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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)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “**Board**”) of directors (the “**Director(s)**”) of Hospital Corporation of China Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”, “**we**”, “**our**” and “**us**”) for the year ended 31 December 2025 (the “**year under review**”), together with the comparative figures for the year ended 31 December 2024 (the “**Corresponding Period of Previous Year**”)

## FINANCIAL HIGHLIGHTS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000 (restated)
<b>Revenue</b>	<b>1,471,013</b>	1,442,292
Gross profit	<b>267,619</b>	275,819
Profit for the year	<b>139,029</b>	26,329
Adjusted profit for the year <sup>(1)</sup>	<b>121,152</b>	141,924
Basic earnings/(loss) per share	<b>1.00</b>	(0.19)
<b>Adjusted items</b>		
Expenses of share-based awards	–	(370)
Depreciation and amortisation of identifiable assets identified in acquisitions <sup>(1)(ii)</sup>	<b>15,859</b>	17,613
Interest expenses on convertible bonds and gain on modification of convertible bonds and foreign exchange losses, net <sup>(1)(i)</sup>	<b>(63,037)</b>	111,248
The reversal of deferred tax liabilities caused by the business combination	–	(12,896)
Total amount of impairment losses on financial assets and related deferred income tax assets <sup>(1)(iii)</sup>	<b>29,301</b>	–

### Notes:

- (1) The Group recorded a net profit of RMB139.0 million during the year ended 31 December 2025. The adjusted profit for the year (the “**Adjusted Profit for the Year**”) is calculated as the profit for the year 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 RMB99.8 million, gain on modification of convertible bonds of approximately RMB165.2 million and exchange loss of approximately RMB2.3 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 RMB15.9 million, and (iii) the impairment losses on financial assets of approximately RMB39.1 million, and related deferred income tax assets of approximately RMB9.8 million. For the calculation of the Adjusted Profit for the Year, tax impacts of the adjusted items were not considered.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2025**

*(Expressed in Renminbi (“RMB”))*

	<i>Notes</i>	<b>2025</b> <b>RMB’000</b>	2024 RMB’000 (restated)
<b>Revenue</b>	3	<b>1,471,013</b>	1,442,292
Cost of revenue		<u>(1,203,394)</u>	<u>(1,166,473)</u>
<b>Gross profit</b>		<b>267,619</b>	275,819
Other income	4	<b>13,886</b>	15,178
Selling expenses		(17)	(161)
Administrative expenses		<b>(121,150)</b>	(108,954)
Impairment losses on financial assets, net		<u>(39,068)</u>	<u>(21)</u>
<b>Operating profit</b>		<b>121,270</b>	181,861
Finance income/(costs)		<u>65,323</u>	<u>(108,053)</u>
<b>Profit before taxation</b>		<b>186,593</b>	73,808
Income tax	5	<u>(47,564)</u>	<u>(47,479)</u>
<b>Profit for the year</b>		<u><b>139,029</b></u>	<u>26,329</u>
<b>Attributable to:</b>			
Owners of the Company		<b>136,417</b>	(26,089)
Non-controlling interests		<u>2,612</u>	<u>52,418</u>
<b>Profit for the year</b>		<u><b>139,029</b></u>	<u>26,329</u>
<b>Earnings/(loss) per share:</b>			
– Basic earnings/(loss) per share (in RMB)	6	<u><b>1.00</b></u>	<u>(0.19)</u>
– Diluted earnings/(loss) per share (in RMB)	6	<u><b>0.35</b></u>	<u>(0.19)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025**

*(Expressed in RMB)*

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i> (restated)
<b>Profit for the year</b>	<u>139,029</u>	<u>26,329</u>
<b>Other comprehensive income for the year (after tax):</b>		
<b>Items that will not be subsequently reclassified to profit or loss</b>		
– Remeasurement of defined benefit plan obligations	11,821	(10,061)
<b>Items that may be subsequently reclassified to profit or loss</b>		
– Exchange differences on translation of financial statements into presentation currency	<u>27,431</u>	<u>(20,553)</u>
	<u>39,252</u>	<u>(30,614)</u>
<b>Total comprehensive income for the year</b>	<u><u>178,281</u></u>	<u><u>(4,285)</u></u>
<b>Attributable to:</b>		
Owners of the Company	163,848	(46,642)
Non-controlling interests	<u>14,433</u>	<u>42,357</u>
<b>Total comprehensive income for the year</b>	<u><u>178,281</u></u>	<u><u>(4,285)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2025

