弘和仁愛
HOSPITAL CORPORATION

弘和仁愛醫療集團有限公司
Hospital Corporation of China Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code: 3869

2026
INTERIM REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lang Xiaofeng（郎曉峰）*(Chief Executive Officer)*
Mr. Pu Chengchuan（蒲成川）
Ms. Pan Jianli（潘建麗）

Non-executive Directors

Mr. Cao Yonggang（曹永剛）*(Chairman)*
Ms. Liu Lu（劉路）
Ms. Wang Nan（王楠）

Independent Non-executive Directors

Mr. Dang Jinxue（党金雪）
Mr. Zhou Xiangliang（周向亮）

AUDIT COMMITTEE

Mr. Zhou Xiangliang（周向亮）*(Chairman)*
Mr. Dang Jinxue（党金雪）

REMUNERATION COMMITTEE

Mr. Dang Jinxue（党金雪）*(Chairman)*
Mr. Pu Chengchuan（蒲成川）
Mr. Zhou Xiangliang（周向亮）

NOMINATION COMMITTEE

Mr. Cao Yonggang（曹永剛）*(Chairman)*
Ms. Pan Jianli（潘建麗）
Mr. Dang Jinxue（党金雪）
Mr. Zhou Xiangliang（周向亮）

COMPANY SECRETARY

Ms. Ho Wing Yan（何詠欣）*(ACG, HKACG (PE))*

AUTHORISED REPRESENTATIVES

Mr. Lang Xiaofeng（郎曉峰）
Ms. Ho Wing Yan（何詠欣）*(ACG, HKACG (PE))*

LISTING INFORMATION AND STOCK CODE

The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")
Stock Code: 3869

HEAD OFFICE IN THE PEOPLE'S REPUBLIC OF CHINA

Hospital Corporation of China Limited (the "**Company**", together with its subsidiaries, the "**Group**", "**we**", "**our**" and "**us**")
25/F, Hexa International Plaza
9 Chaoyangmen North Street
Dongcheng District, Beijing
The People's Republic of China ("**PRC**")

*Note: For details of changes of the Directors and Chief Executive Officer, as well as the composition of the Board and Committees during the six months ended 30 June 2026 (the "**Reporting Period**"), please refer to the section headed "CHANGES OF DIRECTORS AND CHIEF EXECUTIVE OFFICER" in this report.*

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 10, 70/F
Two International Finance Centre
No. 8 Finance Street
Central
Hong Kong

REGISTERED OFFICE

Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

COMPANY'S WEBSITE

www.hcclhealthcare.com

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square, Grand Cayman
KY1-1102, Cayman Islands

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)
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.

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 six months ended 30 June 2025 (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 4 of this report, 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), of which borrowings at a fixed interest rate amounted to approximately RMB60.0 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 Group's cash and cash equivalents were held mainly in Renminbi.

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 report, 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. The loan drawdown under the 2024 Credit Loan Agreement shall be repayable on the expiry date of the term of such loan, which shall be one year from the relevant drawdown date, and if such date is not a business day (a day (excluding Saturday, Sunday or public holiday) on which banks in the PRC are generally open for normal banking business, the "**Business Day(s)**"), it should be the first Business Day immediately following such repayment date. The accrued interest of such loan must be repaid at the same time. If the loan is not repaid on time, penalty interest and compound interest will be charged from the date as for an overdue loan. According to the 2024 Credit Loan Agreement, Jinhua Guangfu Hospital may make early repayments with the Company's consent. Jinhua Guangfu Hospital shall notify the Company of the repayment amount and repayment date five Business Days in advance. Interest on the early repayment will be calculated based on the actual loan period. On the agreed early repayment date, Jinhua Guangfu Hospital shall pay the principal and interest as specified by the Company.

According to Rule 14.22 of the Rules Governing the Listing of Securities on the Stock Exchange (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.

In addition, as the assets ratio as defined under Rule 14.07(1) of the Listing Rules 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 8%, the transactions contemplated under the 2024 Nanyang Guarantee Agreement, the 2024 CCB Guarantee Agreement, the CCB Pledge Agreement and the 2024 Credit Loan Agreement also constitute advance to an entity by the Group under Rule 13.13 of the Listing Rules and will together give rise to a general disclosure obligation of the Company under Rule 13.13 and Rule 13.15 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 ("**Vanguard Glory**"), 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 report, 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 report.

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests or short positions of our Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) to be entered into the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules were as follows:

Long positions in the Shares and underlying Shares of the Company

Name of Director	Capacity/Nature of interest	Number of Shares or underlying Shares	Approximate percentage of shareholding interest[2]
Ms. Liu Lu	Interest in controlled corporation	9,037,200[1]	6.54%

Notes:

(1) Ms. Liu Lu is one of the general partners of Hefei Kangyang Capital Management Partnership (Limited Partnership)(合肥康養資本管理合夥企業(有限合夥)) ("**Hefei Kangyang LP**"), which holds 55% of the equity interest in Anhui Zhong'an Health Investment Management Co., Ltd.(安徽中安健康投資管理有限公司)("**Anhui Zhong'an**"). Anhui Zhong'an is the general partner of Anhui Zhong'an Health Elderly Care Services Industry Investment Partnership (Limited Partnership)(安徽省中安健康養老服務產業投資合夥企業(有限合夥)) ("**Anhui Zhong'an LP**"), which is a limited partnership formed under the laws of the PRC as an investment vehicle and holds approximately 6.54% of the issued share capital of the Company. Ms. Liu Lu is a director of Anhui Zhong'an.

