



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



2025
INTERIM REPORT

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Definitions

In this interim report, the following expressions have the meanings set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company held on Tuesday, May 27, 2025
“Articles of Association” or “Articles”	the articles of association of the Company, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Beijing Concord”	Beijing Concord Medical Technology Co., Ltd. (北京泰和誠醫療技術有限公司), a limited liability company established in the PRC on January 4, 2016
“Beijing Healththingkon”	Beijing Healththingkon Technology Co., Ltd. (北京和信康科技有限公司), a limited liability company established in the PRC on August 25, 2015, which is controlled by our Company as to approximately 63.69%
“Board Committees”	collectively, the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee
“Board of Directors” or “Board”	the board of directors of our Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (as amended from time to time)
“China” or “PRC”	the People’s Republic of China, excluding, for the purposes of this interim report and for geographical reference only and except where the context requires otherwise, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company,” “our 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
“Company Law” or “PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“Concord HK”	Concord Hospital Management Group Limited, a wholly-owned subsidiary of Concord Medical and one of the Controlling Shareholders
“Concord Medical”	Concord Medical Services Holdings Limited, a company incorporated in the Cayman Islands on November 27, 2007 and listed on the New York Stock Exchange (symbol: CCM) since December 11, 2009
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Dr. Yang, Morgancreek, Concord Medical, Ascendium Group Limited, Shanghai Huifu Technology Development Co., Ltd. (上海卉馥科技發展有限公司), Concord HK, Shanghai Medstar, Beijing Concord, and Tianjin Concord

Definitions

“Director(s)”	the director(s) of our 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
“Dr. Yang”	Dr. YANG Jianyu (楊建宇), our chairman of the Board, executive Director and one of the Controlling Shareholders
“Global Offering”	the Hong Kong public offering and the international offering of the Company
“Group,” “our Group,” “the Group,” “we” or “us”	the Company and its subsidiaries 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 70% 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 our Company with a nominal value of RMB1.00 each, which is/are subscribed for and traded in HK dollars and listed on the Stock Exchange
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRSs”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Internet Hospital”	Yinchuan Meizhong Jiahe Internet Hospital Co., Ltd. (銀川美中嘉和互聯網醫院有限公司), a limited liability company established in the PRC on November 18, 2020 and an indirectly wholly-owned subsidiary of our Company
“Independent Third Parties”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in The Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“IPO”	initial public offering
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	Tuesday, January 9, 2024, on which the H Shares were listed and on which dealings in the H Shares were first permitted to take place on the Stock Exchange

Definitions

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Morgancreek”	Morgancreek Investment Holdings Limited, a limited company established in British Virgin Islands and an investment vehicle controlled by Dr. Yang
“Nomination Committee”	the nomination committee of the Board
“Prospectus”	the prospectus of the Company dated December 29, 2023
“R&D”	research and development
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Renminbi” or “RMB”	the lawful currency of the PRC
“Reporting Period”	the six months ended June 30, 2025
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Shanghai Yunying COPC”	Shanghai Concord Medical Yunying Comprehensive Outpatient Center Co., Ltd (上海嘉和雲影綜合門診部有限公司), a limited liability company established in the PRC on November 2, 2020, which is controlled by our Company and operates under the trade name of Shanghai Concord Medical Yunying Comprehensive Outpatient Center (上海嘉和雲影綜合門診部)
“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)

Definitions

“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)
“Shanghai Xinhe”	Shanghai Xinhe Enterprise Management Center (Limited Partnership) (上海信荷企業管理中心(有限合夥)), a limited partnership established in the PRC on April 6, 2021
“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 our Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of our Company
“Supervisory Committee”	the supervisory committee of the Company
“Tianjin Concord”	Tianjin Concord Medical Technology Co., Ltd. (天津泰和誠醫療技術有限公司) (formerly known as Tianjin Kangmeng Tumor Radiotherapy Equipment Management Co., Ltd. (天津康盟腫瘤放療設備管理有限公司)), a limited liability company established in the PRC on November 16, 2007 and one of our Controlling Shareholders
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“USD” or “US\$”	US dollars, the lawful currency of the United States
“%”	per cent

* For identification purposes only

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. YANG Jianyu (*Chairman*)

Ms. FU Xiao

Mr. CHANG Liang

Non-Executive Directors

Mr. WANG Lei

Mr. SONG Qingbao (*appointed with effect from May 27, 2025*)

Mr. SHI Botao

Mr. CHEN Hongzhang (*retired with effect from May 27, 2025*)

Independent Non-Executive Directors

Ms. LI Xuemei

Mr. SUN Yansheng

Mr. NG Kwok Yin

SUPERVISORS

Mr. TENG Shengchun

Mr. YU Yue

Ms. JIANG Li

AUDIT COMMITTEE

Mr. NG Kwok Yin (*Chairperson*)

Mr. SUN Yansheng

Ms. LI Xuemei

REMUNERATION AND APPRAISAL COMMITTEE

Ms. LI Xuemei (*Chairperson*)

Dr. YANG Jianyu

Mr. SUN Yansheng

NOMINATION COMMITTEE

Mr. SUN Yansheng (*Chairperson*)

Dr. YANG Jianyu

Ms. LI Xuemei

JOINT COMPANY SECRETARIES

Mr. PAN Lichen

Ms. HO Wing Nga (*FCG (CS, CGP), HKFCG (CS, CGP) (PE)*)

H SHARE REGISTRAR

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Wan Chai, Hong Kong

AUTHORIZED REPRESENTATIVES

Dr. YANG Jianyu

Mr. PAN Lichen

AUDITOR

BDO Limited

Certified Public Accountants

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111 Connaught Road Central

Hong Kong

REGISTERED OFFICE IN THE PRC

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Beijing, PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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No. 7 Guanghua Road

Chaoyang District

Beijing, PRC

Corporate Information

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1701, 9 Chong Yip Street
Kwun Tong, Kowloon
Hong Kong

PRINCIPAL BANKS

Bank of China Limited, Beijing Anzhenqiao Branch
Ping An Bank Co., Ltd., Beijing Zhongguancun Branch

HONG KONG LEGAL ADVISORS

Baker & McKenzie
14/F, One Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

COMPLIANCE ADVISER

Haitong International Capital Limited
Suites 3001-3006 and 3015-3016
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

COMPANY'S WEBSITE

www.concordmedical.com

STOCK SHORT NAME

CONCORD HC GP

STOCK CODE

2453

DATE OF LISTING

January 9, 2024

Results Highlights

- Our revenue decreased by 8.3% from RMB219.0 million for the six months ended June 30, 2024 to RMB200.9 million for the six months ended June 30, 2025, of which the revenue from hospital operations increased by 11.2% from RMB137.8 million for the six months ended June 30, 2024 to RMB153.2 million for the six months ended June 30, 2025.
- We recorded a gross profit of RMB0.4 million for the six months ended June 30, 2025, compared to a gross loss of RMB34.5 million for the six months ended June 30, 2024, achieving a turnaround from gross loss to gross profit.
- Our net loss decreased by 1.0% from RMB202.0 million for the six months ended June 30, 2024 to RMB200.0 million for the six months ended June 30, 2025.
- Our adjusted net loss (non-HKFRS measure)⁽¹⁾ increased by 24.2% from RMB161.1 million for the six months ended June 30, 2024 to RMB200.0 million for the six months ended June 30, 2025.

Note:

- (1) Adjusted net loss (non-HKFRS measure) represents loss for the Reporting Period adjusted by adding back listing expenses. Our listing expenses are expenses relating to our Listing and is a non-recurring item. 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.

Management Discussion and Analysis

BUSINESS OVERVIEW

Hospital Business

The Group focuses on the high-end oncology healthcare sector. As of the date of this interim report, the Group owns and operates four offline self-operated medical institutions and one medical institution under construction, dedicated to providing comprehensive and specialized medical services to cancer patients. These institutions are 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 a tertiary specialized cancer hospital with a total planned floor area exceeding 100,000 square meters – Guangzhou Concord Cancer Hospital. 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. The hospital fully integrates government support policies and industrial park resources to provide comprehensive diagnostic and treatment services including cancer screening and risk intervention, precision cancer diagnosis and treatment, and rehabilitation. In particular, the hospital employs distinctive treatment modalities such as precision radiotherapy for tumors featuring proton therapy, breast-conserving surgery and reconstruction for breast cancer, striving to provide high-quality and differentiated diagnostic and treatment services for every patient. 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 the southern region of Mainland China. Cancer 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 precision cancer treatment, particularly in the high-end radiotherapy service market, with expectations for substantial revenue and profit growth. Meanwhile, competitiveness in technical service capabilities and the high-end medical service market will be enhanced, better serving differentiated cancer diagnosis and treatment needs.

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 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 MD Anderson Cancer Center, the hospital will adhere to international healthcare accreditation standards. The hospital has comprehensive relevant departments and is equipped with diagnosis and treatment equipment such as world-leading proton therapy equipment (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 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-disciplinary collaborative treatment.

Management Discussion and Analysis

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 lower-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

Deepening Proton Therapy

In the first half of 2025, the proton therapy center of Guangzhou Concord Cancer Hospital under the Group continued to deepen clinical practice, verifying the core advantages of proton therapy in precision radiotherapy. This technology achieves concentrated dose release in tumor target areas through the Bragg peak effect, significantly reducing damage to surrounding normal tissues, providing better treatment options for complex cases including head and neck tumors, nervous system tumors, lung tumors, prostate cancer, and pediatric tumors. Its precision can avoid long-term damage to important functional areas of the head, heart, rectum and other critical parts; doctors can also safely increase radiation doses to tumor areas to enhance efficacy for refractory cancers; due to minimal damage to normal tissues, patients experience fewer side effects and faster recovery, making it an optimal choice for specific patients balancing efficacy and safety.

As the first proton center in South China to enter clinical operation, Guangzhou Hospital has developed specialized treatment plans for multiple disease types. In nasopharyngeal carcinoma treatment, patients aged 10 to 71 all showed significant tumor regression, with elderly cases experiencing only mild mucosal reactions during treatment; for central nervous system tumors, successful functional preservation was achieved under whole-brain and whole-spine irradiation; in pediatric cancer diagnosis and treatment, as of June 30, 2025, the Group received its youngest proton therapy patient at one year and one month old, with advanced proton radiotherapy and close anesthesia monitoring successfully providing protection. These results confirm the clinical value of this technology in improving efficacy for refractory tumors and protecting critical organ functions.

Management Discussion and Analysis

On July 14, 2025, the proton center of Guangzhou Hospital completed the nation's first choroidal malignant melanoma proton therapy case. Choroidal malignant melanoma is a common intraocular malignant tumor, with the traditional standard treatment being enucleation, which can effectively control local lesions but inevitably causes permanent blindness and facial appearance changes for patients, with life-threatening risks remaining. Guangzhou Hospital utilized advanced proton therapy pencil beam scanning technology combined with real-time image guidance systems to achieve high-dose precision irradiation of tumor target areas while maximally protecting adjacent important structures, sparing patients from enucleation and significantly improving patient quality of life.

In the "China Proton and Heavy Ion Centres Top 10 Ranking (2024-2025)" published by Proton China (《質子中國》), an authoritative platform in the field of proton and heavy ion therapy, Guangzhou Hospital Proton Therapy Centre has been honoured as the third-ranked centre nationwide for its outstanding diagnostic and therapeutic capabilities and high-quality medical services.

Based on current treatment effectiveness, the proton center of Guangzhou Hospital leverages the advantage of being currently the only operational proton platform in South China, strengthening its function as a core hub for high-end radiotherapy services in South China and Southeast Asia; meanwhile, establishing differentiated diagnosis and treatment pathways for regionally prevalent diseases to improve patient quality of life. The continued deepening of this business segment is effectively consolidating the Group's position as a technological highland in precision cancer radiotherapy.

