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美中嘉和
CONCORD MEDICAL

CONCORD HEALTHCARE GROUP CO., LTD.
美中嘉和醫學技術發展集團股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2453)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended December 31, 2024, together with the comparative figures for the year ended December 31, 2023, which have been reviewed by the Audit Committee.

FINANCIAL HIGHLIGHTS

- Our revenue decreased by 27.9% from RMB538.7 million for the year ended December 31, 2023 to RMB388.3 million for the year ended December 31, 2024.
- Our gross loss increased by 3.3% from RMB65.1 million for the year ended December 31, 2023 to RMB67.2 million for the year ended December 31, 2024.
- Our net loss increased by 13.7% from RMB426.4 million for the year ended December 31, 2023 to RMB484.8 million for the year ended December 31, 2024.
- Our adjusted net loss/(non-HKFRS measure)[(1)] increased by 5.5% from RMB420.6 million for the year ended December 31, 2023 to RMB443.9 million for the year ended December 31, 2024.

Note:

(1) Adjusted net loss (non-HKFRS measure) represents loss for the year adjusted by listing expenses. Our listing expenses are expenses relating to our Listing. We believe that the non-HKFRS measure provides investors and management with greater visibility as to the underlying performance of our business operations and facilitates comparison of operating performance of other companies in our industry and of ourselves during different periods.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Revenue	4	**388,305**	538,650
Cost of revenue		**(455,553)**	(603,739)
Gross loss		**(67,248)**	(65,089)
Other income and other net gains		**62,682**	9,979
Provision for impairment loss on trade receivables		**(13,418)**	(8,907)
(Provision for)/reversal of impairment loss on other receivables		**(9,734)**	2,032
(Provision for)/reversal of impairment loss on amounts due from related parties		**(16,057)**	28,542
Selling and distribution expenses		**(48,875)**	(55,968)
Administrative expenses		**(210,482)**	(191,190)
Research and development expenses		**(31,184)**	(36,443)
Listing expense		**(40,959)**	(5,807)
Share of associates' results		**(953)**	(1,735)
Share of joint venture's result		**(354)**	–
Finance costs	5	**(109,267)**	(108,006)
Loss before income tax credit		**(485,849)**	(432,592)
Income tax credit	6	**1,031**	6,198
Loss and total comprehensive income for the year		**(484,818)**	(426,394)
Attribute to:			
Owners of the Company		**(443,223)**	(373,090)
Non-controlling interests		**(41,595)**	(53,304)
		(484,818)	(426,394)
Loss per share (expressed in RMB)			
Basic and diluted loss per share	8	**(0.62)**	(0.56)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
ASSETS AND LIABILITIES			
Non-current assets			
Interests in associates		**88,722**	89,679
Interests in a joint venture		**101,646**	–
Property, plant and equipment		**3,492,817**	3,316,973
Right-of-use assets		**437,532**	518,033
Intangible assets		**826,372**	851,667
Deposits, prepayments and other receivables		**22,275**	6,356
Amounts due from related parties		**207,852**	72,571
Deferred tax assets		**15,726**	21,316
		5,192,942	4,876,595
Current assets			
Inventories		**33,441**	40,347
Trade receivables	9	**51,480**	75,984
Deposits, prepayments and other receivables		**138,993**	171,690
Amounts due from related parties		**106,376**	1,205
Restricted cash		**46,211**	29,998
Financial assets at fair value through profit or loss ("**FVTPL**")		**132,575**	–
Cash and cash equivalents		**204,544**	40,577
		713,620	359,801
Current liabilities			
Trade payables	10	**(112,146)**	(127,069)
Accruals and other payables		**(558,916)**	(470,997)
Income tax payable		**(2,295)**	(2,466)
Contract liabilities		**(46,426)**	(55,941)
Amounts due to related parties		**(13,464)**	(45,967)
Lease liabilities		**(10,388)**	(21,317)
Bank and other borrowings		**(372,629)**	(461,527)
Convertible bond		**(19,600)**	(19,233)
		(1,135,864)	(1,204,517)
Net current liabilities		**(422,244)**	(844,716)
Total assets less current liabilities		**4,770,698**	4,031,879
Non-current liabilities			
Lease liabilities		**(101,712)**	(184,308)
Bank and other borrowings		**(2,705,590)**	(1,910,296)
Deferred tax liabilities		**(62,586)**	(68,090)
		(2,869,888)	(2,162,694)
Net assets		**1,900,810**	1,869,185

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
EQUITY			
Capital and reserves			
Share capital	11	**716,338**	676,918
Reserves		**931,559**	922,171
Equity attributable to owners of the Company		**1,647,897**	1,599,089
Non-controlling interests		**252,913**	270,096
Total equity		**1,900,810**	1,869,185

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the People's Republic of China (the "**PRC**") on July 23, 2008 with limited liability under the Companies laws of the PRC. The Company was listed on The Stock Exchange of Hong Kong (the "**Stock Exchange**") Limited on 9 January 2024. The address of Company's registered office is located at Room B311, 3/F, Block 7, No 48 Zhongguancun South Street, Haidian District, Beijing, People's Republic of China, 100013. The Company's principal place of business is located in the PRC.

The Company and its subsidiaries (the "**Group**") are principally engaged in leasing of radiotherapy and diagnostic imaging equipment, trading of radiotherapy and diagnostic imaging equipment, provision of management and technical services to hospitals and provision of premium cancer treatment services.

The directors consider the Company's immediate holding company is Medstar (Shanghai) Enterprise Management Co., LTD ("**Shanghai Medstar**"), a limited liability company established in PRC. The ultimate holding company is Morgancreek Investment Holdings Limited, a limited liability company incorporated under the laws of the British Virgin Islands.

2. NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS") ISSUED

2.1 Adoption of new and amendments to standards – effective on 1 January 2024

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of new and amendments to Hong Kong Financial Reporting Standards (the "HKFRSs") and Hong Kong Accounting Standards (the "HKASs") and interpretations that are first effective for the current accounting period of the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ("**2020 Amendments**") and Non-current Liabilities with Covenants ("**2022 Amendments**")
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HK Int 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The Group has not applied any new standards, interpretations and amendments that is not yet effective for the current accounting period. Impacts of the adoption of the new and amendments to HKFRSs are discussed below.

Amendments to HKAS 1 — Classification of Liabilities as Current or Non-current ("2020 Amendments") and Non-current Liabilities with Covenants ("2022 Amendments"), (collectively the "HKAS 1 Amendments")

The HKAS 1 Amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 Amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

2. NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS") ISSUED (CONTINUED)

2.1 Adoption of new and amendments to standards – effective on 1 January 2024 (Continued)

Amendments to HKAS 1 — Classification of Liabilities as Current or Non-current ("2020 Amendments") and Non-current Liabilities with Covenants ("2022 Amendments"), (collectively the "HKAS 1 Amendments") (Continued)

The 2022 Amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

Upon the adoption of the amendments, the Group has reassessed the classification of its liabilities as current or non-current and did not identify any reclassification to be made.

Amendments to HKFRS 16 — Lease Liability in a Sale and leaseback

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

Amendments to HKAS 7 — Supplier Finance Arrangements

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on these financial statements as the Group has not entered into any supplier finance arrangements.

2.2 New standards, interpretations and amendments not yet effective

At the date of the report, certain new and amendments to HKFRSs have been issued but are not yet effective and have not been adopted early by the Group. The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amendments to HKFRSs is provided below.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability[1]
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HK Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

2. NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS") ISSUED (CONTINUED)

2.2 New standards, interpretations and amendments not yet effective (Continued)

[1] Effective for annual periods beginning on or after 1 January 2025 with earlier application permitted.

[2] Effective for annual periods beginning on or after 1 January 2026 with earlier application permitted.

[3] Effective for annual periods beginning on or after 1 January 2027 with earlier application permitted.

[4] The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

The Group is currently assessing the effect of these new accounting standards and amendments.

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The adoption of HKFRS 19 is optional. HKFRS 19 specifies the disclosure requirements that an entity is permitted to apply to substitute the disclosure requirements in other HKFRS Accounting Standards. The Company's shares are listed and traded in The Stock Exchange of Hong Kong Limited. Therefore, it has public accountability according to HKFRS 19 and does not qualify for electing to apply the standard to prepare its financial statements.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations (hereinafter collectively referred to as the "**HKFRS**") issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosure required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3.2 Basis of measurement and going concern assumption

The consolidated financial statements have been prepared on the historical cost basis except for financial products and the derivative component of the convertible bond, which are stated at their fair values and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

3. BASIS OF PREPARATION (CONTINUED)

3.2 Basis of measurement and going concern assumption (Continued)

For the year ended 31 December 2024, the Group incurred a loss of RMB484.8 million and had net current liabilities of RMB422.2 million. Nevertheless, the consolidated financial statements have been prepared on the going concern basis because the Directors are of the view that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow forecast of the Group covering a period from the end of the reporting period up to 31 December 2025 (the "**Forecast Period**"). In the preparation of the cash flow forecast, the following is taken into consideration:

(i) The Group has unused credit line of approximately RMB1,051.3 million at the date of approval of the consolidated financial statements;

(ii) The Group had financial assets at fair value through profit or loss ("**FVTPL**") amounted to RMB132.6 million as at 31 December 2024, which is readily convertible into cash at its principal amount if required. The financial assets at FVTPL could be realised with minimal transaction cost;

(iii) On 16 December 2024, the proton therapy center at Guangzhou Concord Cancer Hospital commenced full-sale clinical operation. After the start-up of the proton therapy center, the Group would be able to improve its sales performance to ensure the stability and sustainable operation of the Group's business.