(2) As at 30 June 2026, the total number of issued shares of the Company was 138,194,000.

Long positions in associated corporation(s) of the Company

Name of Director	Name of Associated Corporation	Capacity/ Nature of Interest	Number of shares	Approximate Percentage of Shareholding Interest
Mr. Cao Yonggang	Exponential Fortune Group Limited [1]	Beneficial owner	255	25.5%[2]

Notes:

(1) Exponential Fortune Group Limited is an associated corporation of the Company within the meaning of Part XV of the SFO.

(2) As at 30 June 2026, the total number of shares of Exponential Fortune Group Limited in issue was 1,000 shares.

Save as disclosed above, as of 30 June 2026, so far as is known to the Directors, none of the Directors or the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified pursuant to Divisions 7 and 8 of Part XV of the SFO or to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, the following persons (other than the Directors and chief executives of the Company) had or were deemed or taken to have an interest and/or short position in the shares or the underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under Section 336 of the SFO, or who was, directly or indirectly, interested in 5% or more of the issued Shares of the Company:

Long positions in the Shares and underlying Shares of the Company

Name of shareholder	Capacity/Nature of interest	Number of shares or underlying shares of the Company	Approximate percentage of shareholding interest[6]
Vanguard Glory[1]	Beneficial owner	123,000,000	89.01%
Hony Capital Fund V, L.P.[2]	Interest in controlled corporation	123,000,000	89.01%
Hony Capital Fund V GP, L.P.[2]	Interest in controlled corporation	123,000,000	89.01%
Hony Capital Fund V GP Limited[2]	Interest in controlled corporation	123,000,000	89.01%
Hony Group Management Limited[2][3]	Interest in controlled corporation	161,693,985	117.01%
Hony Managing Partners Limited[2][3]	Interest in controlled corporation	161,693,985	117.01%
Exponential Fortune Group Limited[2][3]	Interest in controlled corporation	161,693,985	117.01%
Hony Fund VIII[3]	Beneficial owner	38,693,985	28.00%
Hony Capital Fund VIII GP (Cayman), L.P.[3]	Interest in controlled corporation	38,693,985	28.00%
Hony Capital Fund VIII GP (Cayman) Limited[3]	Interest in controlled corporation	38,693,985	28.00%
Mr. Zhao John Huan[4]	Interest in controlled corporation	161,693,985	117.01%
Anhui Zhong'an LP[5]	Beneficial owner	9,037,200	6.54%
Anhui Zhong'an[5]	Interest in controlled corporation	9,037,200	6.54%
Hefei Kangyang LP[5]	Interest in controlled corporation	9,037,200	6.54%
Anhui Chuanggu Equity Investment Fund Management Co., Ltd. (安徽創谷股權投資基金管理有限公司)[5]	Interest in controlled corporation	9,037,200	6.54%
Mr. Niu Yang[5]	Interest in controlled corporation	9,037,200	6.54%

Notes:

(1) Vanguard Glory is a wholly-owned subsidiary of Hony Fund V, L.P. and holds (a) 97,000,000 shares of the Company and (b) convertible bonds issued by the Company, which can be converted into 26,000,000 shares of the Company and represent approximately 18.81% of the issued share capital of the Company as of 30 June 2026. For further details, please refer to the section headed "Convertible Bonds" in this report.

(2) Hony Capital Fund V, L.P. is an exempted limited partnership formed under the laws of the Cayman Islands as an investment vehicle. The general partner of Hony Capital Fund V, L.P. is Hony Capital Fund V GP, L.P., whose general partner is Hony Capital Fund V GP Limited. Hony Capital Fund V GP Limited is wholly-owned by Hony Group Management Limited, 80% equity interest of which is held by Hony Managing Partners Limited, which in turn is wholly-owned by Exponential Fortune Group Limited. Exponential Fortune Group Limited is held as to 49% by Mr. Zhao John Huan. Mr. Zhao John Huan is a director of Hony Capital Fund V GP Limited, Hony Group Management Limited, Hony Managing Partners Limited and Exponential Fortune Group Limited.

(3) Hony Capital Fund VIII (Cayman), L.P. ("**Hony Fund VIII**") is an exempted limited partnership formed under the laws of the Cayman Islands as an investment vehicle. The general partner of Hony Capital Fund VIII (Cayman), L.P. is Hony Capital Fund VIII GP (Cayman), L.P., whose general partner is Hony Capital Fund VIII GP (Cayman) Limited. Hony Capital Fund VIII GP (Cayman) Limited is wholly-owned by Hony Group Management Limited, 80% equity interest of which is held by Hony Managing Partners Limited, which in turn is wholly-owned by Exponential Fortune Group Limited. Exponential Fortune Group Limited is held as to 49% by Mr. Zhao John Huan. Mr. Zhao John Huan is a director of Hony Capital Fund VIII GP (Cayman) Limited, Hony Group Management Limited, Hony Managing Partners Limited and Exponential Fortune Group Limited.