(Expressed in RMB)

		As at 31 December		As at
		2025	2024	1 January
	Notes	RMB'000	RMB'000 (restated)	RMB'000 (restated)
<b>Non-current assets</b>				
Property and equipment		175,667	170,801	183,004
Right-of-use assets		71,840	42,079	43,433
Intangible assets		1,126,973	1,141,844	1,152,245
Amounts due from related parties		81,876	120,944	160,944
Other non-current assets		3,561	—	—
Deferred tax assets		18,178	8,378	8,165
		<b>1,478,095</b>	1,484,046	1,547,791
<b>Current assets</b>				
Inventories		22,450	31,123	51,425
Trade receivables	7	139,733	131,263	133,652
Other receivables, deposits and prepayments		6,506	6,434	13,581
Amounts due from related parties		125,426	116,901	80,932
Financial assets measured at fair value through profit or loss (“FVPL”)		18,971	62,244	94,156
Term deposits		119,703	36,719	50,708
Restricted bank deposits		304	312	2,828
Cash and cash equivalents		665,673	714,120	523,027
		<b>1,098,766</b>	1,099,116	950,309
<b>Current liabilities</b>				
Trade payables	8	165,352	155,148	150,543
Contract liabilities		991	821	4,570
Accruals, other payables and provisions		408,063	460,889	441,062
Amounts due to related parties		7,843	7,875	7,690
Borrowings	11	69,000	82,100	82,100
Convertible bonds	9	—	1,059,371	—
Lease liabilities		3,581	2,660	1,783
Current taxation		23,573	41,061	36,662
		<b>678,403</b>	1,809,925	724,410
<b>Net current assets/(liabilities)</b>		<b>420,363</b>	(710,809)	225,899
<b>Total assets less current liabilities</b>		<b>1,898,458</b>	773,237	1,773,690

		<b>As at 31 December</b>		<b>As at</b>
		<b>2025</b>	<b>2024</b>	<b>1 January</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
			(restated)	(restated)
<b>Non-current liabilities</b>				
Lease liabilities		<b>17,433</b>	7,154	7,237
Other payables		<b>14,841</b>	–	45,310
Convertible bonds	9	<b>966,356</b>	–	929,191
Defined benefit plan obligations		<b>51,752</b>	58,775	44,649
Deferred tax liabilities		<b>127,248</b>	130,685	147,142
		<b>1,177,630</b>	196,614	1,173,529
<b>NET ASSETS</b>				
		<b>720,828</b>	576,623	600,161
<b>CAPITAL AND RESERVES</b>				
Share capital		<b>123</b>	123	123
Reserves		<b>502,380</b>	338,532	387,929
<b>Total equity attributable to owners of the Company</b>		<b>502,503</b>	338,655	388,052
<b>Non-controlling interests</b>		<b>218,325</b>	237,968	212,109
<b>TOTAL EQUITY</b>		<b>720,828</b>	576,623	600,161

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*(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 Company is controlled by Vanguard Glory Limited (“**Vanguard Glory**”), a subsidiary of Hony Capital Fund V, L.P., which was incorporated in the Cayman Islands and is considered as the ultimate holding company of the Company.

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 MATERIAL ACCOUNTING POLICIES

#### (a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

**(b) Basis of preparation of the financial statements**

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries. The measurement basis used in the preparation of the financial statements is the historical cost basis except for financial assets measured at FVPL are measured at their fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**(c) Changes in accounting policies**

**(i) *New and amended standards adopted by the Group***

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*, issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

**(ii) *Change in accounting policy in respect of the functional currency of the Company***

The Company voluntarily made a change in accounting policy regarding its functional currency. As an investment holding company, the Company previously adopted RMB as its functional currency due to its subsidiaries' primary operations are in Chinese Mainland. As the Company's operations have substantively become and its operating and financing transactions are mainly denominated in Hong Kong Dollars (“**HKD**”), the Company has adopted HKD as its functional currency, effective from 1 January 2025. The impact of this change in accounting policy has been applied retrospectively and comparative figures have been restated accordingly.

