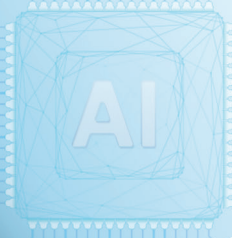




Concord Healthcare Group Co., Ltd. 美中嘉和醫學技術發展集團股份有限公司

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

Stock code: 2453



2025 Annual Report

proBEAM

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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

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)*)

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AUTHORIZED REPRESENTATIVES

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Mr. PAN Lichen

AUDITOR

BDO Limited

Certified Public Accountants

Registered Public Interest Entity Auditor

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Beijing, PRC

Corporate Information

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Hong Kong

PRINCIPAL BANKS

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

HONG KONG LEGAL ADVISER

Baker & McKenzie
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Quarry Bay
Hong Kong

COMPLIANCE ADVISER

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

COMPANY'S WEBSITE

www.concordmedical.com

STOCK SHORT NAME

CONCORD HC GP

STOCK CODE

2453

DATE OF LISTING

January 9, 2024

Chairman's Statement

To Our Esteemed Shareholders, Investors, Partners, and Friends from All Social Sectors:

Greetings to you all!

On the release of Concord Healthcare's 2025 Annual Results, I would like to express my heartiest gratitude, on behalf of the Board of Directors and all employees, to every investor who has long trusted, supported, and accompanied us. I also wish to extend my highest respect to our partners who have walked side-by-side with us, as well as to our colleagues on the front lines of clinical care, scientific research, and operations.

The year 2025 marked our first full year of operation following our listing on the capital market. It was a pivotal year in which we strengthened our core capabilities, broke through growth bottlenecks, and achieved a substantial turnaround in our fundamental business operations. Throughout this year, we remained steadfast in our mission to "fighting cancer and safeguarding the glory of life (抗擊癌症, 守護生命光彩)" and upheld our vision of "joining hands with leading intelligence to build quality healthcare and become the most trusted partner for patients against cancer". By focusing on deep cultivation within the high-end oncology medical sector, we achieved sustained improvement in operational data and fortified our core barriers to long-term development. We responded to our investors' trust and expectations with concrete actions and tangible results.

On the operational aspect, we delivered an annual performance report characterized by "enhanced growth and improved quality, turning losses into profits and boosting efficiency":

- Steady expansion of revenue scale: full-year revenue for 2025 reached RMB460 million, representing an 18.4% year-on-year increase compared to 2024. While revenue scale expanded steadily, the revenue structure underwent a fundamental optimization;
- Qualitative transformation in profitability: revenue from our core hospital business surged by 37.4% year-on-year, becoming the primary driver of revenue growth; overall gross profit for the year shifted from a gross loss of RMB67.2 million in 2024 to a profit of RMB32 million, turning the gross margin from negative to positive at 6.9%;
- Significant improvement in operational efficiency: the full-year net loss narrowed substantially by 36.9% year-on-year, administrative expenses decreased by 36.4% year-on-year, and the effectiveness of cost control measures continues to materialize.

Chairman's Statement

These figures indicate that our self-sustaining capabilities and internal growth momentum have been fully activated.

The strong momentum of our organic growth stems from our long-term commitment to core technologies and clinical capabilities, as well as the large-scale implementation and value realization of our core businesses. In 2025, our high-end radiation therapy business, centered on proton therapy, is poised for explosive growth:

1. **Large-scale implementation of proton therapy:** as the first fully operational proton therapy facility in South China, the proton therapy center at Guangzhou Concord Cancer Hospital treated over 550 patients during its first full year of operation. Its services reached patients across all 31 provincial-level administrative regions in China, covering more than 40 disease types. We also performed the nation's first proton therapy treatment for choroidal malignant melanoma, once again demonstrating the technology's advanced capabilities and safety through clinical evidence.
2. **Scientific research and standard-setting influence:** leveraging on the differentiated advantages of proton therapy, our discipline development and research capabilities have continued to make significant breakthroughs. Throughout the year, our core medical institutions undertook 14 ongoing research projects and published 17 academic papers. Particularly noteworthy is that, in the drafting of the ion radiotherapy guidelines, we were the only representative from the private healthcare sector among the core drafting committee, and we were deeply involved in the formulation of two national-level clinical guidelines. This marked the continued enhancement of our discourse power and professional influence in the industry.
3. **AI-driven medical innovation:** leveraging AI technology to empower clinical diagnosis and treatment, we have successfully developed and deployed the world's first large language model specifically designed for the proton therapy sector, and our proprietary medical image processing software has been granted a medical device registration certificate. This not only completed the full cycle of "technology R&D – clinical implementation – value transformation", but also injected a steady stream of innovative momentum into the Company's long-term development.

Chairman's Statement

While consolidating our presences in the domestic market, we are steadily advancing our global expansion. Our overseas medical services have already begun to bear fruit, opening up entirely new opportunities for the Company's second growth curve. By 2025, Guangzhou Concord Cancer Center, leveraging its internationally leading proton therapy technology and comprehensive end-to-end diagnostic and treatment capabilities, had attracted cross-border patients from countries such as Iraq, Indonesia, and Bangladesh seeking treatment, establishing itself as a key destination for international cancer patients seeking cross-border care; We have established a comprehensive cross-border medical service system covering everything from preliminary medical record evaluation and visa support to in-hospital treatment and post-discharge follow-ups, earning the recognition of international patients through our professionalism and service. In a particularly milestone-worthy development, we have formally signed a memorandum of understanding with the national hospital of Surabaya in Indonesia to jointly establish a comprehensive oncology service center, officially launching the global expansion of our "Medical + AI" technology. This represents not only a significant breakthrough in China's independent innovation of high-end oncology medical technology but also marks a solid first step in our transformation from a domestic provider of high-end medical services to an exporter of international medical technology and standards.

Respected Shareholders and investors, we are well aware that the Company is still in the early stages of its development, has not yet achieved full profitability, and continues to face numerous challenges and tests along the way. However, we are even more confident that, through our dedicated efforts and accumulation of experience in 2025, the Company has built irreplicable core competitive advantages, established a sustainable model of organic growth, and charted a clear long-term development path.

Looking ahead, Concord Healthcare will remain firmly committed to the core field of oncology, and leveraging on proton therapy as its primary growth engine, we will deeply integrate AI-driven technological innovation with the advantages of CSS's asset-light business model, and we will continue to consolidate our leading position in the field of precision radiotherapy. On the one hand, we will continue to expand the scale of our proton therapy services, deepen the integration of AI technology with clinical practice, refine our multi-dimensional medical payment system, and explore deeper integration between commercial insurance and high-end medical services to lower the financial barrier for patients, thereby continuously strengthening the foundation of our domestic business; on the other hand, we will use our partnership in Indonesia as a strategic starting point to steadily cultivate the Southeast Asian market, continuously expand overseas referral and technology export channels, promote the global adoption of China's advanced medical technologies and standards, and make every effort to build Concord Healthcare into an international oncology medical group that combines deep local roots with global reach.

Once again, we extend our sincere gratitude to our Shareholders, investors, partners, and friends from all sectors of society for your understanding, support, and companionship throughout our journey!

YANG Jianyu
Chairman

March 27, 2026

Financial Highlights

- Our revenue increased by 18.4% from RMB388.3 million for the year ended December 31, 2024 to RMB459.9 million for the year ended December 31, 2025.
- We recorded a gross profit of RMB32.0 million for the year ended December 31, 2025, compared to a gross loss of RMB 67.2 million for the year ended December 31 2024, achieving a turnaround from gross loss to gross profit.
- Our net loss decreased by 36.9% from RMB484.8 million for the year ended December 31, 2024 to RMB305.8 million for the year ended December 31, 2025.

Management Discussion and Analysis

BUSINESS OVERVIEW

Hospital Business

The Group focuses on the high-end oncology healthcare sector. As of the date of this 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 mainly 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 (“**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, is equipped with multiple clinical departments and digital integrated Class 100 laminar flow operating rooms and employs distinctive treatment modalities such as world-leading proton therapy technology and breast-conserving surgery for breast cancer, striving to provide high-quality 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 South 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 the high-end medical service market, with expectations for substantial revenue and profit growth. Meanwhile, competitiveness in the high-end medical service market will be enhanced, which also holds significant benefits for cancer patients.

2. *Yangtze River Delta Region*

In the Yangtze River Delta region, the Group’s Shanghai Imaging Center uses 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 System Solutions), 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.

I. Core Business Updates: Scaled Implementation of Proton Therapy Business, Building Core Barriers in High-end Radiotherapy

Consolidating the Foundation with Proton Therapy Technology

In 2024, as one of the first non-public medical institutions approved to configure proton therapy systems under the National Health Commission's "14th Five-Year Plan", the Group successfully achieved the operational implementation of proton therapy technology. This progress not only responds to the national policy orientation encouraging non-public healthcare to provide differentiated high-end medical services but also verifies the Group's leading advantages in technical reserves and clinical operational capabilities.

Proton therapy, leveraging its technical characteristic of precisely targeting tumors, has become the core technical direction in high-end radiotherapy. Compared to traditional radiotherapy, proton therapy achieves concentrated energy release in tumor target areas with rapid attenuation, significantly reducing radiation damage to healthy tissues and surrounding organs. It holds significant advantages in treating pediatric tumors and tumors in sensitive areas; its high precision can effectively avoid damage to critical structures such as the heart and spinal cord, supporting doctors to safely increase radiation doses to target areas to improve the efficacy for refractory cancers, while alleviating patients' treatment side effects and accelerating post-operative recovery, making it an optimal choice for radiotherapy balancing efficacy and safety.

2025 marks the first full operational year for the Group's proton business, with the annual volume of proton therapy patients exceeding 550 cases. The service coverage spanned 31 provincial-level administrative regions nationwide and 21 prefecture-level cities in Guangdong Province, greatly enhancing service accessibility. The treated disease types covered over 40 categories, with head and neck tumors (including nasopharyngeal carcinoma), breast cancer, and central nervous system tumors as the core treated diseases, highly aligning with mainstream market demands.

Management Discussion and Analysis

On July 14, 2025, the proton center of Guangzhou Hospital successfully completed the nation's first choroidal malignant melanoma proton therapy case. The Group 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, fully demonstrating the precision and clinical advancement of the Group's proton therapy.

Among the 550 patients treated, pediatric patients accounted for 10%, with an age span from 13 months to 91 years; during the year, international patients traveling thousands of miles also visited the center for diagnosis and treatment. This dual span of patient age and treatment distance highlights the Group's professional capabilities and humanistic care in the diagnosis and treatment of special populations.

Relying on the differentiated technical advantages of proton therapy, the Group's customer acquisition system continued to upgrade: enhancing market awareness and exposure through brand building; forming good patient reputation based on high-quality diagnostic and treatment services, making patient referrals an important acquisition channel; meanwhile, steadily expanding overseas referral channels to lay the foundation for the international layout of medical services.

II. Continuous Enhancement in Discipline Construction and Scientific Research Capabilities

In 2025, the Group attached great importance to discipline construction and scientific research innovation, leveraging the proton therapy business to comprehensively elevate discipline capabilities. During the Reporting Period, the Group actively conducted scientific research, with core medical institutions undertaking 14 ongoing research projects (including 5 newly approved projects), completing 3 projects, and publishing 17 academic papers. Simultaneously, utilizing the proton business platform, clinical trials related to breast cancer and nasopharyngeal carcinoma were carried out to further promote the translational application of technological achievements and strengthen the core competitiveness of the disciplines.

The Group participated in or spearheaded the drafting of four national/society guidelines during the year, yielding fruitful research results. Within the year, the National Cancer Center, together with the National Quality Control Center for Oncological Diseases and the Expert Committee on Radiotherapy Quality Control, jointly released the Clinical Practice Guidelines for Ion Radiotherapy (2025 Edition) 《離子放射治療臨床實踐指南(2025 版)》 and the Quality Assurance Guidelines for Proton Radiotherapy Systems (2025 Edition) 《質子放射治療系統質量保證指南(2025 版)》. The introduction of these two guidelines provides an important technical basis for the standardized and systematic development of China's high-end radiotherapy sector. Two professors from the Group participated in the guideline drafting as core experts. As of 2025, Concord Healthcare has been invited four times to join national-level guideline formulation teams, participated in compiling two guidelines simultaneously twice, and provided professional support for a total of six industry standards.

Concord Healthcare is also the only non-public medical institution in the core drafting group for this ion radiotherapy guideline, further highlighting its comprehensive strength in professional talents, technical systems, and quality management.

Management Discussion and Analysis

The drafting units for these guidelines encompass multiple top domestic cancer treatment centers. The Group's acquisition of several core drafting seats indicates that its technical capabilities, physical quality control, and clinical pathway standardization have reached domestic leading levels. It is widely recognized in the industry that participating in national-level standard formulation is not only an authoritative endorsement of technical capabilities but also reflects the Group's long-term accumulation and core advantages in quality systems and clinical pathways.

III. Deepened Implementation of International Cooperation

On January 2, 2025, the Group officially signed a cooperation agreement with Mayo Clinic, a top international medical institution. Both parties will further strengthen cooperation in discipline construction, medical practice, patient services, and international exchanges to help domestic patients enjoy world-class medical services. The two sides have engaged in multi-level cooperation since 2020. This agreement represents the continuation and sublimation of their partnership, holding profound significance.

During the year, the cooperation between the Group and Mayo Clinic continued to deepen. Throughout the year, Mayo Clinic provided written international consultation services for nearly 100 patient visits within the Group, allowing patients to access diagnostic opinions from top international experts without leaving their homes. Meanwhile, both parties conducted multiple expert academic lectures, frontier technology exchanges, and mutual visit activities, providing consulting and guidance on discipline planning, equipment selection, and AI artificial intelligence technology applications, assisting the Company in elevating its management and technical capabilities.

Internationalized exchanges continue to drive the Group's deep cooperation in research, training, and second medical opinions, synchronously showcasing frontier advancements in radiation oncology and the clinical value of technological innovation. The Group will continue to deepen international exchange and cooperation, promote the implementation and application of intelligent and precision radiotherapy technologies, and commit to providing patients with higher-quality cancer diagnosis and treatment services.

IV. Medical Equipment, Software and Related Services (CSS) Business

As the core of the Company's light-asset business, the CSS cloud system steadily advanced and achieved business optimization and upgrade under policy empowerment in 2025. Full coverage of DRG/DIP payments compelled medical institutions to optimize cost structures, creating opportunities for the CSS cloud system to penetrate lower-tier cities. The "AI+" healthcare policy provided guidance for the technological upgrade of the business, helping it become the core carrier for the Company's technology export and national layout, thereby continuously consolidating its industry-leading position.

In 2025, the Group's CSS business advanced steadily and continuously optimized, with solid progress in the first half of the year laying the foundation for business quality improvement throughout the year. The first half focused on the efficient delivery of core projects and product line expansion, building a three-dimensional product matrix of "core equipment + expert advantages + value-added services", and achieving zero-defect delivery of major projects. Business expansion achieved significant results throughout the year, deepening technical empowerment for grassroots hospitals; the Group's cooperation with the Affiliated Hospital of Inner Mongolia University for the Nationalities (內蒙古民族大學附屬醫院) created a new paradigm of technical empowerment. Customer ecosystem construction continued to upgrade, with cooperation models upgrading from single projects to deep collaboration, while proactively connecting with emerging fields such as proton radiotherapy to open new growth pathways for business development. Furthermore, the business integrated AI and 5G technologies to upgrade services, optimized supply chain management to achieve cost reduction and efficiency enhancement, and continuously enhanced brand influence and market leadership position by relying on high-quality services and product advantages.

Management Discussion and Analysis

Through years of dedicated development, the CSS business has established core competitive advantages: precisely matching market demands relying on policy dividends, with mature technology and high barriers; a light-asset operation model featuring low costs and flexible expansion, forming differentiated advantages relying on the Company's oncology medical experience; an extensive cooperation network and high brand recognition, effectively reducing customer acquisition costs and supporting the steady progress and quality improvement of the business in 2025.

V. 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 nearly 10,000 high-quality radiotherapy cases accumulated by cancer institutions under its umbrella and professional journal literature data to build an intelligent system for the entire proton radiotherapy process.

At the patient service level, it 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 and applied at Guangzhou Concord Cancer Hospital, leveraging real-world diagnostic data from the first clinical center in South China equipped with Varian's new-generation ProBeam proton radiation therapy system 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. As clinical data continues to accumulate, the model will continuously strengthen precision cancer treatment capabilities.

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".

In the second half of 2025, the Medical Image Processing Software (HXK-MAICOPPET-1-001) independently developed by the Group officially obtained the Medical Device Registration Certificate of the People's Republic of China (《中華人民共和國醫療器械註冊證》) issued by the Beijing Municipal Medical Products Administration.

PET-CT, as a core imaging technology for cancer diagnosis and treatment, can integrate functional metabolic and anatomical structural information, facilitating early diagnosis, precise staging, and efficacy evaluation of tiny lesions. The approved image processing software relies on advanced image processing algorithms to achieve precise identification and segmentation of lesions. It supports multimodal image fusion and three-dimensional reconstruction, adopts a B/S cloud architecture, adapts to multi-terminal collaboration, and can seamlessly connect with the hospital's existing PACS systems.

Management Discussion and Analysis

Addressing the pain points of traditional manual film reading (which requires frame-by-frame comparison of hundreds of images, leading to heavy workloads and fatigue in evaluating lesions for complex cases), the software provides quantitative parameters such as maximum lesion diameter, volume, and standard uptake values through standardized measurement tools. This significantly reduces physicians' workload and enhances data accuracy, providing an objective basis for clinical diagnosis and treatment monitoring. For the avoidance of doubt, this product is an auxiliary tool and diagnostic conclusions must be finally confirmed by a physician, and it does not contain independent diagnostic functions.

This technological implementation not only alleviates the current shortage of high-quality medical resources but also promotes the popularization of precision medical technologies, demonstrating the Group's R&D strength in medical informatization and intelligence. It provides key support for the improvement and efficiency enhancement of its cancer diagnostic and treatment service chain, aligning with the capital market's focus on the technological and refined development of medical services.

VI. Medical Overseas Expansion

Against the policy backdrop of the nation's high-level opening-up and encouraging social forces to participate in international medical cooperation, relying on its international layout and the mature cross-border diagnostic and treatment service capabilities of Guangzhou Concord Cancer Hospital, the Group's medical service overseas expansion has welcomed historic development opportunities.

In 2025, Guangzhou Concord Cancer Hospital became an important destination for cross-border treatment of international cancer patients, attracting patients from countries such as Iraq, Indonesia, and Bangladesh. The treated diseases included meningioma and chordoma, with patients primarily seeking precision diagnostic and treatment solutions such as proton therapy and international frontier new drugs.

To ensure the diagnostic and treatment experience of international patients, the hospital built a full-process exclusive service system: from visa invitation letter processing, bilingual medical record sorting and pre-evaluation, to airport pickup and accommodation coordination during the hospital stay, accompanied by dedicated medical interpreters, and continuing with bilingual rehabilitation guidance and online follow-ups after discharge, bridging cross-border medical barriers across the entire chain. Meanwhile, it provided refined humanistic services tailored to patients from different cultural backgrounds, allowing international patients to enjoy professional, transparent, and compassionate diagnostic and treatment services. The continuous choice by overseas patients is not only a high recognition of the Group's cutting-edge technologies and service capabilities but also an important manifestation of the implementation of its globalization strategy, laying a solid brand foundation for the Group to further expand overseas markets and export China's high-end cancer medical technologies and standards.

Management Discussion and Analysis

As of the Reporting Period, the Group has officially signed a memorandum of understanding with the National Hospital in Surabaya, Indonesia (印度尼西亞泗水國立醫院), to co-build a comprehensive cancer service center. This move marks the official launch of the Group's "Medical + AI" global export and represents a significant breakthrough in the independent innovation and international influence of China's high-end medical technologies. The two parties will join hands to build a high-level cancer diagnostic and treatment platform in Indonesia, creating a replicable "Indonesian Model" to address the shortage of oncological medical resources in Southeast Asia. This cooperation directly addresses the industry pain point of scarce oncological medical resources in Southeast Asia. Abandoning the single hardware technology export model, the Group provides full-chain systematic solutions – not only exporting cutting-edge diagnostic and treatment technologies such as proton therapy and precision radiotherapy and establishing efficient and standardized two-way international referral mechanisms, but also implementing full-cycle empowerment covering AI technology, personalized treatment plan design, clinical quality control standard construction, and diagnostic workflow standardization, ensuring the high-quality implementation of international standardized diagnostic and treatment processes overseas.

VII. Multi-level Payment Network Construction and Proton Therapy Accessibility Upgrade

In 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 23% during 2025, representing a significant decline compared to the 40% 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.

Management Discussion and Analysis

“Sui Xin Bao”, led by the Guangzhou government, stands as a benchmark for inclusive commercial health insurance. With “Hong Kong and Macao Pharmaceutical and Medical Device Access + Local Innovative Pharmaceuticals and Medical Devices” as its core, it supports payment from personal accounts of medical insurance and one-stop settlement. More importantly, it includes proton therapy within the scope of “zero deductible and 100% reimbursement”. As the only designated institution with proton therapy under the Group, Guangzhou Concord Cancer Hospital ensures that patients do not have to bear any out-of-pocket expenses.

VIII. Beneficial Supplement: Differentiated Service Supply, Improving Multi-level Diagnosis and Treatment Security

As a non-public high-end cancer medical institution, the Group forms a pattern of complementary advantages and differentiated development with public medical institutions, focusing on clinically urgent and undersupplied diagnostic and treatment needs, and continuously improving the multi-level medical service system.

On December 8, 2025, the Health Commission of Guangdong Province and the Guangdong Provincial Medical Products Administration jointly issued a notice announcing that Guangzhou Concord Cancer Hospital was successfully selected into the list of designated medical institutions under the Measure of Using Hong Kong Registered Drugs And Medical Devices Used in Hong Kong Public Hospitals In Guangdong-Hong Kong-Macao Greater Bay Area (the “Measure”) (港澳藥械通).

The Measure allows designated Chinese mainland medical institutions, under strict supervision, to use clinically urgent drugs and medical devices that are marketed in Hong Kong and Macao but not yet registered in the mainland for patients. Following this selection, Guangzhou Concord Cancer Hospital will rely on policy advantages to apply for relevant drugs and devices through a “green channel”, further enriching the supply of innovator drugs and imported drugs to meet the multi-level diagnostic and treatment needs of cancer patients.

This approval is not only an authoritative recognition by regulatory authorities of the hospital’s medical quality, compliance management, and comprehensive strength, but it also helps the Group leverage the policy advantages of the Greater Bay Area to bridge the gap in the supply of high-end innovative drugs and devices. This forms a beneficial supplement to the public healthcare system, providing patients with more cutting-edge and diverse treatment options, and assisting in the high-quality development of medical integration in the Guangdong-Hong Kong-Macao Greater Bay Area.

Management Discussion and Analysis

IX. Talent Development

During the Reporting Period, the Group continued to focus on nurturing and attracting talent, structurally advancing talent development and discipline construction, and continuously consolidating the talent foundation for business development.

The Group has established a comprehensive talent cultivation system, optimized talent profile management and precision cultivation mechanisms, and implemented stratified and classified talent training to specifically enhance the professional capabilities of medical talents at different levels. Simultaneously, it actively collaborated with top domestic medical institutions, selecting key personnel for specialized learning and training to assist in talent capacity enhancement.

In terms of specialty construction, the Group clarified the development direction of key specialties based on business needs, utilizing multiple methods to address technical shortcomings and strengthen advantageous specialties, while encouraging the launch of new technologies and new projects. It improved the specialty management mechanism, incorporating key diagnosis and treatment-related indicators into specialty management goals, driving the coordinated enhancement of discipline construction and talent development, and providing solid talent support for the high-quality advancement of medical service businesses.

FUTURE OUTLOOK

In the future, the Group will use proton therapy as its core engine, deeply integrating AI technological innovation with the advantages of the CSS light-asset business, focusing on substantial business advancement, and continuously consolidating its leading position in the high-end cancer diagnosis and treatment sector.

The Company will expand the scale of proton therapy services, deepen the clinical integration and application of AI, and expand diagnostic and treatment solutions for complex cases and overseas referral channels. It will accelerate AI product iteration and integration with the CSS cloud system to broaden the coverage of grassroots technical empowerment. Simultaneously, it will strengthen talent and scientific research construction, deepen international cooperation, and deeply participate in the formulation of industry standards. It will steadily advance the overseas expansion of leading medical care, taking the Indonesian cooperation as a strategic starting point to tap into the blue-ocean market for cancer medical care targeting Southeast Asia's population of approximately 700 million, along with asset-light expansion. Furthermore, it will effectively serve as a beneficial supplement to public hospitals, creating long-term and stable value returns for investors, demonstrating its sustainable development potential and industry-leading position.