(4) Mr. Zhao John Huan is deemed to be interested in a total of 161,693,985 shares that are held by his controlled corporations, Vanguard Glory and Hony Fund VIII. Vanguard Glory holds 97,000,000 shares of the Company and holds convertible bonds issued by the Company that can be converted into 26,000,000 shares of the Company. Hony Fund VIII holds convertible bonds issued by the Company that can be converted into 38,693,985 shares of the Company. For details, please refer to the section headed "Convertible Bonds" in this report.

(5) Anhui Zhong'an LP is a limited partnership formed under the laws of the PRC as an investment vehicle. The general partner of Anhui Zhong'an LP is Anhui Zhong'an, which is jointly held as to 55% by Hefei Kangyang LP and as to 45% by Anhui Chuanggu Equity Investment Fund Management Co., Ltd.（安徽創谷股權投資基金管理有限公司）. Mr. Niu Yang is one of the general partners of Hefei Kangyang LP. Ms. Liu Lu is a director of Anhui Zhong'an.

(6) As of 30 June 2026, the total number of issued shares of the Company was 138,194,000.

CONVERTIBLE BONDS

Vanguard Glory Convertible Bonds

In view of the Group's substantial need to fund our future acquisitions, the Company and Vanguard Glory, a shareholder holding 70.19% of the Company's issued share capital, entered into a subscription agreement on 25 January 2018, pursuant to which, on 5 March 2018, the Company issued and Vanguard Glory subscribed for the convertible bonds (the "**Vanguard Glory Convertible Bonds**") in the aggregate principal amount of HKD468.0 million with an initial conversion price of HKD18.00 per conversion share. The Vanguard Glory Convertible Bonds will mature three years upon their issuance or may be converted into 26,000,000 ordinary shares of the Company (assuming the conversion rights are exercised in full and subject to adjustment). Upon maturity, the Company will redeem all outstanding Vanguard Glory Convertible Bonds at its principal amount.

On 17 December 2020, in accordance with the terms and conditions of the Vanguard Glory Convertible Bonds, the Company and Vanguard Glory entered into a deed of amendment to alter certain terms of the Vanguard Glory Convertible Bonds, pursuant to which, (i) the maturity date of the Vanguard Glory Convertible Bonds shall be extended from 5 March 2021 to 29 December 2023; and (ii) in the event that the shares of the Company cease to be listed or admitted to trading on the Stock Exchange, each bondholder shall have the right, at such bondholder's option, to require the Company to redeem, in whole or in part (i.e. rather than in whole only), such bondholder's Vanguard Glory Convertible Bonds. The alteration of certain terms of the Vanguard Glory Convertible Bonds was approved by the independent shareholders at the extraordinary general meeting of the Company held on 22 February 2021 and was approved by the Stock Exchange subsequently.

On 6 June 2023, the Company and Vanguard Glory entered into a deed of amendment in relation to the alteration of certain terms of the Vanguard Glory Convertible Bonds, pursuant to which, the maturity date of the Vanguard Glory Convertible Bonds shall be extended from 29 December 2023 to 30 September 2025, subject to and effective from fulfillment of the conditions precedent. The alteration of certain terms of the Vanguard Glory Convertible Bonds was approved by the independent shareholders at the extraordinary general meeting of the Company held on 31 July 2023 and was approved by the Stock Exchange subsequently.

On 12 June 2025, the Company and Vanguard Glory entered into a deed of amendment in relation to the alteration of certain terms of the Vanguard Glory Convertible Bonds, pursuant to which, the maturity date of the Vanguard Glory Convertible Bonds shall be extended from 30 September 2025 to 30 September 2027, subject to and effective from fulfillment of the conditions precedent. The alteration of certain terms of Vanguard Glory Convertible Bonds was approved by the independent shareholders at the extraordinary general meeting of the Company held on 30 June 2025 and was approved by the Stock Exchange subsequently.

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

Please refer to the announcements of the Company dated 25 January 2018, 17 December 2020, 22 February 2021, 6 June 2023, 31 July 2023, 12 June 2025 and 30 June 2025, and the circulars of the Company dated 29 January 2021, 7 July 2023 and 13 June 2025 for further details.

The market price of the Company's shares on 25 January 2018, being the date on which the terms of the issuance of the Vanguard Glory Convertible Bonds were determined, was HKD15.00 per share.

The net proceeds from the Vanguard Glory Convertible Bonds, after deducting all related costs and expenses, was approximately HKD467.0 million. The net proceeds of approximately HKD405.0 million were used to acquire Cixi Hongai Medical Management Co., Ltd. ("**Cixi Hongai**") in March 2018. The amount of the net proceeds approximately HKD62.0 million were used for hospital management businesses by the Group as of 31 December 2023. The Directors believe that it is fair and reasonable, and in the interests of the Company and its shareholders as a whole.

As at 30 June 2026, none of the Vanguard Glory Convertible Bonds has been converted into shares of the Company.