The amounts of the adjustment for each affected financial statement line items for the current and prior periods are as follow:

Consolidated Statement of Financial Position	31 December 2024		31 December 2024		1 January 2024		1 January 2024	
	<i>Previously reported</i>		<i>Restated</i>		<i>Previously reported</i>		<i>Restated</i>	
	<i>RMB'000</i>	<i>Change RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>Change RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Convertible bonds	1,060,315	(944)	1,059,371	938,149	(8,958)	929,191		
Exchange reserve	–	(60,419)	(60,419)	–	(39,866)	(39,866)		
Accumulated losses	(979,050)	61,363	(917,687)	(924,291)	48,824	(875,467)		

2024 <i>Previously reported</i>		<i>Change</i>	<i>Restated</i>
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>

#### Consolidated Statement of Profit or Loss

Finance costs	(120,592)	12,539	(108,053)
<b>Profit for the year</b>	<b>13,790</b>	<b>12,539</b>	<b>26,329</b>

#### Earnings/(loss) per share :

– <b>Basic earnings/(loss) per share</b> (in RMB)	(0.28)	0.09	(0.19)
– <b>Diluted earnings/(loss) per share</b> (in RMB)	(0.28)	0.09	(0.19)

#### Consolidated Statement of Profit or Loss and Other Comprehensive Income

Items that may be subsequently reclassified to profit or loss			
– Exchange differences on translation of financial statements into presentation currency	–	(20,553)	(20,553)
<b>Other comprehensive income for the year</b>	<b>(10,061)</b>	<b>(20,553)</b>	<b>(30,614)</b>
<b>Total comprehensive income for the year</b>	<b>3,729</b>	<b>(8,014)</b>	<b>(4,285)</b>

### 3 SEGMENT REPORTING

#### (a) Segment reporting

The Group manages its businesses by business 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 <i>RMB'000</i>	Hospital management services <i>RMB'000</i>	Sales of pharmaceutical products <i>RMB'000</i>	Elimination <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
<b>2025</b>						
Segment revenue	1,410,705	390,845	9,773	(343,376)	3,066	1,471,013
Inter-segment revenue	—	(343,376)	—	343,376	—	—
Revenue from external customers	<u>1,410,705</u>	<u>47,469</u>	<u>9,773</u>	<u>—</u>	<u>3,066</u>	<u>1,471,013</u>
<b>EBITDA</b>	<u>11,306</u>	<u>191,742</u>	<u>739</u>	<u>(3,983)</u>	<u>(16,272)</u>	<u>183,632</u>
<b>As at 31 December 2025</b>						
Segment assets	830,867	644,795	7,907	(97,442)	393,282	1,779,409
Goodwill	<u>110,079</u>	<u>687,373</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>797,452</u>
Total assets	<u>940,946</u>	<u>1,332,168</u>	<u>7,907</u>	<u>(97,442)</u>	<u>393,282</u>	<u>2,576,861</u>
Total liabilities	<u>514,067</u>	<u>284,692</u>	<u>4,765</u>	<u>(90,193)</u>	<u>1,142,702</u>	<u>1,856,033</u>
	General hospital services <i>RMB'000</i>	Hospital management services <i>RMB'000</i>	Sales of pharmaceutical products <i>RMB'000</i>	Elimination <i>RMB'000</i>	Unallocated <i>RMB'000</i> (restated)	Total <i>RMB'000</i> (restated)
<b>2024</b>						
Segment revenue	1,303,405	416,182	9,014	(292,125)	5,816	1,442,292
Inter-segment revenue	—	(292,125)	—	292,125	—	—
Revenue from external customers	<u>1,303,405</u>	<u>124,057</u>	<u>9,014</u>	<u>—</u>	<u>5,816</u>	<u>1,442,292</u>
<b>EBITDA</b>	<u>74,727</u>	<u>185,891</u>	<u>605</u>	<u>(3,132)</u>	<u>(13,123)</u>	<u>244,968</u>
<b>As at 31 December 2024</b>						
Segment assets	822,949	683,830	18,776	(109,956)	370,111	1,785,710
Goodwill	<u>110,079</u>	<u>687,373</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>797,452</u>
Total assets	<u>933,028</u>	<u>1,371,203</u>	<u>18,776</u>	<u>(109,956)</u>	<u>370,111</u>	<u>2,583,162</u>
Total liabilities	<u>535,033</u>	<u>286,620</u>	<u>3,194</u>	<u>(106,605)</u>	<u>1,288,297</u>	<u>2,006,539</u>