Building Differentiated Value as Beneficial Supplement to Public Healthcare

The Group's hospitals are committed to promoting safe and effective drug use, establishing efficient drug supply systems, improving drug accessibility, and providing patients with more comprehensive, stable, and economical innovator drugs and international frontier innovative drugs. Currently, the pharmacy department of Guangzhou Hospital provides 191 innovator drugs and over 50 patented brand drugs, covering anti-tumor drugs for all disease types.

For new anti-tumor drugs, including imported innovator drugs and national negotiated drugs, the hospital has established an efficient introduction mechanism and green channel, enabling rapid accessibility of frontier drugs to meet patients' multi-level medication needs. For example, in 2024, Paclitaxel Injection (Albumin-bound) (Abraxane) was approved for resumption of import, sales, and use in China, and Guangzhou Concord Cancer Hospital was among the first batch of drug supply medical institutions nationwide, issuing the first innovator "white paclitaxel (白紫)" prescription in Guangdong Province.

Additionally, to better meet patients' individualized medication needs, Guangzhou Hospital has opened a special "sporadic procurement (零星採購)" process. The drug procurement process and payment methods are also very user-friendly. Usually, with one day advance reservation, patients can obtain drugs on the second or third day. Guangzhou Hospital has formed a diversified payment model of "basic medical insurance + commercial insurance, etc.", which can flexibly meet patients' different needs.

Beyond meeting patients' imported drug needs, the Group has proactively deployed full-cycle diagnosis and treatment services to improve patients' quality of life, covering surgery (such as breast-conserving surgery, reconstruction surgery, etc.), advanced radiotherapy (such as painless brachytherapy, non-invasive cranial gamma knife), and comprehensive rehabilitation (post-operative rehabilitation, nutrition and psychological comprehensive support), among other key areas, committed to providing patients with more comprehensive and higher-quality medical care.

Management Discussion and Analysis

Multi-level Payment Network Construction and Proton Therapy Accessibility Upgrade

In the first half of 2025, the Group achieved breakthrough progress in medical payment ecosystem construction. MSH released the “Xinxiang Life (欣享人生)” 2025 medical insurance, achieving breakthrough direct payment functionality for special needs department treatment in the mid-range medical insurance sector. This product includes Guangzhou Concord Cancer Hospital under the Group in its designated private hospital network, establishing a seamless full-process connection system from treatment to insurance, creating quality choices for high-end medical service demanders. Subsequently, Guangzhou Concord Cancer Hospital reached a cooperation agreement with Medilink (Beijing) TPA Services Co., Ltd., further upgrading the direct payment network system and significantly improving the convenience and reliability of medical payment services.

The Group continues to deepen payment system innovation in proton therapy through its cancer hospitals: with cutting-edge radiotherapy technology as the core and precision radiotherapy as a specialty, actively expanding industry cooperation and channel construction to build an efficient payment network. This ensures that commercial insurance patients meeting proton therapy indications can quickly connect with high-end medical resources, creating a complete service pathway from clinical diagnosis to precision treatment, forming a closed-loop management system for high-end proton therapy accessibility. Under the multi-tiered payment network framework, the Group’s share of basic medical insurance payments from hospital business stood at 25% during the first half of 2025, representing a significant decline compared to the 41% recorded for the basic medical insurance payments for the same period of 2024.

At the public medical security level, the new year’s “Shenzhen Huimin Bao” achieved major upgrades – adding coverage for innovative diagnosis and treatment projects such as proton heavy ion therapy, covering designated medical institutions inside and outside Shenzhen. Starting from the coverage period effective from July 1, 2025, insured patients receiving proton therapy at Guangzhou Concord Cancer Hospital under the Group can enjoy cost reimbursement. This insurance is jointly guided by the Healthcare Security Bureau of Shenzhen Municipality and financial regulatory agencies, and jointly underwritten by leading insurers including China Life, marking the Group’s high-end treatment services officially entering the government-guided inclusive commercial medical insurance system, providing innovative models for multi-level medical security construction.

Innovative Breakthroughs and Translational Applications: Scientific Research Capabilities Driving a New Paradigm in Cancer Diagnosis and Treatment

In the field of oncology treatment, radiotherapy plays a pivotal role, where the review of radiotherapy data records significantly impacts patient safety and treatment efficacy. The Group has successfully developed the “Automated Radiotherapy Data Review System”, with findings published in the authoritative journal China Medical Equipment (《中國醫學裝備》). Currently, the system has been officially implemented at Shanghai Concord Medical Cancer Center Co., Ltd. and Guangzhou Concord Cancer Center Co., Ltd. In the future, it will further provide quality control solutions for cancer diagnosis and treatment to its extensive network of partner hospitals, enabling a technology-driven, standardized radiotherapy model nationwide.

Simultaneously, the Group has secured a new Guangdong Provincial Medical Research Fund project titled “Study on the Mechanism of NOS1 Regulating ROS/JNK1 Pathway in Inhibiting Chemotherapy Drug-Induced Autophagic Death in Nasopharyngeal Carcinoma Cells” (《NOS1 調控 ROS/JNK1 通路抑制化療藥物誘導的鼻咽癌細胞自噬性死亡的機制研究》), demonstrating its regional influence. In the middle of the year, the Group completed applications for four Guangdong Provincial Natural Science Foundation projects and one Guangzhou Municipal Health Technology General Guidance Project.

Management Discussion and Analysis

In terms of innovative achievements, the Group's Guangzhou Hospital published eight SCI-indexed academic papers in the first half of the year, with two invention patent applications currently under review. The hospital spearheaded the drafting of two standards organized by the Standardization Work Committee of the China Association for Promotion of International Economic & Technical Cooperation (中國國際經濟技術合作促進會標準化工作委員會): "Specifications for Clinical Application of Proton Therapy 《質子治療臨床應用規範》" and "Technical Specifications for Proton Therapy Dosage Verification. 《質子治療劑量驗證技術規範》".

Additionally, the Guangzhou Hospital secured approval for one national continuing education program, one Guangdong provincial continuing education program, and three Guangzhou municipal continuing education programs. These initiatives actively contribute to talent development and industry advancement in precision radiotherapy, proton therapy nursing, perioperative anesthesia, and music therapy. Collectively, these advances emphatically demonstrate the hospital's comprehensive capabilities in oncology treatment, technological innovation, and academic research.

International Professional Exchange and Cooperation Achievement Summary

In the first half of 2025, medical institutions under the Group welcomed waves of high-end visits and academic exchanges from multiple countries, demonstrating international medical community recognition of their technical strength. On March 9, 2025, Professor Toh Han Chong, deputy director of National Cancer Centre Singapore, led a delegation to visit Guangzhou Concord Cancer Hospital, conducting in-depth examinations of clinical business systems and international service standards. On June 21, 2025, Sophon Suwannarat, the prefectural magistrate of Phuket, Thailand, led a government delegation for a special visit, with both sides conducting in-depth exchanges on international medical cooperation and international referral cooperation. These visits not only verified the Group's international standards in high-end medical equipment, medical standards, service concepts, and medical environment construction, but also opened new pathways for cross-border medical resource collaboration.

Meanwhile, the Group's technical exchange level shows deep professionalization trends. The "New Technologies in Stereotactic Radiotherapy and Clinical Applications • Sino-US Radiotherapy Frontier Academic Exchange Conference (立體定向放療新技術及臨床應用•中美放療前沿學術交流會)" held in June 2025 specially invited renowned senior medical physicist Professor Benedict from the United States to give lectures. This conference built a good exchange platform for Sino-US radiotherapy academia, providing beneficial references for future development of precision radiotherapy through sharing clinical practice experience in innovative technologies such as SBRT and SBPT. Guangzhou Concord Cancer Hospital will continue to promote such high-level international academic exchanges, helping China's radiation treatment industry align with international frontiers. More strategically significant was Mayo Clinic's field inspection of Shijiazhuang Edison Cancer Hospital (石家莊愛迪森腫瘤醫院) in April 2025, bringing together representatives and expert advisory teams from Concord Healthcare, CSPC, and Shijiazhuang Edison Cancer Hospital. All parties conducted in-depth exchanges around multiple dimensions including radiotherapy technology and management models, jointly exploring new pathways for international medical cooperation. This inspection not only helps the Group improve international strategic layout and enhance comprehensive strength of hospitals under its umbrella, but also strengthens brand international influence. It has built a bridge for medical cooperation across borders for both parties, potentially triggering new development waves in the global cancer medical field, allowing international medical achievements to benefit more patients.

Management Discussion and Analysis

In international cooperation channel expansion, the Group demonstrated platform value. During the “Japanese Enterprises Guangdong Tour (日本企業廣東行)” event in June 2025, executives from over 20 Japanese companies including Mizuho Financial and Mitsubishi Corporation focused on inspecting Guangzhou Concord Cancer Hospital. As a representative of high-end medical institutions in Huangpu District, the hospital became an important window for foreign parties to gain in-depth understanding of Guangzhou’s medical strength and internationalization level. Current international interactions are steadily enhancing the Group’s professional reputation in Asia’s high-end medical field.

Medical Equipment, Software and Related Services

In the first half of 2025, the Group’s medical equipment, software and related services business focused on two core tasks: fully promoting optimization and upgrade of core projects with efficient delivery, while simultaneously accelerating strategic expansion of product lines. At the project execution level, the Group ensured high-quality, zero-defect successful delivery of major projects through deepening customer collaboration mechanisms and comprehensively improving supporting systems. The team continuously optimized delivery solutions and enhanced cooperation standards, building sustainable long-term competitive advantages for customers. Meanwhile, in product line layout, the Group systematically integrated nearly 20 years of technological accumulation and resource networks in the radiotherapy field, comprehensively integrating full-cycle radiotherapy supporting products to successfully build a three-dimensional product matrix of “core equipment + expert advantages + value-added services”. This innovative system significantly enhances customer differentiated competitiveness by providing comprehensive high-end solutions from requirement initiation to upgrade delivery.

In business expansion, traditional business centers continue to deepen technical empowerment services, actively improving penetration rates of radiotherapy and imaging cloud platforms in projects. While continuing to deepen medical consortium operations, the Group focuses on incubating emerging business segments: strengthening technical empowerment for grassroots hospitals through new AI and digital imaging cloud platform services; particularly the cooperation agreement between Beijing Yundu Company (北京雲度公司) and the Affiliated Hospital of Inner Mongolia Minzu University (內蒙古民族大學附屬醫院), with Concord Cloud Nuclear Medicine Cloud Platform (嘉和雲核醫學雲平台) as the core, providing remote diagnosis, professional training, and academic support services for the hospital’s nuclear medicine department, creating a new paradigm of technical empowerment.

Customer ecosystem construction achieved breakthrough progress. The Group continuously consolidated historical customer cooperation relationships and precisely captured new business needs through regular return visits, high-level mutual visits, and thematic business exchanges. Cooperation models upgraded from single projects to deep collaboration, with significant results in resource sharing and advantage complementarity. For emerging fields such as proton radiotherapy, the Group assembled professional market teams and business development teams to proactively connect with renowned medical institutions. Through multiple rounds of technical exchanges and project negotiations, leveraging deep radiotherapy technical accumulation and service capabilities to win customer trust, opening new growth pathways for business diversification.

Through high-quality delivery of products and innovative service models, the Group not only won widespread market recognition but also successfully created benchmark examples of supply chain upgrades. The comprehensive solution system built by the three-dimensional product matrix effectively helps customers enhance differentiated competitive advantages, thereby significantly strengthening the Company’s brand influence and market leadership position in the industry.

Management Discussion and Analysis

AI Business

In the first half of 2025, the Group achieved major breakthroughs in AI healthcare, successfully developing and deploying the world's first large language model in the vertical field of proton therapy. This model deeply integrates multimodal medical data constructed from nearly 10,000 high-quality radiotherapy cases accumulated by cancer institutions under its umbrella, while deeply integrating data from Proton China 《質子中國》 and professional journal literature to build an intelligent system for the entire proton radiotherapy process. At the patient service level, the system can transform complex radiotherapy principles into accessible interpretations and real-time answers to high-frequency concerns such as treatment differences; at the clinical support level, it can automatically analyze massive literature and case data to provide evidence-based references for rare tumor treatment planning while generating research analysis reports meeting international journal standards.