Management Discussion and Analysis

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 increased by 18.4% from RMB388.3 million for the year ended December 31, 2024 to RMB459.9 million for the year ended December 31, 2025. The following table set forth a breakdown of our revenues by service offerings for the years ended December 31, 2024 and 2025.

	Year ended December 31,			
	2025		2024	
	RMB '000	%	RMB '000	%
Hospital business				
– Medical institutions	373,257	81.2	271,579	69.9
Medical equipment, software and related services				
– Sales and installation of medical equipment and software	70,214	15.3	99,281	25.6
– Management and technical support	12,100	2.6	6,969	1.8
– Operating lease	4,351	0.9	10,476	2.7
Total	459,922	100.0	388,305	100.0

- Hospital business.* Revenue generated from hospital business mainly represents the medical service income generated from our self-owned medical institutions. Our revenue generated from hospital business increased by 37.4% from RMB271.6 million for the year ended December 31, 2024 to RMB373.3 million for the year ended December 31, 2025, primarily due to the significant increase in revenue from proton therapy services at Guangzhou Hospital.

Management Discussion and Analysis

- *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 25.8% from RMB116.7 million for the year ended December 31, 2024 to RMB86.7 million for the year ended December 31, 2025, primarily due to the delay of overall business demand given the current macroeconomic environment.
 - *Sales and installation of medical equipment and software.* Our revenue generated from sales and installation of medical equipment and software decreased by 29.3% from RMB99.3 million for the year ended December 31, 2024 to RMB70.2 million for the year ended December 31, 2025, primarily due to the delay of overall business demand given the current macroeconomic environment.
 - *Management and technical support.* Our revenue generated from management and technical support increased by 73.6% from RMB7.0 million for the year ended December 31, 2024 to RMB12.1 million for the year ended December 31, 2025, primarily due to the increase in the number of clients served.
 - *Operating lease.* Our revenue generated from operating lease decreased by 58.5% from RMB10.5 million for the year ended December 31, 2024 to RMB4.4 million for the year ended December 31, 2025, primarily due to the fact that the operating leases are no longer a core business of the Company, and expired contracts are not being renewed.

Cost of revenue

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

Our cost of sales decreased by 6.1% from RMB455.6 million for the year ended December 31, 2024 to RMB428.0 million for the year ended December 31, 2025. The following table sets forth a breakdown of our cost of sales by nature for the years ended December 31, 2024 and 2025.

Management Discussion and Analysis

	Year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Variable Cost				
– Cost of medical equipment and software	58,186	13.6	93,584	20.5
– Cost of pharmaceuticals, consumables and other inventories	82,048	19.2	87,057	19.1
– Utilities and office expenses	7,271	1.7	1,244	0.3
– Others ⁽¹⁾	24,115	5.6	25,127	5.5
Sub-total	171,620	40.1	207,012	45.4
Fixed Cost				
– Employee benefit expenses	105,245	24.6	112,786	24.8
– Depreciation and amortization	124,699	29.1	114,062	25.0
– Leasing, repair and maintenance	26,408	6.2	21,693	4.8
Sub-total	256,352	59.9	248,541	54.6
Total	427,972	100.0	455,553	100.0

Notes:

- (1) Others primarily include tax and surcharges and other miscellaneous fees relating to hospital business.
- *Cost of medical equipment and software.* Cost of medical equipment and software represents the cost of procuring medical equipment and software which we offer to our enterprise customers under our medical equipment, software and related services. Our cost of medical equipment and software decreased by 37.8% from RMB93.6 million for the year ended December 31, 2024 to RMB58.2 million for the year ended December 31, 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.

Management Discussion and Analysis

- *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 6.7% from RMB112.8 million for the year ended December 31, 2024 to RMB105.2 million for the year ended December 31, 2025, primarily due to the improved efficiency of human resources and the Group's implementation of the concept of cost reduction and efficiency enhancement.
- *Depreciation and amortization.* Depreciation and amortization represents depreciation of medical equipment and properties used at hospital premises. Our depreciation and amortization increased by 9.3% from RMB114.1 million for the year ended December 31, 2024 to RMB124.7 million for the year ended December 31, 2025, primarily due to the commencement of proton therapy equipment at Guangzhou Concord Cancer Hospital.
- *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 5.8% from RMB87.1 million for the year ended December 31, 2024 to RMB82.0 million for the year ended December 31, 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 leasing, repair and maintenance increased by 21.7% from RMB21.7 million for the year ended December 31, 2024 to RMB26.4 million for the year ended December 31, 2025, primarily due to the newly added maintenance fee of proton therapy equipment at Guangzhou Concord Cancer Hospital in 2025.
- *Utilities and office expenses.* Our utilities and office expenses increased by 484.5% from RMB1.2 million for the year ended December 31, 2024 to RMB7.3 million for the year ended December 31, 2025, primarily due to the newly added advisory fee for Mayo Clinic in 2025.

Management Discussion and Analysis

Gross profit/(loss) and gross margin

We recorded a gross profit of RMB32.0 million for the year ended December 31, 2025, compared to a gross loss of RMB67.2 million for the year ended December 31, 2024, achieving a turnaround from gross loss to gross profit.

The following table sets forth a breakdown of our gross profit/(loss) and gross margin by service offerings for the years ended December 31, 2024 and 2025.

	Year ended December 31,			
	2025		2024	
	Amount	Gross margin (%)	Amount	Gross margin (%)
	<i>(RMB in thousands, except for the percentages)</i>			
Hospital business	34,567	9.3	(64,882)	(23.9)
– Medical institutions	34,567	9.3	(64,882)	(23.9)
Medical equipment, software and related services	(2,617)	(3.0)	(2,366)	2.0
– Sales and installation of medical equipment and software	13,081	18.6	5,405	5.4
– Management and technical support	(7,500)	(62.0)	(9,119)	(130.9)
– Operating lease	(8,198)	(188.4)	1,348	12.9
Total	31,950	6.9	(67,248)	(17.3)

- Hospital business.* We recorded gross profit and gross margin for hospital business of RMB34.6 million and 9.3% for the year ended December 31, 2025, as compared to gross loss and gross margin of RMB64.9 million and negative 23.9% for the year ended December 31, 2024. The change was primarily due to the restructuring of the Company's revenue model, with the proton therapy business driving improved profitability, while simultaneously implementing a strategy to reduce costs and enhance efficiency.

Management Discussion and Analysis

- *Medical equipment, software and related services.* We recorded gross loss and gross margin for medical equipment, software and related services of RMB2.6 million and negative 3.0% for the year ended December 31, 2025, as compared to gross loss and gross margin of RMB2.4 million and negative 2.0% for the year ended December 31, 2024. The change was primarily due to the decrease in revenue, and higher fixed 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 RMB5.4 million and 5.4% for the year ended December 31, 2024 to RMB13.1 million and 18.6% for the year ended December 31, 2025, primarily due to implementation of a strategy focused on cost reduction and efficiency improvement, and optimize pricing strategies.
 - *Management and technical support.* We recorded gross loss and gross margin for management and technical support of RMB7.5 million and negative 62.0% for the year ended December 31, 2025, as compared to gross loss and gross margin of RMB9.1 million and negative 130.9% for the year ended December 31, 2024. The change was primarily due to the increase in revenue of this segment which led to a narrowing of the gross loss.
 - *Operating lease.* We recorded gross loss and gross margin for operating lease of RMB8.2 million and negative 188.4% for the year ended December 31, 2025, as compared to gross profit and gross margin of RMB1.3 million and 12.9% for the year ended December 31, 2024. The change was primarily due to the decrease in revenue of relevant segment and higher fixed costs.

Selling and distribution expenses

Our selling and distribution expenses primarily consisted of (i) marketing and promotion expenses, (ii) employee benefit expenses for our sales and marketing staff, and (iii) office, travel and miscellaneous expenses. Our selling and distribution expenses increased by 7.9% from RMB48.9 million for the year ended December 31, 2024 to RMB52.7 million for the year ended December 31, 2025, which was primarily attributable to the increase of investment in brand marketing and promotional activities.

Management Discussion and Analysis

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 36.4% from RMB210.5 million for the year ended December 31, 2024 to RMB133.8 million for the year ended December 31, 2025, which was primarily attributable to the Group's implementation of the concept of cost reduction and efficiency enhancement.

Research and development expenses

Our research and development expenses primarily consisted of (i) employee benefit expenses for our research and development staff and outsourcing personnel responsible for the development, operation and maintenance of our cloud platforms and other services, (ii) design and development expenses, (iii) utilities and office expenses, and (iv) depreciation and amortization. Our research and development expenses decreased by 9.7% from RMB31.2 million for the year ended December 31, 2024 to RMB28.2 million for the year ended December 31, 2025, which was primarily attributable to the Group's implementation of the concept of cost reduction and efficiency enhancement.

Other income and other net gains

Our other income primarily consisted of (i) interest income, (ii) additional VAT deduction, (iii) government grants and (iv) compensation income. Our other net gains/(losses) primarily represented (i) written-off of property, plant and equipment, (ii) gain on lease termination and (iii) fair value change on convertible bond-embedded derivatives. Our other income and other net gain decreased by 73.3% from RMB62.7 million for the year ended December 31, 2024 to RMB16.8 million for the year ended December 31, 2025, which was primarily attributable to the one-off gain on disposal of a subsidiary recorded in 2024.

Provision for impairment loss on trade receivables

Our impairment loss on trade receivables primarily consisted of provision calculated based on the ECL ratio for trade receivables. Our impairment loss on trade receivables increased by 63.2% from RMB13.4 million for the year ended December 31, 2024 to RMB21.9 million for the year ended December 31, 2025, which was primarily attributable to the increasing balance of longer age of trade receivables.

Management Discussion and Analysis

Provision for impairment loss on other receivables

Our reversal of/(provision for) impairment loss on other receivables primarily consisted of reversal or provision for impairment calculated based on the expected credit loss (ECL) ratio for other receivables. Our impairment loss on other receivables increased by 45.7% from RMB9.7 million for the year ended December 31, 2024 to RMB14.2 million for the year ended December 31, 2025, which was primarily attributable to the increasing balance of other receivables.

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

Our reversal of impairment loss on amounts due from related parties primarily consisted of reversal of impairment loss after settling amounts due from related parties. We recorded reversal of impairment loss on amounts due from related parties of RMB19.5 million for the year ended December 31, 2025, and provision for impairment loss on amounts due from related parties of RMB16.1 million for the year ended December 31, 2024. The change was primarily attributable to the decreasing balance of amounts due from related parties.

Share of associates' results

Our share of associates' results primarily consisted of share of loss of associates. Our share of associates' results decreased from RMB1.0 million for the year ended December 31, 2024 to RMB0.9 million for the year ended December 31, 2025.

Finance costs

Our finance costs primarily consisted of interest charge on (i) bank and other borrowings, (ii) lease liabilities, and (iii) convertible bond. Our finance costs increased by 13.1% from RMB109.3 million for the year ended December 31, 2024 to RMB123.5 million for the year ended December 31, 2025, which was primarily attributable to the increased opening balance of bank and other borrowings in the past two years.

Income tax credit

Our income tax credit increased by 309.8% from RMB1.0 million for the year ended December 31, 2024 to RMB4.2 million for the year ended December 31, 2025, which was primarily attributable to the increase of deferred tax which is credited to profit or loss for the year.

Loss for the year

As a result of the foregoing, our loss for the year decreased by 36.9% from a net loss of RMB484.8 million for the year ended December 31, 2024 to a net loss of RMB305.8 million for the year ended December 31, 2025.

Management Discussion and Analysis

Liquidity, financial resources and capital structure

The primary uses of cash are to fund the daily operations of the business of the Group. For the years ended December 31, 2024 and 2025, we financed our capital expenditures and working capital requirements primarily through cash generated from our operating activities. Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash flows generated from our operating activities, net proceeds from the Global Offering, bank loans and other borrowings, and other funds raised from the capital markets from time to time. As of December 31, 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 funding and treasury policies to manage our capital resources and mitigate potential risks involved. Our current liabilities increased from approximately RMB1,135.9 million as of December 31, 2024 to approximately RMB1,245.7 million as of December 31, 2025, primarily due to the increasing balance of current bank and other borrowings.

Cash flows

As of December 31, 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 44.0% from RMB204.5 million as of December 31, 2024 to RMB294.5 million as of December 31, 2025. The increase was primarily attributed to the less net cash used in operating activities and net cash generated from investing and financing activities.

The following table provides the information regarding the Group's cash flow for the years ended December 31, 2024 and 2025.

	Year ended December 31,	
	2025	2024
	<i>(RMB in thousands)</i>	
Net cash used in operating activities	(113,082)	(185,964)
Net cash generated from/(used in) investing activities	110,911	(668,087)
Net cash generated from financing activities	92,103	1,018,018
Net increase in cash and cash equivalents	89,932	163,967
Cash and cash equivalents at the beginning of the year	204,544	40,577
Cash and cash equivalents at the end of the year	294,476	204,544

Management Discussion and Analysis

For the year ended December 31, 2025, our net cash used in operating activities was RMB113.1 million, representing an decrease of RMB72.9 million from the net cash used in operating activities of RMB186.0 million for the year ended December 31, 2024, which was primarily attributable to the increase in the overall revenue.

For the year ended December 31, 2025, our net cash generated from investing activities was RMB110.9 million, as compared to the net cash used in investing activities of RMB668.0 million for the year ended December 31, 2024, which was primarily attributable to proceeds from disposal of financial asset at FVTPL and repayment from related parties in 2025.

For the year ended December 31, 2025, our net cash generated from financing activities was RMB92.1 million, representing a decrease of RMB925.9 million from the net cash generated from financing activities of RMB1,018.0 million for the year ended December 31, 2024, which was primarily attributable to repayment of bank and other borrowings.

Foreign exchange risk management

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

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

Capital expenditure

For the year ended December 31, 2025, our total capital expenditure was approximately RMB88.1 million, compared to approximately RMB305.4 million for the year ended December 31, 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, bank loans and other borrowings.

Management Discussion and Analysis

Capital commitments

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

	As of December 31,	
	2025	2024
	<i>(RMB in thousands)</i>	
Acquisition of property, plant and equipment	434	16,682
Capital injection in an associate	–	260,099

Contingent liabilities

As of December 31, 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

Save as disclosed in (i) the section headed “Future Plans and Use of Proceeds” in the Prospectus, (ii) the announcement of the Company dated August 29, 2024 in relation to, among other things, the change in use of proceeds, (iii) the section headed “III. Proposed Change in Use of Proceeds” in the circular of the Company dated September 10, 2024, (iv) the 2024 interim results announcement of the Company dated August 29, 2024, (v) the section headed “Other Information – Use of Net Proceeds from Listing” in the 2024 interim report, (vi) the poll results announcement dated September 30, 2024, in relation to, among others, approving the change in use of proceeds, (vii) the 2025 interim results announcement of the Company dated August 28, 2025, (viii) the section headed “Other Information – Use of Net Proceeds from Listing” in the 2025 interim report and (ix) this report, as of December 31, 2025, we did not have detailed future plans for material investments or capital assets.

Material acquisitions and disposals and significant investment

We did not have any material acquisitions and disposals and significant investments during the year ended December 31, 2025. The Board confirmed that the Group’s transactions in financial assets during the Reporting Period, on a standalone basis and aggregate basis, did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

Management Discussion and Analysis

Pledge of assets

As at December 31 2025, bank borrowings totalling RMB2,712.4 million (2024: RMB1,479.9 million) are secured mostly by the issued share capital of the Group's subsidiaries, 100% of SHCC and 100% of Shanghai Meizhong Jiahe Medical Image Diagnosis Limited, guaranteed by the Company, Shanghai Administration Center of Policy Financing guarantee Funds for SMEs, and a medical imaging equipment owned by the Group.

As at December 31, 2025, bank borrowings totaling RMB1,035.6 million (2024: RMB1,072.2 million) are secured mostly by revenue of the Group's subsidiaries, Shanghai Meizhong Jiahe Medical Image Diagnosis Limited and Shanghai Outpatient Center.

As at December 31, 2025, bank and other borrowings totaling RMB212.5 million (2024: RMB220.0 million) are guaranteed by Dr. Yang Jianyu, a controlling shareholder and the chairman of the Board of Director of the Company.

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

	As of December 31,	
	2025	2024
	<i>(RMB in thousands)</i>	
Property, plant and equipment	2,694,151	2,195,646
Right-of-use assets	367,895	377,254
Restricted cash	24,395	46,211
Trade receivables	6,609	33,162
Total	3,093,050	2,652,273

Net current liabilities

As of December 31, 2025, we had net current liabilities of RMB576.0 million, compared to net liabilities of RMB422.2 million as of December 31, 2024, mainly attributable to the increasing balance of current bank and other borrowings.

Amounts due from related parties

As of December 31, 2025, we had amounts due from related parties of RMB203.4 million, decreasing from RMB314.2 million as of December 31, 2024, mainly attributable to the decrease of investment prepayment to Shanghai Epu Supply Chain Technology Co., Ltd.

Management Discussion and Analysis

Borrowings and indebtedness

As of December 31, 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 December 31, 2025, 16.8% of the indebtedness (RMB520.5 million) bore fixed interest rates and exposed the Group to fair value interest rate risk. The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,	
	2025	2024
<i>(RMB in thousands)</i>		
Current indebtedness		
Bank and other borrowings	600,317	372,629
Convertible bonds	21,762	19,600
Lease liabilities	9,582	10,388
Non-trade amounts due to related parties	9,631	4,114
Subtotal	641,292	406,731
Non-current indebtedness		
Bank and other borrowings	2,364,113	2,705,590
Lease liabilities	93,686	101,712
Subtotal	2,457,799	2,807,302
Total	3,099,091	3,214,033

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

	December 31, 2025		December 31, 2024	
	Balance	%	Balance	%
<i>(RMB in thousands, except for the percentages)</i>				
Within one year	600,317	20.3	372,629	12.1
After one year but within two years	124,600	4.2	195,653	6.4
Over two years but within five years	1,566,919	52.8	1,137,304	36.9
Over five years	672,594	22.7	1,372,633	44.6
Total	2,964,430	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 years indicated.

	As of the year ended December 31,	
	2025	2024
Profitability ratios		
Gross margin ⁽¹⁾	6.9%	(17.3)%
Net margin ⁽²⁾	(66.5)%	(124.9)%
Liquidity ratios		
Current ratio ⁽³⁾	0.54	0.63
Quick ratio ⁽⁴⁾	0.52	0.60
Gearing ratio ⁽⁵⁾	65.0%	67.8%

Notes:

- (1) The calculation of gross margin is based on gross loss for the period divided by revenue for the respective period and multiplied by 100%.
- (2) The calculation of net margin is based on loss for the period divided by revenue for the respective period and multiplied by 100%.
- (3) The calculation of current ratio is based on current assets divided by current liabilities as of period end.
- (4) The calculation of quick ratio is based on current assets less inventories divided by current liabilities as of period end.
- (5) The calculation of gearing ratio is based on total liabilities divided by total assets as of period end.

Directors and Senior Management

Below are the brief profiles of the current Directors and senior management of the Group.

DIRECTORS

The Board currently consists of nine Directors, comprised of three executive Directors, three non-executive Directors and three independent non-executive Directors. The following table sets forth information regarding the Directors:

Name	Age	Position	Date of Appointment as Director
Executive Directors			
Dr. YANG Jianyu (楊建宇)	55	Chairman of the Board and executive Director	July 23, 2008
Ms. FU Xiao (付驍)	59	Executive Director	April 7, 2020
Mr. CHANG Liang (常亮)	45	Executive Director and executive president	April 29, 2022
Non-executive Directors			
Mr. WANG Lei (王雷)	50	Non-executive Director and vice chairman of the Board	September 5, 2018
Mr. SONG Qingbao (宋清寶)	42	Non-executive Director	May 27, 2025
Mr. SHI Botao (施波濤)	51	Non-executive Director	June 20, 2023
Independent non-executive Directors			
Ms. LI Xuemei (李雪梅)	58	Independent non-executive Director	May 9, 2022 <i>(Note)</i>
Mr. SUN Yansheng (孫延生)	63	Independent non-executive Director	May 9, 2022 <i>(Note)</i>
Mr. NG Kwok Yin (吳國賢)	51	Independent non-executive Director	May 9, 2022 <i>(Note)</i>

Note: Each of Ms. Li, Mr. Sun and Mr. Ng was elected as our independent non-executive Director in May 2022 and such appointment was effective from the Listing Date.

Executive Directors

Dr. YANG Jianyu (楊建宇), aged 55, is our chairman of the Board and executive Director. He is primarily responsible for the overall strategy planning and business development of our Group. Dr. Yang was appointed as a director of our Company since the establishment of our Company in July 2008, and also served as the general manager of our Company from July 2008 to August 2015. He has also served as a director and general manager of certain of our subsidiaries, including serving as the executive director and general manager of Internet Hospital since November 2020 and as a director and chairman of the board of Shanghai Outpatient Center, Shanghai Hospital and Guangzhou Hospital since October 2018, March 2014 and June 2011, respectively.

Dr. Yang has served as the chief executive officer and a director of Concord Medical since March 2008, and as the chairman of its board since November 2011. He also serves as a director in the several subsidiaries of Concord Medical, including Beijing Century Friendship Technology Development Co., Ltd. (北京世紀友好科技開發有限公司), Beijing Concord, Tianjin Concord and Shanghai Medstar since March 2020, October 2015, April 2010 and October 2009, respectively.

Directors and Senior Management

Prior to joining our Group, Dr. Yang served as the president at Eguard Resources Development Co., Ltd. (合加資源發展股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 0826), from January 2003 to January 2007, where he was primarily responsible for its overall management.

Dr. Yang obtained a master's degree of business administration from Yale University in May 2015, a doctoral degree and a master's degree in economics from Liaoning University (遼寧大學) in June 1999 and July 1996, respectively. He obtained a bachelor's degree in economics from Inner Mongolia University of Finance and Economics (內蒙古財經大學) in July 1993. Dr. Yang is a senior economist recognized by Beijing Senior Professional and Technical Position Evaluation Committee (北京市高級專業技術職務評審委員會) in September 2001.

Ms. FU Xiao (付驍), aged 59, is our executive Director. She currently serves as a consultant for the group, participating in strategic planning and decision-making consultation for the group.. Ms. Fu joined our Group in April 2009 as a vice president of our Company and was appointed as a Director in April 2020. She has served as the general manager of our Company since February 2021, and served as the president and general manager of our Company from January 2021 to January 2026.

Ms. Fu served as the vice president at Shanghai Medstar from March 2003 to June 2009. She served as a senior vice president at Concord Medical from July 2009 to March 2019 and as the chief operating officer from March 2019 to January 2021.

Ms. Fu graduated from the nursing school of The Second Military Medical University (第二軍醫大學) in July 1986, and the nursing school of Chinese PLA Postgraduate Medical School (解放軍軍醫進修學院) in October 1993. Ms. Fu also obtained a certificate of completion on EMBA Advanced Seminar on Hospital Management (醫院管理 EMBA 高級研修班) from Peking University in March 2014.

Mr. CHANG Liang (常亮), aged 45, is our executive Director and executive president. He is primarily responsible for the overall management of medical equipment, software and related services of our Group. Mr. Chang joined our Group in June 2009 and has served as our vice president since August 2015 to May 2025. Since May 2025, he has been serving as executive president. He was appointed as our executive Director in April 2022.

Prior to joining our Group, Mr. Chang worked at German Medtech (Beijing) Co., Ltd. (德邁特醫學技術(北京)有限公司), a company primarily engaged in the development, manufacturing and sale of medical products, from April 2008 to March 2009, and worked at Vaillant (China) Heating and Refrigeration Environmental Technology Co., Ltd. (威能(中國)供熱製冷環境技術有限公司), a company primarily engaged in the manufacturing of heating and air conditioning equipment, from December 2004 to April 2007. He also worked as an auditor at Shanxi Baopeng Certified Public Accountants ' Firm (山西寶鵬會計師事務所有限公司) from January 2003 to September 2004.

Mr. Chang obtained a bachelor's degree in accounting from Nankai University (南開大學) in June 2002 and a master's degree in hospital management from Flinders University in Australia in May 2018.

Directors and Senior Management

Non-executive Directors

Mr. WANG Lei (王雷), aged 50, is our non-executive Director and vice chairman of the Board. He is primarily responsible for providing guidance and advice on the business strategies of our Group. Mr. Wang was appointed as a Director of our Company in September 2018.

