyuan and Zhiyuan Medical provided a joint liability guarantee for Jinhua Guangfu Hospital in favour of China Construction Bank in connection with the repayment obligations of Jinhua Guangfu Hospital up to a maximum outstanding amount of RMB173.0 million. Impeccable Success has pledged its paid-up equity interests in Zhiyuan Medical to China Construction Bank as security for the repayment obligations of Jinhua Guangfu Hospital up to a maximum outstanding amount of RMB66.66 million. For the avoidance of doubt, the financial assistance provided by the Group in favour of China Construction Bank mentioned above will not exceed a maximum outstanding amount of RMB173.0 million. As at 30 June 2026, the principal amount of loan balance of Jinhua Guangfu Hospital was RMB93.9 million.

On 13 September 2024, the Company provided a corporate guarantee for Jinhua Guangfu Hospital in favour of Nanyang Bank in connection with the repayment obligations up to a maximum outstanding amount of RMB104.0 million. As at 30 June 2026, the principal amount of loan balance of Jinhua Guangfu Hospital was RMB60.0 million.

Jiande Hospital of Traditional Chinese Medicine Co., Ltd.*（建德中醫院有限公司）(“**Jiande Hospital**”) entered into three one-year loan agreements with Agricultural Bank of China Jiande Branch. As at 30 June 2026, the outstanding amount of the loans was RMB40.0 million. These bank loans were secured by trade receivables held by Jiande Hospital.

On 31 March 2026, Jiande Hospital entered into a one-year loan agreement with Bank of Communications Jiande Branch. As at 30 June 2026, the outstanding amount of this loan was RMB20.0 million. This bank loan was guaranteed by Jiande Dajia Chinese Medicines Pharmaceutical Technology Co., Ltd.*（建德大家中醫藥科技有限公司）(“**DJ Pharmaceutical Technology**”).

Save as disclosed in this announcement, as at 30 June 2026, the Group did not have any other pledged assets.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026.

HUMAN RESOURCES

As at 30 June 2026, we had a total of 1,835 employees (as at 30 June 2025: 1,839). We provide wages, employee-related insurance and employee benefits to our employees. Remuneration packages for our employees mainly consist of base salary, welfare and bonus. For the six months ended 30 June 2026, the total employee benefits expenses (including Directors’ remuneration) were approximately RMB241.6 million (for the six months ended 30 June 2025: approximately RMB244.0 million).

We set performance targets for our employees based on their position and department, and regularly review their performance. The results of these reviews are used in their salary determinations, bonus awards and promotion appraisals. As required by PRC laws and regulations, our employees participate in several government-run benefit programs, including but not limited to retirement benefit programs, housing provident fund, medical insurance and other employee social insurance programs. The Company has adopted certain share-based payment schemes for the purpose of, among others, providing incentive and rewards to eligible persons with outstanding performance and contributions to the Group.

We provide ongoing training for our employees. Our doctors and other medical professionals regularly receive technical training in their relevant fields. Our administrative and management staff also receive systematic training on management skills and business operations.

EVENTS AFTER THE REPORTING PERIOD

The Group had no significant events after 30 June 2026 and up to the date of this announcement.

CHANGE OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

On 22 June 2026, Mr. Chen Shuai resigned as an authorised representative of the Company, acting chief executive officer of the Company (the "**Chief Executive Officer**"), executive Director, chairman of the nomination committee of the Company (the "**Nomination Committee**") and chairman of the Board, and Mr. Shi Luwen resigned as an independent non-executive Director, member of the Audit Committee and member of the Nomination Committee.

On the same date, Mr. Cao Yonggang was appointed as a non-executive Director, chairman of the Board and chairman of the Nomination Committee, and Mr. Lang Xiaofeng was appointed as an executive Director, Chief Executive Officer and authorised representative of the Company. Mr. Cao Yonggang will not receive any emoluments as a non-executive Director. Mr. Lang Xiaofeng will not receive any emoluments as a Director, and is entitled to an annual salary of HKD1.0 million as the Chief Executive Officer.

NON-COMPLIANCE WITH THE LISTING RULES REQUIREMENTS ON BOARD AND COMMITTEE COMPOSITION

Pursuant to Rule 3.10(1) of the Listing Rules, the Board must include at least three independent non-executive Directors. Pursuant to Rule 3.10A of the Listing Rules, the number of independent non-executive Directors must represent at least one-third of the Board. Pursuant to Rule 3.21 of the Listing Rules, the Audit Committee shall comprise a minimum of three members. Pursuant to Rule 3.27A of the Listing Rules, the Nomination Committee shall comprise a majority of independent non-executive Directors. Following the resignation of Mr. Shi Luwen with effect from 22 June 2026, the number of independent non-executive Directors and the composition of the Board, the Audit Committee and the Nomination Committee have failed to meet the relevant requirements under the Listing Rules. The Company is endeavoring to identify a suitable candidate to act as an additional member of the Board, the Audit Committee and the Nomination Committee to meet the requirements set out in Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules as soon as practicable, and in any event within three months as required under Rules 3.11, 3.23 and 3.27C of the Listing Rules, and will make necessary announcement(s) as and when appropriate. For further details, please refer to the announcement of the Company dated 22 June 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules. Save for the deviation from provision C.2.1 of the CG Code from 1 January 2026 to 22 June 2026, the Board considers that, during the Reporting Period, the Company has complied with the applicable code provisions set out in the CG Code. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Chen Shuai was appointed as the chairman of the Board and acting Chief Executive Officer on 23 June 2020. Mr. Chen Shuai has resigned as the chairman of the Board and acting Chief Executive Officer with effect from 22 June 2026. On the same date, Mr. Cao Yonggang has been appointed as the chairman of the Board, and Mr. Lang Xiaofeng has been appointed as the Chief Executive Officer. The Company has re-complied with provision C.2.1 of the CG Code since 22 June 2026. For further details, please refer to the announcement of the Company dated 22 June 2026.

AUDIT COMMITTEE

The unaudited results and the interim financial information of the Group for the Reporting Period have been reviewed by the Audit Committee. The Audit Committee is of the opinion that such financial information complies with applicable accounting standards, the Listing Rules and all other applicable legal requirements. Since Mr. Shi resigned as an independent non-executive Director, the Audit Committee consists of only two independent non-executive Directors, namely Mr. Zhou Xiangliang (Chairman) and Mr. Dang Jinxue, therefore, the Company failed to comply with the minimum requirements of Rule 3.21 of the Listing Rules. For further details, please refer to the announcement of the Company dated 22 June 2026.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including the sales of treasury shares (as defined in the Listing Rules)).

As at 30 June 2026, the Company did not have any treasury shares (as defined in the Listing Rules).

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hcclhealthcare.com). The interim report of the Company for the Reporting Period will be dispatched to the shareholders of the Company and made available for viewing on the above websites in due course.

By order of the Board
Hospital Corporation of China Limited
Lang Xiaofeng
Chief Executive Officer and Executive Director

Beijing, 25 August 2026

As at the date of this announcement, the Directors of the Company are Mr. Lang Xiaofeng, Mr. Pu Chengchuan and Ms. Pan Jianli being the executive Directors; Mr. Cao Yonggang, Ms. Liu Lu and Ms. Wang Nan being the non-executive Directors; Mr. Dang Jinxue and Mr. Zhou Xiangliang being the independent non-executive Directors.

* *For identification purpose only*

Certain figures set out in this announcement have been subject to rounding adjustments. Accordingly, figures shown as the currency conversion or percentage equivalents may not be an arithmetic sum of such figures. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.