(iv) The Group has strengthened its cost control to preserve liquidity by reducing administrative costs and deferring capital expenditures that are not of higher priority. The Group will continue to actively explore additional measures to further enhance cost efficiency.

Based on the cash flow projection over the Forecast Period, and in the absence of any adverse unforeseen circumstances, the Directors had a reasonable expectation that the Group would be able to comply with all financial and debt covenants within the Forecast Period. Notwithstanding that there are inherent uncertainties associated with the future outcomes of the Group's plans in the cashflow projection, including whether the Group is able to improve the financial performance and maintain its banking facilities, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

3.3 Functional and presentation currency

The functional currency of the Company is Renminbi ("**RMB**"), which is same as the presentation currency of the Company.

4. REVENUE

The disaggregation of revenue from contracts with customers by major service and product lines and from other sources lines and timing of revenue recognition are as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers		
By major service and product lines		
Hospital Business		
Cancer hospital and clinics	**271,579**	319,967
Medical Equipment, Software and Related Services		
Sales and installation of medical equipment and software	**99,281**	178,326
Management and technical support	**6,969**	23,164
	377,829	521,457
Revenue from other source		
Medical Equipment, Software and Related Services		
Operating lease income	**10,476**	17,193
Total revenue	**388,305**	538,650

	2024	2023
	RMB'000	*RMB'000*
Timing of revenue recognition		
Over time	**82,315**	117,943
At a point in time	**295,514**	403,514
Revenue from contracts with customers	**377,829**	521,457

Unsatisfied performance obligations

For management and technical support services, the Group recognizes revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance completed to date, on a monthly basis. The Group has elected the practical expedient for not to disclose the transaction price allocated to the remaining performance obligations for these type of contracts. The majority of management and technical support contracts are for periods of more than one year with variable consideration based on profit. Hence, the transaction prices allocated to these performance obligations are not disclosed. The term of the contracts for medical service is generally set to expire when the counterparties notify the Group that the services are no longer required. For sales and installation of medical equipment and software, they are rendered in short period of time, and so the Group has elected the practical expedient for not to disclose the transaction price allocated to the remaining performance obligations for these type of contracts.

5. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest charge on bank and other borrowings	**151,101**	150,834
Interest charge on lease liabilities	**10,531**	14,489
Interest charge on convertible bond	**966**	950
Total interest expenses for liabilities not classified as at FVTPL	**162,598**	166,273
Less: amounts included in the cost of qualifying assets	**(53,331)**	(58,267)
	109,267	108,006

6. INCOME TAX CREDIT

	2024	2023
	RMB'000	*RMB'000*
Current tax		
Current year	**3**	66
Overprovision for previous years	**–**	–
Deferred tax		
Credited to profit or loss for the year	**(1,034)**	(6,264)
	(1,031)	(6,198)

7. DIVIDENDS

No dividend was paid or proposed during the years ended 31 December 2024 and 2023, nor has any dividend been proposed since the end of reporting period.

8. LOSS PER SHARE

	2024	**2023**
Loss attributable to the owners of the Company (RMB'000)	**(443,223)**	(373,090)
Weighted average number of ordinary shares in issue (thousand shares)	**715,475**	664,712
Basic loss per share attributable to the owners of the Company (RMB per share)	**(0.62)**	(0.56)

Note: Diluted loss per share were the same as the basic loss per share as the assumed conversion of convertible bonds issued by Beijing Healthingkon will result in reduction in loss per share for the years ended 31 December 2024 and 2023.

9. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**97,985**	109,145
Less: allowance for impairment	**(46,505)**	(33,161)
	51,480	75,984

As at 31 December 2024 and 2023, the trade receivables were denominated in RMB.

Except for certain customers being granted approximately 90 days of credit term, there is no credit term granted by the Group to its trade customers. Based on the date of delivery of goods or services which approximated the respective dates on which revenue was recognized, the aging analysis of the Group's net amount of trade receivables at the end of each reporting period is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**12,630**	25,660
4-6 months	**7,362**	18,723
7-12 months	**9,409**	18,907
1-2 years	**22,079**	12,694
Total	**51,480**	75,984

10. TRADE PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**112,146**	127,069
	112,146	127,069

An ageing analysis of the Group's trade payables based on the invoice date as at the end of each reporting period is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**40,223**	101,678
More than 1 year but within 2 years	**59,290**	24,401
More than 2 years but within 3 years	**11,719**	922
More than 3 years	**914**	68
	112,146	127,069

11. SHARE CAPITAL

		2024		2023	
		Number	**Amount**	Number	Amount
	Notes	***'000***	***RMB'000***	*'000*	*RMB'000*
Authorized, issued and fully paid:					
At 1 January		**676,918**	**676,918**	648,723	648,723
Share allotment	(i)	**–**	**–**	28,195	28,195
Issue of shares upon listing	(ii)	**39,420**	**39,420**	–	–
At 31 December		**716,338**	**716,338**	676,918	676,918

(i) Pursuant to an agreement signed among the Group and CSPC NBP Pharmaceutical Co., Ltd. On June 2023, the Company allotted and issued 28,195,000 shares of RMB1 each to CSPC NBP Pharmaceutical Co., Ltd. at the consideration of RMB300,000,000. The excess over the Company's share capital amounted to RMB271,805,000 was recognized as capital reserve of the Company.

(ii) In connection with the Company's issue of new shares upon listing, the Company allotted and issued 39,420,000 shares of RMB1.00 each at a price of HK$14.28 per share on 9 January 2024. The gross proceeds from issuance of new shares of approximately RMB517,886,000 (equivalent to approximately HK$562,920,000) of which approximately RMB39,420,000 (equivalent to approximately HK$43,466,000) was credited to the Company's share capital, and the remaining balance of approximately RMB478,466,000 (equivalent to approximately HK$519,454,000) before deduction of share issuance expenses of RMB29,152,000, was credited to capital reserves account. The capital reserves can be used for deduction of share issuance expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Hospital Business

The Group focuses on the high-end oncology healthcare sector. As of the date of this announcement, the Group owns and operates four offline self-operated medical institutions dedicated to providing comprehensive and specialized medical services to cancer patients. These institutions are primarily located in Guangzhou and Shanghai, covering the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Delta region, delivering high-quality medical care to many patients.

1. *Guangdong-Hong Kong-Macao Greater Bay Area*

   In the *Guangdong-Hong Kong-Macao* Greater Bay Area, the Group has independently built and operated the Guangzhou Concord Cancer Hospital, a tertiary specialized cancer hospital with a total planned floor area exceeding 100,000 square meters. Located in the China-Singapore Guangzhou Knowledge City, the hospital is one of the first key high-tech medical service projects launched in the Knowledge City. Leveraging government support policies and industrial park resources, the hospital is equipped with multiple clinical departments and digitally integrated Class 100 laminar flow operating rooms. It employs world-leading treatment modalities such as proton therapy and precision radiotherapy to ensure high-quality diagnostic and therapeutic services for patients. On December 16, 2024, the proton therapy center at Guangzhou Concord Cancer Hospital commenced full-scale clinical operations, marking the first proton therapy system officially operational in South China (excluding Hong Kong and Macao). Patients from across China and even Southeast Asia can now access advanced proton therapy closer to home. This milestone signifies a transformative step for the Group in the high-end medical service market, with expectations for substantial revenue and profit growth, enhanced competitiveness in the same market, and significant benefits for cancer patients.

2. *Yangtze River Delta Region*

   In the Yangtze River Delta, the Group's Shanghai Imaging Center utilizes cutting-edge imaging equipment for disease screening and diagnosis. Shanghai GP Clinic collaborates closely with the Imaging Center to provide comprehensive services for patients requiring further examination. Additionally, Shanghai Concord Medical Cancer Center, situated in Shanghai's bustling Xintiandi area, serves as a day-care center for chemotherapy and radiotherapy, offering integrated cancer diagnosis, radiotherapy, and chemotherapy services. The Shanghai Concord Medical Cancer Hospital ("**Shanghai Hospital**") under construction will be a standardized tertiary specialized cancer hospital with a focus on precision radiotherapy. Spanning nearly 160,000 square meters and strategically partnered with the top oncology medical institutions, the hospital will adhere to international healthcare accreditation standards. The Shanghai Hospital has comprehensively relevant departments and is equipped with diagnosis and treatments equipment such as world-leading proton therapy (pending installation), aiming to provide patients in the Yangtze River Delta region with more precise and world-leading diagnosis and treatment services. The Shanghai Hospital is located in located in New Hongqiao International Medical Center with a superior location and convenient transportation. It will be complementary to the Shanghai Imaging Center to jointly create a model for the operation of oncology specialty hospital to attract more patients to seek medical treatment, achieving multi-discipline collaborative treatment.