Mr. Wang has served as a managing director at CICC Capital Management Co., Ltd. (中金資本運營有限公司) since March 2019, and successively served as a vice president, an executive director and a managing director at CICC Jia Cheng Investment Management Co., Ltd. (中金佳成投資管理有限公司) from November 2010 to January 2011, from January 2011 to January 2015 and from January 2015 to March 2019, respectively. From December 2009 to November 2010, he also served as the vice general manager at China International Capital Corporation Limited, a company listed on the Shanghai Stock Exchange (stock code: 601995) and the Stock Exchange (stock code: 3908). Prior to that, he served as a deputy director at Standard Chartered Private Equity Managers (Hong Kong) Limited (渣打私募股權(香港)有限公司) from April 2009 to December 2009, and as an analyst at investment banking department of China International Capital Corporation Limited from June 2000 to September 2004. Mr. Wang also served as a director at Hangzhou Onechance Tech Co., Ltd. (杭州壹網壹創科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300792), from February 2017 to April 2021, and as a non-executive director at Freetech Road Recycling Technology (Holdings) Limited (英達公路再生科技(集團)有限公司), a company listed on the Stock Exchange (stock code: 6888), from December 2013 to February 2021.

Mr. Wang obtained a bachelor's degree in international finance from Central University of Finance and Economics (中央財經大學) in July 1999 and a master's degree in business administration from St. Hugh's College, the University of Oxford in September 2005.

Mr. SONG Qingbao (宋清寶), aged 42, serves as our Non-Executive Director. His primary responsibility is to provide guidance and advice on the Group's business strategies. Mr. Song was appointed as a Non-Executive Director of our Company in May 2025. Mr. Song is currently the executive general manager of CITIC Venture Capital (Shanghai) Co., Ltd. (中信創業投資(上海)有限公司). Mr. Song holds a master's degree and graduated from Peking University in 2008. From 2008 to 2015, he worked at E Fund Management Co., Ltd. (易方達基金管理有限公司); from 2015 to 2018, he worked at Shanghai Lizuo Investment Management Co., Ltd. (上海力作投資管理有限公司); and from 2018 to 2023, he worked at Shanghai Fosun Venture Capital Management Co., Ltd. (上海復星創富投資管理股份有限公司).

Directors and Senior Management

Mr. SHI Botao (施波濤), aged 51, is our non-executive Director. Mr. Shi joined our Group in August 2015 as the board secretary of our Company until August 2024. He was appointed as our executive Director in June 2023 and re-designated as a non-executive Director in August 2024. He has also served as the supervisor at Shanghai Hospital, Guangzhou Hospital, Ningbo Jiahe Hospital Management Ltd. (寧波佳和醫院管理有限公司) and Internet Hospital, and a director at Shenzhen Aohua Medical Technology Development Co., Ltd. (深圳傲華醫療科技發展有限公司) and Beijing Yundu Internet Technology Co., Ltd. (北京雲度互聯科技有限公司) since December 2013, April 2011, November 2020, November 2020, January 2018, and April 2018, respectively.

Mr. Shi served as the board secretary and the general manager of asset management department at Concord Medical from October 2007 to July 2015.

Mr. Shi obtained a bachelor's degree in statistics from North China University of Technology (北方工業大學) in July 1998 and a master's degree in business management from Beijing Institute of Technology (北京理工大學) in June 2013.

Independent non-executive Directors

Ms. LI Xuemei (李雪梅), aged 58, is our independent non-executive Director. She is primarily responsible for supervising and providing independent opinion to our Board.

Ms. Li has been a professor at the School of Economics and Business Administration (經濟與工商管理學院), Chongqing University (重慶大學) since January 2025. Ms. Li served as a professor at the School of Economics and Management (經濟管理學院) of Beijing Jiaotong University (北京交通大學) from December 1995 to December 2024. She served as an independent non-executive director of CCID Consulting Company Limited (賽迪顧問股份有限公司), a company listed on the Stock Exchange (stock code: 2176), from November 2011 to March 2024. Ms. Li was a visiting scholar at the University of Nevada from August 2014 to December 2014 and a visiting professor at Dartmouth College from December 2014 to August 2015.

Ms. Li obtained a doctoral degree in management from Beijing Jiaotong University in January 2008.

Mr. SUN Yansheng (孫延生), aged 63, is our independent non-executive Director. He is primarily responsible for supervising and providing independent opinion to our Board.

Mr. Sun worked as a member and researcher at planning and development committee of the China Securities Regulatory Commission from February 2013 to April 2016. He also worked as a partner at Beijing Tianyin Law Firm (北京市天銀律師事務所) from December 2002 to March 2013.

Directors and Senior Management

Mr. Sun has served as an independent non-executive director of China Shengmu Organic Milk Limited (中國聖牧有機奶業有限公司), a company listed on the Stock Exchange (stock code: 1432) since July 2021. From June 2018 to July 2024, Mr. Sun served as an independent non-executive director of Steve Leung Design Group Ltd. (梁志天設計集團有限公司), a company listed on the Stock Exchange (stock code: 2262). He has also served as an independent director of Mudanjiang Hengfeng Paper Co., Ltd. (牡丹江恒豐紙業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600356), and as an independent director of Gansu Lanke Petrochemical High-tech Equipment Co., Ltd. (甘肅藍科石化高新裝備股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601798), since May 2021 and December 2020, respectively. From August 2020 to August 2023, Mr. Sun served as an independent director of Newonder Special Electric Co. Ltd. (新華都特種電氣股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301120). From September 2017 to June 2022, Mr. Sun served as an independent director of Arctech Solar Holding Co., Ltd. (江蘇中信博新能源科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688408).

Mr. Sun obtained a bachelor's degree in law from Inner Mongolia University (內蒙古大學) in July 1986. He further obtained a graduate diploma in political economics from Harbin Institute of Technology (哈爾濱工業大學) in May 1999 and a master's degree in law from Renmin University of China in July 2003. Mr. Sun obtained his lawyer license granted by the Ministry of Justice of the PRC in June 1994.

Mr. Sun was a director of China Art Industry (Group) Co., Limited (中國美術產業(集團)有限公司), which ceased to carry on business and was dissolved by way of deregistration. It was solvent at the time of its dissolution. Mr. SUN Yansheng was also the supervisor and a shareholder of Beijing Aidilong Investment Consultant Co., Ltd. (北京艾狄龍投資顧問有限公司), a company established in the PRC principally engaged in consulting services which has its business license revoked in December 2008 due to its failure to conduct annual inspection, and such company was deregistered. As confirmed by Mr. Sun, to the best of his knowledge, (1) the company above was inactive and solvent at the time of its revocation of business license; (2) there was no wrongful act on his part leading to the revocation of business license; (3) he has not received any notification in respect of penalty, acting or proceeding from the PRC authorities as a result of such revocation of business license; and (4) he is not aware of any actual or potential claim which has been or will be made against him as a result of such revocation of business license.

Directors and Senior Management

Mr. NG Kwok Yin (吳國賢), aged 51, is our independent non-executive Director. He is primarily responsible for supervising and providing independent opinion to our Board.

Mr. Ng has served as an independent director of Baiwang Co., Ltd., a company listed on the Hong Kong Exchange (stock code: 06657), since December 2021, and has been the chairman of the audit committee since May 2023. He served as a director and chief financial officer at Zhangmen Education Inc., a company listed on the New York Stock Exchange (symbol: ZME), from November 2020 to July 2021. He also served as a chief financial officer at Meten Edtech Education Group Ltd., a company listed on the New York Stock Exchange (symbol: METX), from July 2019 to July 2020, and as a chief financial officer at Ming Yang Smart Energy Group Limited (明陽智慧能源集團股份公司), a company listed on the Shanghai Stock Exchange (stock code: 601615), from November 2014 to July 2019. Prior to that, he worked as a senior audit manager at KPMG from October 1999 to August 2012.

Mr. Ng obtained a bachelor's degree in accounting from the Hong Kong University of Science and Technology (香港科技大學) in November 1999. He has been a member of the Hong Kong Institute of Certified Public Accountants since January 2003 and became a Fellow Certified Public Accountant in February 2026. He also obtained the board secretary certificate awarded by the Shanghai Stock Exchange in April 2019.

SENIOR MANAGEMENT

Mr. JIANG Wei (姜偉), aged 46, is our general manager and president. Mr. JIANG has been appointed as the president since January 12, 2026. Mr. JIANG joined the Group in 2020. Since June 2020, he has served as chief executive officer and director of Beijing Healthingkon Technology Co., Ltd., the Group's core AI business entity. He has also subsequently held the positions of chairman of Shanghai Concord Medical Diagnostic Imaging Limited (上海美中嘉和醫學影像診斷有限公司), director of Guangzhou Concord Cancer Center Co., Ltd. (廣州泰和腫瘤醫院有限公司), director of Shanghai Concord Medical Cancer Hospital Limited* (上海泰和誠腫瘤醫院有限公司), and chief financial officer of Concord Medical Services Holdings Limited. Prior to joining the Group, Mr. JIANG worked at Ernst & Young from July 2003 to June 2007. From July 2007 to May 2020, he was employed by China International Capital Corporation Limited, where he served in various departments including the planning & analysis department, investment banking department, and CICC Capital.

Mr. JIANG obtained a bachelor's degree of Finance from the School of Economics of Peking University in 2003, and a master's degree in Business Administration from Guanghua School of Management of Peking University in July 2012.

Mr. CHANG Liang (常亮), aged 45, is our executive Director and executive president. See "Directors, Supervisors and Senior Management – Directors" for his biographical details.

Directors and Senior Management

Ms. CHANG Ying (常穎), aged 43, is our chief financial officer. She is primarily responsible for the overall management of financial and accounting affairs of our Group. Ms. Chang joined our Group in March 2015 and successively served as a senior manager and then as a general manager at financial department of our Company, and she has been serving as the chief financial officer of our Company since March 2019.

Ms. Chang worked as an auditor at PricewaterhouseCoopers Zhong Tian LLP (普華永道中天(特殊合夥)會計師事務所) from October 2012 to February 2015.

Ms. Chang obtained a bachelor's degree in management from Central University of Finance and Economics (中央財經大學) in July 2005 and a master's degree in management from the University of Texas at Dallas in the United States in August 2011. Ms. Chang is a certified public accountant recognized by California Board of Accountancy in September 2011 and a certified management accountant recognized by Institute of Certified Management Accountants in January 2020.

Mr. PAN Lichen (潘立臣) is a joint company secretary of our Company and the secretary of the Board. Mr. Pan joined our Group in July 2010 and has served as an assistant and manager of the asset management department and a deputy general manager of the securities department of our Company since then. He has been serving as a deputy general manager of the Office of the Board of our Company and the secretary of the Board since February 2024 and August 2024, respectively. He also served as a supervisor of our Company from August 2015 to April 2022.

Mr. Pan obtained a bachelor's degree in economics from University of International Business and Economics (對外經濟貿易大學) in July 2010 and a master's degree in management from China Agricultural University (中國農業大學) in July 2016. Mr. Pan obtained the qualification certificate of board secretary from the National Equities Exchange and Quotations of the PRC in May 2017.

JOINT COMPANY SECRETARIES

Mr. PAN Lichen (潘立臣) is a joint company secretary of our Company and the secretary of the Board. See "Directors and senior management – Senior Management" for his biographical details.

Ms. HO Wing Nga (何詠雅) is a joint company secretary of our Company. Ms. Ho has over 25 years of experience in corporate governance services. She currently serves as the Managing Director of Computershare Hong Kong Development Limited and the joint company secretary and company secretary for various companies listed on the Stock Exchange.

Ms. Ho obtained a master's degree in corporate governance from the Hong Kong Polytechnic University in December 2006 and became an associate of The Hong Kong Chartered Governance Institute (the "HKCGI", previously known as the Hong Kong Institute of Chartered Secretaries) in the same month. In March 2015, Ms. Ho became a fellow of both the HKCGI and The Chartered Governance Institute. She is also a holder of the practitioner's endorsement of HKCGI and a member of The Hong Kong Institute of Directors.

Report of the Directors

The Board is pleased to present this Report together with the consolidated financial statements of the Group for the year ended December 31, 2025.

PRINCIPAL ACTIVITIES

The Company was established as a limited liability company in the PRC on July 23, 2008 and converted as a joint stock company with limited liability in the PRC on August 27, 2015. The Group is an oncology healthcare service provider in China serving both cancer patients and third-party medical institutions. The Company was listed on the Main Board of the Stock Exchange on January 9, 2024 with stock code 2453.

The activities and particulars of the Company's principal subsidiaries are set out in Note 40 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the year ended December 31, 2025 by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report. There were no significant changes in the nature of the Company's principal activities during the Reporting Period.

BUSINESS REVIEW AND RESULTS AND FUTURE DEVELOPMENT

A review of the business of the Group during the Reporting Period is provided in the section headed "Management Discussion and Analysis – Business Overview" of this annual report. An analysis of the Group's performance during the Reporting Period is provided in the section headed "Management Discussion and Analysis – Financial Review" of this annual report.

The results of the Group for the Reporting Period are set out in the consolidated financial statements in this annual report.

The future development in the Company's business is provided in the sections headed "Management Discussion and Analysis – Business Overview" and "Management Discussion and Analysis – Outlook" of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

We are subject to market risks brought by, among others, uncertainties of the economic outlook, evolving regulations and policies.

We conduct our business in a strictly regulated industry and are subject to ongoing compliance costs.

We are undertaking a number of large-scale hospital construction projects, which require a large amount of operational and financial resources. Construction projects may also be delayed or affected by various factors.

The regulatory policies of the medical service industry in the PRC, in particular, may be further amended and changed by public medical insurance schemes or healthcare reform policies, which may have a material adverse effect on our business operations and future expansion.

As we implement a voluntary price matching policy, certain medical services and products we provide are subject to effective price control, which may adversely affect our results of operations.

Our operations are subject to inherent risks such as medical disputes, medical incidents and legal proceedings, which may result in high costs and materially and adversely affect our business and reputation.

Report of the Directors

Any negative publicity about us, our medical institutions or the medical service industry could harm our brand image and reputation, which could materially and adversely affect our business and prospects.

Changes in economic, political and social conditions may materially affect our business, results of operations and financial condition.

Since the above is not an exhaustive list, investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

For more details of other risks and uncertainties faced by the Company, please refer to the section headed “Risk Factors” of the Prospectus.

MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Period,

- (i) the Group’s largest supplier accounted for 23.3% (2024: 20.5%) of its total purchases, and the five largest suppliers accounted for 49.2% of its total purchases (2024: 43.1%); and
- (ii) the Group’s largest customer accounted for 18.9% (2024: 15.4%) of its total sales, and the five largest customers accounted for 51.5% of its total sales (2024: 26.9%).

To the best of the knowledge of our Directors, none of the Group’s Directors, their respective close associates or any Shareholder who owns more than 5% of our issued share capital had any interest in any of the Group’s five largest customers and suppliers for the year ended December 31, 2025.

KEY RELATIONSHIPS WITH ITS EMPLOYEES, CUSTOMERS AND SUPPLIERS

For details of relationships with the employees, customers and suppliers, please refer to “Major Customers and Suppliers,” and “Employee, Training and Remuneration Policies” in this annual report and the 2025 Environmental, Social and Governance Report.

Report of the Directors

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in Note 17 to the consolidated financial statements.

SHARE CAPITAL

On January 9, 2024, the Company issued 39,420,200 new H Shares at the offer price of HKD14.28 per Share by the Global Offering.

Details of movements in the share capital of the Company during the Reporting Period are set out in Note 31 to the consolidated financial statements.

On June 4, 2025, the Company placed 18,600,000 H shares at a placing price of HKD5.38 per placing share.

On July 29, 2025, the Company placed 48,723,600 H shares at a placing price of HKD5.54 per placing share.

DEBENTURES

The Company did not issue any debentures during the Reporting Period.

In December, 2021, Beijing Healthingkon, a subsidiary of the Company issued a 4.75% convertible bond with a principal amount of RMB20 million to an independent third party. The convertible bond is denominated in RMB and is unsecured. The Subscriber has the right to convert the convertible bond in whole or in part into equity interests in Beijing Healthingkon. The convertible bond will mature in five years from the issue date (i.e. December 2026). See Note 29 to the consolidated financial statements of the Group included in this annual report.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution to its Shareholders as of December 31, 2025 amounted to nil.

BANK AND OTHER BORROWINGS

Details of the bank and other borrowings of the Company during the Reporting Period are set out in Note 30 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Debentures" above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

Report of the Directors

DIRECTORS AND SENIOR MANAGEMENT

The Directors and senior management during the Reporting Period and up to the date of this Report are:

Executive Directors

Dr. YANG Jianyu (*Chairman of the Board*)

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

Senior Management

Mr. JIANG Wei (*appointed as president on 12 January, 2026*)

Mr. CHANG Liang

Ms. CHANG Ying

Mr. PAN Lichen

Biographical details of Directors and senior management are set out in “Directors and Senior Management” of this annual report.

On 12 January, 2026, Ms. FU Xiao has resigned as the president of the Group in accordance with the changes in duties within the Group. Mr. Jiang Wei was appointed as the president. For further details, please refer to the announcement of the Company dated 12 January, 2026.

On April 8, 2026, Ms. Fu Xiao reached the statutory retirement age and resigned from her position as an executive director. The aforesaid resignation of Ms. Fu Xiao will take effect upon the new executive Director being elected by the Shareholders at the annual general meeting on May 11, 2026 (the “AGM”). Mr. Jiang Wei was nominated as an executive director, and proposed appointment of Mr. Jiang Wei as an executive director is subject to the approval by the Shareholders at the AGM in accordance with the articles of association of the Company. For further details, please refer to the announcement of the Company dated 8 April, 2026.

Save as disclosed above, there was no changes to information which are required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since the Company’s last published interim report and up to the date of this annual report.

Report of the Directors

DIRECTORS' SERVICE CONTRACTS

Each of our Directors has entered into a service contract with our Company. Each service contract is for an initial term of three years from the approval at the general meeting until the end of the terms of the corresponding board of directors. Subject to the re-election, such term may be renewed. The service contracts may be renewed in accordance with their respective terms, the Articles and the applicable laws, rules and regulations.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract with any member of our Group, other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

ABOLITION OF THE SUPERVISORY COMMITTEE

On December 5, 2025, in accordance with the latest provisions of laws, regulations, and normative documents including the Company Laws and the Guidelines for the Articles of Association of Listed Companies, and taking into account the Company's actual situation, the Board agreed to abolish the Supervisory Committee. The functions and power of the Supervisory Committee shall be exercised by the Audit Committee of the Board, and the Procedural Rules for the Supervisory Committee shall be repealed accordingly. Concurrently, the Company shall amend relevant provisions of the Articles of Association, the Procedural Rules for the Shareholders' Meetings, and the Procedural Rules for Meetings of the Board in accordance with the Guidelines for the Articles of Association of Listed Companies and other relevant regulations, which was effective upon approval at the extraordinary general meeting of shareholders held on December 5, 2025. For further details, please refer to the announcement of the Company dated December 5, 2026 and the circular of the Company dated November 17, 2025.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Save as disclosed in the section headed "Relationship with our Controlling Shareholders – Business Delineation and Competition" in the Prospectus, none of the Directors were interested in any business which competes or is likely to compete with the businesses of the Group during the Reporting Period.

SIGNIFICANT CONTRACTS

None of the Directors or their respective connected entities (as defined in the Listing Rules) had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group subsisting during or at the end of the Reporting Period to which the Company or any of its subsidiaries was a party.

During the Reporting Period, save as disclosed in the section headed "Report of the Directors – Continuing Connected Transactions" of this annual report, the Group has not entered into any contract of significance with the controlling shareholders of the Company or any of their respective subsidiaries.

CONTINUING CONNECTED TRANSACTIONS

The following transactions constitute continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules and are required to be disclosed in this annual report in accordance with Rule 14A.71 of the Listing Rules. The Company confirmed that for the related party transactions falling under the definition of "connected transaction" or "continuing connected transaction" (as the case may be) in Chapter 14A of the Listing Rules, it had complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. We set out below the information required to be disclosed in compliance with Chapter 14A of the Listing Rules.

Report of the Directors

Consulting Agreement

On January 1, 2021, Concord HK, one of our Controlling Shareholders, and Shanghai Hospital entered into a consulting agreement (as supplemented by a supplemental agreement dated May 26, 2022, collectively the “Consulting Agreement”) in furtherance of an overseas consulting agreement entered into between Concord HK and a world-renowned medical institution, namely The University of Texas MD Anderson Cancer Center (“MD Anderson” or the “MI”) on December 17, 2020 (the “Overseas Consulting Agreement”). Pursuant to the Consulting Agreement, it is agreed that, among others, (i) Shanghai Hospital shall receive such oncology services directly from the MI, (ii) Shanghai Hospital shall pay Concord HK for such consideration as required to compensate the MI under the Overseas Consulting Agreement on a quarterly basis, and (iii) Shanghai Hospital shall be exclusively entitled to all rights, interests, benefits and entitlements granted by the MI to Concord HK under the Overseas Consulting Agreement. The Consulting Agreement has a term of commencing from the date of signing to December 31, 2030. Please refer to “Connected Transactions – Continuing Connected Transactions” section in the Prospectus for details.

The total amount payable by Shanghai Hospital to Concord HK under the Consulting Agreement is US\$14,640,000, including US\$1,320,000 per year in the first two years (i.e., the years of 2021 and 2022) in eight equal quarterly payments and US\$1,500,000 per year in the remaining eight years (i.e., the years from 2023 to 2030) in thirty-two equal quarterly payments. The payment arrangement pursuant to the Consulting Agreement is solely to pay Concord HK for its advance of funds to compensate the MI under the Overseas Consulting Agreement. Concord HK did not take any advantages from the transactions contemplated under the Overseas Consulting Agreement and the Consulting Agreement, and is only participating in such transactions by passing through the funds.

The transactions contemplated under the Consulting Agreement constitute continuing connected transactions of our Company under the Listing Rules upon Listing as Concord HK, a party to the Consulting Agreement, is an associate of a connected person of the Group pursuant to Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Consulting Agreement constitute continuing connected transactions of our Company under the Listing Rules upon Listing, which are exempt from the independent Shareholders’ approval requirements but subject to the reporting, annual review, announcement requirements of the Listing Rules.

Our Directors estimate that the total fees to be paid by our Group to Concord HK under the Consulting Agreement will not exceed US\$1.25 million during the year ended December 31, 2025. The actual transaction amount incurred in accordance with the Consulting Agreement for the year ended December 31, 2025 was US\$0 million.

Report of the Directors

Annual review by independent non-executive Directors and the auditor

The independent non-executive Directors have reviewed the continuing connected transactions mentioned above pursuant to Rule 14A.55 of the Listing Rules and confirmed that the aforesaid continuing connected transactions:

- (i) were entered into in the ordinary and usual course of business of the Group;
- (ii) were on normal commercial terms or better to the Group; and
- (iii) were in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditor of the Company has been engaged to report on the continuing connected transactions of the Company in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their conclusions in respect of the aforesaid continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. The Company has provided a copy of the auditor’s letter to the Stock Exchange. In respect of the aforesaid continuing connected transactions, the auditor of the Company has confirmed that:

- (i) nothing has come to their attention that cause them to believe that the aforesaid continuing connected transactions have not been approved by the Board;
- (ii) nothing has come to their attention that causes them to believe that the aforesaid continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the aforesaid continuing connected transactions; and
- (iii) with respect to the aggregate actual transaction amount of each of the aforesaid continuing connected transactions, nothing has come to their attention that causes them to believe that such actual transaction amounts have exceeded the relevant annual caps.

Report of the Directors

Internal control measures

The Company has adopted the following internal control and corporate governance measures to closely monitor connected transactions and ensure future compliance with the Listing Rules:

- (1) the Board and various internal departments of the Company are jointly responsible for evaluating the terms of the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps (if applicable) under each transaction;
- (2) the Board and the finance department of the Company are regularly monitoring the connected transactions and the management of the Company will regularly review the pricing policies to ensure the connected transactions to be performed in accordance with the relevant agreements;
- (3) the Company has engaged external independent auditor which will, and the independent non-executive Directors also will, conduct annual review on the connected transactions to ensure that the transactions contemplated thereunder have been conducted pursuant to the requirements of the Listing Rules and have fulfilled the relevant disclosure requirements; and
- (4) the Company will continue to comply with the relevant requirements under Chapter 14A of the Listing Rules for the continuing connected transactions, and comply with the conditions prescribed under the waiver submitted to the Stock Exchange in connection with the continuing connected transactions in this regard.

