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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 ANNUAL RESULTS**

The board of directors (the “**Board**”) of Hospital Corporation of China Limited (the “**Company**”) wish to inform the shareholders of the Company and potential investors the preliminary annual results of the Company and its subsidiaries (the “**Group**”) for the year ended December 31, 2018 (the “**Current Period**”).

Based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the Current Period, the Group’s revenue for the Current Period would increase from approximately RMB170.7 million (including revenue from discontinued operations of RMB21.5 million) in the year ended December 31, 2017 (the “**Corresponding Period**”) to approximately RMB383.6 million in the Current Period. Such increase was due primarily to (a) the revenue and management fees generated or received by the hospital and hospital management companies that we acquired last year, namely, Jiande Hexu Enterprise Management Co., Ltd., Cixi Hongai Medical Management Co., Ltd. and Zhejiang Guangsha Medical Technology Co., Ltd.; and (b) the increase in the management service fee received from Yangsi Hospital. Without taking into account the effects of the non-operating factors, the Group’s adjusted net profit for the Current Period is approximately RMB92.7 million. The tax implications of the adjusted items have not been taken into account when calculating the adjusted net profit.

Notwithstanding the above, the consolidated financial statement of the Group is expected to record a net loss for the Current Period with a range from RMB21 million to RMB27 million and a net loss attributable to equity holders of the Company for the Current Period with a range from RMB48 million to RMB54 million. Such losses are mainly attributable to the following reasons: (a) the fees for amortization of the share-based awards for the management; (b) an exchange loss and a loss from relevant fair value change due to the translation into Renminbi of the HKD-denominated convertible bonds issued by the Company; (c) amortization of identifiable intangible assets identified from acquisitions; and (d) the expenses and accrued professional service fees resulting from acquisitions and potential acquisitions of hospitals and hospital management companies and issuance of convertible bonds.

As the Company is still in the process of finalizing the annual 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 annual results of the Company for the year ended December 31, 2018 on or around March 29, 2019.

**Shareholders of the Company and potential investors should exercise caution when dealing in the shares or other securities of the Company.**

By order of the Board  
**Hospital Corporation of China Limited**  
**Shan Guoxin**  
*Executive Director and Chief Executive Officer*

Beijing, China, March 21, 2019

*As at the date of this announcement, the directors of the Company are Mr. SHAN Guoxin and Mr. LU Wenzuo being the executive directors; Mr. ZHAO John Huan, Mr. WEI Kai, 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.*