This model has been deployed at Guangzhou Concord Cancer Hospital, leveraging real-world scenario data from the first clinical center in South China equipped with Varian's new-generation ProBeam proton radiation therapy system throughout the year to form a closed-loop mechanism of "data feedback – algorithm optimization – diagnostic efficiency improvement". Practical applications show that the system significantly enhanced clinical effectiveness in three dimensions: accuracy of treatment difficulty identification, personalized treatment recommendation capability, and international standard diagnostic pathway compatibility. Current service coverage includes patients from China and East Asia. As clinical data continues to accumulate, the model is continuously strengthening precision cancer treatment capabilities.

Based on proton large model validation results, the Group established a phased development pathway: vertically extending to build AI matrices such as cancer radiotherapy large models and cancer diagnosis and treatment large models; horizontally implementing mature AI product applications in partner medical institutions through management output and network empowerment, achieving diversified cooperation in technology licensing, remote diagnostic support, data sharing, and more. The Group adopts a model of "heavy asset with deep cultivation of core healthcare + light asset with expansion of service boundaries", accelerating market application of intelligent diagnostic solutions while ensuring service quality of self-owned institutions. With global cancer incidence continuing to rise and healthcare intelligence demand exploding, this Group will leverage its professional and first-mover advantages in cancer diagnosis and treatment to capture shares of the trillion-level market, not only creating sustainable growth engines for Concord Healthcare but also leading the entire cancer medical industry toward a new era of "precision intelligent therapy".

FUTURE OUTLOOK

Under challenges of profound demographic aging and multiple other factors, newly diagnosed cancer cases in China continue to rise. While demographic aging extends average life expectancy, it also reconstructs chronic disease profiles, generating new demands for cancer prevention and treatment: early cancer screening and intervention, precision diagnosis and treatment, cancer rehabilitation and quality of life, full-cycle management, etc., representing both challenges and opportunities.

The deepening implementation of various policies brings structural opportunities: supply limitations for some imported specific drugs and innovator drugs in public hospitals prompt cancer patients with payment capacity to turn to socially-operated medical institutions with drug accessibility. As a professional cancer medical group, the Company can effectively undertake such spillover demand, forming differentiated advantages. Combined with resident income growth, expanded commercial insurance coverage, and diagnostic technology advances, diversified and tiered medical needs of cancer patients provide broad development space for socially-operated healthcare.

Management Discussion and Analysis

Facing pain points of supply-demand structural contradictions, this Group adheres to the philosophy of “supplementing public healthcare, protecting life’s brilliance”, committed to building a multi-level cancer prevention and treatment service system. The Group introduces world-class proton therapy systems as the core fulcrum of differentiated services. With the Yangtze River Delta and Guangdong-Hong Kong-Macao Greater Bay Area as core strategic regions, the Company aims to improve diversified and tiered diagnosis and treatment systems, introduce more imported innovator drugs, allowing more patients to benefit from international standard advanced diagnostic technologies and imported drugs, thereby improving quality of life.

In the second half of the year, the Group will deepen the popularization of proton therapy technology, enhance public awareness of precision radiotherapy, and strengthen patient trust system. The following measures will be advanced simultaneously: integrate proton therapy resources to establish specialized teams; construct comprehensive one-stop service standards for the entire process; optimize clinical pathway management; strengthen international cooperation and overseas expansion of medical services; actively participate in domestic and international academic exchange activities and scientific research cooperation. Our aim is to consolidate technological leading advantages and help more patients benefit from internationally advanced diagnostic and therapeutic technologies, pharmaceuticals and humanistic care concepts.

FINANCIAL REVIEW

The following discussions are based on the financial information and notes set out in other sections of this report 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 8.3% from RMB219.0 million for the six months ended June 30, 2024 to RMB200.9 million for the six months ended June 30, 2025. The following table sets forth a breakdown of our revenues by service offerings for the six months ended June 30, 2024 and 2025.

	Six Months ended June 30,			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Hospital business				
– Medical institutions	153,244	76.3	137,840	62.9
Medical equipment, software and related services				
– Sales and installation of medical equipment and software	37,436	18.6	73,208	33.4
– Management and technical support	8,206	4.1	2,099	1.0
– Operating lease	2,017	1.0	5,841	2.7
Total	200,903	100.0	218,988	100.0

Management Discussion and Analysis

- *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 increased by 11.2% from RMB137.8 million for the six months ended June 30, 2024 to RMB153.2 million for the six months ended June 30, 2025, primarily due to the commencement of operations of the proton therapy business at Guangzhou Hospital in December 2024.
- *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 41.3% from RMB81.1 million for the six months ended June 30, 2024 to RMB47.7 million for the six months ended June 30, 2025, primarily due to that overall business demand has been delayed in light of the current macroeconomic environment.
 - o *Sales and installation of medical equipment and software.* Our revenue generated from sales and installation of medical equipment and software decreased by 48.9% from RMB73.2 million for the six months ended June 30, 2024 to RMB37.4 million for the six months ended June 30, 2025, primarily due to that overall business demand has been delayed in light of the current macroeconomic environment.
 - o *Management and technical support.* Our revenue generated from management and technical support increased by 290.9% from RMB2.1 million for the six months ended June 30, 2024 to RMB8.2 million for the six months ended June 30, 2025, primarily due to the increase in the number of customers served.
 - o *Operating lease.* Our revenue generated from operating lease decreased by 65.5% from RMB5.8 million for the six months ended June 30, 2024 to RMB2.0 million for the six months ended June 30, 2025, primarily due to that operating leases are no longer the Company's main business, and expired contracts are no longer renewed.

Management Discussion and Analysis

Cost of revenue

Our cost of revenue primarily consisted 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 revenue decreased by 20.9% from RMB253.5 million for the six months ended June 30, 2024 to RMB200.5 million for the six months ended June 30, 2025. The following table sets forth a breakdown of our cost of revenue by nature for the six months ended June 30, 2024 and 2025.

	Six Months ended June 30,			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Variable Cost				
– Cost of medical equipment and software	32,320	16.1	70,174	27.7
– Cost of pharmaceuticals, consumables and other inventories	32,611	16.2	44,868	17.7
– Utilities and office expenses	146	0.1	275	0.1
– Others ⁽¹⁾	8,573	4.3	9,119	3.6
Sub-total	73,650	36.7	124,436	49.1
Fixed Cost				
– Employee benefit expenses	49,081	24.5	58,993	23.3
– Depreciation and amortization	65,645	32.7	56,281	22.2
– Leasing, repair and maintenance	12,144	6.1	13,790	5.4
Sub-total	126,870	63.3	129,064	50.9
Total	200,520	100.0	253,500	100.0

Note:

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

Management Discussion and Analysis

- *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 53.9% from RMB70.2 million for the six months ended June 30, 2024 to RMB32.3 million for the six months ended June 30, 2025, primarily due to the decrease in cost as a result of the decrease in revenue generated from sales and installation of medical equipment and software.
- *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 16.8% from RMB59.0 million for the six months ended June 30, 2024 to RMB49.1 million for the six months ended June 30, 2025, primarily due to the improved efficiency of human resources and the Group's implementation of the concept of improved efficiency and reduced costs.
- *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 27.3% from RMB44.9 million for the six months ended June 30, 2024 to RMB32.6 million for the six months ended June 30, 2025, primarily due to the decrease in pharmaceuticals sales revenue, as a result of the adjustments in the Company's revenue structure.
- *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 cost of leasing, repair and maintenance decreased by 11.9% from RMB13.8 million for the six months ended June 30, 2024 to RMB12.1 million for the six months ended June 30, 2025, primarily due to the reduction in rental.
- *Utilities and office expenses.* Our utilities and office expenses decreased by 47.0% from RMB0.3 million for the six months ended June 30, 2024 to RMB0.1 million for the six months ended June 30, 2025, primarily due to the Group's implementation of the concept of improved efficiency and reduced costs.

Management Discussion and Analysis

Gross profit/(loss) and gross margin

We recorded gross profit of RMB0.4 million for the six months ended June 30, 2025, as compared to gross loss of RMB34.5 million for the six months ended June 30, 2024. Our gross margin improved from negative 15.8% for the six months ended June 30, 2024 to 0.2% for the six months ended June 30, 2025.

The following table sets forth a breakdown of our gross profit/(loss) and gross margin by service offerings for the six months ended June 30, 2024 and 2025.

	Six Months ended June 30,			
	2025		2024	
	Amount	Gross margin	Amount	Gross margin
	RMB'000	%	RMB'000	%
Hospital business				
– Medical institutions	555	0.4	(30,415)	(22.1)
Medical equipment, software and related services				
– Sales and installation of medical equipment and software	4,810	12.8	556	0.8
– Management and technical support	(1,277)	(15.6)	(5,322)	(253.5)
– Operating lease	(3,705)	(183.7)	669	11.5
Total	383	0.2	(34,512)	(15.8)

- *Hospital business.* We recorded gross profit and gross margin for hospital business of RMB0.6 million and 0.4% for the six months ended June 30, 2025, as compared to gross loss and gross margin of RMB30.4 million and negative 22.1% for the six months ended June 30, 2024, and the change was primarily due to the adjustments in the Company's revenue structure, with the proton therapy business bringing about efficiency improvements, and the implementation of the concept of improved efficiency and reduced costs.
- *Medical equipment, software and related services.* We recorded gross loss and gross margin for medical equipment, software and related services of RMB0.2 million and negative 0.4% for the six months ended June 30, 2025, as compared to gross loss and gross margin of RMB4.1 million and negative 5.0% for the six months ended June 30, 2024, and the change was primarily due to the implementation of the concept of improved efficiency and reduced costs.
 - *Sales and installation of medical equipment and software.* Our gross profit and gross margin for sales and installation of medical equipment and software increased from RMB0.6 million and 0.8% for the six months ended June 30, 2024 to RMB4.8 million and 12.8% for the six months ended June 30, 2025, primarily due to the implementation of the concept of improved efficiency and reduced costs and optimization of the pricing strategy.

Management Discussion and Analysis

- o Management and technical support. We recorded gross loss and gross margin for management and technical support of RMB1.3 million and negative 15.6% for the six months ended June 30, 2025, as compared to gross loss and gross margin of RMB5.3 million and negative 253.5% for the six months ended June 30, 2024, the change was primarily due to that the revenue increased therefore the gross loss narrowed.
- o Operating lease. We recorded gross loss and gross margin for operating lease of RMB3.7 million and negative 183.7% for the six months ended June 30, 2025, as compared to gross profit and gross margin of RMB0.7 million and 11.5% for the six months ended June 30, 2024, and the change was primarily due to the decrease in revenue in the relevant division, but fixed costs remaining high.

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 15.4% from RMB25.0 million for the six months ended June 30, 2024 to RMB21.1 million for the six months ended June 30, 2025, which was primarily attributable to the decrease in staff cost and promotion expenses 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 decreased by 30.0% from RMB79.1 million for the six months ended June 30, 2024 to RMB55.3 million for the six months ended June 30, 2025, which was primarily attributable to the decrease in staff cost and listing expenses, and the Group's implementation of the concept of improved efficiency and reduced costs.

Research expenses

Our research 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 expenses decreased by 3.6% from RMB14.1 million for the six months ended June 30, 2024 to RMB13.6 million for the six months ended June 30, 2025, which was primarily attributable to the decrease in staff cost and the Group's implementation of the concept of improved efficiency and reduced costs.

Other income and other net gains

Our other income primarily consisted of (i) interest income, (ii) additional value added tax 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 decreased by 95.8% from RMB43.6 million for the six months ended June 30, 2024 to RMB1.9 million for the six months ended June 30, 2025, which was primarily attributable to the gain on disposal of a subsidiary recorded in 2024.