Save as disclosed in the annual report, as of the date of this annual report, the Company had no connected transactions which are required to be disclosed in accordance with the provisions under Chapter 14A of the Listing Rules in relation to the disclosure of connected transactions.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

The remuneration of the Directors is paid in the form of fees, salaries, allowances and benefits in kinds, discretionary bonus and retirement scheme contributions. The Company has established the Remuneration and Appraisal Committee to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management.

Details of the emoluments of the Directors and five highest paid individuals are set out in Note 14 to the consolidated financial statements.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors or other individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

Report of the Directors

EMPLOYEE, TRAINING AND REMUNERATION POLICIES

The Group had 592 employees as at December 31, 2025, as compared to 567 employees as at December 31, 2024.

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.

ENVIRONMENTAL POLICIES AND PERFORMANCE

We attach great importance to the radiation safety and protection of radiation therapy and continuously put great efforts into creating a safe, comfortable and first-class diagnosis and treatment environment for our patients. We have adopted comprehensive internal control mechanisms to ensure our compliance with relevant regulations.

In 2025, we have been in compliance with the currently applicable PRC laws and regulations with respect to environmental matters in all material respects. We will continuously communicate with the relevant regulatory authorities regarding the evolving ESG-related regulatory requirements to keep abreast of the last developments and ensure our ongoing compliance.

The 2025 Environmental, Social and Governance Report of the Company was prepared in accordance with Appendix C2 of the Listing Rules.

THE GROUP'S SUBSIDIARIES AND FACILITIES

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 40 to the consolidated financial statements.

As of December 31, 2025, we owned the land use rights of two parcels of land with a site area of approximately 47,867.1 square meters and 33,333.0 square meters each (totaling 81,200.10 square meters) in respect of which we have two construction projects with a gross floor area of approximately 41,323.2 square meters and 144,288.0 square meters, respectively, upon completion of the construction, in Guangzhou and Shanghai, respectively. As of the same date, we operated our businesses through 24 leased properties with a total gross floor area of approximately 28,045.0 square meters. All such properties have been used for non-property activities as defined under Rule 5.01(2) of the Listing Rules and are primarily used as the operation of our medical institutions and our offices, registered addresses and staff accommodations for our business operations.

Report of the Directors

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE OF OUR COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF OUR COMPANY AND ITS ASSOCIATED CORPORATIONS

As of the date of this annual report, to the best knowledge of the Directors, the interests and short positions of the Directors 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)	24.54%	40.93%
		H Shares	Interest in controlled corporation	63,859,100 (L)	8.15%	20.35%

(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 December 31, 2025, divided by the number of all shares of the Company in issue (totaling 783,662,016 Shares, including 313,874,624 H Shares and 469,787,392 domestic shares).

(3) Represents the percentage of the number of shares in the relevant class as at December 31, 2025 divided by the number of shares in the relevant class of the Company in issue.

Report of the Directors

Save as disclosed above, as of December 31, 2025, none of the Directors 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.

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

As of the date of this annual report, to the best of knowledge of the Directors, the following persons, other than Directors 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	Approximate
				percentage shareholdings in the Company ⁽²⁾	percentage shareholding in of total 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)	24.54%	40.93%
	H Shares	Interest in controlled corporation	63,859,100 (L)	8.15%	24.08%
Concord Medical ⁽⁴⁾	Domestic Shares	Interest in controlled corporation	192,274,636 (L)	24.54%	40.93%
	H Shares	Interest in controlled corporation	63,859,100 (L)	8.15%	24.08%
Morgancreek ⁽⁴⁾	Domestic Shares	Interest in controlled corporation	192,274,636 (L)	24.54%	40.93%
	H Shares	Interest in controlled corporation	63,859,100 (L)	8.15%	24.08%
Ms. ZHANG Bi ⁽⁴⁾	Domestic Shares	Interests of spouse; interest in controlled corporation	192,274,636 (L)	24.54%	40.93%
	H Shares	Interests of spouse; interest in controlled corporation	63,859,100 (L)	8.15%	24.08%
Shanghai Medstar ⁽⁵⁾	Domestic Shares	Beneficial interest	96,137,318 (L)	12.27%	20.46%
	H Shares	Interest in controlled corporation	28,115,800 (L)	3.59%	10.60%
	Domestic Shares	Other	96,137,318 (L)	12.27%	20.46%
	H Shares	Beneficial interest	141,000 (L)	0.02%	0.05%
Beijing Concord ⁽⁶⁾	H Shares	Beneficial interest	35,602,300 (L)	4.54%	13.43%
Concord HK ⁽⁶⁾	H Shares	Interest in controlled corporation	35,602,300 (L)	4.54%	13.43%

Report of the Directors

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⁾
Tianjin Concord	H Shares	Beneficial interest	28,115,800 (L)	3.59%	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(有限合伙)) (“CICC Jiatai”) ⁽⁷⁾	Domestic Shares	Beneficial interest	120,000,000 (L)	15.31%	25.54%
CICC Capital Management Co., Ltd.	Domestic Shares	Interest in controlled corporation	120,000,000 (L)	15.31%	25.54%
China International Capital Corporation Limited	Domestic Shares	Interest in controlled corporation	120,000,000 (L)	15.31%	25.54%
Central Huijin Investment Ltd.	Domestic Shares	Interest in controlled corporation	120,000,000 (L)	15.31%	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)	9.92%	16.56%
CITIC Industrial Investment Group Corp., Ltd.	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	9.92%	16.56%
CITIC Corporation Limited	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	9.92%	16.56%
CITIC Limited	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	9.92%	16.56%
CITIC Polaris Limited	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	9.92%	16.56%
CITIC Glory Limited	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	9.92%	16.56%
CITIC Group Corporation Limited	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	9.92%	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)	3.60%	6.00%

Report of the Directors

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⁾
CSPC Pharmaceutical Group Limited	Domestic Shares	Interest in controlled corporation	28,195,488 (L)	3.60%	6.00%
WisdoMont Asset Management (Shanghai) Co., Ltd. ⁽¹⁰⁾	Domestic Shares	Interest in controlled corporation	34,715,560 (L)	4.43%	7.39%
GAN Shixiong (甘世雄)	Domestic Shares	Interest in controlled corporation	34,715,560 (L)	4.43%	7.39%

(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 “—Other Matters” in this report.

Report of the Directors

- (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).

Save as disclosed above, as of the date of this annual report, the Directors and the chief executive of the Company are not aware of any other person (other than the Directors 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.

Report of the Directors

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report during and at the end of the year ended December 31, 2025, neither the Company nor any of its subsidiaries was a party to any arrangement that would enable the Directors or any of their respective spouses or children under the age of 18 to acquire benefits by means of acquisition of the shares in, or debentures of, the Company or any other body corporate.

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

Neither the Company nor its subsidiary had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the Reporting Period to the date of this report. As at December 31, 2025, the Company did not hold any treasury shares.

Details of movements in the share capital of the Company during the Reporting Period are set out in Note 31 to the consolidated financial statements.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

We did not have any material acquisitions and disposals and significant investments during the year ended December 31, 2025. The Board confirmed that the Group's transactions in financial assets during the Reporting Period, on a standalone basis and aggregate basis, did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

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.

Report of the Directors

The following table sets forth the revised planned use and actual use of the net proceeds from the Global Offering as of December 31, 2025:

	Percentage of net proceeds from the Global Offering after reallocation	Net proceeds from the Global Offering after reallocation	Utilized amount from January 1, 2025 to December 31, 2025	Utilized amount as of December 31, 2025	Unutilized amount as of December 31, 2025
<i>(HKD in millions)</i>					
Repaying part of the interest- bearing bank borrowings	49.4%	230.42	109.1	230.42	Nil
Financing the construction of Shanghai Hospital	30.6%	142.71	2.7	142.71	Nil
Working capital and other general corporate purposes	20.0%	93.23	71.4	93.23	Nil
Total	100%	466.36	183.2	466.36	Nil

The Group has fully utilized the net proceeds raised from the Global Offering by December 31, 2025. For details, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus and the announcement of the Company dated August 29, 2024.

Use of Proceeds from Placing

2025 May Placing

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 (“**2025 May Placing**”), after deducting the placing commission and other relevant costs and expenses of the placing, amounted to approximately HK\$93.94 million.

The completion of 2025 May Placing took place on June 4, 2025. A total of 18,600,000 H Shares have been successfully placed by the placing agent to no fewer than six placees at the placing price of HK\$5.38 per H Share. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, (i) each of these 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 these placees has become a substantial shareholder (as defined in the Listing Rules) of the Company upon the completion of 2025 May Placing.

Report of the Directors

The following table sets forth the planned use and actual use of the net proceeds from the 2025 May Placing as of December 31, 2025:

	Percentage of net proceeds from the placing	Net proceeds from the placing	Utilized Amount for the year ended December 31, 2025 <i>(HK\$ million)</i>	Utilized amount as of December 31, 2025	Unutilized amount as of December 31, 2025
Funding the procurement of medical equipment, consumables, and pharmaceuticals for the medical institutions of the Company	40%	37.576	37.576	37.576	Nil
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%	28.182	28.182	28.182	Nil
Supplementing the working capital of the Company and its subsidiaries for general corporate purposes	30%	28.182	28.182	28.182	Nil
Total	100%	93.94	93.94	93.94	

The Group has fully utilized the net proceeds raised from the 2025 May Placing by December 31, 2025.

2025 July Placing

As disclosed in the announcement of the Company dated July 22, 2025 and July 29, 2025, the net proceeds from the placing of 48,723,600 H Shares ("**2025 July Placing**"), after deducting the placing commission and other relevant costs and expenses of the placing, amounted to approximately HK\$258.78 million.

The completion of 2025 July Placing took place on July 29, 2025. A total of 48,723,600 H Shares have been successfully placed by the placing agent to no fewer than six placees at the placing price of HK\$5.54 per H Share. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) each of these 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 these placees has become a substantial shareholder (as defined in the Listing Rules) of the Company upon the completion of 2025 July Placing.

Report of the Directors

The following table sets forth the planned use and actual use of the net proceeds from the 2025 July Placing as of December 31, 2025:

	Percentage of net proceeds from the placing	Net proceeds from the placing	Utilized Amount for the year ended December 31, 2025 <i>(HK\$ million)</i>	Utilized amount as of December 31, 2025	Unutilized amount as of December 31, 2025	Expected timeline of full utilization
To fund the construction of Shanghai Concord Medical Cancer Hospital	30.0%	77.634	46.46	46.46	31.17	By June 30, 2026
To support the capital needs of the Company and its subsidiaries in the medical AI business, including but not limited to daily operation and management expenses, research and development expenses, etc.	15.0%	38.817	16.50	16.50	22.32	By June 30, 2026
To repay 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 financial leasing liabilities	25.0%	64.695	34.50	34.50	30.20	By June 30, 2026
To supplement working capital of the Company and its subsidiaries for general corporate purposes						
– Payments for suppliers	10.5%	27.172	11.90	11.90	15.27	By June 30, 2026
– Employee salaries and benefits	6.0%	15.527	9.20	9.20	6.33	By June 30, 2026
– Operational support expenses (maintenance and upgrading of medical equipment, expenses for property utilities, etc.)	4.5%	11.645	5.70	5.70	5.94	By June 30, 2026
– Administrative expenses (market expansion and promotion, travel expenses, administrative expenses, etc.)	4.5%	11.645	6.85	6.85	4.80	By June 30, 2026
– Others	4.5%	11.645	5.50	5.50	6.14	By June 30, 2026
Total	100%	258.78	136.61	136.61	122.17	

Majority of the unutilised net proceeds were deposited with reputable banks in Hong Kong or the PRC for the year ended 31 December 2025.

Report of the Directors

H SHARE INCENTIVE SCHEME

The Company adopted the H Share Incentive Scheme on January 22, 2025, to motivate and retain Directors, supervisors, senior management and employees of the Group who have made outstanding contributions to the sustainable operation, development and long-term growth of the Company. For the terms of the H Share Incentive Scheme, please refer to the circular of the Company dated January 6, 2025. As of the date of this report, none of the awarded Shares was granted to any grantee under the H Share Incentive Scheme.

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.

ANNUAL GENERAL MEETING

The AGM will be held on Monday, May 11, 2026. A notice convening the AGM will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.concordmedical.com), and will be dispatched to the Shareholders who have requested corporate communications in printed copy in accordance with the requirements of the Listing Rules in due course.

FINAL DIVIDEND

The Board has resolved not to recommend payment of any final dividend for the year ended December 31, 2025.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, May 6, 2026 to Monday, May 11, 2026 both days inclusive, during which period no transfer of Shares will be registered.

In order to be eligible to attend and vote at the AGM, all H Share transfer documents accompanied by the corresponding share certificates must be lodged with the Company's branch H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Tuesday, May 5, 2026. Domestic Share Shareholders should contact the secretary to the Board for details concerning registration of transfers of Domestic Shares. The contact details of the Secretary to the Board are: Room 26A1-26A5, East Tower, Hanwei Building, No. 7 Guanghua Road, Chaoyang District, Beijing, PRC; telephone No.: (86) 010-5903 6688.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the PRC, which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities. If any of the Shareholders is unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, he or she is advised to consult an expert.

Report of the Directors

PERMITTED INDEMNITY PROVISION

The Company has maintained appropriate liability insurance policies for its Directors and senior management during the Reporting Period. Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour, or in which he/she is acquitted.

SUFFICIENCY OF PUBLIC FLOAT

On 9 January 2024, being the date of the Company's listing, Rule 8.08(1)(a) of the Listing Rules required that at least 25% of an issuer's total number of issued shares be held by the public at all times. The Company was granted a waiver by the Stock Exchange from strict compliance with Rule 8.08(1)(a), permitting a lower public float of between 15% and 25% (or such higher percentage as was held by the public upon completion of the Company's listing). Pursuant to the waiver, at least 16.73% of the total number of issued shares in the relevant class (excluding treasury shares) was required to be held by the public at the time of listing.

Based on information publicly available to the Company and to the Directors as at the date of this report at least 31.90% of the Company's total issued shares are held by the public.

AUDIT COMMITTEE

As of the date of this annual 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 Audit Committee has reviewed the annual results of the Group for the year ended December 31, 2025 and has recommended for the Board's approval thereof.

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group and the consolidated financial statements of the Group for the year ended December 31, 2025. The Audit Committee considered that the annual results of the Group are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

This annual report is based on the audited consolidated financial statements of the Group for the year ended December 31, 2025.

AUDITOR

BDO Limited was appointed as the auditor during the Reporting Period. The consolidated financial statements of the Group for the year ended December 31, 2025 have been audited by BDO Limited.

A resolution for the re-appointment of BDO Limited as the auditor of the Company will be proposed at the AGM.

DONATION

During the year ended December 31, 2025, the Group made no charitable donations.

Report of the Directors

COMPLIANCE WITH NON-COMPETITION UNDERTAKINGS

On December 19, 2023, our Controlling Shareholders, namely Dr. Yang, Morgancreek, Concord Medical, Ascendium Group Limited, Shanghai Huifu Technology Development Co., Ltd., Concord HK, Shanghai Medstar, Tianjin Concord, Beijing Concord and Shanghai Xinhe, entered into the deed of non-competition in favor of our Company (the “Non-Competition Undertaking”), pursuant to which our Controlling Shareholders have each undertaken to our Company that they will not and will procure their close associates (except any member of our Group) not to, directly or indirectly (whether in the capacity of principal or agent, whether for its own benefit or jointly with or on behalf of any person, firm or company, whether within or outside China), commence, engage in, participate in or acquire any business (“Restricted Business”) which competes or may compete directly or indirectly with our core business of operation of medical institutions and provision of oncology-related services, including primarily sales and installing of medical equipment and software, management and technical support, and operating lease that during the Restricted Period. For details of the Deed of Non-Completion, please refer to the section headed “Relationship with our Controlling Shareholders – Non-Competition Undertaking” in the Prospectus.

The Controlling Shareholders have undertaken that they complied with the Non-competition Undertaking during the Reporting Period. The independent non-executive Directors have reviewed the Non-Competition Undertaking and assessed whether the Controlling Shareholders and their close associates have complied with the terms of the Non-Competition Undertaking, and were satisfied that the Controlling Shareholders have complied with their undertakings under the Non-Competition Undertaking during the year ended December 31, 2025.

CORPORATE GOVERNANCE

Details of the corporate governance of the Group are set out in the section headed “Corporate Governance Report” in this annual report.

EVENTS AFTER THE REPORTING PERIOD

On January 12, 2026, due to job adjustments within the Group, it was decided that Ms. Fu Xiao would resign from her position as President of the Group, effective from January 12, 2026, and Mr. Jiang Wei would be appointed as the Group’s President. For further details, please refer to the announcement issued by the Company on January 12, 2026.

On April 8, 2026, in line with the Company’s strategic development plan and succession plan, Ms. Fu Xiao has tendered her resignation as a director of the Company and will assume the role of advisor to the Company as she has reached the retirement age, and the Board nominated Mr. Jiang Wei as an executive Director. The aforesaid resignation of Ms. Fu Xiao will take effect upon the new executive Director being elected and approved by the Shareholders at the AGM to be held on May 11, 2026. For further details, please refer to the announcement issued by the Company on April 8, 2026.

It is proposed to hold an Extraordinary General Meeting on Friday, April 10, 2026, for shareholders to consider and approve all specific matters concerning the provision of guarantee to its subsidiaries for the respective financing needs of its subsidiaries, the aggregate amount of which is estimated not to exceed RMB3,700 million. For details, please refer to the circular issued by the Company on March 18, 2026.

Save as disclosed above and in this report, as of the date of this report, there has been no significant event since the end of the Reporting Period that is required to be disclosed by the Company.

Report of the Directors

OTHER MATTERS

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

The EGM held on Friday, April 11, 2025 has considered and approved (i) the provision of guarantees by the Company and (ii) authorize the Board and/or its authorized representatives to, in their sole discretion, consider and approve all the specific matters of the Guarantees within the scope of the guaranteed amount. For the details, please refer to the Company's circular published on March 20, 2025 and the poll results announcement of the Company published on April 11, 2025.

The third session of the Board and the Supervisory Committee has expired, according to the relevant provisions of the Company Law of the People's Republic of China and the Articles of Association of the Company, the Board and the Supervisory Committee propose to nominate the members of the fourth session of the Board and the Supervisory Committee. For details, please refer to the announcements of the Company dated April 13, 2025, April 16, 2025, April 25, 2025 and May 27, 2025.

During the period from May 7, 2025 to May 9, 2025, Shanghai Medical Star, one of the controlling shareholders of the Company, purchased a total of 141,000 H shares of the Company from the open market. For further details, please refer to the announcements of the Company dated May 7, 2025 and May 12, 2025.

On August 26, 2025, the Company's controlling shareholder (as defined in the Listing Rules), Beijing Concord Medical Technology Co., Ltd. ("Beijing Concord"), agreed to pledge 35.6 million H shares of the Company in favor of Shanghai Pudong Development Bank. This pledge was fully released on October 27, 2025. For further details, please refer to the announcements of the Company dated August 26, 2025 and October 27, 2025.

On November 4, 2025, the controlling shareholder (as defined in the Listing Rules) of the Company, Beijing Concord, agreed to pledge an additional 35,602,300 H shares of the Company held directly by it, in favour of China Credit. For further details, please refer to the announcement of the Company dated November 4, 2025.

On February 2026, Healthingkon terminated the concerted action agreement. The Company re-signed voting proxy agreements with Healthingkon Investment Holding and Zhufeng, Hexinkang remains the company's holding subsidiary.

APPRECIATION

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

By order of the Board of Directors
Concord Healthcare Group Co., Ltd.
美中嘉和醫學技術發展集團股份有限公司

Dr. YANG Jianyu
Chairman of the Board and Executive Director

Beijing, the PRC, March 27, 2026

Corporate Governance Report

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders. The Board is pleased to present the corporate governance report of the Company for the year ended December 31, 2025.

CORPORATE STRATEGY AND CULTURE

The Company has long been focusing on the research, development, transformation and application of advanced cancer diagnosis techniques to provide a leading domestic oncology medical integrated solution featuring precision radiation therapy, and to build a self-operated oncology specialty medical institution and Internet hospitals combining online and offline, aiming to promote the standardization and internationalization of oncology diagnosis and treatment in China and enable oncology patients to enjoy high-quality medical services. Since the establishment of the Company, the Company has always attached great importance to undertaking the social duties of the enterprise to build the best brand image.

Our Mission: Fighting cancer and safeguarding the glory of life

Our Vision: Work together with leading wisdom and build quality healthcare to become the most trusted anti-cancer partner for patients

Our Values: Collaboration, Responsibility, Respect, Integrity

Good corporate culture is the cornerstone of corporate development, the Company expects and requires all staff to further strengthen the compliance with the corporate culture. We will strengthen our employees' training programs so that they can better understand our corporate culture, policies, and learn relevant laws and regulations. In addition, the Company will invite external experts to train our employees from time to time to enhance their knowledge and skills.

CORPORATE GOVERNANCE PRACTICES

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 has adopted the code provisions of the Corporate Governance Code as its own corporate governance practices. The shares of the Company were listed on the Main Board of the Stock Exchange on 9 January 2024.

During the Reporting Period, the Company has complied with all applicable code provisions set out in the CG Code.

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

Corporate Governance Report

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Specific enquiry has been made to all Directors and relevant employees of the Company and all of them have confirmed that they have complied with the Model Code during the period during the Reporting Period.

CHAIR OF THE BOARD AND CHIEF EXECUTIVE OFFICER

During the Reporting Period, the roles of Chairman of the Board (the “Chairman”) and President (the “President”) of the Company were separate and performed by different individuals. Mr. YANG Jianyu is the Chairman of the Board and Ms. FU Xiao is the President of the Company, respectively.

The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The President focuses on the Company’s overall business operation and management of the Group. The Company complied with the code provision of the CG Code, which requires that the chairman and president, i.e. chief executive officer shall be different persons.

THE BOARD

Board Composition

As of the date of this report, the Board comprises 3 executive Directors, 3 non-executive Directors and 3 independent non-executive Directors as follows:

Executive Directors

Dr. YANG Jianyu
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

The biographies of the Directors are set out under the section headed “Directors and Senior Management” of this annual report.

Mr. SONG Qingbao obtained the legal advice referred to in Rule 3.09D of the Listing Rules on May 27, 2025. He has confirmed that he understood his obligations as a director of the Company.

Save as disclosed in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Directors and chief executive.

There has been no change of the composition of our Directors from December 31, 2025 to the date of this annual report.

Corporate Governance Report

INDEPENDENCE OF THE BOARD

Pursuant to code provision B.1.4 under part 2 of the CG Code, the Board established mechanism(s) to ensure independent views and input are available to the Board, in particular, (i) independent non-executive Directors are encouraged to actively participate in the Board meetings; (ii) the number of independent non-executive Directors must comply with the requirement under the Listing Rules; and (iii) the independent non-executive Directors shall devote sufficient time to discharge their duties as a Director. Furthermore, the Directors may access external independent professional advice to assist their performance of duties at the expense of the Company. Going forward, the Board will review the implementation and effectiveness of such mechanism(s) on an annual basis.

During the Reporting Period, the Board has met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing one-third of the Board, with at least one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

Each of the independent non-executive Director has confirmed his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The major powers and functions of the Board include, but are not limited to, convening the general meetings, presenting reports to the general meetings, implementing the resolutions passed at the general meetings, formulating the operational plans and investment plans of the Group, formulating the annual financial budgets and final accounts of the Group, formulating the fundamental management systems of the Group, formulating profit distribution plans and loss recovery plans of the Group, and exercising other powers and functions as conferred by the Articles of Association.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The Board take decisions objectively in the best interest of the Company and the Shareholders as a whole.

The Board is responsible for, and has general powers for, the management and conduct of our business. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board Committees including the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee. The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference. All Board Committees are provided with sufficient resources to perform their duties.

DIRECTORS ' AND SENIOR MANAGEMENT'S LIABILITY INSURANCE

The Company has arranged appropriate liability insurance to indemnify the Directors and senior management of the Company for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

Corporate Governance Report

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors should keep abreast of the latest developments in various areas, including laws and regulations, the Listing Rules, as well as industry update to discharge their duties and responsibilities for the benefit of the Company. Each newly appointed Director would receive an induction covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company. The Company also provides briefings and other training to develop and refresh the Directors' knowledge and skills. The Company is responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of the Directors. The Company continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are issued to Directors and senior management where appropriate, to ensure awareness of best corporate governance practices.