Dilution Impact on Earnings per Share

As calculated based on profit attributable to owners of the Company of approximately RMB15.3 million for the six months ended 30 June 2026, basic earnings per share amounted to RMB0.11 and diluted earnings per share of the Company amounted to RMB0.11.

Based on the implied internal rate of returns of the Vanguard Glory Convertible Bonds, the Company's share prices at the future dates at which it would be equally financially advantageous for the holders of the Vanguard Glory Convertible Bonds to convert were as follows:

Date	**30 September 2027**
	(HKD per Share)
Share price	18.0

Hony Fund VIII Convertible Bonds

On 29 May 2018, the Company and Hony Fund VIII entered into a share purchase agreement (the "**Share Purchase Agreement**") in relation to the sale and purchase of the entire equity interest in Oriental Ally Holdings Limited ("**Oriental Ally**"), a company incorporated in the British Virgin Islands with limited liability and owned by Hony Fund VIII, at a consideration of RMB630.0 million (equivalent to approximately HKD773.9 million).

Oriental Ally is an investment holding company, which directly owns 100% of the equity interest in Impeccable Success, which in turn directly owns 75% of the equity interest in Zhiyuan Medical (collectively referred to as the "**Target Group**"). The Target Group is principally engaged in the provision of management and consultation services to hospital (Jinhua Guangfu Hospital) in the PRC.

On 7 August 2018, the acquisition was completed, and Oriental Ally became a subsidiary of the Company. The Company directly holds 100% of the equity interest in Oriental Ally. Through Oriental Ally, the Company indirectly holds 75% of the equity interest in Zhiyuan Medical. The remaining 25% equity interest held by Hony Kangshou Management Consulting (Shanghai) Co., Ltd. shall be recognised as a non-controlling interest. The consideration was satisfied by the issuance of convertible bonds (the "**Hony Fund VIII Convertible Bonds**") in the aggregate principal amount of approximately HKD773.9 million by the Company to Hony Fund VIII on the completion date of the acquisition pursuant to the Share Purchase Agreement. On 7 August 2018, the Hony Fund VIII Convertible Bonds were issued in registered form in the denomination of HKD1.00 each provided that in no event shall any Hony Fund VIII Convertible Bonds be transferred, exchanged, converted or purchased in an aggregate principal amount less than HKD1.00. The Hony Fund VIII Convertible Bonds will mature five years from their issuance or may be converted into 38,693,985 ordinary shares of the Company (assuming the conversion rights are exercised in full and subject to adjustment) at the holder's option at the conversion price of HKD20.00 per conversion share (subject to adjustment to the conversion price). Upon maturity, the Company will redeem all outstanding Hony Fund VIII Convertible Bonds at its principal amount.

The market price of the Company's shares on 29 May 2018, being the date on which the terms of the issuance of the Hony Fund VIII Convertible Bonds were determined, was HKD20.10 per share.

On 6 June 2023, the Company and Hony Fund VIII entered into a deed of amendment in relation to the alteration of certain terms of the Hony Fund VIII Convertible Bonds, pursuant to which, the maturity date of the Hony Fund VIII Convertible Bonds shall be extended from 7 August 2023 to 30 September 2025, subject to and effective from fulfillment of the conditions precedent. All votes on all the proposed resolutions as set out in the notice of extraordinary general meeting dated 7 July 2023 were taken by poll at the extraordinary general meeting dated 31 July 2023 and was approved by the Stock Exchange subsequently.

On 12 June 2025, the Company and Hony Fund VIII entered into a deed of amendment in relation to the alteration of certain terms of the Hony Fund VIII Convertible Bonds, pursuant to which, the maturity date of the Hony Fund VIII Convertible Bonds shall be extended from 30 September 2025 to 30 September 2027, subject to and effective from fulfillment of the conditions precedent. The alteration of certain terms of the Hony Fund VIII Convertible Bonds was approved by the independent shareholders at the extraordinary general meeting of the Company held on 30 June 2025 and was approved by the Stock Exchange subsequently.

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

As at 30 June 2026, none of the Hony Fund VIII Convertible Bonds has been converted into shares of the Company.

Please refer to the announcements of the Company dated 29 May 2018, 6 June 2023, 31 July 2023, 12 June 2025 and 30 June 2025, and the circulars of the Company dated 24 June 2018, 7 July 2023 and 13 June 2025 for further details.

Dilution Impact on Earnings per Share

As calculated based on profit attributable to owners of the Company of approximately RMB15.3 million for the six months ended 30 June 2026, basic earnings per share amounted to RMB0.11 and diluted earnings per share of the Company amounted to RMB0.11.

Based on the implied internal rate of returns of the Hony Fund VIII Convertible Bonds, the Company's share prices at the future dates at which it would be equally financially advantageous for the holders of the Hony Fund VIII Convertible Bonds to convert were as follows:

Date	**30 September 2027**
	(HKD per Share)
Share price	20.0

Dilution Effect of the Conversion of the Vanguard Glory Convertible Bonds and the Hony Fund VIII Convertible Bonds

Set out below is the dilution effect on equity interest of the substantial shareholders upon the full conversion of the outstanding Vanguard Glory Convertible Bonds and the outstanding Hony Fund VIII Convertible Bonds.