Medical Equipment, Software and Related Services

Relying on its rich experience in the field of oncology treatment and hospital operation, the Group has launched a light-asset business model of medical equipment, software and related services, which is designed to serve enterprise customers and end hospitals, especially medical institutions in second or third-tier cities. Facing the challenge of uneven distribution of oncological medical resources, the Group is committed to assisting partnered hospitals to improve their radiation therapy and diagnostic imaging capabilities through supplying advanced medical equipment and providing professional technical empowerment and operation and management support. To this end, the Group has established an extensive network covering medical institutions, research institutions and equipment manufacturers to lay a solid foundation for the sustainable growth of business. Since 2019, the Group has launched CSS (Cloud + Software + Service), covering cloud platforms, software, and related services, and improving the efficiency and accuracy of disease diagnosis and treatment through platforms such as Jiahe Yunying and Jiahe Feiyun. By integrating online and offline resources, the Group provides remote services via cloud platforms to meet the all-round needs of enterprise customers. Whether it is equipment supply, technical support or leasing services, the Company provides flexible cooperation and price arrangements to meet the specific needs of different customers.

Business Updates

Implementation of Proton Therapy Technology

In 2024, as one of the first private medical institutions approved by China's National Health Commission under the "14th Five-Year Plan" to equip proton therapy systems (note: According to the policy adjustment in February 2024, eight new proton heavy ion equipment configuration licenses for private medical institutions were added nationwide during the 14th Five-Year Plan period, which is implemented on an annual basis), the Group successfully operationalized proton therapy technology. As the first of the five approved institutions in this round to put into clinical application (the first licensing list in September 2024 comprises five private medical institutions including Guangzhou Concord Cancer Center), the Proton Center of Guangzhou Hospital was officially opened in December. This progress not only responds to the national policy direction of encouraging private medical institutions to provide differentiated medical services, but also confirms the Group's leading edge in technological reserves and operational capabilities.

Proton therapy, often hailed as the "crown jewel of radiotherapy" for its precision, functions like a "controllable missile". Unlike conventional radiotherapy, which damages healthy tissues as it penetrates the body, proton therapy releases energy precisely at the tumor site and rapidly dissipates, minimizing harm to surrounding organs. It is particularly suitable for pediatric patients and tumors in sensitive areas. Its precision reduces long-term damage to critical organs like the heart and spinal cord, and doctors can also safely increase the radiation dose to the tumor area to enhance the efficacy of difficult-to-treat cancers. Due to lower damage to normal tissues, and the fact that patients suffer fewer side effects and recover faster, it is a preferred option for specific patients to balance efficacy and safety.

As of February 28, 2025, Guangzhou Hospital has served dozens of patients, 15 of whom have successfully completed the entire course of treatment. The age range of patients spans across the age group from as low as 4 years old up to 75 years old and a wide range of solid tumors, including thoracic tumors, gastrointestinal tumors, nasopharyngeal carcinoma, and breast cancer. This wide range of indications and age group coverage not only reflects the universality and advancement of proton therapy technology but also provides diversified treatment options for different types of patients. As the first non-public medical institution in South China to obtain the qualification to operate proton therapy, the Group is promoting precision radiotherapy technology to benefit more patients through the trinity development model of technology introduction, payment innovation and primary care empowerment, helping China's tumor treatment to reach new heights. It also lays a solid foundation for the internationalized development of Concord Healthcare, which will be able to better serve patients around the world in the future.

Three-Dimensional Strategic Deployment to Build Competitive Barriers

The Group has taken the Yangtze River Delta and Guangdong-Hong Kong-Macao Greater Bay Area as its core strategic pivots, forming a three-dimensional service pattern radiating to Southeast Asia and penetrating the grassroots market. As the first proton therapy center in South China, Guangzhou Hospital, relying on the advantages of location and application of leading tumor diagnostic and treatment technologies, will deepen its services to high-net-worth patients in Guangdong-Hong Kong-Macao Greater Bay Area in 2024, and at the same time explore the Southeast Asian market and establish a green channel for international patient referrals. For highly prevalent tumors in Southeast Asia (e.g. nasopharyngeal cancer), the Group will launch customized diagnostic and treatment packages and build a cross-border medical payment protection system with regional insurance institutions, so as to effectively break down barriers to the accessibility of quality medical resources. In the construction of primary healthcare network, the Group has innovatively implemented the model of "technology empowerment + resource sharing" by establishing "collaborative centers" with public hospitals in second-and third-tier cities, and offering technical services such as remote planning of radiotherapy and multidisciplinary consultation (MDT). We help primary hospitals to improve their radiotherapy capabilities and form a "central hospital-satellite institutions" network, so that quality medical resources can effectively benefit the public and expand the coverage of services.

Industry Chain Synergy and Payment Innovation

Relying on the advantages of group operation, we innovate the whole-cycle management service of medical devices and significantly reduce the operating costs of primary medical institutions through the flexible supply system of radiotherapy supporting equipment. Meanwhile, the Group has joined hands with a leading Chinese medical imaging equipment company to carry out joint research on proton therapy supporting equipment, breaking through the monopoly and dependence on imported equipment and realizing the leapfrog development of China-made key equipment.

In terms of medical payment and insurance innovation, the Group has cooperated with well-known insurance companies to launch "Proton Therapy Specialized Insurance", which has significantly increased the accessibility of international advanced diagnostic and therapeutic technologies to middle-class patients. On the other hand, the Group is actively exploring an insurance model based on efficacy: for indications such as early-stage lung cancer, payment will be made in installments according to the efficacy of treatment. These two types of innovations break down the barriers to resource accessibility from the supply side and the payment side respectively, and build a synergistic healthcare-insurance ecosystem.

Continuous Output of Scientific Research

In 2024, the Group formed a three-tier research and development system comprising "national research projects, international research cooperation and clinical trials". During the year, the Group was selected by the Ministry of Industry and Information Technology and the National Health Commission of the People's Republic of China to participate in the "2024 High-end Medical Equipment Promotion and Application Project", giving full play to the Group's technological advantages in the field of precision radiotherapy for tumors, and promoting the research and development as well as the clinical application of precision medical equipment, so as to ensure that technological research and development are always in line with clinical needs, and contributing to the independent innovation and development of the radiotherapy industry in China. Meanwhile, the project of "Demonstration of Tumor Radiotherapy Application based on Domestic Innovative Radiotherapy Equipment (基於國產創新放療設備的腫瘤放療應用示範)", one of the special projects of "Diagnostic and Therapeutic Equipment and Biomedical Materials" of the national key research and development program, in which the Group participated, has been approved and funded. The Group will focus on the application of informatization, intelligence and remote technology of radiotherapy based on domestically produced innovative equipment, comprehensive demonstration and construction of hierarchical diagnosis and treatment system.

At the level of international cooperation, the research project jointly carried out by Guangzhou Hospital and Mayo Clinic of the United States was approved by the National Institutes of Health of the United States for the R01 project, which has gained recognition for its research strength in the international arena.

At the clinical research level, four new special clinical studies on proton therapy and one quality assurance study on radiotherapy were conducted. During the year, the Company was awarded 2 national utility model patents and published 16 SCI papers, of which 9 were first-authored (including co-authored) and corresponding authors.

Crossing Borders, Building Bridges for Medical Cooperation

During the Reporting Period, the Group continued to deepen its cooperation and communication with top international medical institutions:

(1) Successfully deepened the cooperation with top medical oncology institutions: 1) the Group organized the 4th Joint Annual Academic Conference, with online viewers exceeding 1 million; 2) top medical oncology institutions participated in the publicity activities for the prevention and treatment of cancer patients in China, with nearly 5,000 attendees participating in the exchanges; 3) regular oncology symposiums: symposiums on medical oncology and radiotherapy are conducted almost monthly; 4) workshop exchanges on hospital operation and management (human resource management, performance evaluation, etc.)

(2) On the other hand, we have successfully deepened the cooperation with top comprehensive medical institution in the United States: 1) we continue to provide international consulting services for patients in need, and invite international experts to provide second opinions for patients; 2) experts from top comprehensive medical institution in the United States have been invited to carry out international academic exchanges as guests of the first "International Forum on Proton Radiotherapy"

Medical Equipment, Software and Related Services Business

Relying on its regional network advantage, the Group has formed a deep coverage in key regions such as Eastern China and Southern China, serving nearly 100 medical institutions in total. The Group's speed of localized response is industry-leading and has won high recognition from its customers. The Group's service chain covers a wide range of areas such as equipment maintenance, talent cultivation and departmental co-construction, forming a close customer relationship and increasing customer stickiness. The Group has responded to the national policy on primary care capacity building by expanding its business scope and extending its services to second-and third-tier cities. In particular, the Group is committed to sharing standardized imaging and radiotherapy department construction solutions to county hospitals, which has effectively filled the disadvantages of oncology diagnosis and treatment that is difficult for primary care providers to tackle. With the recent comprehensive cooperation with Shenmu Hospital in Shaanxi Province (one of the first batch of "Thousand Counties Project" Class 3B hospitals ("千縣工程"三級乙等醫院) in China), the Group's Guangzhou Hospital will continue to provide comprehensive support to Shenmu Hospital, promote the interoperability of technology, talents and management experience, and actively contribute to the overall enhancement of the clinical diagnosis and treatment capabilities of the two hospitals, as well as the gradual sharing of healthcare resources, so as to jointly enhance the healthcare experience of oncology patients in the region.