Every newly appointed Director should receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Mr. SONG Qingbao, who was appointed as a Non-Executive Director in May 2025, had attended a training session in 2025, at which an external legal adviser provided legal advice on Hong Kong law as regards the requirements under the Listing Rules that are applicable to them as directors of a listed company, their obligations as Directors, and the possible consequences of making false declarations or giving false information to the SFC. Mr. Song has confirmed his understanding of the information provided by the legal adviser.

The Directors confirmed that they have complied with code provision C.1.4 under part 2 of the CG Code on directors' training and all Directors have participated in appropriate continuous professional development to develop and refresh their knowledge and skills. During the Reporting Period and prior to the Listing, all the Directors attended training session conducted by the Company's legal adviser on directors' duties, responsibilities and obligations under the Listing Rules, SFO and other relevant laws and regulations. During the Reporting Period and up to the date of this report, the Directors have also participated in the following professional development activities: (a) participating in the training offered by the law firm and related to the Company's business; (b) reading materials on a variety of topics, including corporate governance issues, Directors' duties, Listing Rules and other relevant laws.

Name of Director	Nature of continuous professional development programmes
Executive Directors	
Dr. YANG Jianyu	A+B
Ms. FU Xiao	A+B
Mr. CHANG Liang	A+B
Non-executive Directors	
Mr. WANG Lei	A+B
Mr. Song Qingbao	A+B
Mr. SHI Botao	A+B
Independent Non-executive Directors	
Ms. LI Xuemei	A+B
Mr. SUN Yansheng	A+B
Mr. NG Kwok Yin	A+B

Corporate Governance Report

Notes:

- A. Participating in trainings offered by the Company's legal adviser and related to the Company's business.
- B. Reading materials on a variety of topics, including corporate governance issues, director's duties, Listing Rules and other relevant laws.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All Directors have entered into a service agreement with the Company, subject to the approval at the general meeting of the Company, to hold office until the expiry of the term of the current Board (unless otherwise agreed or stipulated by laws and regulations). The term of each session of the Board is three years, and the Directors are eligible for re-election upon expiry of the term. Under the Service Agreement, it may be terminated by the Company or the Directors by giving not less than thirty days' written notice. Each of the independent non-executive Directors is entitled to receive a fixed Director's fee and the non-executive Directors are not entitled to receive any emoluments.

The appointments of the Directors are subject to the provisions under the Articles of Association.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

BOARD MEETINGS AND GENERAL MEETINGS

The Board shall meet regularly to discuss the overall strategy as well as the operation and financial performance of the Group. At least four regular Board meetings shall be convened and presided over by the Chairman of the Board of Directors in every year. Directors may participate in meetings either in person or through electronic means of communication. All Directors are given not less than 14 days' notice for regular Board meetings. For other Board and Board committee meetings, reasonable notice will be given.

During the Reporting Period, sixteen Board meetings were held. Four general meetings were held during the Reporting Period.

A summary of the attendance records of the Directors at the board meetings held:

Name of Director	Attendance
Executive Director	
Dr. YANG Jianyu	16/16
Ms. FU Xiao	16/16
Mr. CHANG Liang	16/16
Non-executive Director	
Mr. WANG Lei	16/16
Mr. Song Qingbao	10/16
Mr. SHI Botao	16/16
Independent Non-executive Director	
Ms. LI Xuemei	16/16
Mr. SUN Yansheng	16/16
Mr. NG Kwok Yin	16/16

Corporate Governance Report

BOARD COMMITTEES

The Company has established three Board Committees, namely the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee. Each of the Board Committees is established with specific written terms of reference which deal clearly with their powers and duties. The terms of reference of the Board Committees are available on the websites of the Company and the Stock Exchange.

Audit Committee

The Audit Committee comprises three members, namely Mr. NG Kwok Yin, Ms. LI Xuemei and Mr. SUN Yansheng. Mr. NG Kwok Yin (being an independent non-executive Director with appropriate professional qualifications) is the chairman of the Audit Committee.

The main responsibilities of The Audit Committee are to review the Company's accounting policies, financial position and financial reporting procedures, communication and coordination between internal and external audits, to inspect the internal control system and supervise its implementation, to carry out inspection and supervision on the Company's internal audit work, internal audit system and its implementation, to guide the work of internal audit department, to give their opinions on the appointment of external audit institutions, to guide and oversee the work of external auditors, to carry out annual audit for the Company, make judgment on the truthfulness, completeness and accuracy of the financial information, to conduct risk assessment on major investment projects being operated by the Company, and to provide opinions and improvement suggestions to the Board as to the matters relating to the internal control, risk and compliance of the Company.

The Audit Committee is also responsible for performing functions as required by Provision A.2.1 of the CG Code.

As of December 31, 2025, the Audit Committee held a total of two meetings, which are specifically as follows:

On March 27, 2025, six resolutions were considered. All members were present in person at this meeting to discuss and consider the following: (1) to review the audited consolidated annual results of the Company and its subsidiaries of the Group for the year ended December 31, 2024, and to consider the completeness of the audited consolidated financial statements of the Group for the year ended December 31, 2024, and to review the significant opinions on financial reporting contained in the financial statements; (2) to review the audited consolidated financial statements, the annual report and the annual results announcement of the Group for the year ended 31 December 2024; (3) to assess and monitor the independence and objectivity of the external auditor and the effectiveness of the audit process; (4) to consider the re-appointment of BDO Limited as the auditor of the Company for the forthcoming year and to determine its remuneration; (5) to review and consider the report from the internal audit department on the Company's financial controls, risk management and internal control system; and (6) to review the deed of non-competition undertaking of the Company. All members of the Board attended the meeting.

On August 28, 2025, three resolutions were considered. All members attended this meeting in person to discuss and consider the following: (1) to review the auditor's review report on the unaudited consolidated financial statements of the Company and its subsidiaries (the "Group") for the six months ended June 30, 2025; (2) to review the external auditor's report on the review of the unaudited consolidated financial statements, interim report, and interim results announcement for the six months ended June 30, 2024; and (3) to receive a report on the 2025 interim auditor's financial analysis. All members attended the meeting.

Corporate Governance Report

The Audit Committee has reviewed the remuneration of the auditors for 2025 and recommended the Board to re-appoint BDO Limited, as the external auditor of the Company for 2026, subject to the approval of Shareholders at the forthcoming AGM.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee comprises three members, including one executive Director, namely Dr. YANG Jianyu, and two independent non-executive Directors, namely Ms. LI Xuemei and Mr. SUN Yansheng. Ms. LI Xuemei is the chairman of the Remuneration and Appraisal committee.

The main responsibilities of The Remuneration and Appraisal Committee are to study the appraisal and evaluation criteria for directors and senior management, conduct appraisals and make suggestions, study and formulate remuneration plans for directors and senior management, advise the Board and monitor the implementation of the remuneration plans.

During the year ended December 31, 2025, the Remuneration and Appraisal Committee held three meetings, as described below:

On January 3, 2025, one resolution was deliberated. All members attended this meeting in person to discuss and deliberate the draft elements and implementation plan for the H share incentive scheme of the Company.

On March 19, 2025, one resolution was deliberated. All members attended the meeting in person to discuss and deliberate the adjustment of Clause 7.12 and related provisions of the H share Incentive Plan of the Company.

On March 27, 2025, four resolutions were considered. All members attended this meeting in person to discuss and consider the following: (1) to review the remuneration of all directors and senior management of the Company, the remuneration policy, etc., and to assess the need to recommend any changes to the Board; (2) to review the performance, composition and terms of reference of the Committee and to assess the need to recommend any changes to the Board; (3) with reference to the corporate goals and objectives established by the Board, to discuss the proposed adjustments to the remuneration of senior management; (4) make recommendations to the Board on the remuneration of independent non-executive directors.

The remuneration of the members of senior management by band for the year ended December 31, 2025 is set out below:

Remuneration bands (RMB)	Number of Individuals
Above 20,000,000	0
10,000,001-20,000,000	0
1,000,001-10,000,000	4
0-1,000,000	1

Corporate Governance Report

Details of the remuneration to each Director and the five highest paid employees of the Company for the year ended December 31, 2025 are set out in note 14 to the consolidated financial statements.

Nomination Committee

The Nomination Committee comprises three members, including one executive Director, namely Dr. YANG Jianyu, and two independent non-executive Directors, namely Ms. LI Xuemei and Mr. SUN Yansheng. Mr. SUN Yansheng is the chairman of the committee.

The main responsibilities of the Nomination Committee are to determine procedures and standards for selection and appointment of directors and senior management members of the Company, conduct preliminary examination and verification of the qualifications and suitability of candidates, and advise the Board in relation to the foregoing. It also reviews the structure, number, composition and diversity of the Board and assesses the independence of independent non-executive Directors.

During the year ended December 31, 2025, the Nomination Committee held two meetings, as described below:

On March 27, 2025, five resolutions were considered. All members attended this meeting in person to discuss and consider on the following: (1) to assess the independence of the independent non-executive directors and to report to the Board on the independence of the independent non-executive directors; (2) to review the structure, size and composition of the Board (including in terms of skills, knowledge and experience) and to make an assessment thereof; (3) to review the adequacy of time to be allocated by the directors of the Company in discharging their duties; (4) to consider the independence of the directors of the Company in accordance with the Articles of Association, to consider the retirement by rotation of Directors at the annual general meeting of the Company and to recommend to the Board the Directors to retire by rotation (5) to review the performance, composition and terms of reference of the Committee and to assess the need to recommend any changes to the Board.

On April 12, 2025, one five resolutions was considered. All members attended this meeting in person to discuss and consider the nomination of the candidates for the fourth session of the Board and submit them to the Board for review.

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the Corporate Governance Code.

The Board recognizes that corporate governance should be the collective responsibility of the Directors and their corporate governance duties include:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the board;
- (b) to review and monitor the training and continuous professional development of directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (e) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

During the Reporting Period, the Board performed and executed its corporate governance functions. The Board also reviewed the Company's corporate governance policies and practices, including the training and continuous professional development of Directors and senior management. Additionally, it assessed the Company's policies and practices regarding compliance with legal and regulatory requirements, adherence to the Model Code and the compliance manual applicable to employees and Directors, as well as the Company's compliance with the CG Code and disclosures in this Corporate Governance Report.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for reviewing the consolidated financial statements of the Group during the Reporting Period.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

SUPERVISORY COMMITTEE

The Company established a Supervisory Committee that is responsible for supervising, among others, the performance of our directors and senior management and the Company's financial operations.

In accordance with the latest provisions of laws, regulations, and normative documents including the Company Laws of the People's Republic of China and the Guidelines for the Articles of Association of Listed Companies, and taking into account the Company's actual situation, the Board of the Company agreed to abolish the relevant rules of procedures of the Supervisory Committee. The functions and power of the Supervisory Committee shall be exercised by the Audit Committee of the Board, and the Procedural Rules for the Supervisory Committee shall be repealed accordingly.

As of December 31, 2025, the Company has abolished the Supervisory Committee.

Corporate Governance Report

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the “Board Diversity Policy”) in order to enhance the effectiveness of our Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, investment and financing, accounting and financial management. They obtained degrees in various majors including business administration, international journalism, marketing, accounting, business economics and statistics. We have three independent non-executive Directors with different industry backgrounds, representing more than one third of the members of our Board. Our Board Diversity Policy is well implemented as evidenced by the fact that there are both male and female with different backgrounds, experiences and ages. The Company currently has two female Directors. The Company will endeavor to at least maintain one female representation on the Board and take opportunities to increase the proportion of female members over time as and when suitable candidates are identified. At present, the Nomination Committee considered that the Board is sufficiently diverse. The Nomination Committee will review the Board Diversity Policy on an annual basis, to ensure its effectiveness.

During the Reporting Period, the Board comprises two female Directors and seven male Directors. The Board considers that the gender diversity in respect of the Board is satisfactory and will continue to maintain a diverse Board. As at December 31, 2025, the ratio of women to men in the workforce (excluding Directors) was 2:1. For details of gender distribution, please refer to the Environmental, Social and Governance Report of the Company for the year ended December 31, 2025.

JOINT COMPANY SECRETARIES

The joint company secretaries of the Company are Mr. PAN Lichen and Ms. HO Wing Nga.

Mr. PAN Lichen works in the Office of the Board of the Company. Ms. HO Wing Nga currently serves as the managing director of Entity Solutions of Computershare Hong Kong Development Limited and the joint company secretary for various companies listed on the Stock Exchange.

The principal corporate contact of the Company are Mr. PAN Lichen and Ms. HO Wing Nga. The biographical details of Mr. PAN Lichen and Ms. HO Wing Nga are set out in the section headed “Directors and Senior Management” of this report.

During the year ended December 31, 2025. Mr. PAN Lichen has undertaken no less than 15 hours of relevant professional training annually pursuant to the requirement of Rule 3.29 of the Listing Rules. Ms. HO Wing Nga has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules. Ms. HO Wing Nga’s primary corporate contact person at the Company is Mr. PAN Lichen.

Corporate Governance Report

AUDITOR'S REMUNERATION

An analysis of the remuneration paid or payable to the external auditor of the Company, BDO Limited, for the audit and non-audit services for the year ended 31 December 2025 is set out below:

Service Category	Fees Paid/Payable RMB'000
Audit services	
Annual audit	2,000
Non-audit services	
Interim review	1,000

ANTI-CORRUPTION SYSTEM AND WHISTLEBLOWING POLICY

The Group has established and implemented a series of anti-fraud systems, in order to create a culture of integrity and compliance, and continuously strengthen the awareness of integrity and self-discipline of Directors and employees. In addition, we have set up a variety of reporting channels for report and supervision. The Risk Management and Internal Audit Department will promptly follow up and investigate the suspected fraud or corruption cases, and assist the Group in promoting integrity, self-discipline, anti-fraud and anti-corruption culture. To ensure adequate attention to whistleblowing, the Company has established a reporting mechanism to handle and discuss internal whistleblowing of financial reporting, risk management, internal control or other matters. Major internal control deficiencies or whistleblowing issues will be submitted to the Audit Committee for fair and independent investigation and follow-up action.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has established risk management and internal control measures in accordance with the requirements under Part II of the CG Code. Such measures are designed to manage rather than eliminate the risk of failure to achieve business objectives and to promote effective and efficient operations, to provide reasonable assurance regarding the reliability of financial reporting and compliance with applicable laws and regulations and to safeguard the Group's assets. The Board can only give reasonable but not absolute assurance that there will be no material misrepresentation or loss.

Operational Risk Management

Our business operation is exposed to various risks, such as administration of daily operation, financial reporting and recording, compliance with applicable laws and regulations, and changes in the regulatory environment in the PRC. For more details, see "Risk Factors" in the Prospectus for disclosures on various risks we face.

As risk management is essential to our growth and success, we have implemented detailed policies and procedures that we believe are appropriate for our business operation. To monitor the ongoing implementation of our risk management policies, we have adopted and will adopt robust measures in various aspects of our business operation, such as financial reporting, human resources, intellectual property and information system. We are committed to building and maintaining an effective risk management approach that strictly abides by legal and compliance requirements to facilitate our business growth.

Corporate Governance Report

Regulatory Compliance Risk Management

We are subject to evolving regulatory requirements, including requirements to obtain and renew certain licenses, permits for our business operation in various areas. In order to manage our ongoing compliance with the laws and regulations applicable to our business effectively, we have implemented several internal control measures.

Our legal team is responsible for regularly monitoring changes in laws, regulations and policies issued by the relevant government authorities in the jurisdictions we operate, to ensure we obtain requisite licenses to operate our business and we have the up-to-date understanding with the applicable requirements. They also review the status of our licenses and permits on a regular basis and renew those licenses and permits that are about to expire.

We provide trainings to our senior management on the listing rules, disclosure management, corporate governance, changes in laws, regulations and policies. We also provide trainings to our employees on the evolving regulatory requirements.

Financial Reporting Risk Management

We have put in place a set of accounting policies in connection with our financial reporting risk management, such as financial reporting management policies, financial statements preparation policies, treasury management policies, and finance seal management policies. We have designed and maintained consistent procedures for implementation of accounting policies and our finance department reviews our management accounts based on such procedures.

Intellectual Property Rights Risk Management

We are committed to establishing and maintaining intellectual property rights risk management and internal control procedures to protect our intellectual property rights and prevent liabilities resulting from infringement of third-party intellectual property rights. Our legal team is responsible for reviewing and approving contracts and protecting our legal rights, including intellectual property rights. Our legal team also takes the lead in ensuring that all necessary applications or filings for trademark, copyright and patent registrations have been timely made to the competent authorities, and that our intellectual properties are under the protection of relevant laws and regulations.

Human Resources Risk Management

We arrange training courses for our employees to improve their understanding of our internal policies. We have in place an employee handbook which has been distributed to all of our employees. These documents contain internal rules and guidelines regarding issues such as anti-corruption, work ethics, confidentiality, performance evaluation and workplace safety.

Inside Information

We have put in place appropriate internal control procedures and guidelines to avoid improper handling of inside information which may constitute insider trading or breach of any other statutory duty. At any time, access to inside information is limited to the relevant personnel (i.e. the Directors, senior management and relevant employees of the Company) and as the situation requires until it is disclosed or released in accordance with applicable laws and regulations. Directors, senior management and relevant employees of the Company who are in possession of potential inside information and/or inside information are required to take reasonable steps to ensure that adequate safeguards are in place to ensure the strict confidentiality of inside information and that recipients understand their responsibility to keep the information confidential.

Corporate Governance Report

Effectiveness of Risk Management and Internal Control

The Board is responsible for the risk management and internal control measures and reviewing their effectiveness, and is also responsible for reviewing the effectiveness of the Group's internal control and risk management measures on an annual basis so as to ensure that internal control and risk management measures in place are adequate. Such measures are designed to manage rather than eliminate the risk of failure to achieve business objectives, to promote effective and efficient operations, to ensure reliable financial reporting and compliance with applicable laws and regulations, as well as to safeguard the Group's assets and Shareholders' interests.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control measures.

The Group also has a risk management and internal audit department, which conducts objective evaluation on the effectiveness of the Company's risk management and internal control measures.

The Board has conducted a review of the effectiveness of the risk management, internal control measures and internal audit function of the Group during the Reporting Period and will continuously monitor and review the effectiveness of its operation on an annual basis. The review covered all material controls, including financial, operational and compliance controls and risk management functions. During the period from the Listing Date and up to the date of this annual report, as the Company newly listed on the Stock Exchange, it failed to timely disclose certain of its transactions and actions including deemed disposal of assets and purchase of principal-protected and low-risk financial products by using the proceeds from the Listing. Such non-compliance incidents were inadvertent and unintentional. The Company has implemented remedial actions with immediate effect including, among others, circulation of guidance on overseeing use of proceeds from the Listing, enhancement on communication with internal departments and professional parties for timely identification and notification of disclosable matters and implementation of regular meetings to monitor the sufficiency of internal control procedures on quarterly basis. See the Company's announcement dated May 14, 2024 and October 28, 2024 for details. After taking into consideration the aforementioned and considering that the Company has remedied the relevant disclosure deficiency, the Board is of the view that there has been no any deficiency in risk control based on the outcome of the risk management and internal control work implemented by the Group as of the date of this report and the current risk management and internal control measures effectively and adequately cover the existing businesses of the Group, and will continue to be optimized in line with the business development of the Group.

In addition, the Group has established a Hospital Management and Supervisory Committee, which is responsible for the management and supervision of the medical business of the hospitals under the Group, and has continued to improve and implement various regulations and systems for the enhancement of medical quality.

Corporate Governance Report

DIVIDEND POLICY

The decision on whether to pay dividends will be made at the discretion of our Directors and will depend primarily upon the financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends, and other factors that our Directors may consider relevant. We will evaluate our dividend policy in light of our financial condition and the prevailing economic environment. The declaration, payment of dividends and the amount of dividends, will be subject to the Articles of Association, the relevant PRC laws and any loan or other agreements that the Group has entered into or may enter into in the future. According to the PRC Company Law, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital.

The Company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds. We did not declare any dividend during the Reporting Period.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings.

All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

According to Article 52 of the company's articles of association, on the one vote per share basis, shareholders who individually or collectively hold more than 10% of the Company's shares shall have the right to request the Board to convene an Extraordinary Shareholders' Meeting, which shall be submitted in writing to the Board. The Board shall, pursuant to the provisions of laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide a written feedback on whether to agree or disagree with the Extraordinary Shareholders' Meeting within ten days upon receipt of the request. If the Board agrees to convene the Extraordinary Shareholders' Meeting, the Board shall serve a notice of such meeting within five days after the Board resolution is made. In the event of any change to the original proposal, the consent of relevant shareholder(s) shall be obtained. If the Board disagrees to convene an Extraordinary Shareholders' Meeting or fails to give a reply within ten days upon receipt of the request, shareholders who individually or collectively hold more than 10% of the Company's shares shall propose to the Audit Committee to convene the Extraordinary Shareholders' Meeting and shall submit their request in writing. If the Audit Committee agrees to convene an EGM, the Supervisory Committee shall, with five days upon receipt of the request, issue a notice calling for the Shareholders' Meeting. Changes to the original request in the notice shall be subject to the approval of relevant shareholders. If the Audit Committee fails to give the notice of the Shareholders' Meeting within the specified time limit, it shall be deemed that the Audit Committee shall not convene or preside over the Shareholders' Meeting, in which case, the shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting by themselves.

Corporate Governance Report

According to Article 57 of the company's articles of association, Where the Company convenes a Shareholders' Meeting, the Board, the Audit Committee, and the shareholders who individually or collectively hold more than 1% of the Company's shares shall have the right to make proposals to the Company. The shareholders who individually or collectively hold more than 1% of the Company's shares may raise a temporary proposal and submit it to the convener in writing ten days before the Shareholders' Meeting is held. The convener shall, within 2 days after the receipt of the proposal, issue a supplementary notice to announce the content of the temporary proposal and submit the same to the Shareholders' Meeting for consideration, provided that the temporary proposal may not violate laws, administrative regulations or the provisions of the Articles of Association, or fall within the scope of authority of the Shareholders' Meeting. With respect to the publication of the supplementary notice of the general meeting, if there are special provisions in the securities regulatory rules of the place where the Company's shares are listed, subject to the Company Law, the Securities Law, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises, and the Guidelines for the Articles of Association of Listed Companies, the provisions thereof shall apply. If the Shareholders' Meeting is to be postponed for the publication of the supplementary notice of the Shareholders' Meeting in accordance with the provisions in the securities regulatory rules of the place where the Company's shares are listed, the convening of the Shareholders' Meeting shall be postponed in accordance such the provisions. Except for the aforesaid circumstance, after the convener publicizes the notice of the Shareholders' Meeting, the proposals listed in the notice shall not be modified, nor shall any new proposal be added. The Shareholders' Meeting shall not vote or pass resolutions on proposals not listed in the notice of the Shareholders' Meeting or resolutions not in conformity with Article 53 of the Articles of Association.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Company's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

According to the Company's shareholders' communication policy, information of the Company is communicated to the Shareholders mainly through annual reports, interim reports, annual general meetings and other general meetings that may be convened, as well as other publications and corporate communications on the website of the Company and the website of the Stock Exchange. Shareholders may make any enquiries with respect to the Company by following the steps set out in the paragraph headed "Putting Forward Enquiries to the Board" below.

The Company has reviewed the implementation and effectiveness of the Shareholders' Communication Policy during the Reporting Period. The Board is of the view that the shareholders' communication policy of the Company is conducive to adequate communication with the shareholders and considers that the policy is effective and sufficient.

Corporate Governance Report

PUTTING FORWARD ENQUIRIES TO THE BOARD

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company.

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may also make enquiries to the Board at the general meeting of the Company. In addition, Shareholders can contact Computershare Hong Kong Investor Services Limited (the “Computershare”), the Company’s H Share branch registrar in Hong Kong, if they have any enquiries about their shareholdings and entitlements to dividend. The contact details of the Computershare are set out as follows:

Address: Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
Website: www.computershare.com www.computershare.com/hk/contact (for general enquiries)
Tel: +852-28628555
Fax: +852-28650990

CONTACT DETAILS OF THE COMPANY

Shareholders may send their enquiries or requests as mentioned above to the following address:

Room 26A1, East Tower, Hanwei Building, No. 7 Guanghai Road, Chaoyang District, Beijing, PRC (for the Office of the Board), Email: ir2453@ccm.cn

Note: Shareholders’ information may be disclosed as required by law.

CHANGES TO CONSTITUTIONAL DOCUMENTS

At the extraordinary general meeting held on December 5, 2025, a special resolution was passed regarding the amendments to the Articles of Association of the Company. Summary of the key amendments to the Articles of Association is set out in the circular of the Company dated November 17, 2025.