Management Discussion and Analysis

(Provision for)/reversal of impairment loss on trade receivables

Our (provision for)/reversal of impairment loss on trade receivables primarily consisted of provision or reversal calculated based on the expected credit loss ratio for trade receivables. We recorded provision for impairment loss on trade receivables of RMB2.4 million for the six months ended June 30, 2024 and provision for impairment loss on trade receivables of RMB30.7 million for the six months ended June 30, 2025. The change was primarily attributable to the increasing balance and longer age of trade receivables.

(Provision for)/reversal of impairment loss on other receivables

Our (provision for)/reversal of impairment loss on other receivables primarily consisted of reversal or provision for impairment calculated based on the expected credit loss ratio for other receivables. We recorded provision for impairment loss on other receivables of RMB1.5 million for the six months ended June 30, 2024 and provision for impairment loss on other receivables of RMB7.7 million for the six months ended June 30, 2025. The change was primarily attributable to the increasing balance of other receivables.

(Provision for)/reversal of 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 RMB3.8 million for the six months ended June 30, 2024 and provision for impairment loss on amounts due from related parties of RMB7.8 million for the six months ended June 30, 2025, which was primarily attributable to the long-aging 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 increased from RMB0.6 million for the six months ended June 30, 2024 to RMB0.9 million for the six months ended June 30, 2025, which was primarily attributable to the loss occurred by our associates in the first half year of 2025.

Income tax credits

Our income tax credit decreased by 21.3% from RMB2.5 million for the six months ended June 30, 2024 to RMB2.0 million for the six months ended June 30, 2025, which was primarily attributable to the decrease of deferred tax which is credited to profit or loss for the Reporting Period.

Loss for the Reporting Period

As a result of the foregoing, our loss for the Reporting Period decreased by 1.0% from a net loss of RMB202.0 million for the six months ended June 30, 2024 to a net loss of RMB200.0 million for the six months ended June 30, 2025.

Management Discussion and Analysis

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 Reporting Period adjusted by adding back listing expenses. Our listing expenses are expenses relating to our Listing and is a non-recurring item.

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

	Six Months ended June 30,	
	2025	2024
	RMB'000	
Loss for the Reporting Period	(200,021)	(202,019)
<i>Add:</i>		
Listing expenses	–	40,959
Adjusted net loss (non-HKFRS measure)	(200,021)	(161,060)

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 six months ended June 30, 2024 and June 30, 2025, we financed our capital expenditures and working capital requirements primarily through cash generated from our operating activities and 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, bank loans and other borrowings, and other funds raised from the capital markets from time to time. As of June 30, 2025, 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 stringent funding and treasury policies to manage our capital resources and mitigate potential risks involved.

Our current liabilities decreased from approximately RMB1,135.9 million as of December 31, 2024 to approximately RMB1,111.8 million as of June 30, 2025, primarily due to the decrease of accruals and other payables.

Management Discussion and Analysis

Cash flows

As of June 30, 2025, our cash and cash equivalents primarily consisted of cash on hand and cash at banks, and were substantially all denominated in RMB, USD and HKD. Our total cash and cash equivalents increased by 52.4% from RMB111.5 million as of June 30, 2024 to RMB170.0 million as of June 30, 2025. The increase was primarily attributed to the less net cash used in operating activities and investing activities.

The following table provides the information regarding the Group's cash flow for the six months ended June 30, 2024 and 2025.

	Six Months ended June 30,	
	2025	2024
	RMB'000	
Net cash used in operating activities	(60,406)	(178,796)
Net cash used in investing activities	(25,289)	(464,349)
Net cash generated from financing activities	51,179	714,105
Net (decrease)/increase in cash and cash equivalents	(34,516)	70,960
Cash and cash equivalents at the beginning of the Reporting Period	204,544	40,577
Cash and cash equivalents at the end of the Reporting Period	170,028	111,537

For the six months ended June 30, 2025, our net cash used in operating activities was RMB60.4 million, representing a decrease of RMB118.4 million from the net cash used in operating activities of RMB178.8 million for the six months ended June 30, 2024, which was primarily attributable to less operating loss before working capital changes in the first half of 2025, as a result of the Group's implementation of the concept of improved efficiency and reduced costs.

For the six months ended June 30, 2025, our net cash used in investing activities was RMB25.3 million, representing a decrease of RMB439.1 million from the net cash used in investing activities of RMB464.3 million for the six months ended June 30, 2024, which was primarily attributable to proceeds from disposal of financial asset at FVTPL in the first half of 2025, and investment in a joint venture in the first half of 2024, which did not occur in the first half of 2025.

For the six months ended June 30, 2025, our net cash generated from financing activities was RMB51.2 million, representing a decrease of RMB662.9 million from the net cash generated from financing activities of RMB714.1 million for six months ended June 30, 2024, which was primarily attributable to the less proceeds from bank and other borrowings and issue of new shares in the first half of 2025.

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.

Management Discussion and Analysis

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 six months ended June 30, 2025, our total capital expenditure was approximately RMB24.1 million, compared to approximately RMB31.1 million for the six months ended June 30, 2024. 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 June 30,	
	2025	2024
	RMB'000	
Acquisition of property, plant and equipment	13,682	16,692
Capital injection in an associate	260,099	260,099

Contingent liabilities

As of June 30, 2025, 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

As of June 30, 2025, we did not have detailed future plans for material investments or capital assets.

Material acquisitions, disposals and significant investment

We did not have any material acquisitions and disposals and significant investments during the six months ended June 30, 2025.

Pledge of assets

As at June 30, 2025, bank borrowings totaling RMB2,624.3 million (as of December 31, 2024: RMB1,479.9 million) are secured mostly by the issued share capital of the Group's subsidiaries, including 80% of Guangzhou Hospital, 100% of SHCC and 100% of Shanghai Meizhong Jiahe Medical Image Diagnosis Limited, and guaranteed by the Company, Shanghai Administration Center of Policy Financing guarantee Funds for SMEs, and a medical imaging equipment owned by the Group.

Management Discussion and Analysis

As at June 30, 2025, bank borrowings totaling RMB994.2 million (as of December 31, 2024: RMB1,072.2 million) are secured mostly by the revenue of the Group's subsidiaries, including SHCC, Shanghai Meizhong Jiahe Medical Image Diagnosis Limited and Shanghai Outpatient Center.

As at June 30, 2025, bank and other borrowings totaling RMB1,523.8 million (as of December 31, 2024: RMB220.0 million) are guaranteed by Dr. Yang Jianyu, a controlling shareholder and the chairman of the Board.

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 June 30, 2025	As of December 31, 2024
	RMB'000	
Property, plant and equipment	2,652,835	2,195,646
Right-of-use asset	376,714	377,254
Inventory	32,743	—
Restricted cash	45,091	46,211
Trade receivables	5,102	33,162
Total	3,112,485	2,652,273

Net current liabilities

As of June 30, 2025, we had net current liabilities of RMB529.8 million, compared to net liabilities of RMB422.2 million as of December 31, 2024, mainly attributable to the decreasing balance of current assets, mainly as a result of disposal and utilization of financial asset at FVTPL in the first half of 2025.

Amounts due from related parties

As of June 30, 2025, we had amounts due from related parties of RMB305.5 million, decreasing from RMB314.2 million as of December 31, 2024.

Management Discussion and Analysis

Borrowings and indebtedness

As of June 30, 2025, our indebtedness consisted primarily of bank and other borrowings, convertible bonds and lease liabilities, and the borrowings were all made in RMB. As of June 30, 2025, 16.1% of the indebtedness (RMB518.8 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 June 30, 2025	As of December 31, 2024
	RMB'000	
Current indebtedness		
Bank loans and other borrowings	408,455	372,629
Convertible bonds	20,136	19,600
Lease liabilities	9,294	10,388
Non-trade amounts due to related parties	3,743	4,114
Subtotal	441,628	406,731
Non-Current indebtedness		
Bank loans and other borrowings	2,680,565	2,705,590
Lease liabilities	97,990	101,712
Subtotal	2,778,555	2,807,302
Total	3,220,183	3,214,033

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

	As of June 30, 2025		As of December 31, 2024	
	Balance	%	Balance	%
	(RMB'000, except for the percentages)			
Within one year	408,455	13.2	372,630	12.1
After one year but within two years	358,354	11.6	195,652	6.4
Over two years but within five years	1,550,638	50.2	1,137,304	36.9
Over five years	771,573	25.0	1,372,633	44.6
Total	3,089,020	100.0	3,078,219	100.0

Management Discussion and Analysis

Key financial ratios

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

	Six months ended June 30,	
	2025	2024
Profitability ratios		
Gross margin ⁽¹⁾	0.2%	(15.8)%
Net margin ⁽²⁾	(99.6%)	(92.3)%

	As of	
	June 30, 2025	December 31, 2024
Liquidity ratios		
Current ratio ⁽³⁾	0.52	0.63
Quick ratio ⁽⁴⁾	0.51	0.60
Gearing ratio ⁽⁵⁾	68.4%	67.8%

Notes:

- (1) The calculation of gross margin is based on gross profit/(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

EMPLOYEE, TRAINING AND REMUNERATION POLICIES

The Group had 573 employees as at June 30, 2025, as compared to 691 employees as at June 30, 2024. The total staff costs for the six months ended June 30, 2025 (including salaries, wages and other benefits, retirement scheme contribution etc.) amounted to approximately RMB100.2 million. 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 maintain 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.

LITIGATION AND COMPLIANCE

During the Reporting Period, the Group did not commit any material non-compliance of the laws and regulations, and did not experience any non-compliance incident, which taken as a whole, in the opinion of the Directors, is likely to have a material and adverse effect on our business, financial condition or results of operations.

INTERIM DIVIDEND

The Company will not declare any interim dividend for the six months ended June 30, 2025.

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) listed on the Stock Exchange during the six months ended June 30, 2025. As of June 30, 2025, the Company did not hold any treasury shares.

Other Information

USE OF PROCEEDS

Use of Proceeds from Listing

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.

Other Information

As of June 30, 2025, the net proceeds from the Listing have been fully utilized. The following table sets forth the actual use of the net proceeds from the Global Offering as of June 30, 2025.

	Percentage of net proceeds from the Global Offering after reallocation	Net proceeds from the Global Offering after reallocation	Utilized Amount for the six months ended June 30, 2025 (HK\$ million)	Utilized amount as of June 30, 2025	Unutilized amount as of June 30, 2025
Repaying part of the interest-bearing bank borrowings	49.4%	230.42	109.10	230.42	0
Financing the construction of Shanghai Hospital	30.6%	142.71	2.7	142.71	0
Working capital and other general corporate purposes	20.0%	93.23	71.40	93.23	0
Total	100%	466.36	183.21	466.36	0

Use of Proceeds from Placing

On June 4, 2025, the Company completed the placing of 18,600,000 new H Shares under the general mandate, following the fulfilment of all conditions set out in the placing agreement. The Shares were placed by Guotai Junan Securities (Hong Kong) Limited as the placing agent to no fewer than six placees at HK\$5.38 per share. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) each of the placees and their respective ultimate beneficial owner(s) (where applicable) is an Independent Third Party and not connected with the Company and its connected persons; and (ii) none of the placees has become a Substantial Shareholder upon the completion.

The placing price of HK\$5.38 per share represented a discount of approximately 19.70% to the closing price of HK\$6.70 per H Share as quoted on the Stock Exchange on May 28, 2025, being the date on which the placing price was fixed; and (b) a discount of approximately 10.48% to the average closing price of HK\$6.01 per H Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to May 28, 2025, being the date on which the placing price was fixed.

Other Information

The newly issued shares represented approximately 7.54% of the Company's issued H Shares and 2.60% of its total issued shares prior to completion, and approximately 7.01% of issued H Shares and 2.53% of total issued shares immediately after completion. The aggregate nominal value of the newly issued shares is RMB18,600,000.

As disclosed in the announcement of the Company dated May 29, 2025 and June 4, 2025, the net proceeds from the placing of 18,600,000 H Shares, after deducting the placing commission and other relevant costs and expenses of the placing, amounted to approximately HK\$93.94 million. On such basis, the net issue price is approximately HK\$5.05 per placing share. For details, please refer to the announcements of the Company dated May 29, 2025 and June 4, 2025.