In response to the lack of standardization in planning quality control, equipment quality control and process quality control of low-tier cities and county-level medical institutions, the Group continued to improve the remote quality control platform. The platform can realize the automatic collection and centralized management of quality control data, and help primary medical institutions achieve standardized quality control management. At the same time, the Group has developed an automatic review software for radiotherapy data, which not only saves manpower and time costs, but also avoids deviations caused by manual review. With the help of advanced radiotherapy equipment, the platform can also complete the 3D verification of the patient's treatment plan, as well as the quality assurance in the implementation of high-precision treatments such as Intensity-Modulated Radiation Therapy (IMRT) and Volumetric Modulated Arc Therapy (VMAT).

The Group's radiotherapy quality control cloud platform not only ensures that the radiotherapy plan can accurately irradiate the patient's tumor site, but also effectively ensures the accuracy and stability of the mechanical properties and radiation quality of the radiotherapy equipment. By unifying the quality control standards of different medical institutions and standardizing the quality control process, the quality of life of patients is maximized. In addition, the platform also helps primary medical institutions to master the use of medical equipment such as imaging radiotherapy more quickly, further improving their medical service capabilities and levels.

AI Business

The Group has given full play to its advantages of "high-quality medical data + real application scenarios", and has started to train a large tumor model with proton diagnosis and treatment as the core based on open source large models such as Deepseek and Qianwen, which will provide patients and doctors with accurate professional information related to tumor diseases, especially proton radiotherapy, in the future.

The medical artificial intelligence cloud platform (MAICOP) developed by the Group aggregates core products such as self-developed AINS-CARE (Magnetic Resonance Imaging Assisted Diagnosis Software for Nervous System Lesions), MAICOP Brain (3D Visualization Image Processing Software for Brain), Brain Age Assessment System and PETCT Assisted Diagnosis Software, as well as AI products related to chest, limb and bone age of strategic partners, which has made breakthrough the technical barriers of multi-mode imaging integration. PET-CT, MR, CT and other imaging equipment are adapted to provide medical institutions with a one-stop medical AI cloud platform solution. At the same time, the Group's self-developed AI-assisted diagnosis product lines of upper abdominal CT, mammography and gastroscopy have been fully launched, aiming to provide more comprehensive and complete AI cloud platform services for medical institution customers.

Moving forward, the Group will focus on the research and development of AI applications in the fields of oncology diagnosis and treatment and rehabilitation management, taking into account the Group's own strengths. In terms of strategic ecological construction, the Group will deepen industrial synergy: on one hand, the Group will carry out software and hardware integration innovation with renowned equipment manufacturers to deeply integrate AI diagnostic systems into medical equipment terminals; on the other hand, the Group will join hands with renowned integrated healthcare service industry groups to push forward the research and development of medical large models to realize technological empowerment.

Talent Development

During the Reporting Period, the Group conducted a comprehensive talent pool review and established a file system for senior managers and key doctors in the hospital, laying a solid foundation for the construction of the talent pool. The Group has integrated basic medical courses into the training system for new employees, continuously improved the professional quality of medical and nursing technicians, and the pass rate of continuing education has steadily increased to more than 98%. At the same time, the Group organized a number of special training courses to focus on medical quality and safety, effectively improving the clinical practice ability and risk prevention awareness of physicians and comprehensively ensuring the quality of medical care.

The Group conducted in-depth exchanges with the world's top cancer medical institutions at the level of human resource management, conducted special discussions on leadership and management, and learned valuable experience from the world's leading cancer medical institutions in the construction and implementation of the hospital's talent echelon.

Social Responsibility

During the Reporting Period, the Group took a series of practical and effective measures to fulfill its social responsibility and enhance public relations, demonstrating the hospitals' high sense of social responsibility and good public image.

In terms of social responsibility, the Group's hospitals make regular donations to a number of charitable organizations every year, with a focus on supporting educational and medical humanities research projects, aiming to promote the development of medical humanities and the advancement of medical technology. The "Medicine and Humanity Research and Education Fund of Guangzhou Concord (廣州泰和醫學人文研究教育基金)", a project funded by the Group in 2024, has gained widespread attention and support from all sectors of the community. During the open application period, 119 outstanding applications were received nationwide, covering renowned universities such as Peking University, Tsinghua University, Renmin University of China, Sun Yat-sen University, Fudan University and many other medical organizations. After rigorous evaluation, 16 topics were finally awarded this year's fund, injecting new vitality into the innovation and development of medical humanities and medical technology. In addition, the Group also organizes free clinics on a regular basis for the benefit of residents in the surrounding communities.

In terms of the establishment of charitable funds, the hospitals have demonstrated the spirit of love without boundaries. On the one hand, the hospitals have set up a special fund for impoverished oncology patients to provide financial assistance to oncology patients with financial difficulties and help the disadvantaged groups to improve their living conditions; on the other hand, the hospitals have set up a special fund for life science summer camp activities. By integrating educational resources, the hospitals organized students from underdeveloped mountainous areas to explore the history and forefront of medical development in the form of a "life science summer camp" to enhance students' understanding of life and health and to stimulate young people's interest in the healthcare industry, and contribute to the building of talents in the healthcare industry.

In terms of public relations maintenance, Guangzhou Hospital, as a high-end medical institution featuring proton therapy, has actively strengthened communication and cooperation with governments at all levels through various forms such as symposiums, official letters, and direct requests for instructions, and has effectively promoted the implementation of the hospital's proton project. The Proton Center officially opened to the public on December 16 and began to accept patients from all over the country and overseas, marking a solid step forward in the field of high-end medical services. At the same time, the hospital also actively participated in community activities, carried out Health Tour with Hospital and Enterprises (醫企健康行) in various districts, and provided community residents with health consultation, tumor screening, blood pressure measurement and other services.

The Group will continue to focus on the reputation and influence of its medical institutions in the community, building a good brand image and laying a solid foundation for the sustainable development of such medical institutions.

Future Outlook:

Under the multifaceted challenges of intensifying environmental pollution, food safety risks, high-pressure lifestyles, and deepening demographic aging, China's newly diagnosed tumor cases have exhibited a marked upward trend. This pressing reality is compounded by two core contradictions: On one hand, the accelerating aging process has led to prolonged life expectancy and the reconfiguration of chronic disease profiles has generated new demands for tumor prevention and treatment. On the other hand, the uneven regional distribution of high-quality oncology medical resources persists. Class IIIA hospitals have long operated with beds chronically over capacity, placing sustained strain on healthcare delivery capabilities.

Confronting the structural pain points of supply-demand imbalances, our Group has consistently adhered to the social responsibility philosophy of complementing public healthcare and serving public welfare ("補充公立、惠及民生"), dedicating itself to building a multi-tiered cancer prevention and treatment service system. The Group's introduction of globally leading proton therapy systems forms the strategic cornerstone of differentiated service delivery. Through innovative development of a "comprehensive disease management ecosystem", we precisely address patient needs via a differentiated service matrix: establishing a closed-loop service chain spanning early screening education, multidisciplinary consultations, and rehabilitation follow-ups, implementing transparent communication mechanisms for personalized treatment plans, and safeguarding patient dignity and quality of life through human-centered service design – ensuring every patient not only receives professional care but also experiences warmth and respect throughout their treatment journey.

The Group will adopt the following strategies to maintain the leading position:

1. Optimization of Regional Layout

The Group is optimizing regional deployment by prioritizing economically advanced metropolitan clusters while deepening market penetration in second – and third-tier cities and expanding service coverage to cover broader population through collaborative partnerships. Concurrently, we are establishing international oncology treatment centers designed to attract high-net-worth overseas patients, thereby strategically enhancing our international influence.

2. Service Capability Enhancement

By leveraging internationally advanced technologies such as proton therapy and immunotherapy, we promote multidisciplinary collaborative diagnosis and treatment to deliver one-stop therapeutic services for patients. Concurrently, we are enhancing specialized clinical capabilities in key disciplines such as breast surgery, while providing humanistic and personalized medical care tailored to meet the needs of specific patient populations.

3. Continuous Improvement of Patient Care Experience

We consolidate diverse service resources to provide full-cycle, comprehensive management services for patients. Through innovative measures including the development of patient follow-up systems, we enhance patients' experience and engagement, thereby strengthening patient trust in and reliance on the Group.

4. Operational Excellence and Brand Development

We continuously refine cost structures to enhance operational efficiency and reduce healthcare expenditures, while intensifying brand-building efforts to elevate market recognition, amplify market influence, and establish benchmark standards within the sector.

5. Innovation Exploration and Global Partnerships

We actively develop integrated "medical + insurance" innovative products to meet patients' diverse healthcare needs. Concurrently, we strengthen strategic collaborations with international partners to accelerate the transformation and localization of advanced medical technologies, and also expand cooperative sectors to bolster global competitiveness. We will continue to explore AI-enabled efficiency enhancement and improve the related product matrix.

In terms of talent cultivation and exchange, the Group will continue to increase its investment in despatching outstanding talents for international exchange and training to enhance the professionalism of the team. At the same time, the Group will establish a two-way mobility mechanism for doctors to promote domestic and international academic exchanges and cooperation.