#### 4 OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants and subsidies	12,939	12,918
Net fair value gain on financial assets measured at FVPL	625	1,624
Others	322	636
	<u>13,886</u>	<u>15,178</u>

#### 5 INCOME TAX

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current income tax:		
– PRC Corporate Income Tax	60,801	64,149
Deferred income tax	(13,237)	(16,670)
	<u>47,564</u>	<u>47,479</u>

**(i) *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.

**(ii) *Hong Kong Profits Tax***

Hong Kong Profits Tax rate was 16.5% for the year ended 31 December 2025 (2024: 16.5%). No Hong Kong Profits Tax was provided for as there was no estimated assessable profits that are subject to Hong Kong Profits Tax for the years ended 31 December 2025 and 2024.

**(iii) *PRC Corporate Income Tax***

Subsidiaries established and operating in the Chinese Mainland are subject to the PRC Corporate Income Tax at the rate of 25% for the year ended 31 December 2025 (2024: 25%), except for a subsidiary of the Group which has been approved as small and low-profit enterprise and is subject to a preferential income tax rate of 5%.

## 6 EARNINGS/(LOSS) PER SHARE

### (a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2025 and 2024.

	2025	2024 (restated)
Profit/(loss) attributable to the owners of the Company (RMB'000)	<u>136,417</u>	<u>(26,089)</u>
Issued ordinary shares at 1 January (in '000)	138,194	138,194
Effect of shares held as treasury shares (in '000)	<u>(1,698)</u>	<u>(1,132)</u>
Weighted average number of ordinary shares in issue (in '000)	<u>136,496</u>	<u>137,062</u>
Basic earnings/(loss) per share (in RMB)	<u>1.00</u>	<u>(0.19)</u>

**(b) Diluted earnings/(loss) per share**

For the year ended 31 December 2025, the calculation of diluted earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year, after adjustment for the effects of convertible bonds.

	2025 <i>RMB'000</i>
Profit attributable to the owners of the Company	136,417
Add: Interest expenses on convertible bonds	99,813
Less: Gain on modification of convertible bonds	<u>(165,179)</u>
Profit attributable to the owners of the Company (diluted)	<u><u>71,051</u></u>
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)	<u>64,694</u>
Weighted average number of ordinary shares in issue (diluted) (in '000)	<u><u>201,190</u></u>
Diluted earnings per share (in RMB)	<u><u>0.35</u></u>

For the year ended 31 December 2024, convertible bonds were not included in the calculation of diluted loss per share as their inclusion would have been anti-dilutive. Accordingly, diluted loss per share for the year ended 31 December 2024 was the same as basic loss per share.

**7 TRADE RECEIVABLES**

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade receivables	<b>140,402</b>	131,960
Less: loss allowance	<u><b>(669)</b></u>	<u>(697)</u>
	<u><u><b>139,733</b></u></u>	<u><u>131,263</u></u>

All of the trade receivables are expected to be recovered within one year.

## 8 TRADE PAYABLES

As at 31 December 2025, the ageing analysis of trade payables, based on invoice date, is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 90 days	142,146	133,677
91 to 180 days	14,708	12,868
181 days to 1 year	5,534	5,802
Over 1 year	2,964	2,801
	<u>165,352</u>	<u>155,148</u>

All of the trade payables are expected to be settled within one year or are repayable on demand.