The Articles of Association of the Company are available on the websites of the Company (www.concordmedical.com) and the Stock Exchange (www.hkexnews.hk). Save as disclosed in this annual report, there is no other change in constitutional documents of the Company for the year ended December 31, 2025.

Independent Auditor's Report



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To the Shareholders of Concord Healthcare Group Co., Ltd.

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

OPINION

We have audited the consolidated financial statements of Concord Healthcare Group Co., Ltd. (the "Company") and its subsidiaries (together the "Group") set out on page 83 to 174, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements gives a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountant" (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (continued)

KEY AUDIT MATTERS (continued)

Impairment assessment on goodwill

Refer to Note 4, Note 5 and Note 18 to the consolidated financial statements.

As at 31 December 2025, the Group has goodwill arising from acquisition of subsidiaries in previous years with carrying amount of approximately RMB509,163,000. Goodwill represented approximately 9% of the total assets, before impairment assessment, of the Group and is quantitatively significant to the Group.

The management is required to test for impairment of goodwill at least annually by comparing the carrying amount and the recoverable amount, which is the higher of the fair value less costs of disposal or value in use, of cash-generating units ("CGUs") to which goodwill has been allocated as set out in Note 18 to the consolidated financial statements.

In determining the recoverable amount, the Group's management assessed the value in use of the CGUs by discounting the estimated future cash flows expected to arise from the CGU to the present value. Preparing a discounted cash flow forecast involves the exercise of significant management judgement, in particular in forecasting revenue growth and operating profit and in determining an appropriate discount rate. As a result of the impairment assessment, management has concluded that no impairment of goodwill is required as at 31 December 2025.

We have identified impairment assessment of goodwill as a key audit matter due to significant management judgment involved in the adoption of key assumptions and input data.

Our response

Our procedures in relation to management's impairment assessment on goodwill included the following:

- obtaining the discounted cash flow analysis of the relevant CGU prepared by the management and its external valuation specialists;
- evaluating the competence and objectivity of the management's valuation specialists;
- discussing with the management's valuation specialists to understand and evaluate the appropriateness of their valuation methodology;
- engaging our external valuation specialists to assist us in evaluating the management's impairment assessment methodology, the appropriateness of the discount rate used, the key assumptions applied and calculations contained with reference to the requirements of the prevailing accounting standards;
- evaluating the historical accuracy of the discounted cash flow analysis made by management and its external valuation specialists by comparing the historical analysis made against the actual performance of the Group; and
- performing sensitivity analysis of the key assumptions adopted in the discounted cash flow forecasts and assessing the impact of changes in the key assumptions.

Independent Auditor's Report (continued)

KEY AUDIT MATTERS (continued)

Impairment assessment of non-financial assets allocated to the CGUs

Refer to Note 4 and Note 5 of the consolidated financial statements.

During the year ended 31 December 2025, the Group sustained a loss for the year amounted to RMB305,796,000 and management considered that there was indicator of impairment of the Group's non-financial assets allocated to CGUs. Accordingly, management is required to assess the recoverable amount of the Group's non-financial assets allocated to CGUs.

In determining the recoverable amount, the Group's management assessed the value in use of the CGUs by discounting the estimated future cash flows expected to arise from the CGU to the present value. Preparing a discounted cash flow forecast involves the exercise of significant management judgement, in particular in forecasting revenue growth and operating results and in determining an appropriate discount rate. As a result of the impairment assessment, management has concluded that no impairment of the Group's non-financial assets is required as at 31 December 2025.

We identified the impairment assessment of non-financial assets allocated to the CGUs as a key audit matter due to significant management judgment involved in the adoption of key assumptions and input data.

Our response

Our procedures in relation to management's impairment assessment on CGU included the following:

- understanding and evaluating management's impairment assessment through discussion with the management and its external valuation specialists;
- obtaining the discounted cash flow analysis of the relevant CGU prepared by the management and its external valuation specialists;
- evaluating the competence and objectivity of the management's valuation specialists;
- discussing with the management's valuation specialists to understand and evaluate the appropriateness of their valuation methodology;
- engaging our external valuation specialists to assist us in evaluating the management's impairment assessment methodology, the appropriateness of the discount rate used, the key assumptions applied and calculations contained with reference to the requirements of the prevailing accounting standards;
- evaluating the historical accuracy of the discounted cash flow analysis made by management and its external valuation specialists by comparing the historical analysis made against the actual performance of the Group; and
- performing sensitivity analysis of the key assumptions adopted in the discounted cash flow forecasts and assessing the impact of changes in the key assumptions.

Independent Auditor's Report (continued)

KEY AUDIT MATTERS (continued)

Expected credit losses (“ECLs”) for trade receivables and deposits and other receivables

Refer to Note 4, Note 5, Note 21, Note 22 and Note 38 to the consolidated financial statements.

As at 31 December 2025, the Group had net trade receivables amounting to approximately RMB45,807,000 and net deposits and other receivables amounting to approximately RMB82,130,000, after making loss allowance of approximately RMB46,401,000 and RMB23,038,000 respectively.

The Group measures the loss allowance based on estimated loss rates for each category of receivables grouped according to the shared credit risk characteristics. The estimated loss rates consider the credit history including default or delay in payments, settlement records and ageing analysis, and forward-looking analysis. Such assessment involves significant management judgement and estimation.

We identified the ECLs for trade receivables and deposits and other receivables as a key audit matter because assessment of ECLs involves significant management judgement and estimates.

Our response

Our procedures in relation to management's assessment on ECLs for trade receivables and deposits and other receivables included the following:

- obtaining an understanding of and evaluating the group's credit policies;
- evaluating the competence and objectivity of the management's valuation specialists;
- evaluating the Group's policy for estimating the credit loss allowance with reference to the requirements of the prevailing accounting standards;
- assessing, on sampling basis, whether the trade receivables and deposits and other receivables were categorised in the appropriate ageing bracket by comparing individual items therein with relevant underlying documentation;
- engaging our external valuation specialists to assist us in assessing the methodologies and assumptions used by the management to calculate expected credit losses; and
- evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information.

Independent Auditor's Report (continued)

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statement, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report (continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report (continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited

Certified Public Accountants

Chan Tsz Hung

Practicing Certificate Number P06693

Hong Kong, 27 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	7	459,922	388,305
Cost of revenue		(427,972)	(455,553)
Gross profit/(loss)		31,950	(67,248)
Other income and other net gains	8	16,754	62,682
Provision for impairment loss on trade receivables	21	(21,896)	(13,418)
Provision for impairment loss on other receivables	22	(14,184)	(9,734)
Reversal of/(provision for) impairment loss on amounts due from related parties	25	19,451	(16,057)
Selling and distribution expenses		(52,744)	(48,875)
Administrative expenses		(133,835)	(210,482)
Research and development expenses		(28,172)	(31,184)
Listing expense		–	(40,959)
Share of associates' results	15	(896)	(953)
Share of joint venture's result	16	(2,919)	(354)
Finance costs	9	(123,530)	(109,267)
Loss before income tax credit	10	(310,021)	(485,849)
Income tax credit	11	4,225	1,031
Loss and total comprehensive income for the year		(305,796)	(484,818)
Attribute to:			
Owners of the Company		(256,603)	(443,223)
Non-controlling interests		(49,193)	(41,595)
		(305,796)	(484,818)
Loss per share (expressed in RMB)			
Basic and diluted loss per share	13	(0.34)	(0.62)

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Interests in associates	15	87,648	88,722
Interest in a joint venture	16	98,727	101,646
Property, plant and equipment	17	3,471,586	3,492,817
Right-of-use assets	28	419,038	437,532
Intangible assets	18	796,431	826,372
Deposits, prepayments and other receivables	22	28,636	22,275
Amounts due from related parties	25	200,211	207,852
Deferred tax assets	19	15,462	15,726
		5,117,739	5,192,942
Current assets			
Inventories	20	16,846	33,441
Trade receivables	21	45,807	51,480
Deposits, prepayments and other receivables	22	284,979	138,993
Amounts due from related parties	25	3,165	106,376
Restricted cash	23(b)	24,395	46,211
Financial assets at fair value through profit or loss ("FVTPL")	24	–	132,575
Cash and cash equivalents	23(a)	294,476	204,544
		669,668	713,620
Current liabilities			
Trade payables	26	(82,699)	(112,146)
Accruals and other payables	27	(419,268)	(558,916)
Income tax payable		(2,298)	(2,295)
Contract liabilities	7	(95,923)	(46,426)
Amounts due to related parties	25	(13,855)	(13,464)
Lease liabilities	28	(9,582)	(10,388)
Bank and other borrowings	30	(600,317)	(372,629)
Convertible bond	29	(21,762)	(19,600)
		(1,245,704)	(1,135,864)
Net current liabilities		(576,036)	(422,244)
Total assets less current liabilities		4,541,703	4,770,698

Consolidated Statement of Financial Position (continued)

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Lease liabilities	28	(93,686)	(101,712)
Bank and other borrowings	30	(2,364,113)	(2,705,590)
Deferred tax liabilities	19	(58,097)	(62,586)
		(2,515,896)	(2,869,888)
Net assets		2,025,807	1,900,810
EQUITY			
Capital and reserves			
Share capital	31	783,662	716,338
Reserves		1,046,588	931,559
Equity attributable to owners of the Company		1,830,250	1,647,897
Non-controlling interests		195,557	252,913
Total equity		2,025,807	1,900,810

Approved and authorised for issue by the Board of Directors on 27 March 2026

YANG Jianyu

Fu Xiao

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company					Total RMB'000	Non- controlling interests RMB'000	Total RMB'000
	Share capital RMB'000 (Note 31)	Capital reserves* RMB'000 (Note a)	PRC statutory reserves* RMB'000 (Note b)	Merger reserves* RMB'000 (Note c)	Accumulated losses* RMB'000			
At 1 January 2024	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 year	-	-	-	-	(443,223)	(443,223)	(41,595)	(484,818)
Capital injection from non- controlling interest	-	6,867	-	-	-	6,867	19,019	25,886
Other changes in non- controlling interest without change in control	-	(3,315)	-	-	-	(3,315)	3,315	-
Partial disposal of a subsidiary with change of control (Note 35(b))	-	463	-	-	-	463	1,360	1,823
Deemed disposal of non- controlling interest	-	(718)	-	-	-	(718)	718	-
Issue of shares upon listing	39,420	478,466	-	-	-	517,886	-	517,886
Expenses attributed to issue of new shares upon listing	-	(29,152)	-	-	-	(29,152)	-	(29,152)
At 31 December 2024 and 1 January 2025	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 year	-	-	-	-	(256,603)	(256,603)	(49,193)	(305,796)
Capital injection from non- controlling interest	-	-	-	-	-	-	60,998	60,998
Change in ownership interest without change of control	-	115,161	-	-	-	115,161	(69,161)	46,000
Placing of shares	67,324	256,471	-	-	-	323,795	-	323,795
At 31 December 2025	783,662	5,015,133	39,867	34,736	(4,043,148)	1,830,250	195,557	2,025,807

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

Notes:

- Capital reserves represented the paid up capital of the subsidiaries now comprising the Group attributable to the shareholders and the excess of proceeds received over the nominal value of share of the Company issued, less expenses in connection with the issue of shares.
- Statutory reserves represented the amount transferred from net profit for the year of the subsidiaries established in the People's Republic of China ("PRC") (based on 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 subsidiaries. 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.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Loss before income tax credit		(310,021)	(485,849)
Adjustments for:			
Depreciation of property, plant and equipment	10	105,518	88,551
Depreciation of right-of-use assets	10	19,767	23,099
Amortization of intangible assets	10	27,812	28,189
Impairment of intangible assets	18	2,669	–
Loss on disposal of intangible asset	8	–	1,000
Provision for impairment loss on trade receivables	21	21,896	13,418
Provision for impairment loss on other receivables	22	14,184	9,734
(Reversal of)/provision for impairment loss on amounts due from related parties	25	(19,451)	16,057
(Reversal of write-down)/write-down of inventories	8	(51)	16
Write-off of property, plant and equipment	8	2	540
Write-off of intangible assets	18	99	–
Gain on disposal of subsidiaries	8	–	(37,389)
Gain on partial disposal of a subsidiary	8	–	(3,684)
Loss on disposal of an associate	8	–	124
Loss on deregistration of an associate	8	178	–
Gain on lease terminations	8	(658)	(71)
Gain on lease modification	8	(585)	(11,673)
Fair value change on convertible bond – embedded derivatives	8	1,199	(599)
Fair value change on financial assets at FVTPL	8	–	(7,684)
Gain on disposal of financial assets at FVTPL	8	(323)	–
Waiver of a trade payable	8	(21,000)	–
Interest income	8	(676)	(733)
Share of associates' results	15	896	953
Share of joint venture's result	16	2,919	354
Finance costs	9	123,530	109,267
Operating loss before working capital changes		(32,096)	(256,380)
Decrease in inventories		16,646	6,482
(Increase)/decrease in trade receivables		(16,223)	10,916
(Increase)/decrease in deposits, prepayment and other receivables		(114,111)	45,477
(Increase)/decrease in amounts due from related parties		(1,338)	49
Decrease in trade payables		(8,447)	(7,552)
(Decrease)/increase in accruals and other payables		(29,220)	46,533
Increase/(decrease) in contract liabilities		49,497	(9,508)
Increase/(decrease) in amounts due to related parties		391	(5,594)
Decrease/(increase) in restricted cash		21,816	(16,213)
Cash used in operations		(113,085)	(185,790)
Income tax paid		3	(174)
<i>Net cash used in operating activities</i>		(113,082)	(185,964)

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from investing activities			
Purchase of property, plant and equipment		(146,095)	(314,156)
Purchase of intangible assets		(773)	(11,265)
Proceeds from disposal of items of property, plant and equipment		71	–
Proceeds from disposal of items of intangible assets		134	–
Proceeds from disposal of subsidiaries, net	35(a), (c)	–	9,868
Proceeds from partial disposal of a subsidiary	35(b)	–	476
Proceeds from disposal of an associate		–	658
Interest received		676	733
Capital injections to a joint venture		–	(102,000)
Repayment from/(Advances to) related parties		124,000	(121,277)
Advances to a former subsidiary		–	(6,233)
Purchases of financial asset at FVTPL		–	(204,607)
Proceeds from disposal of financial assets at FVTPL		132,898	79,716
<i>Net cash generated from/(used in) investing activities</i>		110,911	(668,087)
Cash flows from financing activities			
Proceeds from bank and other borrowings	33	307,222	2,230,221
Repayment of lease liabilities	33	(8,862)	(13,142)
Repayment of bank and other borrowings	33	(421,011)	(1,515,623)
Repayment to related parties	33	–	(26,909)
Proceeds from issue of new shares	31	323,795	517,886
Payments of share issue expenses		(17,901)	(12,068)
Interest paid	33	(152,138)	(162,347)
Capital contribution from non-controlling shareholders		60,998	–
<i>Net cash generated from financing activities</i>		92,103	1,018,018
Net increase in cash and cash equivalents		89,932	163,967
Cash and cash equivalents at beginning of the year		204,544	40,577
Cash and cash equivalents at end of the year		294,476	204,544

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

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

The Company and its subsidiaries (the "Group") are principally engaged in leasing of radiotherapy and diagnostic imaging equipment, trading of radiotherapy and diagnostic imaging equipment, provision of management and technical services to hospitals and provision of premium cancer treatment services. The principal activities of subsidiaries are set out in Note 40.

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. ADOPTION OF NEW OR AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

2.1 Adoption of amendments to HKFRS Accounting Standards – effective on 1 January 2025

In the current year, the Group has applied for the first time the following amendments to standards issued by the HKICPA, which are effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2025:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements

The adoption of the above amendments to HKFRS Accounting Standards that are effective for the current accounting period did not have significant impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2. ADOPTION OF NEW OR AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

2.2 New or amendments to HKFRS Accounting Standards that have been issued but are not yet effective

The following new or amendments to HKFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Company:

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

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ Effective for annual periods beginning on or after a date to be determined.

The directors anticipate that all of the relevant pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The above new and amendments to HKFRS Accounting Standards that have been issued but not yet effective are not expected to have a material impact on the Group's results and financial position upon application except for HKFRS 18.

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosures are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. Based on preliminary assessment, the line items presented in the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation. The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. Moreover, there will be significant new disclosures required for management-defined performance measures. HKFRS 18 is effective for annual periods beginning on or after 1 January 2027. Retrospective application is required and so the comparative information for the financial year ending 31 December 2026 will be restated in the accordance with HKFRS 18.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

3.2 Basis of measurement and going concern assumption

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

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in Note 5.

For the year ended 31 December 2025, the Group incurred a loss of RMB305,796,000, and had net current liabilities of RMB576,036,000 as at that date. Nevertheless, the consolidated financial statements have been prepared on the going concern basis because the Directors are of the view that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow forecast of the Group covering a period from the end of the reporting period up to 31 December 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 RMB945,000,000 at the date of approval of the consolidated financial statements;
- (ii) The Group continued to exercise stringent cost control measures to preserve liquidity, including reducing administrative costs and deferring capital expenditures that are not of higher priority. The Group will remain proactive in identifying and implementing additional measures to further enhance cost efficiency.
- (iii) The Group is actively seeking additional credit facilities and will diversify its source of financing by exploring and developing opportunities and cultivating strong relationship with potential investors.
- (iv) The proton therapy center of Guangzhou Concord Cancer Hospital will reach its full-scale operations and is anticipated to contribute a stable, recurring and growing revenue stream.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION (continued)

3.2 Basis of measurement and going concern assumption (continued)

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

3.3 Functional and presentation currency

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

4. SUMMARY OF ACCOUNTING POLICIES

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries comprising the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Non-controlling interests are identified separately from the Group's equity and are initially measure at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement is made on acquisition-by-acquisition basis. Subsequent to acquisition, profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. When the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost and is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4. SUMMARY OF ACCOUNTING POLICIES (continued)

4.2 Subsidiary

In the note to the consolidated financial statements that disclose Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any.

4.3 Associate and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method, unless it is classified as held for sale. They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee.

4.4 Goodwill

Goodwill represents the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree over the fair value of the identifiable assets and liabilities measured as at the acquisition date. Goodwill is measured at cost less impairment losses.

4.5 Property, plant and equipment

Property, plant and equipment other than construction in progress ("CIP") are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any. CIP represents buildings including but not limited to hospitals or medical equipment under construction and installation and are stated at cost less impairment losses, if any. Cost comprises direct costs of construction and installation incurred as well as borrowing costs capitalized during the periods of construction and installation.

Property, plant and equipment other than CIP are depreciated so as to write off their costs net of estimated residual values over their estimated useful lives on straight-line method. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Buildings	Shorter of the term of remaining title to the land and useful life
Medical equipment	5 – 20 years
Electronic and office equipment	3 – 5 years
Motor vehicles	5 years
Leasehold improvement	Shorter of the unexpired lease terms and useful lives of 3 to 10 years

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognized in profit or loss on disposal.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4. SUMMARY OF ACCOUNTING POLICIES (continued)

4.6 Capitalization of borrowings costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalized as part of the cost of those assets until such time when substantially all the activities necessary to prepare that asset for its intended use or sale are completed. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.7 Leases

The Group as lessee

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The Group has elected not to recognize right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term of 12 months or less and do not contain purchase option. The lease payments associated with those leases have been expensed on straight-line basis over the lease term. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

The recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. The Group presents the carrying amounts of right-of-use assets as a separate line item on the consolidated statement of financial position.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4. SUMMARY OF ACCOUNTING POLICIES (continued)

4.7 Leases (continued)

The Group as lessee (continued)

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease liability is measured at amortised cost under the effective interest method and are remeasured to reflect any reassessment or lease modifications. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group as lessor

The Group has leased out certain of its medical equipment to medical institutions. Lease classification is made at the inception date and is reassessed only if there is a lease modification. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. If there are variable lease payments and as a result of which the lessor does not transfer substantially all such risks and rewards, it would be an operating lease. The respective leased assets are included in the consolidated statement of financial position based on their nature.

4.8 Intangible assets (other than goodwill)

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives other than development in progress are carried at cost less accumulated amortization and accumulated impairment losses. Development in progress represents software under development and is stated at cost less impairment losses, if any. Cost comprises direct costs of development as well as borrowing costs capitalized during the periods of development.

Amortization is provided on a straight-line basis over their useful lives as follows. The amortization expense is recognized in profit or loss and included in cost of revenue and administrative expenses.

Customer relationship	5 – 16 years
Customer contracts	2 – 3 years
Software	3 – 5 years
Operating license	20 years
Patents and technology	5 -20 years

The Group determines the estimated useful lives and consequently the related amortization charges for its operating license, customer relationship, and patents and technology. Management determines the estimated useful life and related amortization charges of the operating license based on the historical renewal experience of operating licenses of similar nature, and considering the current market environment in the PRC and estimations of future changes. Management determines the estimated useful life and related amortization charges of the customer relationship based on the contract terms with existing customers. Management determines the estimated useful life and related amortization charges of the patents and technology based on the duration of patent right and protection period of copyright, and considering the current market environment in the PRC and estimations of future changes and with reference to the estimated periods that the Group intends to derive future economic benefits from the use of patents and technology. Management will increase the amortization charges where useful lives are less than previous estimate, it will write off or write down technically obsolete or nonstrategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in useful lives and therefore amortization expenses in future years.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4. SUMMARY OF ACCOUNTING POLICIES (continued)

4.9 Impairment of assets (other than financial assets, inventories and deferred tax assets)

At each reporting date, the Group reviews the carrying amounts of assets other than financial assets, inventories and deferred tax assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and development in progress are tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

4.10 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits and highly liquid investments with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their value, and are used by the Group in the management of its short-term commitments.

4.11 Inventories

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4. SUMMARY OF ACCOUNTING POLICIES (continued)

4.12 Financial instruments

(a) *Financial assets*

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Debt instruments including trade receivables, deposit and other receivables and amounts due from related parties that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost. They are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss. The Group derecognises these assets when contractual rights to the cash flows from the asset expire, or when it transfers the asset and substantially all the risks and rewards of ownership of the assets to another entity.

Financial asset at fair value through profit or loss ("FVTPL") include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4. SUMMARY OF ACCOUNTING POLICIES (continued)

4.12 Financial instruments (continued)

(b) Impairment loss on financial assets measured at amortized cost

The Group measures loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

In assessing whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial assets assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions; or (ii) the financial asset is significantly past due. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor;
- the disappearance of an active market for a security because of financial difficulties of the issuer; or
- the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criteria is more appropriate.

Interest income on credit-impaired financial assets is calculated based on the amortized cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4. SUMMARY OF ACCOUNTING POLICIES (continued)

4.12 Financial instruments (continued)

(c) *Financial liabilities*

Financial liabilities including trade and other payables and borrowings are initially measured at fair value, net of directly attributable costs incurred. They are subsequently measured at amortized cost, using the effective interest method. The related interest expense is recognized in accordance with accounting policies set out in note 4.6. Gains or losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process. The Group derecognised financial liabilities when the Group's obligations are discharged, cancelled or expired.

(d) *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(e) *Derivative financial instruments*

Derivative financial instruments are recognized at fair value. At the end of each reporting period, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss.

4.13 Revenue recognition

The Group operates two types of business, namely: (i) Hospital Business; and (ii) Medical Equipment, Software and Related Services. Revenue is measured at the consideration received or receivable for the goods or services in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales between the group companies. The Group recognizes revenue when it transfers control of the goods or services to a customer. The Group has elected to apply practical expedient not to adjust the transaction price for the existence of significant financing component where the period between the payment and the transfer of the promised goods or services is one year or less.

Hospital Business

Hospital revenue represents medical service income generated from medical institutions under outpatient and inpatient services.

Medical service income include revenue generated from outpatients, such as activities for physical examinations, treatments, surgeries and tests, which are recognized when services are provided.

Revenue that generated from inpatients, such as activities for clinical examinations and treatments, surgeries, and other fees such as room charges and nursing care, are recognized over time during hospitalisation when customers simultaneously receives the services and consumes the benefits provided by the Group's performance as the Group performs.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4. SUMMARY OF ACCOUNTING POLICIES (continued)

4.13 Revenue recognition (continued)

Medical Equipment, Software and Related Services

(a) Management and technical support

The Group provides management and technical support service to hospitals and radiotherapy centers over the service period – the usual period of service lasts for 8 years to 20 years. The hospital receives and consumes the benefits provided by the Group's performance as the Group performs. The Group uses a time-based measure of progress. Revenue from provision of management and technical support is recognized over the period in which the services are rendered.