As a critical supplementary force within the public healthcare system, the Group remains committed to its mission of fighting cancer and safeguarding the glory of life (抗擊癌症, 守護生命光彩) and the vision of becoming the most trusted partner of patients in the fight against cancer, to explore innovative models for the "integration of medical treatment and disease prevention". By applying technology penetration, resource sharing and service extension, the Group contributes wisdom and commitment to solving the difficult problems of cancer prevention and treatment, thus enabling high-quality healthcare resources to benefit a wider range of people.

Financial Review

The following discussions are based on the financial information and notes set out in other sections of this announcement and should be read in conjunction with them.

Revenue

Our revenue was mainly derived from our two business segments: hospital business and medical equipment, software and related services.

Our revenue decreased by 27.9% from RMB538.7 million for the year ended December 31, 2023 to RMB388.3 million for the year ended December 31, 2024. The following table set forth a breakdown of our revenues by service offerings for the years ended December 31, 2023 and 2024.

	Year ended December 31,			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Hospital business				
– Medical institutions	**271,579**	**69.9**	319,967	59.4
Medical equipment, software and related services				
– Sales and installation of medical equipment and software	**99,281**	**25.6**	178,326	33.1
– Management and technical support	**6,969**	**1.8**	23,164	4.3
– Operating lease	**10,476**	**2.7**	17,193	3.2
Total	**388,305**	**100.0**	538,650	100.0

- *Hospital business.* Revenue generated from hospital business mainly represents the medical service income generated from our self-owned medical institutions. Our revenue generated from hospital business decreased by 15.1% from RMB320.0 million for the year ended December 31, 2023 to RMB271.6 million for the year ended December 31, 2024, primarily due to the concentration of resources on the establishment of proton business and the adjustment of the operational strategies through reducing some departments of the hospital in Guangzhou and saving the relevant staff cost, which led to the fluctuations in the revenue from hospital business.

- *Medical equipment, software and related services.* Revenue generated from medical equipment, software and related services mainly represents the revenue generated from (1) sales and installation of medical equipment and software, (2) management and technical support, and (3) operating lease. Our revenue generated from medical equipment, software and related services decreased by 46.6% from RMB218.7 million for the year ended December 31, 2023 to RMB116.7 million for the year ended December 31, 2024, primarily due to the decrease in the overall business demand in the current macroeconomic environment.

- *Sales and installation of medical equipment and software.* Our revenue generated from sales and installation of medical equipment and software decreased by 44.3% from RMB178.3 million for the year ended December 31, 2023 to RMB99.3 million for the year ended December 31, 2024, primarily due to the decrease in the overall business demand in the current macroeconomic environment.

- *Management and technical support.* Our revenue generated from management and technical support decreased by 69.9% from RMB23.1 million for the year ended December 31, 2023 to RMB7.0 million for the year ended December 31, 2024, primarily due to the decrease in the overall business demand in the current macroeconomic environment.

- *Operating lease.* Our revenue generated from operating lease decreased by 39.1% from RMB17.2 million for the year ended December 31, 2023 to RMB10.5 million for the year ended December 31, 2024, primarily because operating leases business would no longer be a main business of the Company and the originally expired contracts would not be renewed.

Cost of revenue

Our cost of sales primarily consisted of cost of (1) variable costs, primarily representing cost of medical equipment and software, cost of pharmaceuticals consumables and other inventories, utilities and office expenses, and (2) fixed cost, primarily representing employee benefit expenses, depreciation and amortization, and leasing, repair and maintenance.

Our cost of sales decreased by 24.5% from RMB603.7 million for the year ended December 31, 2023 to RMB455.6 million for the year ended December 31, 2024. The following table sets forth a breakdown of our cost of sales by nature for the years ended December 31, 2023 and 2024.

	Year ended December 31,			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Variable Cost				
– Cost of medical equipment and software	**93,584**	**20.5**	154,996	25.6
– Cost of pharmaceuticals, consumables and other inventories	**87,057**	**19.1**	111,941	18.5
– Utilities and office expenses	**1,244**	**0.3**	1,790	0.3
– Others[(1)]	**25,127**	**5.5**	24,589	4.1
Sub-total	**207,012**	**45.4**	293,316	48.5
Fixed Cost				
– Employee benefit expenses	**112,786**	**24.8**	164,874	27.3
– Depreciation and amortization.	**114,062**	**25.0**	113,001	18.8
– Leasing, repair and maintenance	**21,693**	**4.8**	32,548	5.4
Sub-total	**248,541**	**54.6**	310,423	51.5
Total	**455,553**	**100.0**	603,739	100.0

Notes:

(1) Others primarily include tax and surcharges and other miscellaneous fees relating to hospital business.

- *Cost of medical equipment and software.* Cost of medical equipment and software represents the cost of procuring medical equipment and software which we offer to our enterprise customers under our medical equipment, software and related services. Our cost of medical equipment and software decreased by 39.6% from RMB155.0 million for the year ended December 31, 2023 to RMB93.6 million for the year ended December 31, 2024, primarily due to the decrease in cost as a result of the decrease in revenue generated from Medical equipment, software and related services.

- *Employee benefit expenses.* Employee benefit expenses represent the salaries, bonuses, pension and other social security and welfare of physicians, professional nurses and caretaking staff and other medical professionals at our medical institutions in operation. Our employee benefit expenses decreased by 31.6% from RMB164.9 million for the year ended December 31, 2023 to RMB112.8 million for the year ended December 31, 2024, primarily due to the improved efficiency of human resources and the Group's implementation of the concept of improved efficiency and reduced costs.

- *Depreciation and amortization.* Depreciation and amortization represents depreciation of medical equipment and properties used at hospital premises. Our depreciation and amortization increased by 0.9% from RMB113.0 million for the year ended December 31, 2023 to RMB114.1 million for the year ended December 31, 2024.

- *Cost of pharmaceuticals, consumables and other inventories.* Cost of pharmaceuticals, consumables and other inventories represents the cost of procuring pharmaceuticals and medical consumables used by our medical institutions. Our cost of pharmaceuticals, consumables and other inventories decreased by 22.2% from RMB111.9 million for the year ended December 31, 2023 to RMB87.1 million for the year ended December 31, 2024, primarily due to the decrease in the demands along with the decrease in revenue generated from hospital business.

- *Leasing, repair and maintenance.* Leasing, repair and maintenance represents the leasing, repair and maintenance cost of our medical institutions in operation and the medical equipment under our medical equipment, software and related services. Our leasing, repair and maintenance decreased by 33.3% from RMB32.5 million for the year ended December 31, 2023 to RMB21.7 million for the year ended December 31, 2024, primarily due to the reduction in rent in 2024.

- *Utilities and office expenses.* Our utilities and office expenses decreased by 30.3% from RMB1.8 million for the year ended December 31, 2023 to RMB1.2 million for the year ended December 31, 2024, primarily due to the improved efficiency of administration and the Group's implementation of the concept of improved efficiency and reduced costs.

Gross loss and gross margin

Our gross loss increased by 3.3% from RMB65.1 million for the year ended December 31, 2023 to RMB67.2 million for the year ended December 31, 2024.

The following table sets forth a breakdown of our gross profit/(loss) and gross margin by service offerings for the years ended December 31, 2023 and 2024.

	Year ended December 31,			
	2024		2023	
	Amount	**Gross margin (%)**	Amount	Gross margin (%)
	(RMB in thousands, except for the percentages)			
Hospital business	**(64,882)**	**(23.9)**	(85,591)	(26.7)
– Medical institutions	**(64,882)**	**(23.9)**	(85,591)	(26.7)
Medical equipment, software and related services	**(2,366)**	**(2.0)**	20,502	9.4
– Sales and installation of medical equipment and software	**5,405**	**5.4**	18,460	10.4
– Management and technical support	**(9,119)**	**(130.9)**	283	1.2
– Operating lease	**1,348**	**12.9**	1,759	10.2
Total	**(67,248)**	**(17.3)**	(65,089)	(12.1)

- *Hospital business.* Our gross loss and gross margin for hospital business decreased from RMB85.6 million and negative 26.7% for the year ended December 31, 2023 to RMB64.9 million and negative 23.9% for the year ended December 31, 2024, primarily due to the implementation of the concept of improved efficiency and reduced costs.

- *Medical equipment, software and related services.* Our gross profit and gross margin for medical equipment, software and related services decreased from RMB20.5 million and 9.4% for the year ended December 31, 2023 to gross loss of RMB2.4 million and negative 2.0% for the year ended December 31, 2024, primarily because the revenue from the relevant segment decreased, while the fixed cost remained relatively high.

- *Sales and installation of medical equipment and software.* Our gross profit and gross margin for sales and installation of medical equipment and software decreased from RMB18.5 million and 10.4% for the year ended December 31, 2023 to RMB5.4 million and 5.4% for the year ended December 31, 2024, primarily because the revenue from the relevant segment decreased, while the fixed cost remained relatively high.

- *Management and technical support.* We recorded gross profit and gross margin for management and technical support of RMB0.3 million and 1.2% for the year ended December 31, 2023, as compared to gross loss of RMB9.1 million and negative 130.9% for the year ended December 31, 2024, primarily because the revenue from the relevant segment decreased, while the fixed cost remained relatively high.

- *Operating lease.* Our gross profit and gross margin for operating lease remained relatively stable at RMB1.8 million and 10.2% for the year ended December 31, 2023 and RMB1.3 million and 12.9% for the year ended December 31, 2024, primarily due to the Group's implementation of the concept of improved efficiency and reduced costs.