Substantial Shareholders	As at 30 June 2026		Immediately upon full conversion of the Vanguard Glory Convertible Bonds and the Hony Fund VIII Convertible Bonds	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Vanguard Glory	97,000,000	70.19	123,000,000	60.62
Hony Fund VIII	0	0.00	38,693,985	19.07
Anhui Zhong'an LP	9,037,200	6.54	9,037,200	4.45

Note: the shareholding structure is shown for illustration purpose only and may not be exhaustive. Pursuant to the conversion restrictions under the terms and conditions of the above convertible bonds, their respective conversion rights may only be exercised to the extent that, immediately after such conversion, the Company will continue to be able to satisfy the public float requirements under the Listing Rules.

SHARE-BASED PAYMENT SCHEMES

(a) Post-IPO Share Appreciation Rights Scheme

We adopted a post-IPO share appreciation rights scheme (the "**Post-IPO SARs Scheme**") on 13 December 2016 to enable the Company to grant post-IPO share appreciation rights (the "**Post-IPO SARs**") to Post-IPO SARs Eligible Participants (as defined below) as rewards or returns for their contribution or potential contribution to the Company and/or any of its subsidiaries. The Post-IPO SARs Scheme does not involve the grant of options over new securities of the Company. Under the Post-IPO SARs Scheme, directors, employees, advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture partners and service providers of the Company or any of its subsidiaries (the "**Post-IPO SARs Eligible Participants**") who, in the sole opinion of the Board, have contributed to the Company and/or any of its subsidiaries will be entitled to receive cash payments determined based on the appreciation of the notional shares over a specified period pursuant to the Post-IPO SARs Scheme. The Post-IPO SARs Eligible Participants who accepted the offer do not have any voting rights and rights to dividends entitled by the shareholders of the Company.

Details of the Post-IPO SARs Scheme were set out in the Prospectus. Since the Listing Date and up to the date of this report, no Post-IPO SARs had been granted under the Post-IPO SARs Scheme.

(b) Share Award Scheme

The Company has adopted a share award scheme of the Company (the "**Share Award Scheme**") for a term of 10 years from 18 January 2021.

The following classes of participants (the "**SAS Eligible Participants**") are eligible for participation in the Share Award Scheme: (a) directors (including executive directors and non-executive directors) of the Company or any of its subsidiaries; (b) employees (including full-time and part-time), officers, agents or consultants of the Company or any of its subsidiaries; and (c) core management members of any hospital owned, managed and/or founded by the Group.

The Board or any committee delegated with the power and authority by the Board to administer the Share Award Scheme (the "**SAS Administration Body**") may, from time to time, at its absolute discretion select any SAS Eligible Participant (the "**SAS Selected Participant**") to be entitled to receive a grant of an award of Shares (the "**Share Award**"), either Shares subject to vesting criteria or restrictions or Shares granted directly to the SAS Selected Participants which the SAS Administration Body determines to be vested immediately upon acceptance without any vesting conditions, under the Share Award Scheme. The Share Award Scheme will be funded solely by the existing Shares and will not be funded by any new Shares.

The eligibility of any of the SAS Eligible Participant to a Share Award and/or the number of Shares to be granted shall be determined by the SAS Administration Body, taking into consideration matters such as the contribution of the relevant SAS Eligible Participant to the profits of the Group and the general financial condition of the Group. After the SAS Administration Body has determined the number of Shares to be granted and/or the SAS Selected Participants, it shall notify the trustee of the trust set up under the Share Award Scheme (the "**SAS Trustee**") and (if the SAS Selected Participants are identified) issue the grant letter to the SAS Selected Participants.

The purposes of the Share Award Scheme are (i) to encourage or facilitate the holding of Shares by the SAS Eligible Participants; (ii) to encourage and retain the SAS Eligible Participants to work with the Group; and (iii) to provide additional incentive for the SAS Eligible Participants to achieve performance goals, with a view to achieving the objectives of increasing the value of the Company and aligning the interests of the SAS Eligible Participants with the shareholders through ownership of Shares.

The Share Award Scheme offers a different form of incentive as compared to the Post-IPO SARs Scheme of the Company, since SAS Eligible Participants will be entitled to receive Shares upon vesting of the Share Awards under the Share Award Scheme, while the Post-IPO SARs Eligible Participants will only be entitled to receive cash payments determined based on the appreciation of the notional Shares over a specified period under the Post-IPO SARs Scheme. Given the difference in nature of the reward under the Share Award Scheme and the Post-IPO SARs Scheme, the Company believes that the Share Award Scheme will impose less pressure on the Group's cash flow position and enable the Company to prevent substantive cash outflow while allowing additional incentives to the Participants to contribute to the Group in the foreseeable future.

The remaining life of the Share Award Scheme is five years. No payment is required on acceptance of the Share Awards and for the Share Awarded.

Since the adoption of the Share Award Scheme on 18 January 2021 and up to the date of this interim report, no Share Award has been granted, vested, lapsed or cancelled pursuant to the Share Award Scheme.