The following table sets forth the planned use and actual use of the net proceeds from the placing as of June 30, 2025:

	Percentage of net proceeds from the placing	Net proceeds from the placing	Utilized Amount for the six months ended June 30, 2025 (HK\$ million)	Utilized amount as of June 30, 2025	Unutilized amount as of June 30, 2025	Expected timeline of full utilization
Funding the procurement of medical equipment, consumables, and pharmaceuticals for the medical institutions of the Company	40.0%	37.576	0	0	37.576	By December 31, 2025
Repaying loans provided by financial institutions to the Company and its subsidiaries, including but not limited to principal and interest of working capital loans, principal and interest of fixed asset loans, and financing lease liabilities	30.0%	28.182	0	0	28.182	By December 31, 2025
Supplementing the working capital of the Company and its subsidiaries for general corporate purposes	30.0%	28.182	0	0	28.182	By December 31, 2025
Total	100%	93.94	0	0	93.94	

Other Information

SUFFICIENCY OF PUBLIC FLOAT

On January 9, 2024 when the Company was listed, 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 interim report, at least 31.90% of the Company's total number of issued shares are held by the public.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to good corporate governance. The corporate governance principles of the Company are to implement effective internal control measures and enhance the transparency and accountability of the Board to all shareholders of the Company. The Company adopted the principles and code provisions of the CG Code as its own corporate governance practices throughout the Reporting Period. During the Reporting Period, the Company has complied with all applicable code provisions as set out in Part 2 of the CG Code.

The Company will continue to regularly review and monitor its corporate governance practices to ensure its compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND THE RELEVANT EMPLOYEES

The Company 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 the relevant employees of the Company and all of them have confirmed that they have complied with the Model Code during the Reporting Period.

Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of June 30, 2025, to the best knowledge of the Directors, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name	Our Company/ name of associated corporation	Class of Shares	Capacity/Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of total shareholdings in the Company ⁽²⁾	Approximate percentage shareholding in the relevant class of Shares of the Company ⁽³⁾
Dr. Yang	Our Company	Domestic Shares	Interest in controlled corporation	192,274,636 (L)	26.16%	40.93%
		H Shares	Interest in controlled corporation	63,859,100 (L)	8.69%	24.08%
Mr. TENG Shengchun	Beijing Healthingkon	–	Beneficial interest	–	0.88%	–

(1) The letter "L" denotes the person's long position in the Shares.

(2) Represents the percentage of the number of shares in the relevant class as at June 30, 2025 divided by the number of all shares of the Company in issue (totaling 734,938,416 Shares, including 265,151,024 H Shares and 469,787,392 Domestic Shares).

(3) Represents the percentage of the number of shares in the relevant class as at June 30, 2025 divided by the number of shares in the relevant class of the Company in issue.

Save as disclosed above, as at 30 June 2025, none of the Directors, Supervisors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which would be required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Other Information

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2025, to the best of knowledge of the Directors, the following persons, other than Directors, Supervisors or chief executive of the Company, had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Class of Shares	Capacity/Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of total shareholdings in the Company ⁽²⁾	Approximate percentage shareholding in the relevant class of Shares of the Company ⁽³⁾
Ascendium Group Limited ⁽⁴⁾⁽⁵⁾⁽⁶⁾	Domestic Shares	Interest in controlled corporation	192,274,636 (L)	26.16%	40.93%
	H Shares	Interest in controlled corporation	63,859,100 (L)	8.69%	24.08%
Concord Medical ⁽⁴⁾	Domestic Shares	Interest in controlled corporation	192,274,636 (L)	26.16%	40.93%
	H Shares	Interest in controlled corporation	63,859,100 (L)	8.69%	24.08%
Morgancreek ⁽⁴⁾	Domestic Shares	Interest in controlled corporation	192,274,636 (L)	26.16%	40.93%
	H Shares	Interest in controlled corporation	63,859,100 (L)	8.69%	24.08%
Ms. ZHANG Bi ⁽⁴⁾	Domestic Shares	Interests of spouse; interest in controlled corporation	192,274,636 (L)	26.16%	40.93%
	H Shares	Interests of spouse; interest in controlled corporation	63,859,100 (L)	8.69%	24.08%
Shanghai Medstar ⁽⁵⁾	Domestic Shares	Beneficial interest	96,137,318 (L)	13.08%	20.46%
	H Shares	Interest in controlled corporation	28,115,800 (L)	3.83%	10.60%
	Domestic Shares	Other	96,137,318 (L)	13.08%	20.46%
	H Shares	Beneficial interest	141,000(L)	0.02%	0.05%
Beijing Concord ⁽⁶⁾	H Shares	Beneficial interest	35,602,300 (L)	4.84%	13.43%
Concord HK ⁽⁶⁾	H Shares	Interest in controlled corporation	35,602,300 (L)	4.84%	13.43%
Tianjin Concord	H Shares	Beneficial interest	28,115,800 (L)	3.83%	10.60%
CICC Jiatai Phase II (Tianjin) Equity Investment Fund Partnership (Limited Partnership) (中金佳泰貳期(天津)股權投資基金合夥企業(有限合夥)) ("CICC Jiatai") ⁽⁷⁾	Domestic Shares	Beneficial Interest	120,000,000 (L)	16.33%	25.54%
CICC Capital Management Co., Ltd.	Domestic Shares	Interest in controlled corporation	120,000,000 (L)	16.33%	25.54%
China International Capital Corporation Limited	Domestic Shares	Interest in controlled corporation	120,000,000 (L)	16.33%	25.54%

Other Information

Name	Class of Shares	Capacity/Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage shareholdings of total shareholdings in the Company ⁽²⁾	Approximate percentage shareholding in the relevant class of Shares of the Company ⁽³⁾
Central Huijin Investment Ltd.	Domestic Shares	Interest in controlled corporation	120,000,000 (L)	16.33%	25.54%
Ningbo Xinyu Jiahui Enterprise Management Co., Ltd. (寧波信鈺嘉慧企業管理有限公司) ("Ningbo Xinyu") ⁽⁸⁾	Domestic Shares	Beneficial Interest	77,777,776 (L)	10.58%	16.56%
CITIC Industrial Investment Group Corp., Ltd.	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	10.58%	16.56%
CITIC Corporation Limited	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	10.58%	16.56%
CITIC Limited	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	10.58%	16.56%
CITIC Polaris Limited	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	10.58%	16.56%
CITIC Glory Limited	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	10.58%	16.56%
CITIC Group Corporation Limited	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	10.58%	16.56%
CSPC NBP Pharmaceutical Co., Ltd. (石藥集團恩必普藥業有限公司) ⁽⁹⁾	Domestic Shares	Beneficial Interest	28,195,488 (L)	3.84%	6.00%
CSPC Pharmaceutical Group Limited	Domestic Shares	Interest in controlled corporation	28,195,488 (L)	3.84%	6.00%
Wisdomont Asset Management (Shanghai) Co., Ltd. ⁽¹⁰⁾	Domestic Shares	Interest in controlled corporation	34,715,560 (L)	4.72%	7.39%
GAN Shixiong (甘世雄)	Domestic Shares	Interest in controlled corporation	34,715,560 (L)	4.72%	7.39%

Other Information

- (1)–(3) See “– Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures” in this interim report for more information.
- (4) Ascendium Group Limited is deemed to be interested in (i) the entire interests held by Shanghai Medstar, which is owned as to 98.19% by Ascendium Group Limited and as to 1.81% by Shanghai Huifu Technology Development Co., Ltd. (上海卉馥科技發展有限公司) (“Shanghai Huifu”), and (ii) the entire interests held by Concord HK, which is wholly owned by Ascendium Group Limited. Shanghai Huifu is owned as to approximately 99% by Dr. Yang and as to approximately 1% by Mr. SHI Botao. Ascendium Group Limited is wholly owned by Concord Medical. As of the date of this interim report, Dr. Yang, through his controlled entity, Morgancreek, is entitled to exercise approximately 73.2% of the voting rights at general meetings of Concord Medical. Ms. ZHANG Bi, the spouse of Dr. Yang, indirectly holds 70% of the equity interests in Morgancreek; and Dr. Yang is the sole director of Morgancreek, and as such Dr. Yang has the power to direct Morgancreek as to the voting and disposition of the shares held by Morgancreek in Concord Medical. Ms. ZHANG Bi, as the spouse of Dr. Yang, is deemed to be interested in Dr. Yang’s entire interest.
- (5) Shanghai Medstar is deemed to be interested in (i) the 192,415,636 Shares directly held by it, and (ii) the 28,115,800 Shares held by Tianjin Concord, which is wholly owned by Shanghai Medstar. On July 10, 2024 and October 14, 2024 and January 24, 2025, Shanghai Medstar pledged a total of 96,137,318 Domestic Shares in favor of China Credit Trust Co., Ltd. as security for a loan facility. For details, please refer to “– Pledge of Shares by the Controlling Shareholder” in this report.
- (6) Concord HK is deemed to be interested in the 35,602,300 Shares held by Beijing Concord, which is wholly owned by Concord HK.
- (7) CICC Jiatai is a limited partnership established in the PRC and the general partner of which is CICC Capital Management Co., Ltd. (中金資本運營有限公司), a wholly-owned subsidiary of China International Capital Corporation Limited, which is a company listed on the Shanghai Stock Exchange (stock code: 601995) and Stock Exchange (stock code: 3908). Central Huijin Investment Ltd. (中央匯金投資有限責任公司) is deemed to be interested in the entire interest held by China International Capital Corporation Limited for the purpose of the SFO.
- (8) Ningbo Xinyu is a limited liability company established in the PRC and is a wholly-owned subsidiary of CITIC Industrial Investment Group Corp., Ltd., which is in turn wholly owned by CITIC Corporation Limited. CITIC Corporation Limited is wholly owned by CITIC Limited, a company listed on the Stock Exchange (stock code: 0267), which is in turn owned as to 32.53% by CITIC Polaris Limited and as to 25.60% by CITIC Glory Limited. Each of CITIC Polaris Limited and CITIC Glory Limited is wholly owned by CITIC Group Corporation Limited.
- (9) CSPC NBP Pharmaceutical Co., Ltd. is a company established in the PRC with limited liability and is a wholly-owned subsidiary of CSPC Pharmaceutical Group Limited, which is a company listed on the Stock Exchange (stock code: 1093).
- (10) WisdoMont Asset Management (Shanghai) Co., Ltd. is the general partner of Jiaxing Shengshi Equity Investment Partnership (Limited Partnership) (嘉興盛識股權投資合夥企業(有限合夥)) (“Jiaxing Shengshi”), Suzhou Juepu Investment Center (Limited Partnership) (蘇州覺普投資中心(有限合夥)) (“Suzhou Juepu”) and Lanhai Youfang, and also controls the general partner of Suzhou Shengshan Huiying Venture Capital Partnership (Limited Partnership) (蘇州盛山惠贏創業投資企業(有限合夥)) (“Shengshan Huiying”). Accordingly, WisdoMont Asset Management (Shanghai) Co., Ltd. is deemed to be interested in the entire interests held by Jiaxing Shengshi, Suzhou Juepu, Lanhai Youfang and Shengshan Huiying. WisdoMont Asset Management (Shanghai) Co., Ltd. is owned as to 51% by GAN Shixiong (甘世雄).

Other Information

Save as disclosed above, as at June 30, 2025, the Directors, Supervisors and the chief executive of the Company are not aware of any other person (other than the Directors, Supervisors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be required to be recorded in the register to be kept by the Company pursuant to Section 336 of the SFO.