For revenue from management and technical support, service fee is calculated based on pre-set formulas set out in the arrangements, which primarily relating to the hospitals and radiotherapy centers' revenue.

(b) Operating lease income

The Group leases radiotherapy equipment to certain hospitals and radiotherapy centers under lease agreements. Such leases are generally negotiated with lease term of 8 to 20 years. The consideration is either fixed or calculated based on pre-set formulas set out in the arrangements, which primarily relating to the hospitals and radiotherapy centers' revenue.

The Group has also signed cooperation agreement with certain hospitals and radiotherapy centers for (i) lease of radiotherapy equipment and (ii) provision of management and technical support. The consideration is calculated based on pre-set formulas set out in the arrangements which primarily relating to the hospitals and radiotherapy centers' revenue. The Group has allocated the lease component and non-lease component on a relative stand-alone selling price basis.

(c) Sales and installation of medical equipment and software

Revenue from the sales and installation of medical equipment and software is recognized when control of the radiotherapy equipment, software or medical consumables has been transferred, being when the radiotherapy equipment or software is installed and accepted by the customers, or when medical consumables are accepted by the customers. Apart from contracted with customers for sales of radiotherapy equipment, software and medical consumables, the Group also contracted with customers for arrangement for sales of equipment. Under the contracts for arrangement for sales of equipment, the Group acquires, on customers' behalf, specific equipment from designated suppliers. The Group provides procurement services (i.e. coordinating with suppliers and managing the equipment ordering and delivery) under this arrangement.

Determining whether such revenue should be reported gross (i.e. the Group is a principal) or net (i.e. the Group is an agent) is based on who controls the equipment before they are transferred to customers.

The Group is a principal if it obtains control of the equipment from third parties that it then transfers to the customer. There are indicators that the Group is a principal, when the Group is primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices and selecting suppliers.

The Group is an agent if it does not obtain control of the equipment before it is being transferred to the customer. There are indicators that the Group is an agent, when the equipment is directly transferred from the suppliers' warehouse to the customer's destination, and the Group borne no inventory risk.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4. SUMMARY OF ACCOUNTING POLICIES (continued)

4.14 Income taxes

Income taxes for the year comprise current tax and deferred tax. Income taxes are recognized in profit or loss except when they relate to items recognized in other comprehensive income in which case the taxes are also recognized in other comprehensive income or when they relate to items recognized directly in equity in which case the taxes are also recognized directly in equity.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.

Deferred tax is recognized in respect of temporary differences under liability method. Except for goodwill not deductible for tax purposes and initial recognition of assets and liabilities that are not part of the business combination which affect neither accounting nor taxable profits and does not give rise to equal taxable and deductible temporary differences, taxable temporary differences arising on investments in subsidiaries, associates and joint ventures where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized, provided that the deductible temporary differences are not arises from initial recognition of assets and liabilities in a transaction other than in a business combination that affects neither taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences. Deferred tax is measured at the tax rates that have been enacted or substantively enacted at the end of reporting period, and reflects any uncertainty related to income taxes.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities. For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. The Group will recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4. SUMMARY OF ACCOUNTING POLICIES (continued)

4.15 Employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognized in the year when the employees render the related service.

4.16 Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefit is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4.17 Convertible bonds

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative. At initial recognition, the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments (see Note 4.12(e)). Any excess of proceeds over the amount initially recognized as the derivative component is recognized as the host liability component. Transaction costs that relate to the issue of the convertible bond are allocated to the host liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the host liability component is recognized initially as part of the liability. The portion relating to the derivative component is recognized immediately in profit or loss.

The derivative component is subsequently remeasured in accordance with Note 4.12(e). The host liability component is subsequently carried at amortized cost using the effective interest method.

If the bonds are converted, the carrying amount of the derivative liability, which is remeasured to fair value immediately before conversion together with the carrying amount of the host liability, is transferred to equity, with no gain or loss is recognized in profit or loss. If the bonds are redeemed, any difference between the amount paid and the carrying amounts of both components is recognized in profit or loss.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key sources of estimation uncertainty are as follows:

(i) Impairment of goodwill and development in progress

The Group tests annually for impairment in accordance with the accounting policy stated in Note 4.9. The recoverable amounts have been determined based on value-in-use calculations. These calculations require the use of estimates.

Judgment is required to determine key assumptions adopted in the valuation models for impairment review purpose. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the key assumption applied, it may be necessary to take additional impairment charge to the consolidated statement of profit or loss and other comprehensive income.

(ii) Useful lives of intangible assets

The Group amortizes the intangible asset in accordance with the accounting policies stated in Notes 4.8. The estimated useful lives reflect the directors' estimates of the periods that the Group intends to derive future economic benefits from the use of these assets. The management reassesses the estimated useful lives at the end of each of the reporting period.

(iii) Impairment of financial assets

The impairment allowances for financial assets are based on assumptions about risk of default and expected credit loss rates. The Group adopts judgment in making these assumption and selecting inputs for computing such impairment loss, broadly based on the available historical data, existing market conditions, including forward looking estimates at end of each of the reporting period.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(iv) Impairment of non-financial assets (other than goodwill and development in progress, inventories and deferred tax assets)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. The calculation of the fair value less costs of disposal is based on such available data as binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows.

(v) Going concern assumption

The assessment of the going concern assumption, as disclosed in Note 3.2, involves making judgements by the directors of the Company, at a particular point of the time, about the future outcome of events or conditions which are inherently uncertain. These include the timely renewal of loan facilities upon their expiry by banks and financial institution and their ability to provide the funding under such facilities as and when required.

6. SEGMENT INFORMATION

The Group's business activities, for which discrete financial statements 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 that it has operating segments as follows:

- Hospital Business
- Medical Equipment, Software and Related Services

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

6. SEGMENT INFORMATION (continued)

The CODM assesses the performance of the operating segments mainly based on segment revenues, segment cost of sales, gross profit, and operating profit/(loss). Interest expenses and 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 for years ended 31 December 2025 and 2024:

	For the year ended 31 December 2025		
	Hospital Business RMB'000	Medical Equipment, Software and Related Services RMB'000	Total RMB'000
Revenue	373,257	86,665	459,922
Segment results	(136,912)	(41,518)	(178,430)
Unallocated other income and other net gains			(4,246)
Finance costs			(123,530)
Share of associates' results			(896)
Share of joint venture's results			(2,919)
Loss before income tax			(310,021)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

6. SEGMENT INFORMATION (continued)

	As at 31 December 2025		
	Hospital Business RMB'000	Medical Equipment, Software and Related Services RMB'000	Total RMB'000
Assets			
Segment assets	3,929,254	1,147,153	5,076,407
Goodwill	140,942	368,221	509,163
			5,585,570
Deferred tax assets			15,462
Interests in associates			87,648
Interest in a joint venture			98,727
Total Assets			5,787,407
Liabilities			
Segment liabilities	(1,988,339)	(1,712,866)	(3,701,205)
Income tax payable			(2,298)
Deferred tax liabilities			(58,097)
Total Liabilities			(3,761,600)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

6. SEGMENT INFORMATION (continued)

	For the year ended 31 December 2025		
	Hospital Business RMB'000	Medical Equipment, Software and Related Services	Total RMB'000
		RMB'000	
Other segment information			
Depreciation of property, plant, and equipment	(94,838)	(10,680)	(105,518)
Depreciation of right-of-use assets	(16,341)	(3,426)	(19,767)
Amortization of intangible assets	(15,029)	(12,783)	(27,812)
Provision for impairment loss on trade receivables	(2,071)	(19,825)	(21,896)
Provision for impairment loss on other receivables	(416)	(13,768)	(14,184)
(Provision for)/reversal of impairment loss on amounts due from related parties	(108)	19,559	19,451

	For the year ended 31 December 2024		
	Hospital Business RMB'000	Medical Equipment, Software and Related Services	Total RMB'000
		RMB'000	
Revenue	271,579	116,726	388,305
Segment results	(268,380)	(128,618)	(396,998)
Other income and other net gains			62,682
Finance costs			(109,267)
Share of associates' results			(953)
Share of joint venture's results			(354)
Listing expenses			(40,959)
Loss before income tax			(485,849)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

6. SEGMENT INFORMATION (continued)

	As at 31 December 2024		
	Hospital Business RMB'000	Medical Equipment, Software and Related Services RMB'000	Total RMB'000
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)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

6. SEGMENT INFORMATION (continued)

	For the year ended 31 December 2024		
	Hospital Business RMB'000	Medical Equipment, Software and Related Services RMB'000	Total RMB'000
Other segment information			
Depreciation of property, plant, and equipment	(81,554)	(6,997)	(88,551)
Depreciation of right-of-use assets	(18,599)	(4,500)	(23,099)
Amortization of intangible assets	(15,361)	(12,828)	(28,189)
Reversal of/(provision for) impairment loss on trade receivables	45	(13,463)	(13,418)
Reversal of/(provision for) impairment loss on other receivables	6,389	(16,123)	(9,734)
Provision for impairment loss on amounts due from related parties	(147)	(15,910)	(16,057)

Information about major customers

Revenue from each major customer, which accounted for, 10% or more of the Group's revenue for each of the reporting period is set out below:

	2025 RMB'000	2024 RMB'000
Customer A	N/A ¹	59,901

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group for the respective period.

Geographical information

The Company is domiciled in the PRC while the Group's non-current assets and revenues are substantially located in and derived from the PRC, therefore, no geographical segments are presented.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

7. REVENUE

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

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers		
By major service and product lines		
Hospital Business		
Cancer hospital and clinics	373,257	271,579
Medical Equipment, Software and Related Services		
Sales and installation of medical equipment and software	70,214	99,281
Management and technical support	12,100	6,969
	455,571	377,829
Revenue from other source		
Medical Equipment, Software and Related Services		
Operating lease income	4,351	10,476
	459,922	388,305
Timing of revenue recognition		
Over time	187,896	82,315
At a point in time	267,675	295,514
	455,571	377,829

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

7. REVENUE (continued)

(a) Unsatisfied performance obligations

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

(b) Assets recognized from incremental costs to obtain a contract

For years ended 31 December 2025 and 2024, there was no significant incremental costs to obtain a contract.

(c) Details of contract liabilities

	2025 RMB'000	2024 RMB'000
Contract liabilities	95,923	46,426
	2025 RMB'000	2024 RMB'000
Balance as at 1 January	46,426	55,941
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the year	(21,761)	(32,093)
Increase in contract liabilities as a result of billing in advance of sales of goods or provision of services	71,258	22,585
Decrease in contract liabilities as a result of disposal of subsidiaries (Note 35)	-	(7)
Balance as at 31 December	95,923	46,426

The contract liabilities mainly relate to the advance consideration received from customers while the underlying goods or services are yet to be provided.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

8. OTHER INCOME AND OTHER NET GAINS

	2025 RMB'000	2024 RMB'000
Other income:		
Interest income	676	733
Government grants (Note (a))	414	1,250
Other net gains:		
Additional VAT deduction	–	(49)
Compensation expense	(715)	(1,093)
Reversal of write-down/(write-down) of inventories	51	(16)
Gain on disposal of subsidiaries (Note 35(a), (c))	–	37,389
Gain on partial disposal of a subsidiary (Note 35(b))	–	3,684
Gain on disposal of items of property, plant and equipment	656	–
Loss on disposal of an associate (Note 15(a))	–	(124)
Loss on deregistration of an associate	(178)	–
Loss on disposal of intangible assets	(145)	(1,000)
Write-off of property, plant and equipment (Note 17)	(2)	(540)
Impairment of intangible assets (Note 18)	(2,669)	–
Gain on lease terminations (Note 28)	658	71
(Loss)/gain on lease modification (Note 28)	585	11,673
Fair value change on convertible bond – embedded derivatives (Note 29)	(1,199)	599
Fair value change on financial asset at FVTPL	–	7,684
Gain on disposal of financial asset at FVTPL	323	–
Exchange loss	1,823	(1,092)
Waiver of a trade payable	21,000	–
Others	(4,524)	3,513
	16,754	62,682

Note:

- (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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

9. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest charge on bank and other borrowings	144,107	151,101
Interest charge on lease liabilities (Note 28)	8,031	10,531
Interest charge on convertible bond (Note 29)	963	966
Total interest expenses for liabilities not classified as at FVTPL	153,101	162,598
Less: amounts included in the cost of qualifying assets	(29,571)	(53,331)
	123,530	109,267

10. LOSS BEFORE INCOME TAX CREDIT

Loss before income tax credit is arrived at after charging the following:

	2025 RMB'000	2024 RMB'000
Auditors' remuneration	2,000	2,000
Depreciation of property, plant and equipment (Note 17)	105,518	88,551
Depreciation of right-of-use assets (Note 28)	19,767	23,099
Short-term leases expenses (Note 28)	3,851	3,851
Amortization of intangible assets (Note 18)	27,812	28,189
Cost of inventories recognized as expenses	109,732	180,641
Listing expense	-	40,959
Staff costs (including directors' emoluments – Note 14):		
Salaries, wages and other benefits	179,076	198,213
Retirement scheme contribution (Note (a))	42,386	45,964
	221,462	244,177

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 is 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 Consolidated Financial Statements (continued)

For the year ended 31 December 2025

11. INCOME TAX CREDIT

	2025 RMB'000	2024 RMB'000
Current tax		
Current year	-	3
Overprovision for previous years	-	-
Deferred tax (Note 19)		
Credited to profit or loss for the year	(4,225)	(1,034)
	(4,225)	(1,031)

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong during the years ended 31 December 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 31 December 2025 and 2024, the PRC group 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 years ended 31 December 2025 and 2024.

The income tax credit for the years can be reconciled to the loss before income tax credit per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000
Loss before income tax credit	(310,021)	(485,849)
Notional tax on loss calculated at the applicable tax rate	(72,709)	(102,417)
Tax effect of share of results in associates	224	177
Tax effect of share of results in a joint venture	730	53
Tax effect of (income not taxable)/expenses not deductible, net	(3,297)	(3,825)
Tax losses not recognized	70,827	105,219
Utilisation of tax losses previously not recognized	-	(238)
Income tax credit	(4,225)	(1,031)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

12. DIVIDENDS

No dividend was paid or proposed during the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of reporting period.

13. LOSS PER SHARE

	2025	2024
Loss attributable to the owners of the Company (RMB'000)	(256,603)	(443,223)
Weighted average number of ordinary shares in issue (thousand shares)	747,916	715,475
Basic loss per share attributable to the owners of the Company (RMB per share)	(0.34)	(0.62)

Note:

- (i) Diluted loss per share were the same as the basic loss per share as the assumed conversion of convertible bonds issued by Beijing Healthingkon Technology Co., Ltd. ("Beijing Healthingkon") will result in reduction in loss per share for the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

14. DIRECTORS' AND SUPERVISORS' EMOLUMENTS AND THE FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' and supervisors' emoluments

	Fees RMB'000	Salaries, allowance and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Year ended 31 December 2025					
<i>Executive directors</i>					
Dr. YANG Jianyu	-	1,005	36	195	1,236
Ms. FU Xiao	-	1,369	227	-	1,596
Mr. CHANG Liang	-	841	69	147	1,057
<i>Non-executive directors</i>					
Mr. WANG Lei	-	-	-	-	-
Mr. SONG Qingbao (note viii)	-	-	-	-	-
Mr. CHEN Hongzhang (note vii)	-	-	-	-	-
Mr. SHI Botao	-	-	-	-	-
<i>Independent non-executive directors</i>					
Ms. LI Xuemei	200	-	-	-	200
Mr. SUN Yansheng	200	-	-	-	200
Mr. NG Kwokyin	200	-	-	-	200
<i>Supervisors (note ix)</i>					
Mr. TENG Shengchun	-	-	-	-	-
Mr. YU Yue	-	-	-	-	-
Ms. JIANG Li	-	183	11	66	260
	600	3,398	343	408	4,749

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

14. DIRECTORS' AND SUPERVISORS' EMOLUMENTS AND THE FIVE HIGHEST PAID INDIVIDUALS (continued)

(a) Directors' and supervisors' emoluments (continued)

	Fees RMB'000	Salaries, allowance and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Year ended 31 December 2024					
<i>Executive directors</i>					
Dr. YANG Jianyu	–	943	36	491	1,470
Ms. FU Xiao	–	1,282	520	–	1,802
Mr. CHANG Liang	–	772	304	152	1,228
Mr. SHI Botao (note iii)	–	324	–	205	529
<i>Non-executive directors</i>					
Mr. WANG Lei	–	–	–	–	–
Mr. CHEN Hongzhang	–	–	–	–	–
Mr. SHI Botao	–	171	36	168	375
<i>Independent non-executive directors</i>					
Ms. LI Xuemei (note iv)	–	200	–	–	200
Mr. SUN Yansheng (note v)	–	200	–	–	200
Mr. NG Kwokyin (note vi)	–	200	–	–	200
<i>Supervisors</i>					
Mr. TENG Shengchun	–	–	–	–	–
Mr. YU Yue	–	–	–	–	–
Ms. JIANG Li	–	161	31	75	267
	–	4,253	927	1,091	6,271

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

14. DIRECTORS' AND SUPERVISORS' EMOLUMENTS AND THE FIVE HIGHEST PAID INDIVIDUALS (continued)

(a) Directors' and supervisors' emoluments (continued)

Notes:

- (i) No directors and supervisors received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2025 and 2024. No directors and supervisors waived or agreed to waive any emoluments during both years.
- (ii) In addition to the directors' remuneration disclosed above, certain directors are not paid directly by the Company but receive remuneration from the Company's holding company, in respect of their services to the larger group which includes the Company and its subsidiaries. No apportionment has been made as the qualifying services provided by these directors to the Company and its subsidiaries are incidental to their responsibilities to the larger group.
- (iii) Mr. SHI Bo Tao has redesignated from an executive director to non-executed director on 29 August 2024.
- (iv) MS. Li Xuemei was appointed as a independent non-executive directors of the Company on 9 January 2024.
- (v) Mr. Sun Yansheng was appointed as a independent non-executive directors of the Company on 9 January 2024.
- (vi) Mr. Ng Kwokyin was appointed as a independent non-executive directors of the Company on 9 January 2024.
- (vii) Mr. Chen Hongzhang was resigned as a non-executive director of the Company on 27 May 2025.
- (viii) Mr. Song Qingbao was appointed as a non-executive director of the Company on 27 May 2025.
- (ix) The Supervisory Committee was abolished with effect from 5 December 2025.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

14. DIRECTORS' AND SUPERVISORS' EMOLUMENTS AND THE FIVE HIGHEST PAID INDIVIDUALS (continued)

(b) The five highest paid individuals

The five highest paid individuals of the Group during both years are analysed as follows:

	2025	2024
	Number of individuals	Number of individuals
Director	1	–
Non-directors, non-supervisors, the highest paid individuals	4	5
	5	5

Details of the emoluments of the above non-directors and non-supervisors, the highest paid individuals for both years are as follows:

	2025	2024
	RMB'000	RMB'000
Salaries, allowance and benefits in kind	5,494	6,475
Discretionary bonuses	3,257	5,172
Retirement scheme contributions	271	352
	9,022	11,999

Note: None of the above non-directors, non-supervisors, the highest paid individuals received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during both years.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

14. DIRECTORS' AND SUPERVISORS' EMOLUMENTS AND THE FIVE HIGHEST PAID INDIVIDUALS (continued)

(b) The five highest paid individuals (continued)

The number of the highest paid non-directors and non-supervisors fell within the following emolument band:

	2025 Number of individuals	2024 Number of individuals
Nil to HK\$1,000,000	–	–
HK\$1,000,001 to HK\$1,500,000	–	–
HK\$1,500,001 to HK\$2,000,000	1	1
HK\$2,000,001 to HK\$2,500,000	1	2
HK\$2,500,001 to HK\$3,000,000	1	–
HK\$3,000,001 to HK\$3,500,000	1	1
HK\$3,500,001 to HK\$4,000,000	–	–
HK\$4,000,001 to HK\$4,500,000	–	1
	4	5

15. INTERESTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
At 1 January	88,722	89,679
Addition due to partial disposal of a subsidiary (note 35(b))	–	778
Disposal of an associate (note a)	–	(782)
Deregistration of an associate	(178)	–
Share of results	(896)	(953)
At 31 December	87,648	88,722

Note:

- a) After the disposal of 50% equity interest in Guangzhou Concord as set out in Note 35(b), 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. A loss on disposal of an associate of RMB124,000 was recognized in consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024. Following the completion of the disposal, the Group has no interest in Guangzhou Concord.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

15. INTERESTS IN ASSOCIATES (continued)

Particulars of the Group's associates are as follows:

Name	Issued and paid up capital	Place of registration and business	Percentage of ownership interest attributable to the Group		Principal activity
			2025	2024	
Guangdong Hengjian Hezi Medical Industry Co., Ltd. ("Hengjian Hezi")	RMB833,757,000/ RMB610,178,000	PRC	14.20%	14.20%	Medical treatment and service
Wuxi Meizhong Jiahe Cancer Center ("Wuxi Meizhong Jiahe")	RMB37,835,000	PRC	7.93%	7.93%	Medical treatment and service
Shanghai Changshengshu Enterprise Management Co., Ltd. ("SH CSS")	RMB10,000,000/ RMB6,000,000	PRC	20.00%	4.67%	Medical treatment and service
Guangzhou Yicheng Biological Immunity Technology Co., Ltd. ("Guangzhou Yicheng")	RMB1,000,000	PRC	N/A	30.00%	Medical technology development and medical service

Although the Group's ownership interest in Hengjian Hezi is only 14.2%, the Group is entitled to appoint two out of five directors to the board of directors of Hengjian Hezi, so that the Group has significant influence over it. The directors of the Company therefore treated Hengjian Hezi as an associate.

Although the Group's ownership interest in Wuxi Meizhong Jiahe is only 7.93%, the Group is entitled to appoint one out of three directors to the board of directors of Wuxi Meizhong Jiahe, so that the Group has significant influence over it. The directors of the Company therefore treated Wuxi Meizhong Jiahe as an associate.

Although the Group's ownership interest in SH CSS is only 4.67%, the Group's subsidiary directly hold 20% of SH CSS ownership interest and the operating and financing decision must be approved by 50% of the shareholder board. In this regard, SHMDI has significant influence over SH CSS, hence the Group also has significant influence over it. The directors of the Company therefore treated SH CSS as an associate.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

15. INTERESTS IN ASSOCIATES (continued)

Guangzhou Yicheng was deregistered on 23 May 2025.

Summarized financial information of material associate, adjusted for any difference in accounting policies:

Hengjian Hezi

	2025 RMB'000	2024 RMB'000
Current assets	11,103	27,677
Non-current assets	822,005	789,155
Current liabilities	214,939	224,688
Non-current liabilities	47,000	20,000
Net assets	571,169	572,144
Group's share of the net assets of the associate	81,106	81,244
Goodwill	4,537	4,537
Carrying amount of the Group's interest	85,643	85,781
	2025 RMB'000	2024 RMB'000
Revenue	-	-
Post-tax loss	(975)	(2,847)
Total comprehensive income	(975)	(2,847)
Share of loss of associate	(138)	(405)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

15. INTERESTS IN ASSOCIATES (continued)

Summarized financial information of immaterial associates:

	2025 RMB'000	2024 RMB'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	2,005	2,941
	2025 RMB'000	2024 RMB'000
Revenue	–	–
Post-tax loss	(4,874)	(2,764)
Total comprehensive income	(4,874)	(2,764)
Share of loss of associates	(758)	(548)

16. INTEREST IN A JOINT VENTURE

	2025 RMB'000	2024 RMB'000
At 1 January	101,646	–
Capital injections	–	102,000
Share of results	(2,919)	(354)
At 31 December	98,727	101,646

Particulars of the Group's joint venture is as follows:

Name	Issued and paid up capital	Place of registration and business	Percentage of ownership interest attributable to the Group		Principal activity
			2025	2024	
Hebei CSPC Concord Hospital Management Co. Ltd. ("Hebei CSPC")	RMB200,000,000	PRC	51%	51%	Dormant

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

16. INTEREST IN A JOINT VENTURE (continued)

Although the Group's ownership interest in Hebei CSPC is 51%, and the Group is entitled to appoint three out of five directors to the board of directors of Hengjian Hezi, the relevant activities Hebei CSPC needed to be passed by 66% voting right of the board of directors of Hengjian Hezi and the remaining interest is held by a single party independent to the Group. Hence, there is joint control and the directors of the Company therefore accounted for the Group's interest in Hebei CSPC as a joint venture.