## 9 CONVERTIBLE BONDS

The movements of the convertible bonds are as follows:

	Convertible bonds RMB'000
<b>As at 1 January 2024 (restated)</b>	929,191
Interest expenses	108,490
Exchange adjustment	<u>21,690</u>
<b>As at 31 December 2024 and 1 January 2025 (restated)</b>	1,059,371
Interest expenses	99,813
Gain on modification of convertible bonds	(165,179)
Exchange adjustment	<u>(27,649)</u>
<b>As at 31 December 2025</b>	<u>966,356</u>

In 2018, the Company issued convertible bonds to Vanguard Glory and Hony Capital Fund VIII (Cayman), L.P. (“**Hony Fund VIII**”) separately, with an aggregate principal amount of approximately HKD1,241,880,000. These convertible bonds, contained conversion options, were non-interesting bearing with maturity dates being extended previously to 30 September 2025. On 12 June 2025, the Group successfully renegotiated with the bondholders, and the respective maturity date of the convertible bonds was extended to 30 September 2027. The modified convertible bonds are non-interesting bearing with conversion prices at HKD 18 or HKD 20 per share. A gain on modification of the convertible notes of RMB165,179,000 was recognised in profit or loss during the year ended 31 December 2025.

As a result of the change in functional currency of the Company as mentioned in note 2(c), the convertible bonds are recognised as compound financial instruments in accordance with the Group's accounting policies, and have been presented as such in both the current and comparative periods.

None of the convertible bonds was converted into ordinary shares of the Company during the year ended 31 December 2025 (2024: none).

## 10 DIVIDENDS

The Board of the Company does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

## 11 BORROWINGS

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Bank borrowings:		
– Secured but unguaranteed ( <i>Note a</i> )	<b>49,000</b>	62,100
– Unsecured but guaranteed ( <i>Note b</i> )	<b>10,000</b>	20,000
– Unsecured and unguaranteed	<b>10,000</b>	–
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Total borrowings carried at amortised cost	<b>69,000</b>	82,100
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*Notes:*

- (a) These bank loans are secured by the Group's trade receivables of RMB49,000,000 and bear interest rate at 2.6% per annum (2024: ranging from 3.0% to 3.2% per annum).
- (b) This bank loan is guaranteed by a subsidiary of the Group and bears interest rate at 2.6% per annum (2024: 3.2% per annum).

All of the bank borrowings are repayable within one year.

## INDUSTRY OVERVIEW

2025 is the final year of “China’s 14th Five-Year Plan” and the pivotal year for the high-quality development of the healthcare industry. In accordance with the Promoting the High-Quality Development of Public Hospitals issued by the General Office of the State Council, Chinese public healthcare institutions have set the establishment of a sound modern hospital management system as their core objectives, striving to implement the “Three Transformations” development requirements: shifting the development approach from scale expansion to quality and efficiency enhancement; transitioning the operational model from extensive management to refined management; and reorienting resource allocation from a focus on material factors to an emphasis on human talent and technological factors. The 2026 National Health Work Conference emphasized the importance of continuously advancing the primary healthcare strengthening program, stabilising the operation of secondary hospitals and expanding their rehabilitation and nursing functions, while regulating the scale and growth pace of tertiary hospitals and optimising their structure, and comprehensively enhancing the public welfare, accessibility, and service capabilities of medical and healthcare services.

While public healthcare institutions undergo rapid transformation and development, non-public healthcare institutions generally face operational pressures, including declining revenue scale, increasing costs for informatization and compliance, and talent attrition. There is an urgent need to reconstruct core competitiveness through differentiated positioning, specialized development, and digital intelligence empowerment, while keeping pace with industry trends.

### Strategy and Prospects

For us, practicing in accordance with the law, operating in compliance, and pursuing business innovation are our core strategic directions. In 2025, in the face of pressures on business development, the Group has always remained true to the founding mission of healthcare. The Group has established a normalized internal control inspections and dynamic assessment mechanisms to objectively evaluate design flaws and operational deviations in internal controls, which can promptly and accurately detect major hidden risks, building a closed-loop compliance management system of “Identification–Evaluation–Rectification–Verification–Improvement.” The Group has led and supervised the hospitals owned, managed and founded by the Group (the “**Group Hospitals**”) to anchor to established strategies, systematically formulating and implementing work plans across dimensions, including practice in accordance with the law, quality and safety management system construction, disciplinary development, talent cultivation, medical insurance management innovation, cost control, and performance management. This steadily enhanced their capabilities in identifying and responding to medical risks, as well as their capacity for standardized and refined operations. The Group has concentrated resources to develop specialized departments, solidifying the core competitiveness of Group Hospitals, based on the competitive strengths and disciplinary positioning of each hospital. Phased achievements have been attained in areas such as the construction of the specialties alliance, innovation and inheritance of traditional Chinese medicine, geriatric health services, and specialized outpatient clinic branding.

