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## **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)**

### **PRELIMINARY 2018 INTERIM RESULTS**

The board of directors (the “**Board**”) of Hospital Corporation of China Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company and potential investors the following, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended June 30, 2018 (the “**Current Period**”) currently available to the Board:

- (1) The Group’s revenue for the Current Period would record a substantial increase as compared to that for the six months ended June 30, 2017 (the “**Corresponding Period**”), which is primarily due to (a) the acquisition of Jiande Hexu Enterprise Management Co., Ltd., which has enlarged the revenue base of the Group; (b) the increase in the management service fee received from Yangsi Hospital; and (c) the acquisition of Cixi Hongai Medical Management Co., Ltd..
- (2) The Group’s loss for the Current Period would increase significantly from that for the Corresponding Period. The expected loss for the Current Period are mainly attributable to the following extraordinary items: (a) the amortization and change in fair value of the share-based awards as well as their related expenses of approximately RMB30.0 million; (b) an exchange loss of approximately RMB17.1 million due to the translation into Renminbi of the HKD-denominated convertible bonds issued by the Company; (c) a fair value loss in relation to the convertible bonds of approximately RMB26.6 million due to the increase in the trading price of the Company’s shares; and (d) the expenses and accrued professional service fees of approximately RMB9.1 million resulting from the acquisition and potential acquisitions of hospitals and hospital management companies and issuance of convertible bonds.

- (3) The Company considers that the abovementioned extraordinary items are not indicative of the operating performance of the Company's business in the Current Period. The Company also considers that the expenses related to the share-based awards are primarily one-off expenses, and anticipates that the fluctuation of Renminbi exchange rate, the fluctuation of the Company's share price and expenses related to acquisitions of target hospitals and hospital management companies may continue to have an impact on the financial results of the Group in the future.

As the Company is still in the process of finalizing the interim results for the Current Period, the information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group and on the information available for the time being, but not on any data or information audited or reviewed by the auditor of the Company. The Company expects to publish the announcement on the interim results of the Company for the six months ended June 30, 2018 on or around August 27, 2018.

By order of the Board  
**Hospital Corporation of China Limited**  
**Zhao John Huan**  
Chairman

Beijing, August 14, 2018

*As at the date of this announcement, the directors of the Company are Mr. LU Wenzuo being the executive director; Mr. ZHAO John Huan, Mr. LIN Sheng, Ms. LIU Lu, and Ms. WANG Nan being the non-executive directors; Ms. CHEN Xiaohong, Mr. SHI Luwen and Mr. ZHOU Xiangliang being the independent non-executive directors.*