CHANGE OF MEMBERS OF CONTROLLING SHAREHOLDERS

On June 24, 2025, the Company was informed by Shanghai Xinhe (holding 13,333,332 Domestic Shares of the Company) that as considered and approved at its partners' meeting held on June 24, 2025, in order to further optimize the business decision-making approach of Shanghai Xinhe, Shanghai Medstar will no longer be the limited partner of Shanghai Xinhe and Shanghai Xinfu Enterprise Management Center (Limited Partnership) (上海信複企業管理中心(有限合夥)), which is ultimately controlled by Dr. Yang, will no longer be the general partner of Shanghai Xinhe. Each of the partners of Shanghai Xinhe after the change is independent from Dr. Yang and the entities controlled by him, and their connected persons (as defined under the Listing Rules).

Therefore, Shanghai Xinhe will no longer be a member of the Controlling Shareholders of the Company. As at the date of this interim report, Dr. Yang and the entities controlled by him, including Morgancreek, Concord Medical, Ascendium Group Limited, Shanghai Huifu, Concord HK, Shanghai Medstar, Tianjin Concord and Beijing Concord, are still interested in 192,274,636 Domestic Shares and 63,859,100 H Shares, representing 32.68% of the Company's total issued share capital and voting rights of the Company's issued Shares in general meetings, and remains as our Controlling Shareholders.

CHANGES IN DIRECTORS' AND SUPERVISORS' INFORMATION

Mr. SONG Qingbao was appointed as a non-executive Director of the Company at the AGM held on May 27, 2025, the term of which shall terminate upon the expiry of the term of the current session of the Board.

Mr. CHEN Hongzhang, the non-executive Director of the third session of the Board, retired upon the date of the election of Mr. SONG Qingbao at the AGM held on May 27, 2025.

Save as disclosed above, there has been no change in the Directors' and Supervisors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report and up to the date of this interim report.

PLEDGE OF SHARES BY THE CONTROLLING SHAREHOLDER

As disclosed in the announcements of the Company dated July 10, 2024, October 14, 2024, and January 24, 2025 (the "Share Pledge Announcements"), the Company was notified that, an aggregate of 96,137,318 Domestic Shares (the "Pledged Shares") held by Shanghai Medstar, one of the Company's Controlling Shareholders, has been pledged to China Credit Trust Co., Ltd. (中誠信託有限責任公司) ("China Credit"), an independent third party as security for a loan facility in an aggregate amount of no more than RMB500,000,000 provided by China Credit to the Company. The Pledged Shares represented approximately 13.08% of the total issued share capital of the Company as at June 30, 2025.

Other Information

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

As of June 30, 2025, the Company had no other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in this interim report, at no time during six months ended June 30, 2025 was the Company or its subsidiaries a party to any arrangement that would enable the Directors or Supervisors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporates, and none of the Directors, Supervisors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporates or had exercised any such right.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the six months ended June 30, 2025.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements. The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements which are put to the Board for approval. The management provides all members of the Board with regular updates on the Company's performance positions and prospects.

AUDIT COMMITTEE

As of the date of this interim report, 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 accounting information contained in this interim report has not been audited by the independent auditor of the Company. However, the Audit Committee together with the management of the Company have reviewed the accounting policies and practices adopted by the Group and discussed, among other things, internal controls and financial reporting matters including a review of the unaudited interim results for the six months ended June 30, 2025. In addition, the independent auditor of the Company, BDO Limited, has reviewed the unaudited interim financial information for the six months ended June 30, 2025 in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Other Information

EVENTS AFTER THE REPORTING PERIOD

On July 29, 2025, the Company completed the placing of 48,723,600 new H Shares under the general mandate, following the fulfilment of all conditions set out in the placing agreement. The Shares were placed by Guotai Junan Securities (Hong Kong) Limited as the placing agent to no fewer than six placees at HK\$5.54 per share. The newly issued shares represented approximately 18.38% of the Company's issued H Shares and 6.63% of its total issued shares prior to completion, and approximately 15.52% of issued H Shares and 6.22% of total issued shares immediately after completion. For details, please refer to the announcements of the Company dated July 22, 2025 and July 29, 2025.

On August 26, 2025, Beijing Concord agreed to pledge 35.6 million H Shares, representing approximately 99.99% of total Shares directly held by Beijing Concord in the Company, in favour of Shanghai Pudong Development Bank Beijing Branch (上海浦東發展銀行北京分行) ("SPDB") to further secure the Company's obligations and to provide additional guarantees in respect of the non-revolving line of credit of up to RMB1.3 billion granted by SPDB to Guangzhou Hospital. As at August 26, 2025, the aggregate H Shares of the Company pledged by Beijing Concord represent approximately 4.54% of the total issued shares of the Company. For details, please refer to the announcement of the Company dated August 26, 2025.

Save as disclosed above, there are no material subsequent events undertaken by the Group after June 30, 2025 and up to the date of this interim report.

By order of the Board of Directors

Dr. YANG Jianyu

Chairman of the Board and Executive Director

Beijing, the PRC, September 26, 2025

Report on Review of Interim Condensed Consolidated Financial Statements



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To the Board of directors of Concord Healthcare Group Co., Ltd.

(incorporated in People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 42 to 68 which comprise the condensed consolidated statement of financial position of Concord Healthcare Group Co., Ltd. and its subsidiaries (collectively referred to as the "Group") as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements, including material accounting policy information (the "interim condensed consolidated financial statements"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

BDO Limited

Certified Public Accountants

Chan Tsz Hung

Practising Certificate no. P06693

Hong Kong

28 August 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	4	200,903	218,988
Cost of revenue		(200,520)	(253,500)
Gross profit/(loss)		383	(34,512)
Other income and other net gains	6	1,850	43,644
Provision for impairment loss on trade receivables, net	13	(30,654)	(2,353)
Provision for impairment loss on other receivables, net	14	(7,681)	(1,473)
(Provision for)/reversal of impairment loss on amounts due from related parties, net		(7,812)	3,816
Selling and distribution expenses		(21,126)	(24,974)
Administrative expenses		(55,345)	(79,090)
Research expenses		(13,618)	(14,128)
Listing expenses		–	(40,959)
Share of associates' results		(888)	(631)
Share of a joint venture's results		(772)	(166)
Finance costs	7	(66,329)	(53,696)
Loss before income tax credit	8	(201,992)	(204,522)
Income tax credit	9	1,971	2,503
Loss and total comprehensive income for the period		(200,021)	(202,019)
Attribute to:			
Owners of the Company		(176,598)	(181,876)
Non-controlling interests		(23,423)	(20,143)
		(200,021)	(202,019)
Loss per share (expressed in RMB)			
Basic and diluted loss per share	11	(0.24)	(0.25)

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Interests in associates		87,834	88,722
Interest in a joint venture		100,874	101,646
Property, plant and equipment	12	3,460,138	3,492,817
Right-of-use assets		428,485	437,532
Intangible assets		812,496	826,372
Deposits, prepayments and other receivables	14	84,670	22,275
Amounts due from related parties		200,211	207,852
Deferred tax assets		15,452	15,726
		5,190,160	5,192,942
Current assets			
Inventories		13,691	33,441
Trade receivables	13	39,154	51,480
Deposits, prepayments and other receivables	14	208,819	138,993
Amounts due from related parties		105,263	106,376
Restricted cash		45,091	46,211
Financial assets at fair value through profit or loss ("FVTPL")	15	–	132,575
Cash and cash equivalents		170,028	204,544
		582,046	713,620
Current liabilities			
Trade payables	16	(101,272)	(112,146)
Accruals and other payables	17	(456,380)	(558,916)
Income tax payable		(2,298)	(2,295)
Contract liabilities		(100,868)	(46,426)
Amounts due to related parties		(13,093)	(13,464)
Lease liabilities		(9,294)	(10,388)
Bank and other borrowings	18	(408,455)	(372,629)
Convertible bond		(20,136)	(19,600)
		(1,111,796)	(1,135,864)
Net current liabilities		(529,750)	(422,244)
Total assets less current liabilities		4,660,410	4,770,698

Condensed Consolidated Statement of Financial Position (continued)

As at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Lease liabilities		(97,990)	(101,712)
Bank and other borrowings	18	(2,680,565)	(2,705,590)
Deferred tax liabilities		(60,341)	(62,586)
		(2,838,896)	(2,869,888)
Net assets		1,821,514	1,900,810
EQUITY			
Capital and reserves			
Share capital	19	734,938	716,338
Reserves		804,411	931,559
		1,539,349	1,647,897
Equity attributable to owners of the Company		282,165	252,913
Non-controlling interests			
Total equity		1,821,514	1,900,810

Approved and authorised for issue by the Board of Directors on 28 August 2025

YANG Jianyu

Fu Xiao

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company						Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 (Note 19)	Capital reserves* RMB'000 (Note a)	PRC statutory reserves* RMB'000 (Note b)	Merger reserves* RMB'000 (Note c)	Accumulated losses* RMB'000	Total RMB'000		
At 1 January 2024 (audited)	676,918	4,190,890	39,867	34,736	(3,343,322)	1,599,089	270,096	1,869,185
Loss and total comprehensive income for the period	-	-	-	-	(181,876)	(181,876)	(20,143)	(202,019)
Partial disposal of a subsidiary with change of control	-	463	-	-	(463)	-	1,386	1,386
Capital injection from non-controlling interests	-	352	-	-	-	352	(352)	-
Issue of shares upon listing	39,420	478,466	-	-	-	517,886	-	517,886
Transaction costs attributed to issue of new shares upon listing	-	(29,152)	-	-	-	(29,152)	-	(29,152)
At 30 June 2024 (audited)	716,338	4,641,019	39,867	34,736	(3,525,661)	1,906,299	250,987	2,157,286
At 1 January 2025 (audited)	716,338	4,643,501	39,867	34,736	(3,786,545)	1,647,897	252,913	1,900,810
Loss and total comprehensive income for the period	-	-	-	-	(176,598)	(176,598)	(23,423)	(200,021)
Capital injection from non-controlling interests	-	(12,209)	-	-	-	(12,209)	45,709	33,500
Deemed disposal of non-controlling interest	-	(6,966)	-	-	-	(6,966)	6,966	-
Placing of new shares	18,600	73,224	-	-	-	91,824	-	91,824
Transaction costs attributed to issue of new shares	-	(4,599)	-	-	-	(4,599)	-	(4,599)
At 30 June 2025 (Unaudited)	734,938	4,692,951	39,867	34,736	(3,963,143)	1,539,349	282,165	1,821,514

* The total of these amounts as at the reporting dates represents "Reserves" in the condensed consolidated statement of financial position.