To further enhance operational efficiency, the Group continues to strengthen investments in information technology and supply chain system development. Through the implementation of the hospital resource planning (“HRP”) project, it has achieved comprehensive budgetary control across the Group and significantly improved resource coordination efficiency. The Group has independently developed information tools such as a full-cost accounting system and medical insurance clinical pathways, laying the initial groundwork for its digital transformation infrastructure. It has established a foundation for the future comprehensive introduction of artificial intelligence technology to support business innovation and transformation. The Group has expanded the scale of lean supply chain management, establishing supply networks in Hangzhou, Jiashan, and Shanghai to comprehensively ensure high-quality supply of the pharmaceuticals, medical devices and medical consumables across the Group Hospitals, further improving inventory turnover efficiency and reducing procurement costs.

In the face of further intensified market competition, excessive reliance on the medical insurance payment system, and fierce talent competition, the Group will continue to strengthen standardized management while formally launching its Innovation and Transformation Action Plan in 2026. Focusing on the upgrade of health consumption, it will strive to build a new service system “patient-centric, value-oriented, technology-supported”, with a focus on exploring four innovative directions: First, service philosophy innovation, shifting from “disease-centered” to “health-centered” care, exploring full-lifecycle health management models. Second, specialized departments development, focusing on patients’ needs to deeply expertise in specialty/specialized disease services. Third, diversifying revenue streams and increasing the proportion of non-medical insurance revenue. Fourth, technology empowerment: encouraging the transformation and application of new medical technologies, unleashing the innovation potential of data elements, and leveraging artificial intelligence to empower clinical and operational decision-making.

## REVIEW OF 2025 ANNUAL PERFORMANCE

### Results of Operations

#### *Revenue*

Our revenue increased by approximately 2% from approximately RMB1,442.3 million in 2024 to approximately RMB1,471.0 million in 2025. The table below sets forth the Group's revenue by segment and by services category for the years indicated:

	For the year ended	
	31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>	<b>1,471,013</b>	1,442,292
– General hospital services	<b>1,410,705</b>	1,303,405
– Hospital management services	<b>47,469</b>	124,057
– Sales of pharmaceutical products and others	<b>12,839</b>	14,830

#### *General hospital services*

Revenue from our general hospital services segment increased by approximately 8.2% from RMB1,303.4 million in 2024 to approximately RMB1,410.7 million in 2025. Revenue from this segment increased mainly due to the Cixi business combination.

#### *Hospital management services*

Revenue from our operating management services, supply chain services and other comprehensive management services, decreased by approximately 61.7% from approximately RMB124.1 million in 2024 to approximately RMB47.5 million in 2025. The decrease in revenue was mainly due to the reduction in comprehensive management services (such as hospital management services and supply chain services) provided to managed hospital after business combination.

### ***Cost***

Our cost increased by approximately 3.2% from approximately RMB1,166.5 million in 2024 to approximately RMB1,203.4 million in 2025. The increase in costs was mainly due to the business combination.

### ***Administrative expenses***

Our administrative expenses increased by approximately 11.2% from approximately RMB109.0 million in 2024 to approximately RMB121.2 million in 2025. The increase in administrative expenses was mainly attributable to the business combination.

### ***Finance income/(costs)***

Our finance income/(costs) increased by approximately RMB173.4 million from finance costs of RMB108.1 million in 2024 to finance income RMB65.3 million in 2025, and such increase was mainly attributable to an increased in gain on modification of convertible bonds of approximately RMB165.2 million.

### ***Earning for the year***

We recorded a net profit of approximately RMB139.0 million for the year ended 31 December 2025, representing an increase of approximately RMB112.7 million from the net profit of approximately RMB26.3 million for the Corresponding Period of Previous Year, mainly due to an increase in gain on modification of convertible bonds of approximately RMB165.2 million.

## LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2025, the current assets of the Company were approximately RMB1,098.8 million (31 December 2024: approximately RMB1,099.1 million) and current liabilities were approximately RMB678.4 million (31 December 2024: approximately RMB1,809.9 million). Net current assets were approximately RMB420.4 million (31 December 2024: net current liabilities of approximately RMB710.8 million). As at 31 December 2025, the current ratio was approximately 1.62, as compared with approximately 0.61 as at 31 December 2024.