As of 1 January 2026 and 30 June 2026, the number of shares available for grant under the scheme mandate of the Share Award Scheme was 13,819,400 (representing approximately 10% of the issued shares of the Company as at the date of this interim report). There is no service provider sublimit being defined under the Share Award Scheme.

The aggregated maximum number of Shares that the SAS Trustee may purchase must not exceed 10% of the Company's share capital in issue from time to time, i.e. 13,819,400 Shares (representing approximately 10% of the issued shares of the Company as at the date of this interim report).

As at 30 June 2026, the SAS Trustee has purchased 1,697,600 Shares pursuant to the Share Award Scheme, representing approximately 1.23% of the issued shares of the Company as at the date of this report. The remaining number of Shares which may be purchased by the SAS Trustee is 12,121,800, representing approximately 8.77% of the issued shares of the Company as at the date of this report.

Where any grant of Share Awards to a SAS Eligible Participant would result in the shares issued and to be issued in respect of all share awards granted to such person (excluding any share awards lapsed in accordance with the terms of the scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the shares of the Company in issue, such grant must be separately approved by shareholders of the Company in general meeting with such SAS Eligible Participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting. The Company must send a circular to the shareholders.

The vesting period for Share Awards shall not be less than 12 months, which is subject to the Board discretion.

Further details of the Share Award Scheme were set out in the announcement of the Company dated 18 January 2021.

PUBLIC FLOAT

Based on information that was publicly available to the Company and to the best knowledge of the Board, as at the date of this report, the Company maintained the public float requirement as prescribed under the Listing Rules of not less than 25%.

CHANGES 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, executive Director, chairman of 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.

CHANGES TO DIRECTORS' INFORMATION

Save as disclosed in this report, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

COMPLIANCE WITH 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.

COMPLIANCE WITH MODEL CODE

The Company has adopted a code of conduct regarding the transactions of securities of the Company by the Directors and the relevant employees (who likely possess inside information of the Company) (the "**Securities Dealing Code**") on terms no less stringent than the required standard set out in the Model Code as set out in Appendix C3 to the Listing Rules. Having made specific enquiries with all Directors and relevant employees of the Company, the Company confirms that all Directors and relevant employees of the Company have complied with the Model Code and the Securities Dealing Code during the Reporting Period.

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).

FINANCIAL INFORMATION

The Group's interim results for the six months ended 30 June 2026 have not been audited but have been reviewed by the Group's external auditor, KPMG, and by 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	
	Notes	**2026 RMB'000**	2025 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	6(a)	**(48,766)**	106,719
Profit before taxation	6	**76,483**	201,247
Income tax	7	**(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)	8(a)	**0.11**	1.13
– Diluted earnings per share (in RMB)	8(b)	**0.11**	0.24

The notes on pages 34 to 49 form part of this interim financial report.

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

The notes on pages 34 to 49 form part of this interim financial report.

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	9	**163,735**	175,667
Right-of-use assets	9	**69,027**	71,840
Intangible assets		**1,119,699**	1,126,973
Amounts due from related parties	11(a)	**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	10	**144,873**	139,733
Other receivables, deposits and prepayments		**8,908**	6,506
Amounts due from related parties	11(a)	**109,579**	125,426
Financial assets measured at fair value through profit or loss ("FVPL")	17	**24,157**	18,971
Term deposits		**105,681**	119,703
Restricted bank deposits		**292**	304
Cash and cash equivalents	12	**732,822**	665,673
		1,147,033	1,098,766
Current liabilities			
Trade payables	13	**132,244**	165,352
Contract liabilities		**1,129**	991
Accruals, other payables and provisions	14	**382,841**	408,063
Amounts due to related parties	11(b)	**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

The notes on pages 34 to 49 form part of this interim financial report.

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	**14,841**	14,841
Convertible bonds	15	**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

The notes on pages 34 to 49 form part of this interim financial report.

	Attributable to owners of the Company								
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Treasury shares RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Attributable to non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2025	123	435,304	892,089	(10,755)	(60,419)	(917,687)	338,655	237,968	576,623
Changes in equity for the six months ended 30 June 2025:									
Profit for the period	–	–	–	–	–	153,717	153,717	14,903	168,620
Remeasurement of defined benefit plan obligations	–	–	–	–	–	–	–	27	27
Exchange differences on translation of financial statements into presentation currency	–	–	–	–	16,098	–	16,098	–	16,098
Total comprehensive income	–	–	–	–	16,098	153,717	169,815	14,930	184,745
Dividends declared to non-controlling interests of subsidiaries	–	–	–	–	–	–	–	(34,076)	(34,076)
Balance at 30 June 2025 and 1 July 2025	**123**	**435,304**	**892,089**	**(10,755)**	**(44,321)**	**(763,970)**	**508,470**	**218,822**	**727,292**
Changes in equity for the six months ended 31 December 2025:									
Loss for the period	-	-	-	-	-	(17,300)	(17,300)	(12,291)	(29,591)
Remeasurement of defined benefit plan obligations	-	-	-	-	-	-	-	11,794	11,794
Exchange differences on translation of financial statements into presentation currency	-	-	-	-	11,333		11,333	-	11,333
Total comprehensive income	-	-	-	-	11,333	(17,300)	(5,967)	(497)	(6,464)
Transfer to PRC statutory reserves	-	-	2,237	-	-	(2,237)	-	-	-
Balance at 31 December 2025	**123**	**435,304**	**894,326**	**(10,755)**	**(32,988)**	**(783,507)**	**502,503**	**218,325**	**720,828**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – CONTINUED