Selling and distribution expenses

Our selling and distribution expenses primarily consisted of (i) marketing and promotion expenses, (ii) employee benefit expenses for our sales and marketing staff, and (iii) office, travel and miscellaneous expenses. Our selling and distribution expenses decreased by 12.7% from RMB56.0 million for the year ended December 31, 2023 to RMB48.9 million for the year ended December 31, 2024, which was primarily attributable to the decrease in staff cost and the Group's implementation of the concept of improved efficiency and reduced costs.

Administrative expenses

Our administrative expenses primarily consisted of (i) employee benefit expenses for our administrative staff, and physicians, professional nurses and caretaking staff and other medical professionals at our medical institutions prior to opening, (ii) depreciation and amortization, (iii) office, travel and miscellaneous expenses, (iv) consultancy and professional service fees and (v) leasing, repair and maintenance expenses. Our administrative expenses increased by 9.0% from RMB191.2 million for the year ended December 31, 2023 to RMB210.5 million for the year ended December 31, 2024, which was primarily attributable to the increase of consultation fee recognized in 2024.

Research and development expenses

Our research and development expenses primarily consisted of (i) employee benefit expenses for our research and development staff and outsourcing personnel responsible for the development, operation and maintenance of our cloud platforms and other services, (ii) design and development expenses, (iii) utilities and office expenses, and (iv) depreciation and amortization. Our research and development expenses decreased by 14.4% from RMB36.4 million for the year ended December 31, 2023 to RMB31.2 million for the year ended December 31, 2024, which was primarily attributable to the decrease in the expenses in relation to software system development in 2024.

Other income and other net gains/(losses)

Our other income primarily consisted of (i) interest income, (ii) additional VAT deduction, (iii) government grants and (iv) compensation income. Our other net gains/(losses) primarily represented (i) written-off of property, plant and equipment, (ii) gain on lease termination and (iii) fair value change on convertible bond-embedded derivatives. Our other income and other net gain increased by 528.1% from RMB10.0 million for the year ended December 31, 2023 to RMB62.7 million for the year ended December 31, 2024, which was primarily attributable to gain on disposal of subsidiaries.

Impairment loss on trade receivables

Our impairment loss on trade receivables primarily consisted of provision calculated based on the ECL ratio for trade receivables. Our impairment loss on trade receivables increased by 50.6% from RMB8.9 million for the year ended December 31, 2023 to RMB13.4 million for the year ended December 31, 2024, which was primarily attributable to the recognized expected credit losses as a result of increasing balance with 1-2 years aging.

Reversal of/(provision for) impairment loss on other receivables

Our reversal of/(provision for) impairment loss on other receivables primarily consisted of reversal or provision for impairment calculated based on the expected credit loss (ECL) ratio for other receivables. We recorded reversal of impairment loss on other receivables of RMB2.0 million for the year ended December 31, 2023 and provision for impairment loss on other receivables of RMB9.7 million for the year ended December 31, 2024. The change was primarily attributable to provision of impairment loss recognized, which is offset by the reversal as a result of disposal of subsidiaries.

Reversal of/(provision for) impairment loss on amounts due from related parties

Our reversal of impairment loss on amounts due from related parties primarily consisted of reversal of impairment loss after settling amounts due from related parties. We recorded reversal of impairment loss on amounts due from related parties of RMB28.5 million for the year ended December 31, 2023 and provision for impairment loss on amounts due from related parties of RMB16.1 million for the year ended December 31, 2024, which was primarily attributable to the increasing balance of amounts due from related parties.

Share of associates' results

Our share of associates' results primarily consisted of share of loss of associates. Our share of associates' results decreased from RMB1.7 million for the year ended December 31, 2023 to RMB1.0 million for the year ended December 31, 2024, which was primarily attributable to less loss occurred by our associates in year 2024.

Finance costs

Our finance costs primarily consisted of interest charge on (i) bank and other borrowings, (ii) lease liabilities and (iii) convertible bond. Our finance costs increased by 1.2% from RMB108.0 million for the year ended December 31, 2023 to RMB109.3 million for the year ended December 31, 2024.

Income tax credit

Our income tax credit decreased by 83.4% from RMB6.2 million for the year ended December 31, 2023 to RMB1.0 million for the year ended December 31, 2024, which was primarily attributable to the decrease of deferred tax which is credited to profit or loss for the year.

Loss for the year

As a result of the foregoing, our loss for the year increased by 13.7% from a net loss of RMB426.4 million for the year ended December 31, 2023 to a net loss of RMB484.8 million for the year ended December 31, 2024.

Non-HKFRS measures

To supplement our consolidated financial statements which are presented in accordance with HKFRSs, we also use adjusted net loss (non-HKFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, HKFRSs. We believe that the non-HKFRS measure provides investors and management with greater visibility as to the underlying performance of our business operations and facilitates comparison of operating performance of other companies in our industry and of ourselves during different periods. However, our presentation of the non-HKFRS measure may not be comparable to similarly titled measures presented by other companies. The use of the non-HKFRS measure has limitations as analytical tools, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under HKFRSs.

We define adjusted net loss (non-HKFRS measure) as loss for the year adjusted by adding back listing expenses. Our listing expenses are expenses relating to our Listing.

The following table reconciles our adjusted net loss (non-HKFRS measure) presented to the most directly comparable financial measure calculated and presented under HKFRSs.

	Year ended December 31,	
	2024	2023
	(RMB in thousands)	
Loss for the year	**(484,818)**	(426,394)
Add:		
Listing expenses	**40,959**	5,807
Adjusted net loss (non-HKFRS measure)	**(443,859)**	(420,587)

Liquidity, financial resources and capital structure

The primary uses of cash are to fund the daily operations of the business of the Group. For the years ended December 31, 2023 and 2024, we financed our capital expenditures and working capital requirements primarily through (1) cash generated from our operating activities, (2) the proceeds from the Global Offering and (3) bank loans and other borrowings. Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash flows generated from our operating activities, net proceeds from the Global Offering, bank loans and other borrowings, and other funds raised from the capital markets from time to time. As of December 31, 2024, the Group had not used any financial instruments for hedging purposes.

We have continued to maintain a healthy and sound financial position and have followed a set of funding and treasury policies to manage our capital resources and mitigate potential risks involved. Our current liabilities decreased from approximately RMB1,204.5 million as of December 31, 2023 to approximately RMB1,135.9 million as of December 31, 2024, primarily due to the decrease of bank and other borrowings.

Cash flows

As of December 31, 2024, our cash and cash equivalents primarily consisted of cash on hand and cash at banks, and were substantially all denominated in RMB and USD. Our total cash and cash equivalents increased by 404.1% from RMB40.6 million as of December 31, 2023 to RMB204.5 million as of December 31, 2024. The increase was primarily attributed to net cash generated from financing activities.

The following table provides the information regarding the Group's cash flow for the years ended December 31, 2023 and 2024.

	Year ended December 31,	
	2024	2023
	(RMB in thousands)	
Net cash generated from/(used in) operating activities	**(185,964)**	201,853
Net cash used in investing activities	**(668,087)**	(182,341)
Net cash (used in)/generated from financing activities	**1,018,018**	(105,431)
Net increase/(decrease) in cash and cash equivalents	**163,967**	(85,919)
Cash and cash equivalents at the beginning of the year	**40,577**	126,496
Cash and cash equivalents at the end of the year	**204,544**	40,577

For the year ended December 31, 2024, our net cash used in operating activities was RMB186.0 million, as compared to the net cash generated from operating activities of RMB201.9 million for the year ended December 31, 2023, which was primarily attributable to the decrease in the overall revenue.

For the year ended December 31, 2024, our net cash used in investing activities was RMB668.0 million, representing an increase of RMB409.4 million from the net cash used in investing activities of RMB182.3 million for the year ended December 31, 2023, which was primarily attributable to purchase of property, plant and equipment, capital injections to a joint venture, and purchase of financial assets at FVTPL.

For the year ended December 31, 2024, our net cash generated from financing activities was RMB1,018.0 million, as compared to the net cash used in financing activities of RMB105.4 million for the year ended December 31, 2023, which was primarily attributable to the proceeds from bank and other borrowings and proceeds from issue of new shares.

Foreign exchange risk management

Our functional currency is RMB. Our business is principally conducted in RMB, and all of our assets are denominated in RMB, USD and HKD. Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not our functional currency. We are subject to foreign exchange risk arising from future commercial transactions and recognized assets and liabilities which are denominated in non-RMB. We will mitigate such a risk by constantly reviewing the economic situation and foreign exchange risk, and applying hedging measures when necessary.

We have not implemented any hedging arrangements. We manage our foreign exchange risk by closely monitoring the movement of the foreign currency rates. Cash repatriation from the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. We did not have other significant exposure to foreign exchange risk.

Capital expenditure

For the year ended December 31, 2024, our total capital expenditure was approximately RMB305.4 million, compared to approximately RMB416.9 million for the year ended December 31, 2023. Our capital expenditure primarily consisted of payments for purchase of property, plant and equipment, purchase of right-of-use assets, and purchase of intangible assets. We funded these expenditures with cash generated from our operations and bank loans and other borrowings.