Notes:

- Capital reserves represented the paid up capital of the subsidiaries now comprising the Group attributable to the shareholders, the excess of proceeds received over the nominal value of share of the Company issued, less transaction costs in connection with the issue of shares and the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received upon changes in ownership interest in a subsidiary without change in control.
- Statutory reserves represented the amount transferred from net profit for the period of the Company and the subsidiaries established in the People's Republic of China ("PRC") (based on the Company and the subsidiaries' PRC statutory financial statements) in accordance with the relevant PRC laws until the statutory reserves reach 50% of the registered capital of the respective entities. The statutory reserves cannot be reduced except either in setting off the accumulated losses or increasing capital.
- The merger reserves of the Group arose as a result of the acquisitions of subsidiaries under common control and represented the difference between the consideration paid for the acquisitions and the carrying amount of the net assets of the subsidiaries at the date when the Group and the acquired subsidiaries became under common control.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

		For the six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cash flows from operating activities			
Loss before income tax credit		(201,992)	(204,522)
Adjustments for:			
Depreciation of property, plant and equipment	8	53,042	46,246
Depreciation of right-of-use assets	8	10,320	13,641
Amortization of intangible assets	8	13,876	14,233
Provision for impairment loss on trade receivables, net	13	30,654	2,353
Provision for impairment loss on other receivables, net	14	7,681	1,473
Provision for/(reversal of) impairment loss on amounts due from related parties, net		7,812	(3,816)
Reversal of write-down of inventories	6	(28)	(10)
Gain on disposal of a subsidiary	6	–	(36,889)
Gain on partial disposal of a subsidiary	6	–	(4,121)
Write-off of property, plant and equipment	6	–	151
Gain on lease modifications	6	(1,243)	(761)
Fair value change on convertible bond – embedded derivatives	6	58	(1,015)
Fair value change on financial assets at FVTPL	6	(323)	(2,550)
Interest income	6	(196)	(464)
Share of associates' results		888	631
Share of a joint venture's results		772	166
Finance costs	7	66,329	53,696
Operating loss before working capital changes		(12,350)	(121,558)
Decrease in inventories		19,778	117
(Increase)/decrease in trade receivables		(18,328)	3,562
Increase in deposits, prepayment and other receivables		(77,448)	(2,968)
Increase in amounts due from related parties		(1,134)	–
Decrease/(increase) in restricted cash		1,120	(70,002)
(Decrease)/increase in trade payables		(10,874)	1,619
(Decrease)/increase in accruals and other payables		(15,615)	28,397
Increase/(decrease) in contract liabilities		54,442	(17,768)
Cash used in operations		(60,409)	(178,601)
Income tax refunded/(paid)		3	(195)
<i>Net cash used in operating activities</i>		(60,406)	(178,796)

Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2025

		For the six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cash flows from investing activities			
Purchase of property, plant and equipment		(152,818)	(11,948)
Purchase of intangible assets		–	(5)
Prepayment to related parties for property, plant and equipment		–	(156,097)
Proceeds from disposal of a subsidiary, net		–	9,368
Proceeds from partial disposal of a subsidiary		–	476
Bank interest received		196	464
Advance to related parties		(5,565)	–
Investment in a joint venture		–	(102,000)
Purchases of financial asset at FVTPL		–	(204,607)
Proceeds from disposal of financial asset at FVTPL		132,898	–
<i>Net cash used in investing activities</i>		(25,289)	(464,349)
Cash flows from financing activities			
Proceeds from bank and other borrowings		222,520	624,486
Repayment of lease liabilities		(4,846)	(6,273)
Repayment of bank and other borrowings		(229,112)	(295,822)
Repayment to related parties		(371)	(33,905)
Proceeds from issue of new shares	19	91,824	517,886
Payments of transaction cost attributed to issue of new shares		(4,599)	(13,682)
Capital injection from non-controlling interests		33,500	–
Interest paid		(57,737)	(78,585)
<i>Net cash generated from financing activities</i>		51,179	714,105
Net increase in cash and cash equivalents		(34,516)	70,960
Cash and cash equivalents at beginning of the period		204,544	40,577
Cash and cash equivalents at end of the period		170,028	111,537

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. GENERAL INFORMATION

The Company was incorporated in the People's Republic of China (the "PRC") on 23 July 2008 with limited liability under the Companies laws of the PRC. The Company was listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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. ACCOUNTING POLICY

Except as described below, the accounting policies applied are consistent with those of the 2024 financial statements.

New and amendments to standards and interpretation adopted by the Group

The following amendments are effective for the period beginning 1 January 2025:

Amendments to HKAS 21

Lack of Exchangeability

None of the amendments to standards have a material effect on the reported results or financial position of the Group for both current and prior reporting periods. The Group has not early applied any amendments to standards or interpretations that is not yet effective for the current accounting period.

3. BASIS OF PREPARATION AND ESTIMATES AND JUDGMENTS

3.1 Statement of compliance

The interim condensed consolidated financial statements of the Group for the sixth months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

It should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2024 which have been prepared in accordance with HKFRS Accounting Standards.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

3. BASIS OF PREPARATION AND ESTIMATES AND JUDGMENTS (continued)

3.2 Basis of measurement and going concern assumption

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

For the six months ended 30 June 2025, the Group recorded a loss attributable to the owners of the Company of RMB176.6 million and had net current liabilities of RMB529.8 million. Nevertheless, the interim condensed consolidated financial statements have been prepared on the going concern basis because the Directors are of the view that the Group would 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 2026 (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 RMB1,555 million as at 30 June 2025;
- (iii) Net proceeds of approximately RMB238 million from the successful placing of 48,723,600 shares on 29 July 2025 (note 23); and
- (iii) 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.

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 borrowing facilities, the Directors are satisfied that it is appropriate to prepare the condensed consolidated interim financial statements on a going concern basis.

3.3 Estimates and judgments

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments and estimations made by management were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

3.4 Functional and presentation currency

The functional currency of the Company is Renminbi ("RMB"), which is same as the presentation currency of the interim condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

4. SEGMENT INFORMATION

The Group's business activities, for which discrete financial information are available, are regularly reviewed and evaluated by the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

As a result of this evaluation, the Group determined its operating segments as follows:

- Hospital Business
- Medical Equipment, Software and Related Services

The CODM assesses the performance of the operating segments mainly based on segment revenues, segment cost of sales, gross profit, and operating profit/(loss). Income tax expense are not allocated to individual operating segments. The CODM assess the performance of each segment based on a measure of segment profit primarily. Assets and liabilities dedicated to a particular segment's operations are included in that segment's total assets and liabilities.

The following is an analysis of the Group's revenue and results by reportable segment six months ended 30 June 2025 and 2024:

	For the six months ended 30 June 2025		
	Hospital Business RMB'000 (Unaudited)	Medical Equipment, Software and Related Services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue	153,244	47,659	200,903
Segment results	(88,356)	(47,497)	(135,853)
Other income and net gains			1,850
Finance costs			(66,329)
Share of associates' results			(888)
Share of a joint venture's results			(772)
Loss before income tax			(201,992)

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

4. SEGMENT INFORMATION (continued)

	As at 30 June 2025		
	Hospital Business	Medical Equipment, Software and Related Services	Total
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)
Assets			
Segment assets	4,056,159	1,002,724	5,058,883
Goodwill	140,942	368,221	509,163
			5,568,046
Deferred tax assets			15,452
Interests in associates			87,834
Interest in a joint venture			100,874
Total Assets			5,772,206
Liabilities			
Segment liabilities	(2,848,604)	(1,039,449)	(3,888,053)
Income tax payable			(2,298)
Deferred tax liabilities			(60,341)
Total Liabilities			(3,950,692)

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

4. SEGMENT INFORMATION (continued)

	For the six months ended 30 June 2025		
	Hospital Business RMB'000 (Unaudited)	Medical Equipment, Software and Related Services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Other segment information			
Depreciation of property, plant, and equipment	(39,618)	(13,424)	(53,042)
Depreciation of right-of-use assets	(8,170)	(2,150)	(10,320)
Amortization of intangible assets	(7,423)	(6,453)	(13,876)
Provision for impairment loss on trade receivable, net	(1,078)	(29,576)	(30,654)
Provision for impairment loss on other receivables, net	(2,499)	(5,182)	(7,681)
Provision for impairment loss on related parties, net	(77)	(7,735)	(7,812)
Write-down of inventories	(28)	–	(28)
	For the six months ended 30 June 2024		
	Hospital Business RMB'000 (Unaudited)	Medical Equipment, Software and Related Services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue	137,840	81,148	218,988
Segment results	(135,275)	(58,398)	(193,673)
Other income and net gains			43,644
Finance costs			(53,696)
Share of associates' results			(631)
Share of a joint venture's results			(166)
Loss before income tax			(204,522)

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

4. SEGMENT INFORMATION (continued)

As at 31 December 2024			
	Hospital Business RMB'000 (Audited)	Medical Equipment, Software and Related Services RMB'000 (Audited)	Total RMB'000 (Audited)
Assets			
Segment assets	3,958,584	1,100,146	5,058,730
Goodwill	140,942	368,221	509,163
			5,567,893
Deferred tax assets			15,726
Interests in associates			88,722
Interest in a joint venture			101,646
Financial assets at fair value through profit or loss			132,575
Total Assets			5,906,562
Liabilities			
Segment liabilities	(2,107,695)	(1,833,176)	(3,940,871)
Income tax payable			(2,295)
Deferred tax liabilities			(62,586)
Total Liabilities			(4,005,752)
For the six months ended 30 June 2024			
	Hospital Business RMB'000 (Unaudited)	Medical Equipment, Software and Related Services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Other segment information			
Depreciation of property, plant, and equipment	(42,708)	(3,538)	(46,246)
Depreciation of right-of-use assets	(11,481)	(2,160)	(13,641)
Amortization of intangible assets	(7,678)	(6,555)	(14,233)
Reversal of/(provision for) impairment loss on trade receivable	409	(2,762)	(2,353)
Reversal of/(provision for) impairment loss on other receivables	173	(1,610)	(1,473)
Reversal of write-down of Inventories	–	10	10
Write-off of property, plant and equipment	(146)	(5)	(151)

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

5. REVENUE

The disaggregation of revenue from contracts with customers and from other sources by major services and products and timing of revenue recognition are as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue from contracts with customers		
By major services and products		
Hospital Business		
Cancer hospital and clinics	153,244	137,840
Medical Equipment, Software and Related Services		
Sales and installation of medical equipment and software	37,436	73,208
Management and technical support	8,206	2,099
	198,886	213,147
Revenue from other source		
Medical Equipment, Software and Related Services		
Operating lease income	2,017	5,841
Total revenue	200,903	218,988
	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Time of revenue recognition		
Over time	59,783	40,204
At a point in time	139,103	172,943
Revenue from contracts with customers	198,886	213,147

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

6. OTHER INCOME AND OTHER NET GAINS

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Other income:		
Interest income	196	464
Additional VAT deduction	–	65
Government grants (Note (a))	443	667
Other net gains/(losses):		
Reversal of write-down of inventories	28	10
Gain on disposal of a subsidiary	–	36,889
Gain on partial disposal of a subsidiary (Note (b))	–	4,121
Compensation expenses	–	(1,036)
Write-off of property, plant and equipment	–	(151)
Gain on lease modifications	1,243	761
Fair value change on convertible bond-embedded derivatives (Note 22)	(58)	1,015
Fair value change on financial assets at FVTPL	323	2,550
Exchange loss	(216)	(1,474)
Others	(109)	(237)
	1,850	43,644

Notes:

- (a) Government grants represented the financial support received from local government as an incentive for business development and there has no unfulfilled conditions attached to the government grants.
- (b) In April 2024, the Company entered into an agreement to transfer 50% interest of Guangzhou Concord Hospital Management Co., Ltd. ("Guangzhou Concord"), a non-wholly owned subsidiary of the Group which was originally 70% held by the Company, to an independent third party at a consideration of RMB1,945,000. A gain on partial disposal of a subsidiary of RMB4,121,000 was recognized in condensed consolidated statement of profit or loss and other comprehensive loss for the six months ended 30 June 2024. Following the completion of the disposal, the Group lost control over Guangzhou Concord and the Group's interest in Guangzhou Concord was reduced from 70% to 20%, for which the Group retained significant influence over Guangzhou Concord. Accordingly, the interest in Guangzhou Concord was accounted for as an associate of the Group thereafter. After the disposal of 50% equity interest in Guangzhou Concord, in November 2024, the Group entered into an agreement to further disposed of the remaining entire 20% interest of Guangzhou Concord held by the Group to another independent third party at a consideration of RMB658,000. Following the completion of the disposal, the Group has no interest in Guangzhou Concord.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

7. FINANCE COSTS

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest charge on bank and other borrowings	84,342	72,339
Interest charge on lease liabilities	4,139	6,998
Interest charge on convertible bond	478	480
Total interest expenses for liabilities not classified as at FVTPL	88,959	79,817
Less: amounts included in the cost of qualifying assets	(22,630)	(26,121)
	66,329	53,696

8. LOSS BEFORE INCOME TAX CREDIT

Loss before income tax credit is arrived at after charging/(crediting) the following:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Auditors' remuneration	1,000	1,000
Depreciation of property, plant and equipment	53,042	46,246
Depreciation of right-of-use assets	10,320	13,641
Short-term leases expenses	1,327	1,497
Amortization of intangible assets	13,876	14,233
Cost of inventories recognized as expenses	64,526	115,230
Staff costs (including directors' emoluments):		
Salaries, wages and other benefits	78,413	92,761
Retirement scheme contribution (Note (a))	21,756	23,774
	100,169	116,535

Note (a): Pursuant to the relevant regulations of the PRC government, the Group participates in a central pension scheme operated by the local municipal government (the "Scheme"), whereby the Company and the subsidiaries of the Company in the PRC are required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiaries of the Company. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme. Contributions under the Scheme are charged to profit or loss as incurred. There are no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

9. INCOME TAX CREDIT

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax		
Current year	–	–
Overprovision for previous years	–	(5)
Deferred tax		
Credited to profit or loss for the period	(1,971)	(2,498)
	(1,971)	(2,503)

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong during the six months ended 30 June 2025 and 2024.

