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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)

PROFIT WARNING

This announcement is made by Hospital Corporation of China Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended June 30, 2022 and the information currently available to the Board, the Group is expected to record a loss before tax of approximately RMB400 million to RMB490 million for the six months ended June 30, 2022 (subject to further adjustments and impairment assessments) as compared with the loss before tax of approximately RMB493 million recorded for the corresponding period in 2021.

The expected loss before tax of the Group was primarily due to the impact of COVID-19 and the on-going stringent epidemic control policies implemented by the PRC government since the first half of 2022 in view of the higher transmissibility of the Omicron variant, which led to (i) the reduction in demand for medical treatment and services; and (ii) the impairment loss on certain goodwill and other intangible assets. The impairment loss is a one-off non-cash item for the period, which has no direct impact on the cash flow of the Group.

The Company is still in the process of finalising the interim results of the Group for the six months ended June 30, 2022. The information contained in this announcement is only based on a preliminary assessment by the Board based on information currently available to it, including the unaudited consolidated management accounts of the Group for the six months ended June 30, 2022, which has not been reviewed by the non-executive Directors and the Company’s auditors and may be subject to adjustments and provisions. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company which is expected to be published by the end of August 2022.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
Hospital Corporation of China Limited
Chen Shuai
Chairman

Beijing, the PRC, August 17, 2022

As at the date of this announcement, the Directors of the Company are Mr. Chen Shuai, Mr. Lu Wenzuo, Mr. Pu Chengchuan and Ms. Pan Jianli being the executive Directors; Ms. Liu Lu and Ms. Wang Nan being the non-executive Directors; Mr. Dang Jinxue, Mr. Shi Luwen and Mr. Zhou Xiangliang being the independent non-executive Directors.