Capital commitments

The following table sets forth our capital commitments as of the dates indicated.

	As of December 31,	
	2024	2023
	(RMB in thousands)	
Acquisition of property, plant and equipment	**16,682**	19,036
Capital injection in an associate	**260,099**	260,099

Contingent liabilities

As of December 31, 2024, we did not have any material contingent liabilities, guarantee or any litigation or claim of material importance, pending or threatened against any member of our Group.

Future plans for material investments and capital assets

Save as disclosed in (i) the section headed "Future Plans and Use of Proceeds" in the Prospectus, (ii) the announcement of the Company dated August 29, 2024 in relation to, among other things, the change in use of proceeds, (iii) the section headed "III. Proposed Change in Use of Proceeds" in the circular of the Company dated September 10, 2024, (iv) the 2024 interim results announcement of the Company dated August 29, 2024, (v) the section headed "Other Information – Use of Net Proceeds from Listing" in the 2024 interim report, (vi) the poll results announcement dated September 30, 2024, in relation to, among others, approving the change in use of proceeds, and (vii) this announcement, as of December 31, 2024, we did not have detailed future plans for material investments or capital assets.

Material acquisitions and disposals and significant investment

We did not have any material acquisitions and disposals and significant investments during the year ended December 31, 2024.

Pledge of assets

As at 31 December 2024, bank borrowings totalling RMB1,479.9 million (2023: RMB1,051.9 million) are secured mostly by the issued share capital of the Group's subsidiaries, 100% of SHCC and 100% of Shanghai Meizhong Jiahe Medical Image Diagnosis Limited, guaranteed by the Company, Shanghai Administration Center of Policy Financing guarantee Funds for SMEs, and a medical imaging equipment owned by the Group.

As at 31 December 2024, bank borrowings totalling RMB1,072.2 million (2023: RMB858.7 million) are secured mostly by the revenue of the Group's subsidiaries, Shanghai Meizhong Jiahe Medical Image Diagnosis Limited and Shanghai Outpatient Center.

As at 31 December 2024, bank and other borrowings totalling RMB220.0 million (2023: RMB41.3 million) are guaranteed by Dr. Yang Jianyu, a controlling shareholder and the chairman of the Board of Director of the Company.

The outstanding bank and other borrowings are denominated in RMB. The secured bank and other borrowings are secured by the Company's assets with the following carrying amounts as of the dates indicated.

	As of December 31,	
	2024	2023
	(RMB in thousands)	
Property, plant and equipment	**2,195,646**	2,171,150
Right-of-use asset	**377,254**	386,613
Restricted cash	**46,211**	29,998
Trade receivables	**33,162**	9,071
Total	**2,652,273**	2,596,832

Net current liabilities

As of December 31, 2024, we had net current liabilities of RMB422.2 million, compared to net liabilities of RMB844.7 million as of December 31, 2023, mainly attributable to (1) the increase in amounts due from related parties, (2) the increase in financial assets at fair value through profit or loss , and (3) the increase in cash and cash equivalents.

Amounts due from related parties

As of December 31, 2024, we had amounts due from related parties of RMB314.2 million, increasing from RMB73.8 million as of December 31, 2023, mainly attributable to (1) the increase in the prepayment for purchase of property, plant and equipment from Shanghai Medstar and (2) the investment prepayment to Shanghai Epu Supply Chain Technology Co., Ltd. (上海峨浦供應鏈科技有限公司) for the acceleration of capital injection purpose.

Borrowings and indebtedness

As of December 31, 2024, our indebtedness consisted primarily of bank and other borrowings, convertible bonds and lease liabilities, and the borrowings were all made in RMB. As of December 31, 2024, 16.2% of the indebtedness (RMB520.7 million) bore fixed interest rates and exposed the Group to fair value interest rate risk. The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,	
	2024	2023
	(RMB in thousands)	
Current indebtedness		
Bank loans and other borrowings	**372,629**	461,527
Convertible bonds	**19,600**	19,233
Lease liabilities	**10,388**	21,317
Non-trade amounts due to related parties	**4,114**	31,023
Subtotal	**406,731**	533,100
Non-current indebtedness		
Bank loans and other borrowings	**2,705,590**	1,910,296
Lease liabilities	**101,712**	184,308
Subtotal	**2,807,302**	2,094,604
Total	**3,214,033**	2,627,704

The following table sets forth the maturity profile of our bank and other borrowings as of the dates indicated.

	December 31, 2024		December 31, 2023	
	Balance	*%*	Balance	*%*
	(RMB in thousands, except for the percentages)			
Within one year	**372,630**	**12.1**	461,527	19.5
After one year but within two years	**195,652**	**6.4**	390,230	16.4
Over two years but within five years	**1,137,304**	**36.9**	1,424,547	60.1
Over five years	**1,372,633**	**44.6**	95,519	4.0
Total	**3,078,219**	**100.0**	2,371,823	100.0

Key financial ratios

The following table sets forth our key financial ratios as of the date and/or for the years indicated.

	As of/for the year ended December 31,	
	2024	2023
Profitability ratios		
Gross margin[(1)]	**(17.3)%**	(12.1)%
Net margin[(2)]	**(124.9)%**	(79.2)%
Liquidity ratios		
Current ratio[(3)]	**0.63**	0.30
Quick ratio[(4)]	**0.60**	0.27
Gearing ratio[(5)]	**67.8%**	64.3%

Notes:

(1) The calculation of gross margin is based on gross loss for the period divided by revenue for the respective period and multiplied by 100%.

(2) The calculation of net margin is based on loss for the period divided by revenue for the respective period and multiplied by 100%.

(3) The calculation of current ratio is based on current assets divided by current liabilities as of period end.

(4) The calculation of quick ratio is based on current assets less inventories divided by current liabilities as of period end.

(5) The calculation of gearing ratio is based on total liabilities divided by total assets as of period end.

OTHER INFORMATION

Use of Proceeds

The H shares of the Company were listed on the Main Board of the Stock Exchange on January 9, 2024. The net proceeds received from the Global Offering (after deducting the estimated underwriting commissions and other fees and expenses payable by the Company in connection with the Global Offering) was approximately HK$466.36 million.

As disclosed in (i) the announcement of the Company dated August 29, 2024 in relation to, among other things, the change in use of proceeds; (ii) the section headed "III. Proposed Change in Use of Proceeds" in the circular of the Company dated September 10, 2024; (iii) the 2024 interim results announcement of the Company dated August 29, 2024; (iv) the section headed "Other Information – Use of Net Proceeds from Listing" in the 2024 interim report; and (v) the poll results announcement dated September 30, 2024, in relation to, among others, approving the change in use of proceeds, the Board and the Shareholders have approved to adopt the change of use of net proceeds from the Global Offering. Save as disclosed therein, the intended use of other items of the net proceeds of the Global Offering remains unchanged.

As disclosed in the 2024 interim results announcement of the Company dated August 29, 2024 and the announcement dated October 28, 2024, the Company held nine principal-protected and low-risk financial products from nine different fund companies for treasury management purpose, the fair value of which amounted to an aggregate of RMB207.2 million as of June 30, 2024. The financial products were redeemable on demand. As of the date of this announcement, all of such nine financial have been redeemed and settled.

As of December 31, 2024, approximately HK$183.21 million of the net proceeds has not been utilized. The following table sets forth the revised planned use and actual use of the net proceeds from the Global Offering as of December 31, 2024:

	Percentage of net proceeds from the Global Offering after reallocation	Net proceeds from the Global Offering after reallocation	Utilized amount from the Listing Date to December 31, 2024	Unutilized amount as of December 31, 2024	Expected timeline of full utilization (1)
			(HKD in millions)		
Repaying part of the interest-bearing bank borrowings	49.4%	230.42	121.32	109.10	By December 31, 2025
Financing the construction of Shanghai Hospital	30.6%	142.71	140.00	2.71	By December 31, 2025
Working capital and other general corporate purposes	20.0%	93.23	21.83	71.40	By December 31, 2025
Total	100%	466.36	283.15	183.21	

The Board currently expects full utilization of the net proceeds raised from the Global Offering by December 31, 2025, subject to changes in light of the Company's evolving business needs and changing market conditions. The expected timeline for fully utilizing the unutilized amount disclosed above is based on the reasonable estimates made by the Board pursuant to the latest information up to the date of this announcement. For details, please refer to (i) the section headed "Future Plans and Use of Proceeds" in the Prospectus; (ii) the announcement of the Company dated August 29, 2024 in relation to, among other things, the change in use of proceeds; (iii) the section headed "III. Proposed Change in Use of Proceeds" in the circular of the Company dated September 10, 2024; (iv) the 2024 interim results announcement of the Company dated August 29, 2024; (v) the section headed "Other Information – Use of New Proceeds from Listing" in the 2024 interim report and (vi) the poll results announcement dated September 30, 2024, in relation to, among others, approving the change in use of proceeds.

Employee and Remuneration Policy

The Group had 567 employees as at December 31, 2024, as compared to 733 employees as at December 31, 2023. The Group provides both in-house and external trainings for our employees to improve their skills and knowledge. Remuneration packages for our employees mainly comprise base salary and performance-related bonus. We set performance targets for our employees primarily based on their position and department and periodically review their performance. The results of such reviews are used in their salary determinations, bonus awards and promotion appraisals. As required under PRC labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. In compliance with PRC regulations, we participate in various employee social insurance plans that are organized by applicable local municipal and provincial governments, including maternity, pension, medical, work-related injury and unemployment benefit plans, as well as housing provident funds. We are required under PRC laws to make contributions to employee benefit plans.