Under the PRC Corporate Income Tax Law (the “CIT Law”), the Group's PRC entities are subject to income tax at a rate of 25%, unless otherwise specified.

According to the relevant tax rules and regulations of the PRC, distribution to foreign investors of profits earned by PRC companies since 1 January 2008 is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investors' foreign incorporated immediate holding companies. As at 30 June 2025 and 31 December 2024, the PRC entities have deficits in retained earnings, so no withholding tax is provided.

Provision for the CIT Law was made based on the estimated assessable profits calculated in accordance with the relevant income tax laws, and regulations applicable to the Company and the subsidiaries operated in the PRC.

Certain companies were accredited as a High and New Technology Enterprise since 2019 and were entitled to a preferential income tax rate of 15% for the year ending 31 December 2025 and year ended 31 December 2024.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

10. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2025 and 2024, nor has any dividend been proposed since the end of reporting period.

11. LOSS PER SHARE

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited) (represented)
Loss attributable to the owners of the Company (RMB'000)	(176,598)	(181,876)
Weighted average number of ordinary shares in issue (thousand shares) (Note i)	721,861	717,826
Basic loss per share attributable to the owners of the Company (RMB per share)	(0.24)	(0.25)

Note:

- (i) The weighted average number of ordinary shares in issue for the purpose of basic loss per share for the six months ended 30 June 2025 and 2024 have been adjusted for the bonus elements in the Company's placing of shares on 4 June 2025. Details of which are set out in note 19(ii).
- (ii) Diluted loss per share were the same as the basic loss per share as the Group has no dilutive potential ordinary shares for the six months ended 30 June 2025 and 2024.

12. PROPERTY, PLANT AND EQUIPMENT

During the sixth months ended 30 June 2025, the Group acquired items of property, plant and equipment with a cost of approximately RMB18,617,000 (six months ended 30 June 2024: RMB30,892,000). The Group had written-off property, plant and equipment with net book value of RMB Nil (six months ended 30 June 2024: RMB151,000). Depreciation of property, plant and equipment amounted to RMB53,042,000 (six months ended 30 June 2024: RMB46,246,000).

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

13. TRADE RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade receivables	116,313	97,985
Less: allowance for impairment	(77,159)	(46,505)
	39,154	51,480

As at 30 June 2025 and 31 December 2024, 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:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Within 3 months	22,340	12,630
3-6 months	10,277	7,362
6-12 months	2,036	9,409
1-2 years	4,501	22,079
Total	39,154	51,480

The movements in the loss allowance for impairment of trade receivables are as follows:

	Six months ended 30 June 2025 RMB'000 (Unaudited)	Year ended 31 December 2024 RMB'000 (Audited)
At the beginning of period/year	46,505	33,161
Provision for impairment loss recognized, net	30,654	13,418
Disposal of subsidiaries	–	(74)
At the end of the period/year	77,159	46,505

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

13. TRADE RECEIVABLES (Continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit loss. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than two years and are not subject to enforcement activity.

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current assets		
Deposits	1,607	1,607
Other receivables	1,090	1,090
	2,697	2,697
Less: allowance for impairment	(967)	(908)
	1,730	1,789
Prepayment for property, plant and equipment	82,940	20,486
	84,670	22,275
Current assets		
Deposits	5,730	5,273
Advance to employees	2,029	2,106
Other tax recoverable	47,076	46,255
Other receivables	18,777	8,454
Amount due from a former subsidiary	34,687	34,687
	108,299	96,775
Less: allowance for impairment	(15,568)	(7,946)
	92,731	88,829
Prepayments	116,088	50,164
	208,819	138,993

Note: The outstanding balances are interest free, unsecured and repayable on demand.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

The movements in the loss allowance for impairment of deposit and other receivables are as follows:

	Six months ended 30 June 2025 RMB'000 (Unaudited)	Year ended 31 December 2024 RMB'000 (Audited)
At the beginning of period/year	8,854	4,906
Provision for impairment loss recognized, net	7,681	9,734
Disposal of subsidiaries	–	(5,786)
At the end of the period/year	16,535	8,854

15. FINANCIAL ASSETS AT FVTPL

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Financial products	–	132,575
	–	132,575

The financial assets measured at FVTPL represented financial products with no predetermined return which are principal protected investments. The financial products are with expected yield rates, depending on the market prices of underlying financial instruments – US treasury bond. The expected yield rates ranged from 0.5% to 5.5% per annum as at 31 December 2024.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

16. TRADE PAYABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade payables	101,272	112,146
	101,272	112,146

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:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Within 1 year	36,091	40,223
More than 1 year but within 2 years	11,625	59,290
More than 2 years but within 3 years	41,795	11,719
More than 3 years	11,761	914
	101,272	112,146

17. ACCRUALS AND OTHER PAYABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Accruals and other payables	152,723	179,352
Payables for property, plant and equipments	207,692	294,613
Salaries payables	90,049	77,460
Other tax payable	5,916	7,491
	456,380	558,916

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

18. BANK AND OTHER BORROWINGS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Short-term borrowings		
Secured bank loans	191,945	128,976
Unsecured bank borrowings	–	60,856
Unsecured other borrowings from a related party	20,000	–
Current portion of long term borrowings		
Secured bank loans	141,848	122,520
Secured other borrowings from related parties	–	4,563
Secured other borrowings	47,651	45,879
Unsecured other borrowings from related parties	7,011	9,835
Non-current portion of long term borrowings		
Secured bank loans	2,048,114	2,056,880
Secured other borrowings from related parties	–	19,283
Secured other borrowings	522,327	554,061
Unsecured other borrowings from related parties	110,124	75,366
	3,089,020	3,078,219

Total bank and other borrowings were scheduled to repay as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
On demand or within 1 year	408,455	372,629
Current portion	408,455	372,629
After 1 year but within 2 years	358,354	195,653
After 2 years but within 5 years	1,550,638	1,137,304
Over 5 years	771,573	1,372,633
Non-current portion	2,680,565	2,705,590
Total	3,089,020	3,078,219

Notes:

- (i) As at 30 June 2025, the total banking facilities and financial institution facility of the Group was RMB3,087 million (31 December 2024: RMB4,404 million). They were utilized to the extent of RMB1,532 million (31 December 2024: RMB2,749 million) respectively.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

19. SHARE CAPITAL

	Notes	Six months ended 30 June 2025		Year ended 31 December 2024	
		Number '000	Amount RMB'000	Number '000	Amount RMB'000
Authorized, issued and fully paid:					
At 1 January		716,338	716,338	676,918	676,918
Issue of shares upon listing	(i)	–	–	39,420	39,420
Placing of shares	(ii)	18,600	18,600	–	–
At 30 June/31 December		734,938	734,938	716,338	716,338

- (i) 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.
- (ii) On 4 June 2025, total of 18,600,000 placing shares have been successfully placed at the placing price of HK\$5.38 per placing share. The gross proceeds from placing of approximately RMB91,824,000 (equivalent to approximately HK\$100,068,000) of which approximately RMB18,600,000 was credited to the Company's share capital, and the remaining balance of approximately RMB73,224,000 (equivalent to approximately HK\$79,798,000) before deduction of share issuance expenses of RMB4,599,000 (equivalent to approximately HK\$5,012,000), was credited to capital reserves account.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

20. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties and/or connected parties during the period and balances with related parties and/or connected parties and/or connected parties at the end of the reporting period:

(a) Name and relationship

Name of related parties	Relationship with the Group
Medstar (Guangzhou) Medical Technology Services Ltd ("Guangzhou Medstar")	A company controlled by Shanghai Medstar
Zhejiang Marine Leasing Co., Ltd ("Zhejiang Marine")	An associate of Concord Medical
Shanghai Changshengshu Enterprise Management Co., Ltd.	An associate
Shijiazhuang Hi-tech Cancer Center Co., Ltd.	A subsidiary of a joint venture

(b) Related parties transactions

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Guangzhou Medstar		
– Interest expense on borrowing	–	12,786
Zhejiang Marine		
– Interest expense on borrowing	2,717	3,561
Shanghai Changshengshu Enterprise Management Co., Ltd.		
– Medical service expense	587	–
Shijiazhuang Hi-tech Cancer Center Co., Ltd.		
– Management and technical support	4,717	–

Notes:

- The English names of all related parties established in the PRC are translated for identification purpose only.
- Except as disclosed above, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company was a party and in which a Director of the Company or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during the six months ended 30 June 2025 and 2024 or at the end of each financial period.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

21. CAPITAL COMMITMENTS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Capital expenditure of the Group authorized and contracted for at the end of the financial period but not recognized as liabilities:		
– Acquisition of property, plant and equipment	13,682	16,682
– Capital injection in an associate	260,099	260,099

22. FAIR VALUE MEASURES OF FINANCIAL INSTRUMENTS

Fair value hierarchy

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

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

	At 30 June 2025 (Unaudited)			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial products	–	–	–	–
Financial liabilities				
Convertible bonds – Embedded derivatives component	–	–	1,036	1,036

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

22. FAIR VALUE MEASURES OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

	At 31 December 2024 (Audited)			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial products	–	132,575	–	132,575
Financial liabilities				
Convertible bonds – Embedded derivatives component	–	–	978	978

During the six months ended 30 June 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value hierarchy, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Financial products were measured at fair value using net asset value, as reported by the administrator. For these financial products, management believes that they could be redeemed at the net asset value per share at the reporting date.

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Financial assets						
Financial products	–	132,575	Level 2	Net asset value	n/a	n/a n/a

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

22. FAIR VALUE MEASURES OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Embedded derivative component of the convertible bond is stated at their fair value, which are determined by reference to the valuation in accordance with generally accepted valuation methodologies. The valuation techniques and inputs used in the fair value measurements within Level 3 is as follows:

Financial liabilities	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
Derivative financial liabilities classified as FVTPL – convertible bonds	1,036	978	Level 3	Binominal pricing model	Risk-free interest rate	1.35% (31 December 2024: 1.13%)	The higher the interest rate, the lower the fair value
					Volatility	53.4% (31 December 2024: 48.27%)	The higher the volatility, the higher the fair value
					Stock Price	16.42 (31 December 2024: 13.6)	The higher the stock price, the higher the fair value

The movements in fair value measurements within Level 3 are as follows:

	Six months ended 30 June 2025 RMB'000 (Unaudited)	Year ended 31 December 2024 RMB'000 (Audited)
At January 1	978	1,577
Change in fair value recognised in profit or loss	58	(599)
At 30 June/December 31	1,036	978

23. EVENTS AFTER REPORTING PERIOD

- (i) On 29 July 2025, total of 48,723,600 placing shares have been successfully placed at the placing price of HK\$5.54 per placing share. For the details of the placing, please refer to the announcement of the Company dated 29 July 2025.
- (ii) On 26 August 2025, Beijing Concord Medical Technology Co., Ltd., ("Beijing Concord") one of the controlling shareholders of the Company, agreed to pledge 35.6 million H shares of the Company, representing approximately 99.99% of total shares directly held by Beijing Concord in the Company, in favour of Shanghai Pudong Development Bank Beijing Branch. The aggregate H shares of the Company pledged by Beijing Concord represent approximately 4.54% of the total issued shares of the Company. For further details, please refer to the announcement of the Company dated 26 August 2025.