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

	Attributable to owners of the Company								
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Treasury shares RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Attributable to non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2026	123	435,304	894,326	(10,755)	(32,988)	(783,507)	502,503	218,325	720,828
Changes in equity for the six months ended 30 June 2026:									
Profit for the period	–	–	–	–	–	15,336	15,336	27,627	42,963
Remeasurement of defined benefit plan obligations	–	–	–	–	–	–	–	(605)	(605)
Exchange differences on translation of financial statements into presentation currency	–	–	–	–	46,759	–	46,759	–	46,759
Total comprehensive income	–	–	–	–	46,759	15,336	62,095	27,022	89,117
Balance at 30 June 2026	123	435,304	894,326	(10,755)	13,771	(768,171)	564,598	245,347	809,945

The notes on pages 34 to 49 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

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

	Notes	Six months ended 30 June 2026 RMB'000	2025 RMB'000
Operating activities			
Cash generated from operations		**112,680**	86,914
Income tax paid		**(32,412)**	(43,655)
Net cash generated from operating activities		**80,268**	43,259
Investing activities			
Payments for purchase of property and equipment and intangible assets		**(11,166)**	(13,650)
Proceeds from disposal of property and equipment		**–**	3
Payments for purchase of financial assets measured at FVPL		**(5,010)**	(116,500)
Proceeds from disposal of financial assets measured at FVPL		**–**	159,863
Placement of term deposits		**(182,659)**	(127,716)
Redemption of term deposits		**196,681**	72,719
Assets acquisition through acquisition of a subsidiary		**–**	(19,758)
Interest received		**3,745**	2,696
Net cash generated from/(used in) investing activities		**1,591**	(42,343)
Financing activities			
Proceeds from borrowings		**20,000**	20,000
Repayment of borrowings		**(29,000)**	(39,000)
Capital elements of lease payments		**(3,003)**	(2,719)
Interest elements of lease payments		**(460)**	(376)
Dividends paid to non-controlling interests of subsidiaries		**(1,107)**	(29,185)
Settlement of redeemed bonds		**–**	(50,076)
Interest paid		**(824)**	(1,198)
Net cash used in financing activities		**(14,394)**	(102,554)
Net increase/(decrease) in cash and cash equivalents		**67,465**	(101,638)
Cash and cash equivalents at 1 January	12	**665,673**	714,120
Effects of foreign exchange rate changes		**(316)**	(72)
Cash and cash equivalents at 30 June	12	**732,822**	612,410

The notes on pages 34 to 49 form part of this interim financial report.

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, 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.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial information is unaudited, but has been reviewed by KPMG in accordance with International Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the International Auditing and Assurance Standards Board. KPMG's independent review report to the Board of Directors is included on page 50.

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.

4 REVENUE AND SEGMENT REPORTING – *continued*

(b) Segment results, assets and liabilities – *continued*

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

4 REVENUE AND SEGMENT REPORTING – *continued*

(b) Segment results, assets and liabilities – *continued*

	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 RMB'000	2025 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 PROFIT BEFORE TAXATION

(a) Finance (costs)/income

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Interest income on bank deposits	**1,985**	1,796
Interest income on loans to a related party	**1,760**	1,750
Gain on modification of convertible bonds (Note 15)	**–**	165,179
Interest expenses on convertible bonds (Note 15)	**(41,288)**	(59,162)
Interest expenses on bank borrowings	**(824)**	(1,198)
Finance expenses on redeemed bonds	**–**	(573)
Net foreign exchange loss	**(9,035)**	(526)
Others	**(1,364)**	(547)
	(48,766)	106,719

(b) Staff costs

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Wages, salaries, bonuses and other benefits	**219,433**	222,747
Defined benefit obligations	**1,625**	2,094
Contributions to defined contribution retirement plans	**20,502**	19,134
	241,560	243,975

6 PROFIT BEFORE TAXATION – *continued*

(c) Other items

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Cost of inventories	**306,722**	348,437
Depreciation charges:		
– owned property and equipment	**19,053**	22,646
– right-of-use assets	**2,813**	2,268
	21,866	24,914
Amortisation cost of intangible assets	**7,748**	7,770
	29,614	32,684

7 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.

7 INCOME TAX – *continued*

(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 Chinese Mainland 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 enterprise and are subject to a preferential income tax rate of 5%.

8 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

8 EARNINGS PER SHARE – *continued*

(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 15)	59,162
Less: Gain on modification of convertible bonds (Note 15)	(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

9 PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Right-of-use assets

During the six months ended 30 June 2026, the Group did not enter into any new lease agreements (six months ended 30 June 2025: additions of RMB14,777,000).