As at 31 December 2025, borrowings of the Company were approximately RMB69.0 million (31 December 2024: approximately RMB82.1 million), the net gearing ratio (net gearing ratio equals borrowing balance divided by total assets) was approximately 2.7% (31 December 2024: 3.2%).

The Company primarily funds its operating requirements through cash flows generated from operating activities. For the year 2025, net cash generated from operating activities amounted to approximately RMB157.9 million (2024: approximately RMB212.1 million).

As at 31 December 2025, cash and cash equivalents amounted to approximately RMB665.7 million (31 December 2024: approximately RMB714.1 million).

The Directors believe that, after taking into account the available financial resources, the Group have 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 31 December 2025.

## RECENT DEVELOPMENTS

Time	Event
20 May 2025	On 20 May 2025, Cixi Honghe Medical Management Company Limited* (慈溪弘和醫療管理有限公司) (the “ <b>Purchaser</b> ”), an indirect non-wholly owned subsidiary of the Company, entered into an equity transfer agreement (the “ <b>Equity Transfer Agreement</b> ”) with Cixi Honghe Hospital* (慈溪弘和醫院) (the “ <b>Seller</b> ”), pursuant to which the Seller agreed to sell, and the Purchaser agreed to acquire, the entire equity interest in Cixi Honghe Property Management Company Limited* (慈溪弘和物業管理有限公司) (the “ <b>Target Company</b> ”) at a consideration of RMB49.47 million. Upon completion of the acquisition of the entire equity interest in the Target Company and the transactions contemplated under the Equity Transfer Agreement, the Target Company shall become a subsidiary of the Company, the financial results of which shall be consolidated into the consolidated financial statements of the Group.

For further details, please refer to the announcement of the Company dated 20 May 2025.

12 June 2025

On 12 June 2025, in accordance with the terms and conditions of the convertible bonds with an aggregate principal amount of HKD468.0 million issued by the Company to Vanguard Glory on 5 March 2018 (the “**Vanguard Glory Convertible Bonds**”), the Company and Vanguard Glory entered into a deed of amendment (the “**Vanguard Glory Deed of Amendment**”) to extend the maturity date of the Vanguard Glory Controvertible Bonds (the “**Vanguard Glory Alteration of Terms**”).

Pursuant to the Vanguard Glory Alteration of Terms, the maturity date of the Vanguard Glory Convertible Bonds has been extended from 30 September 2025 to 30 September 2027.

Save as revised by the Vanguard Glory Alteration of Terms, all of the terms and conditions of the Vanguard Glory Convertible Bonds remain unchanged and in full force.

On 12 June 2025, in accordance with the terms and conditions of the convertible bonds with an aggregate principal amount of approximately HKD773.9 million issued by the Company to Hony Fund VIII on 7 August 2018 (the “**Hony Fund VIII Convertible Bonds**”), the Company and Hony Fund VIII entered into a deed of amendment (the “**Hony Fund Deed of Amendment**”) to extend the maturity date of the Hony Fund VIII Convertible Bonds (the “**Hony Fund Alteration of Terms**”).

Pursuant to the Hony Fund Alteration of Terms, the maturity date of the Hony Fund VIII Convertible Bonds has been extended from 30 September 2025 to 30 September 2027.

Save as revised by the Hony Fund Alteration of Terms, all of the terms and conditions of the Hony Fund VIII Convertible Bonds remain unchanged and in full force.

As at the date of this announcement, the respective principal amount of the Vanguard Glory Convertible Bonds and the Hony Fund VIII Convertible Bonds remains outstanding in full, and Vanguard Glory and Hony Fund VIII has not exercised its respective conversion rights.

At the extraordinary general meeting of the Company convened on 30 June 2025, among other things, the Vanguard Glory Deed of Amendment, the Vanguard Glory Alteration of Terms contemplated thereunder, the Hony Fund Deed of Amendment and the Hony Fund Alteration of Terms contemplated thereunder have been approved by independent Shareholders.