We believe that we have maintained a good working relationship with our employees and we had not experienced any material labor disputes or any difficulty in recruiting staff for our operations during the Reporting Period.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor its subsidiary had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the Reporting Period and up to the date of this announcement.

As at December 31, 2024, the Company did not hold any treasury shares.

Sufficiency of Public Float

Listing Rule 8.08(1)(a) of the Listing Rules requires that at least 25% of an issuer's total number of issued shares must at all times be held by the public. We have been granted by the Stock Exchange a waiver from strict compliance with Listing Rule 8.08(1)(a) so as to allow a lower public float percentage of between 15% and 25% (or such higher percentage as was held by the public upon completion of the listing of the shares of the Company on the Stock Exchange). On such completion on January 9, 2024, the public float percentage was approximately 16.73%. From information that is publicly available to the Company and within the knowledge of its Directors at the date of this announcement, at least 20.94% of the Company's total number of issued shares are held by the public.

Compliance with Corporate Governance Code

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code and the Company has adopted the CG Code as its own code of corporate governance. The principle of the Group's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operation are conducted in accordance with applicable laws and regulations, to enhance the transparency of the Board, and to strength accountability to all shareholders.

During the Reporting Period and up to the date of this announcement, the Company has complied with the code provisions as set out in the CG Code.

Compliance with the Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code as its own code of conduct regarding the transactions of securities of the Company by its directors, supervisors and the relevant employees who would likely possess inside information of the Company.

Specific enquiry has been made to all directors, supervisors and relevant employees of the Company and all of them have confirmed that they have complied with the Model Code during the Reporting Period and up to the date of this announcement.

Review of Annual Results

As of the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely, Mr. NG Kwok Yin, Mr. SUN Yansheng and Ms. LI Xuemei, with Mr. NG Kwok Yin being the chairman of the Audit Committee. The Audit Committee has reviewed the annual results of the Group for the year ended December 31, 2024 and has recommended for the Board's approval thereof.

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group and the consolidated financial statements of the Group for the year ended December 31, 2024. The Audit Committee considered that the annual results of the Group are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

This annual results announcement is based on the audited consolidated financial statements of the Group for the year ended December 31, 2024.

Scope of Work of the Auditor

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in this annual results announcement have been agreed by the Group's auditor, BDO Limited, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year ended December 31, 2024 and the amounts were found to be in agreement. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this annual results announcement.

Events after the Reporting Period

On January 22, 2025, the Shareholders considered and approved (i) the adoption of the H share incentive scheme and (2) the authorization to the Board and/or the Delegatee(s) to handle matters pertaining to the H share incentive scheme. For the details, please refer to the Company's circular published on January 6, 2025 and the poll results announcement published on January 22, 2025.

On January 24, 2025, Shanghai Medstar pledged 8,967,318 Domestic Shares, representing approximately 4.66% of total shares directly held by Shanghai Medstar in the Company, in favor of China Credit Trust Co., Ltd. (中誠信託有限責任公司). For the details, please refer to the announcements of the Company dated July 10, 2024, October 14, 2024 and January 24, 2025.

It is proposed that an EGM will be held on Friday, April 11, 2025 for the Shareholders to consider and approve (i) the provision of guarantees by the Company and (ii) authorize the Board and/or its authorized representatives to, in their sole discretion, consider and approve all the specific matters of the Guarantees within the scope of the guaranteed amount. For the details, please refer to the Company's circular published on March 20, 2025.

As of the date of this announcement, save as above, there has been no significant event from the end of the Reporting Period to the date of this announcement that is required to be disclosed by the Company.

AGM

It is proposed that the AGM will be held on Tuesday, May 27, 2025. A notice convening the AGM will be published on the HKEXnews website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.concordmedical.com), and will be dispatched to the Shareholders who have requested corporate communications in printed copy in accordance with the requirement of the Listing Rules in due course.

Final dividend

The Board will not recommend payment of any final dividend for the year ended December 31, 2024.

Closure of Register of Members

In relation to the AGM

For determining the entitlement of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, May 22, 2025 to Tuesday, May 27, 2025, both days inclusive, during which period no transfer of Shares will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be Tuesday, May 27, 2025.

In order to be eligible to attend and vote at the AGM, all H Share transfer documents accompanied by the corresponding share certificates must be lodged with the Company's branch H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Wednesday, May 21, 2025. Domestic Share Shareholders should contact the Board Secretary for details concerning registration of transfers of Domestic Shares. The contact details of the Secretary to the Board are: A1, 26th Floor, Hanwei Building East Area, No. 7 Guanghua Road, Chaoyang District, Beijing, China; and telephone No.: +86 010-59036688.

Publication of the Annual Results Announcement and the Annual Report

This announcement was published on the HKEXnews website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.concordmedical.com). The annual report of the Group for the year ended December 31, 2024 containing all the information required by the Listing Rules will be published on the aforesaid websites of the Stock Exchange and the Company in due course.

Appreciation

On behalf of the Board, I would like to express our sincere gratitude to customers and business partners for their trust in the Company, our staff and management team for their diligence, dedication, loyalty and integrity, and the Shareholders for their continuous support.

DEFINITIONS

"AGM"	the forthcoming annual general meeting of the Company to be held on Tuesday, May 27, 2025
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"Board Secretary"	secretary to the Board
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Company" or "Concord Healthcare"	Concord Healthcare Group Co., Ltd. (美中嘉和醫學技術發展集團股份有限公司), a joint stock company incorporated in the PRC with limited liability on July 23, 2008

"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are not listed on the Stock Exchange
"Domestic Shareholder(s)"	Shareholder(s) of Domestic Shares
"Global Offering"	has the meaning ascribed to it under the Prospectus
"Group", "our", "we" or "us"	the Company and its subsidiary from time to time
"Guangzhou Hospital"	Guangzhou Concord Cancer Center Co., Ltd. (廣州泰和腫瘤醫院有限公司), a limited liability company established in the PRC on June 29, 2011, which is owned as to 80% by our Company and operates under the trade name of Guangzhou Concord Cancer Hospital (廣州泰和腫瘤醫院)
"H Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the Stock Exchange and traded in Hong Kong dollars
"H Share Shareholder(s)"	holder(s) of H Shares
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing"	the listing of H Shares of the Company on the Main Board of the Stock Exchange
"Listing Date"	January 9, 2024, being the date on which the H Shares of the Company were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules

"PRC"	the People's Republic of China, excluding, for the purposes of this announcement, Hong Kong Special Administrative Region, the Macau Special Administrative Region of the PRC and Taiwan
"Pre-IPO Investor(s)"	the investor(s) from whom the Company obtained several investments, details of which are set out in the section headed "History, Development and Corporate Structure – Pre-IPO Investments" in the Prospectus
"Prospectus"	the prospectus issued by the Company on December 29, 2023 in connection with the Hong Kong public offering of the H Shares
"Reporting Period"	twelve months from January 1, 2024 to December 31, 2024
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Hospital"	Shanghai Concord Medical Cancer Hospital Limited* (上海泰和誠腫瘤醫院有限公司), a limited liability company established in the PRC on March 17, 2014, which is owned as to 69.63% by our Company and is expected to operate under the trade name of Shanghai Concord Medical Cancer Hospital* (上海泰和誠腫瘤醫院)
"Shanghai Imaging Center"	Shanghai Concord Medical Diagnostic Imaging Limited (上海美中嘉和醫學影像診斷有限公司), a limited liability company established in the PRC on January 15, 2018, which is controlled by our Company and operates under the trade name of Shanghai Concord Medical Imaging Diagnostic Center (上海美中嘉和醫學影像診斷中心)
"Shanghai Medstar"	Medstar (Shanghai) Enterprise Management Co., LTD (醫學之星(上海)企業管理有限公司) (previously known as Shanghai Medstar Financial Leasing Company Limited (醫學之星(上海)融資租賃有限公司)), a limited liability company established in the PRC on March 21, 2003, one of the Controlling Shareholders
"Shanghai Outpatient Center"	Shanghai Concord Medical Cancer Center Co., Ltd. (上海美中嘉和腫瘤門診部有限責任公司), a limited liability company established in the PRC on November 2, 2006, which is owned as to 67.22% by our Company and operates under the trade name of Shanghai Concord Medical Cancer Outpatient Center (上海美中嘉和腫瘤門診部)
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"USD"	U.S. dollar
"%"	per cent

By Order of the Board
Concord Healthcare Group Co., Ltd.
YANG Jianyu
Chairman of the Board and Executive Director

Beijing, the PRC, March 27, 2025

As at the date of this announcement, the Board comprises (i) Dr. YANG Jianyu, Ms. FU Xiao and Mr. CHANG Liang as executive Directors; (ii) Mr. WANG Lei, Mr. CHEN Hongzhang and Mr. SHI Botao as non-executive Directors; and (iii) Ms. LI Xuemei, Mr. SUN Yansheng and Mr. NG Kwok Yin as independent non-executive Directors.

* *For identification purposes only*