9 PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS – *continued*

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2026, the Group acquired items of property and equipment with a cost of RMB7,132,000 (six months ended 30 June 2025: RMB11,630,000).

Items of property and equipment with a net book value of RMB11,000 were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB213,000), resulting in a loss on disposal of RMB11,000 (six months ended 30 June 2025: RMB210,000).

10 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.

11 BALANCES WITH RELATED PARTIES

(a) Amounts due from related parties

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Trade in nature*	**163,231**	179,054
Less: loss allowance	**(72,132)**	(72,132)
	91,099	106,922
Non-trade in nature**	**100,356**	100,380
	191,455	207,302
Less: non-current portion***	**(81,876)**	(81,876)
Current portion	**109,579**	125,426

* These balances are non-interest bearing.

** The balance of RMB100,000,000 bears interest rate of 3.7% per annum (2025: 3.7% per annum) and the remaining balances are non-interest bearing.

*** The non-current portion of amounts due from related parties is measured at amortised cost and receivable in instalments after one year.

As at 30 June 2026, the amounts due from related parties are unsecured. As at 30 June 2026, the ageing analysis of the trade in nature amounts due from related parties, based on invoice date 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	**5,450**	8,647
91 to 180 days	**897**	8,173
Over 180 days	**84,752**	90,102
	91,099	106,922

11 BALANCES WITH RELATED PARTIES – *continued*

(b) Amounts due to related parties

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Non-trade in nature	**7,800**	7,843

The amounts due to related parties are unsecured, non-interest bearing and are repayable within one year or on demand.

12 CASH AND CASH EQUIVALENTS

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Cash at banks and on hand	**394,622**	272,273
Deposits with banks	**338,200**	393,400
Cash and cash equivalents in the condensed consolidated statement of cash flows	**732,822**	665,673

As of the end of the reporting period, cash and cash equivalents held in the Chinese Mainland amounted to RMB725,693,000 (2025: RMB655,970,000). Remittance of funds out of the Chinese Mainland is subject to relevant rules and regulations of foreign exchange controls promulgated by the PRC government.

13 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

14 ACCRUALS, OTHER PAYABLES AND PROVISIONS

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Accrued employee benefits	**100,152**	113,197
Payables to suppliers for purchase of property and equipment	**11,929**	15,321
Other taxes payables	**7,293**	7,245
Payable for undertaking on acquisition of non-controlling interests of a subsidiary	**239,788**	239,788
Loan from a non-controlling equity holder	**15,102**	14,841
Others	**21,185**	29,498
Financial liabilities measured at amortised cost	**395,449**	419,890
Provisions	**2,233**	3,014
	397,682	422,904
Less: non-current portion	**14,841**	14,841
Current portion	**382,841**	408,063

15 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 (Note 6(a))	59,162
Gain on modification of convertible bonds (Note 6(a))	(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 (Note 6(a))	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).

16 DIVIDENDS

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

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

The following table presents the fair value and fair value hierarchy of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value at 30 June 2026 RMB'000	Fair value measurements as at 30 June 2026 categorised into Level 2 RMB'000
At 30 June 2026		
Assets		
Financial assets at FVPL		
– Wealth management products	**24,157**	**24,157**

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS – *continued*

Financial assets and liabilities measured at fair value – *continued*

(i) Fair value hierarchy – continued

	Fair value at 31 December 2025 RMB'000	Fair value measurements as at 31 December 2025 categorised into Level 2 RMB'000
At 31 December 2025		
Assets		
Financial assets at FVPL		
– Wealth management products	18,971	18,971

During the six months ended 30 June 2026 and 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of wealth management products is the estimated amount that the Group would receive at the end of the reporting period, taking into account current market interest rates of instruments with similar risk profile.

(iii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the financial instruments carried at amortised cost were not materiality different from their fair values at the end of the reporting period.

18 MATERIAL RELATED PARTY TRANSACTIONS

(a) Material transactions with related parties

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Hospital management service income	**17,348**	23,817
Lease expenses	**–**	1,264
Interest income from loans to a related party	**1,760**	1,750

For transaction and balance of convertible bonds, please refer to Note 15.

(b) Provide guarantee for a related party

As at 30 June 2026, the Group has pledged the equity interests in one of its subsidiaries, Zhejiang Honghe Zhiyuan Medical Technology Co., Ltd., and also provided joint liability guarantees to various banks for loans granted to Jinhua Hospital. The maximum loan amount totalled RMB277,000,000. As at 30 June 2026, the principal amount of loan balance of Jinhua Hospital under these guarantees was RMB153,900,000 (2025: RMB166,700,000).

19 CAPITAL COMMITMENTS

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Contracted for acquisition of property and equipment	**3,502**	783
Authorised but not contracted for acquisition of property and equipment	**2,389**	1,400
	5,891	2,183

REPORT ON REVIEW OF INTERIM FINANCIAL REPORT

Review report to the board of directors of Hospital Corporation of China Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 27 to 49, which comprise the consolidated statement of financial position of Hospital Corporation of China Limited and its subsidiaries as at 30 June 2026 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, as issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of this interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, as issued by the International Auditing and Assurance Standards Board. A review of the interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2026 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

25 August 2026