For further details, please refer to the announcements of the Company dated 12 June 2025 and 30 June 2025 and the circular of the Company dated 13 June 2025.

## **EVENTS AFTER THE YEAR UNDER REVIEW**

The Group had no significant events after 31 December 2025 and up to the date of this announcement.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

Save as disclosed in this announcement, the Group did not undertake any material acquisitions and disposals of subsidiaries, associates and joint ventures from 1 January 2025 until 31 December 2025.

## **SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

As of 31 December 2025, 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.

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.

As at 31 December 2025, the Group was exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and HKD.

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

As at 31 December 2025, 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**”) and Zhejiang Honghe Zhiyuan Medical Technology Co., Ltd.\* (浙江弘和致遠醫療科技有限公司) (“**Zhiyuan Medical**”) has provided a joint liability guarantee for Zhejiang Jinhua Guangfu Oncological Hospital\* (浙江金華廣福腫瘤醫院) (“**Jinhua Guangfu Hospital**”) in favour of 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**”) in connection with the repayment obligations of Jinhua Guangfu Hospital up to a maximum outstanding amount of RMB173.0 million. Impeccable Success Limited (“**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 favor of China Construction Bank mentioned above will not exceed a maximum outstanding amount of RMB173.0 million. As at 31 December 2025, the principal amount of loan balance of Jinhua Guangfu Hospital was RMB106.7 million.

As at 31 December 2025, the Company has provided a corporate guarantee for Jinhua Guangfu Hospital in favor of 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**”) in connection with the repayment obligations up to a maximum outstanding amount of RMB104.0 million. As at 31 December 2025, the principle 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 in 2025. As at 31 December 2025, the outstanding amount of the loans was RMB49.0 million. These bank loans were secured by trade receivables held by Jiande Hospital.

On 17 April 2025, Jiande Hospital entered into a one-year loan agreement with Bank of Communications Jiande Branch. As at 31 December 2025, the outstanding amount of this loan was RMB10.0 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**”).

## FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025.

## **HUMAN RESOURCES**

As at 31 December 2025, we had a total of 1,809 employees (31 December 2024: 1,841). 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 year ended 31 December 2025, the total employee benefits expenses (including Directors' remuneration) were approximately RMB490.1 million (2024: approximately RMB446.7 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 or-regulated 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.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year under review, 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 31 December 2025, the Company did not have any treasury shares (as defined in the Listing Rules).

## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

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 as disclosed below, the Board considers that, during the year under review, 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. SHAN Guoxin has resigned as the chief executive officer of the Company (“**Chief Executive Officer**”) and Mr. ZHAO John Huan has resigned as the chairman of the Board with effect from 23 June 2020. On the same date, Mr. CHEN Shuai (“**Mr. CHEN**”) has been appointed as the chairman of the Board and the acting Chief Executive Officer. Mr. CHEN will only serve as the acting Chief Executive Officer until the Board appoints a new Chief Executive Officer. The Board is in the course of identifying suitable candidate to fill the position of Chief Executive Officer in order to comply with provision C.2.1 of the CG Code again, and believes that the appointment of Mr. CHEN as the acting Chief Executive Officer will ensure the normal operation of the Company in the meantime and is in the interests of the Company and its shareholders as a whole.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has adopted a code of conduct regarding the transactions of securities of the Company by the Directors and relevant employees (who likely possess inside information of the Company) on terms no less stringent than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. Having made specific enquiries with all Directors, the Company confirms that all Directors have complied with the Model Code throughout the year ended 31 December 2025.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference. The Audit Committee consists of three independent non-executive Directors, namely Mr. Zhou Xiangliang (Chairman), Mr. Dang Jinxue and Mr. Shi Luwen. The final results of the Group for the year ended 31 December 2025, including the accounting principles and practices adopted by the Group, have been reviewed by all the members of the Audit Committee. The Audit Committee is of the opinion that such financial statements comply with applicable accounting standards, the Listing Rules and all other applicable legal requirements.

## SCOPE OF WORK OF KPMG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

By Order of the Board  
**Hospital Corporation of China Limited**  
**CHEN Shuai**  
*Chairman*

Hong Kong, 26 March 2026

*As at the date of this announcement, the Directors of the Company are Mr. CHEN Shuai, 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.*

\* *For identification purpose only*