	2025 RMB'000	2024 RMB'000
Current assets (including cash and cash equivalents of RMB41,796,000 (2024: RMB102,229,000))	104,058	162,277
Non-current assets	93,408	38,028
Current liabilities	3,883	1,000
Non-current liabilities	-	-
Net assets	193,583	199,305
Group's share of the net assets of the joint venture	98,727	101,646
Goodwill	-	-
Carrying amount of the Group's interest	98,727	101,646
	2025 RMB'000	2024 RMB'000
Revenue	-	-
Depreciation and amortization		
Other operating expense	-	-
Interest income	-	-
Interest expense	(1,871)	-
Income tax expense	(99)	(4)
Post-tax loss	(5,722)	(695)
Total comprehensive income	(5,722)	(695)
Share of loss of joint venture	(2,919)	(354)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Medical equipment RMB'000	Electronic and office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvement RMB'000	Construction in progress ("CIP") RMB'000	Total RMB'000
COST							
As at 1 January 2024	780,185	603,322	53,452	2,203	45,544	2,207,174	3,691,880
Additions	-	1,576	44	105	1,183	288,742	291,650
Transfer	6,251	436,081	-	-	-	(442,332)	-
Disposed through disposal of subsidiaries (Note 35)	-	(51,095)	(3,002)	-	(11,427)	-	(65,524)
Disposal	-	-	-	(260)	-	-	(260)
Write-off	-	(21,535)	(119)	-	-	-	(21,654)
As at 31 December 2024 and 1 January 2025	786,436	968,349	50,375	2,048	35,300	2,053,584	3,896,092
Additions	-	803	5,610	-	2,968	74,979	84,360
Transfer	25,051	-	-	-	-	(25,051)	-
Disposal	-	(563)	(535)	-	-	-	(1,098)
Write-off	-	(5)	(2,175)	-	-	-	(2,180)
As at 31 December 2025	811,487	968,584	53,275	2,048	38,268	2,103,512	3,977,174
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
As at 1 January 2024	(46,169)	(271,803)	(26,795)	(1,711)	(28,429)	-	(374,907)
Charge for the year	(21,313)	(58,028)	(6,502)	(160)	(2,548)	-	(88,551)
Disposed through disposal of subsidiaries (Note 35)	-	36,615	2,194	-	-	-	38,809
Eliminated on disposal	-	-	-	260	-	-	260
Write-off	-	21,002	112	-	-	-	21,114
As at 31 December 2024 and 1 January 2025	(67,482)	(272,214)	(30,991)	(1,611)	(30,977)	-	(403,275)
Charge for the year	(20,911)	(74,323)	(8,357)	(179)	(1,748)	-	(105,518)
Eliminated on disposal	-	592	435	-	-	-	1,027
Write-off	-	4	2,174	-	-	-	2,178
As at 31 December 2025	(88,393)	(345,941)	(36,739)	(1,790)	(32,725)	-	(505,588)
NET BOOK VALUE							
As at 31 December 2025	723,094	622,643	16,536	258	5,543	2,103,512	3,471,586
As at 31 December 2024	718,954	696,135	19,384	437	4,323	2,053,584	3,492,817

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

17. PROPERTY, PLANT AND EQUIPMENT (continued)

Medical equipment and construction in progress which are held for own use is situated in the PRC. Assets with carrying amounts of RMB2,694,151,000 (2024: RMB2,195,646,000) were pledged as collateral for Group's bank and other borrowings (Note 30).

Depreciation of the Group's property, plant and equipment has been recognized in the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000
Cost of revenue	93,801	79,871
Administrative expenses	11,717	8,680
	105,518	88,551

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

18. INTANGIBLE ASSETS

	Goodwill RMB'000	Customer relationship RMB'000	Customer contracts RMB'000	Software RMB'000	Operating license RMB'000	Patents and technology RMB'000	Development in progress RMB'000	Total RMB'000
COST								
As at 1 January 2024	511,776	18,125	7,813	41,596	253,440	132,547	12,761	978,058
Additions	-	-	-	11,265	-	-	-	11,265
Disposed through disposal of a subsidiary (Note 35)	(2,613)	-	-	(2,324)	(5,000)	-	-	(9,937)
Disposal	-	-	-	(1,000)	-	-	-	(1,000)
Written off	-	-	-	(566)	-	-	-	(566)
Transfer	-	-	-	1,000	-	-	(1,000)	-
As at 31 December 2024 and 1 January 2025	509,163	18,125	7,813	49,971	248,440	132,547	11,761	977,820
Additions	-	-	-	773	-	-	-	773
Disposal	-	-	-	(630)	-	-	-	(630)
Written off	-	-	-	(1,239)	-	-	-	(1,239)
As at 31 December 2025	509,163	18,125	7,813	48,875	248,440	132,547	11,761	976,724
ACCUMULATED AMORTIZATION AND IMPAIRMENT								
As at 1 January 2024	-	(18,125)	(7,813)	(18,889)	(61,604)	(19,960)	-	(126,391)
Amortization for the year	-	-	-	(8,987)	(12,547)	(6,655)	-	(28,189)
Disposed through disposal of a subsidiary (Note 35)	-	-	-	1,503	1,063	-	-	2,566
Written off	-	-	-	566	-	-	-	566
As at 31 December 2024 and 1 January 2025	-	(18,125)	(7,813)	(25,807)	(73,088)	(26,615)	-	(151,448)
Amortization for the year	-	-	-	(8,735)	(12,422)	(6,655)	-	(27,812)
Disposal	-	-	-	485	-	-	-	485
Written off	-	-	-	1,151	-	-	-	1,151
Impairment for the year	-	-	-	(2,669)	-	-	-	(2,669)
As at 31 December 2025	-	(18,125)	(7,813)	(35,575)	(85,510)	(33,270)	-	(180,293)
NET BOOK VALUE								
As at 31 December 2025	509,163	-	-	13,300	162,930	99,277	11,761	796,431
As at 31 December 2024	509,163	-	-	24,164	175,352	105,932	11,761	826,372

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

18. INTANGIBLE ASSETS (continued)

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

	2025 RMB'000	2024 RMB'000
SHMDI CGU	41,998	41,998
Beijing Healthingkon CGU	368,221	368,221
Shanghai Outpatient Center CGU	98,944	98,944
	509,163	509,163

The goodwill has been tested for impairment by management. The recoverable amount of each cash generating unit ("CGU") has been assessed by an independent valuer, Asia-Pacific Consulting and Appraisal Limited, and determined based on value-in-use ("VIU") calculation. The calculation used cash flow projections based on financial budget covering period of 5-9 years approved by management. Management extended the five-year projections for additional four years projections after taking into consideration of past experience of the management and the useful life of the operating licenses and technology, the additional periods would reflect the expected pattern of consumption of the assets and certain CGUs with projections exceeded 5 years are still at an early stage of the development. The management believes the extended cash flow projection captures the development stage of the Group's business during which the Group expects to experience a high growth rate. The accuracy and reliability of the information is reasonably assured by the appropriate budgeting, forecast and control process established by the Group. The management has over 15 years of experience in the healthcare service industry and they leveraged their extensive experiences in healthcare service industry and provided forecast for an extended period based on past performance and their expectation of future business plans and market developments. These provide a reasonable basis for management to forecast cash flows reliably over a longer period. Cash flows beyond the projection period are extrapolated using an estimated long term growth rate of 3%, with reference to certain external data. This rate does not exceed the average long-term growth rate for the relevant markets for all CGUs during the years ended 31 December 2025 and 2024.

The following table sets forth each key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill:

	2025	2024
For SHMDI CGU:		
Long-term growth rate	2.0%	2.5%
Pre-tax discount rate	18.3%	17.5%

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

18. INTANGIBLE ASSETS (continued)

The following table sets forth each key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill: (continued)

	2025	2024
For Beijing Healthingkon CGU:		
Long-term growth rate	2.0%	2.5%
Pre-tax discount rate	18.8%	19.8%
For Shanghai Outpatient Center CGU:		
Long-term growth rate	2.0%	2.5%
Pre-tax discount rate	19.4%	18.6%

The following table sets out the sensitivity analysis of the impact of variations in each of the key underlying assumptions for goodwill impairment testing described above on the recoverable amount of each CGU as at the dates indicated. The Group showed the headroom (the recoverable amount of the CGU would exceed the carrying amount of the CGU) as at the end of each year or period by applying a 0.5% and 1.0% decrease in long-term growth rate and applying a 0.5% and 1.0% increase in pre-tax discount rate. Although none of the hypothetical fluctuation ratios applied in this sensitivity analysis equals actual historical fluctuations, the Group believes that the application of the hypothetical fluctuations in each of the key assumptions presents a meaningful analysis of the potential impact of the changes in such assumptions on the recoverable amount of each CGU.

	2025 RMB'000	2024 RMB'000
For SHMDI CGU:		
Long-term growth rate decrease		
0.5%	87,122	114,665
1%	78,685	88,374
Pre-tax discount rate increase		
0.5%	84,502	127,497
1%	73,507	112,780

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

18. INTANGIBLE ASSETS (continued)

	2025 RMB'000	2024 RMB'000
For Beijing Healthingkon CGU:		
Long-term growth rate decrease		
0.5%	53,251	104,777
1%	40,538	90,117
Pre-tax discount rate increase		
0.5%	36,877	86,769
1%	8,973	55,429
For Shanghai Outpatient Center CGU:		
Long-term growth rate decrease		
0.5%	42,904	14,202
1%	34,552	5,536
Pre-tax discount rate increase		
0.5%	41,175	12,226
1%	31,085	1,585

As at 31 December 2025, the recoverable amounts of the SHMDI CGU calculated based on VIU exceeded carrying amount by approximately RMB96,208,000 (2024: RMB143,233,000).

As at 31 December 2025, the recoverable amounts of the Beijing Healthingkon CGU calculated based on VIU exceeded carrying amount by approximately RMB66,811,000 (2024: RMB120,382,000).

As at 31 December 2025, the recoverable amounts of the Shanghai Outpatient CGU calculated based on VIU exceeded carrying amount by approximately RMB51,878,000 (2024: RMB23,562,000).

The headroom of each CGU that was subject to impairment assessment at the end of each reporting period is not less than 13.8% during the year ended 31 December 2025 (2024: 8.9%). In the opinion of the directors of the Company, any reasonably possible change in key parameters on which the recoverable amount is based would not cause the carrying amount of each CGU to exceed its recoverable amount.

By reference to the recoverable amount assessed by the independent valuer, the directors of the Company determined that no impairment provision on goodwill was required as at 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

19. DEFERRED TAX

Details of the deferred tax assets and liabilities recognized and movements during the year is as follows:

Deferred tax assets

	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	48,306	48,306
Disposed through disposal of subsidiaries (Note 35)	(6,234)	(6,234)
Charged to profit or loss for the year (Note 11)	(14,841)	(14,841)
At 31 December 2024 and 1 January 2025	27,231	27,231
Charged to profit or loss for the year (Note 11)	(2,003)	(2,003)
At 31 December 2025	25,228	25,228

Deferred tax liabilities

	Amortization of patent RMB'000	Amortization of operating license RMB'000	Amortization of favourable lease RMB'000	Right of use asset RMB'000	Total RMB'000
At 1 January 2024	(16,856)	(47,959)	(3,275)	(26,990)	(95,080)
Disposed through disposal of subsidiaries (Note 35)	–	984	–	4,130	5,114
Credited to profit or loss for the year (Note 11)	991	3,137	392	11,355	15,875
At 31 December 2024 and 1 January 2025	(15,865)	(43,838)	(2,883)	(11,505)	(74,091)
Credited to profit or loss for the year (Note 11)	991	3,106	392	1,739	6,228
At 31 December 2025	(14,874)	(40,732)	(2,491)	(9,766)	(67,863)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

19. DEFERRED TAX (continued)

Deferred tax liabilities (continued)

As at 31 December 2025, the Group had unused tax losses of approximately RMB1,649,583,000 (2024: RMB1,514,104,000), available to offset against future profits.

The Group has not recognized deferred tax assets in respect of cumulative tax losses as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity.

For the purpose of presentation in the consolidation statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balance for the financial reporting purpose:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	15,462	15,726
Deferred tax liabilities	(58,097)	(62,586)
	(42,635)	(46,860)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

20. INVENTORIES

	2025 RMB'000	2024 RMB'000
Medicine	7,134	2,740
Medical materials	311	858
Medical equipment	8,428	29,410
Medical software	659	159
Low-value consumables	854	865
	17,386	34,032
Less: inventory write-down	(540)	(591)
	16,846	33,441

21. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	92,208	97,985
Less: allowance for impairment	(46,401)	(46,505)
	45,807	51,480

As at 31 December 2025 and 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:

	2025 RMB'000	2024 RMB'000
Within 3 months	24,828	12,630
3-6 months	1,555	7,362
6-12 months	15,700	9,409
1-2 years	3,724	22,079
Total	45,807	51,480

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

21. TRADE RECEIVABLES (continued)

The Group recognized expected credit losses based on the accounting policy stated in Note 4.12.

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

	2025 RMB'000	2024 RMB'000
At the beginning of year	46,505	33,161
Impairment loss recognized, net	21,896	13,418
Written-off	(22,000)	–
Disposal of subsidiaries	–	(74)
At the end of the year	46,401	46,505

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.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Up to 1 year	1 to 2 year	Over 2 years	Total
At 31 December 2025				
Expected loss rate	16.1%	54.3%	100%	
Gross carrying amount (RMB'000)	50,161	8,150	33,897	92,208
Loss allowance provision (RMB'000)	8,077	4,427	33,897	46,401
At 31 December 2024				
Expected loss rate	12.9%	52.9%	100%	
Gross carrying amount (RMB'000)	33,760	46,890	17,335	97,985
Loss allowance provision (RMB'000)	4,359	24,811	17,335	46,505

Further details on the Group's credit policy are set out in Note 38(b).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

22. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Non-current assets		
Deposits	1,607	1,607
Other receivables	1,089	1,090
	2,696	2,697
Less: allowance for impairment	(966)	(908)
	1,730	1,789
Prepayment for property, plant and equipment	26,906	20,486
	28,636	22,275
Current assets		
Deposits	4,763	5,273
Advance to employees	1,820	2,106
Other tax recoverable	49,339	46,255
Other receivables	3,874	8,454
Amount due from a non-controlling shareholder	46,000	–
Amount due from a former subsidiary	46,015	34,687
	151,811	96,775
Less: allowance for impairment	(22,072)	(7,946)
	129,739	88,829
Prepayments	155,240	50,164
	284,979	138,993

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

22. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (continued)

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

	2025 RMB'000	2024 RMB'000
At the beginning of year	8,854	4,906
Provision for impairment loss recognized, net	14,184	9,734
Disposal of subsidiaries	-	(5,786)
At the end of the year	23,038	8,854

The Group recognized expected credit losses based on the accounting policy stated in Note 4.12. Further details on the Group's credit policy are set out in Note 38(b).

23. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and cash equivalents

	2025 RMB'000	2024 RMB'000
Cash on hand	124	103
Cash at bank	294,352	204,441
	294,476	204,544

Note: Cash on hand and at bank are denominated in RMB placed in the PRC. RMB is not freely convertible to other currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies only through banks that are authorized to conduct foreign exchange business.

(b) Restricted cash

Cash that is restricted as to withdrawal for use and pledged as security is reported separately on the face of consolidated statement of financial position, and is not included in the cash and cash equivalents in the consolidated statement of cash flows.

	2025 RMB'000	2024 RMB'000
Cash deposited for bank and other borrowings	24,395	46,211

Note: The balance is restricted from withdrawal by the Group until the related bank borrowings are fully repaid.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

24. FINANCIAL ASSETS AT FVTPL

	2025 RMB'000	2024 RMB'000
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.

During the year ended 31 December 2025, the financial products were disposed of.

25. AMOUNTS DUE FROM/TO RELATED PARTIES

The balances mainly represent the amounts due from/to associates and other related parties which are unsecured, interest-free and repayable on demand except for an amount of RMB200,211,000 (2024: RMB207,852,000) which represent prepayment for purchase of property, plant and equipment and are classified under non-current assets.

The movement in loss allowance for impairment of amounts due from related parties are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	19,872	3,815
(Reversal of)/provision for impairment loss recognized, net	(19,451)	16,057
At the end of the year	421	19,872

Further details on the Group's credit policy and credit risk analysis arising from amounts due from related parties are set out in Note 38(b).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

26. TRADE PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	82,699	112,146
	82,699	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:

	2025 RMB'000	2024 RMB'000
Within 1 year	51,659	40,223
More than 1 year but within 2 years	22,631	59,290
More than 2 years but within 3 years	7,296	11,719
More than 3 years	1,113	914
	82,699	112,146

27. ACCRUALS AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Accruals and other payables	109,062	179,352
Payables for property, plant and equipment	202,191	294,613
Salaries payables	102,315	77,460
Other tax payable	5,700	7,491
	419,268	558,916

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

28. LEASE

The Group as a lessee

The Group leases properties and a land use right to operate its business. Leased properties such as offices and medical institutions are typically made for fixed terms of 2 to 18 years. Lease terms are negotiated on an individual basis and contain different payments and conditions. These lease agreements do not impose any covenants, but leased properties may not be used as security for borrowing purpose. The Group's lease agreements include fixed payments and do not contain material residual value guarantees. The Group's leases do not contain restrictions or covenants that restrict the Group from incurring other financial obligation. The leases do not contain any variable lease payments.

The Group's land use rights are located in Guangzhou and Shanghai, PRC, with lease periods of 50 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the years are as follows:

	Leased properties RMB'000	Land use rights RMB'000	Total RMB'000
At 1 January 2024	131,420	386,613	518,033
Additions	446	–	446
Depreciation charge	(13,740)	(9,359)	(23,099)
Termination of lease	(1,551)	–	(1,551)
Effect of lease modification	(35,468)	–	(35,468)
Disposed through disposal of subsidiaries (Note 35)	(20,829)	–	(20,829)
At 31 December 2024 and 1 January 2025	60,278	377,254	437,532
Additions	2,959	–	2,959
Depreciation charge	(10,408)	(9,359)	(19,767)
Termination of lease	(2,251)	–	(2,251)
Effect of lease modification	565	–	565
At 31 December 2025	51,143	367,895	419,038

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

28. LEASE (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the years ended 31 December 2025 and 2024 are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at the beginning of year	112,100	205,625
Addition of new leases	2,959	446
Termination of lease	(2,909)	(1,622)
Accretion of interest recognized during the year (Note 9)	8,031	10,531
Lease payments	(16,893)	(23,673)
Effect of lease modification	(20)	(47,141)
Disposed through disposal of subsidiaries (Note 35)	-	(32,066)
Carrying amount at the end of year	103,268	112,100

Future lease payments are due as follows:

	2025 RMB'000	2024 RMB'000
Future lease payments due		
Not later than one year	20,790	21,405
Later than one year and not later than two years	15,515	15,272
Later than two years and not later than five years	115,845	128,235
	152,150	164,912
Less: future finance charges	(48,882)	(52,812)
	103,268	112,100
Present value of lease liabilities	103,268	112,100
– Current	9,582	10,388
– Non-current	93,686	101,712

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

28. LEASE (continued)

The Group as a lessee (continued)

(c) The amounts recognized in profit or loss in the relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest charge on lease liabilities	8,031	10,531
Depreciation charge of right-of-use assets	19,767	23,099
Short-term leases expense	3,851	3,851
Total amount recognized in profit or loss	31,649	37,481

The Group as a lessor

The Group leases its medical equipment in the PRC under non-cancellable operating lease arrangements with fixed and variable considerations.

Minimum lease payments receivables on leases are as follows:

	2025 RMB'000	2024 RMB'000
Within the first year	2,300	3,263
In the second year	–	2,300
	2,300	5,563

29. CONVERTIBLE BOND

In December, 2021, Beijing Healthingkon, a subsidiary of the Company issued a 4.75% convertible bond with a principal amount of RMB20 million to an independent third party (the "Subscriber"). The convertible bond is denominated in RMB and is unsecured. The convertible bond will mature in five years from the issue date (i.e. December 2026). Unless previously redeemed (subject to the Subscriber's approval) or converted, Beijing Healthingkon will redeem all the convertible bond at its principal amount together with any accrued but unpaid interest. Bond interest shall be paid upon maturity or upon early redemption. The Subscriber has the right to convert the convertible bond in whole or in part of the outstanding principal amount of the convertible bond into ordinary shares of Beijing Healthingkon at a conversion price based on i) 100% equity valuation of Beijing Healthingkon at the date of issuance should the Subscriber exercise its right to convert during the period from the issuance date to the end of its third anniversary of the issuance; or ii) 80% equity valuation of Beijing Healthingkon at the date of conversion should the Subscriber exercise its right to convert during the period from the beginning of its fourth anniversary of issuance date to its maturity.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

29. CONVERTIBLE BOND (continued)

The fair value of the embedded derivative liability representing the conversion option is determined first and the residual amount is assigned to the debt host liability. The fair value of the conversion right was calculated using binomial model. The debt liability component is subsequently carried at amortized cost using the effective interest method, and embedded derivative liability is subsequently measured at fair value through profit or loss.

The convertible bond recognized in the consolidated statement of financial position is calculated as follows:

	Liability component RMB'000	Embedded derivatives RMB'000	Total RMB'000
At 1 January 2024	17,656	1,577	19,233
Interest expense (Note 9)	966	–	966
Change in fair value of embedded derivatives (Note 8)	–	(599)	(599)
At 31 December 2024 and 1 January 2025	18,622	978	19,600
Interest expense (Note 9)	963	–	963
Change in fair value of embedded derivatives (Note 8)	–	1,199	1,199
At 31 December 2025	19,585	2,177	21,762

The Company has engaged an independent valuer to determine the fair value of the embedded derivatives. The discounted cash flow method was used to determine the total equity value of the Company and the binomial model was adopted to determine the fair value of the embedded derivatives.

Key valuation assumptions used to determine the fair value of the embedded derivatives are as follows:

	2025	2024
Risk-free interest rate	1.33%	1.13%
Volatility	46.48%	48.27%
Stock price (RMB)	9.15	13.6

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

30. BANK AND OTHER BORROWINGS

	2025 RMB'000	2024 RMB'000
Short-term borrowing		
Secured bank loan	125,317	128,976
Unsecured bank borrowings	340	60,856
Current portion of long term borrowing		
Secured bank loan	28,260	122,520
Secured other borrowings from related parties	20,640	4,563
Secured other borrowings	385,764	45,879
Unsecured other borrowings from related parties	39,996	9,835
Non-current portion of long term borrowing		
Secured bank loan	2,143,990	2,056,880
Secured other borrowings from related parties	50,966	19,283
Secured other borrowings	127,252	554,061
Unsecured other borrowings from related parties	41,905	75,366
	2,964,430	3,078,219

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

	2025 RMB'000	2024 RMB'000
On demand or within 1 year	600,317	372,629
Current portion	600,317	372,629
After 1 year but within 2 years	124,600	195,653
After 2 years but within 5 years	1,566,919	1,137,304
Over 5 years	672,594	1,372,633
Non-current portion	2,364,113	2,705,590
Total	2,964,430	3,078,219

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

30. BANK AND OTHER BORROWINGS (continued)

Notes:

- (i) As at 31 December 2025, the total banking facilities and financial institution facility of the Group was RMB4,409 million (2024: RMB4,404 million). They were utilized to the extent of RMB2,859 million (2024: RMB2,773 million) respectively.
- (ii) The bank borrowings bear interest at fixed or floating interest rates. Their effective interest rates as at the 31 December 2025 ranged from 2.1% to 12.8% (excluding one short-term loan where the interest rate is 0.05% per day) (2024: from 2.2% to 7.3%) per annum. Floating interest rate is adopted with People's Bank of China's benchmark interest rate, or Loan Prime Rate.
- (iii) Other borrowings from related parties as at 31 December 2025 included RMB123.5 million (2024: RMB79 million) from Zhejiang Marine Leasing Co. Ltd. ("Zhejiang Marine"). Zhejiang Marine is an associate of the Group's ultimate controlling shareholder, Concord Medical Services Holdings Limited.

The effective rates ranged from 5.6% to 6.5% as at the 31 December 2025 (2024: from 5.6% to 6.3%). The borrowings are secured by certain Group's property, plant and equipment.

- (iv) Other borrowings from related parties as at 31 December 2025 included RMB30 million (2024: RMB30 million) from Shijiazhuang Hi-tech Cancer Center Co., Ltd ("Shijiazhuang Hi-tech"). Shijiazhuang Hi-tech is a subsidiary of the Group's joint venture, Hebei CSPC. The borrowing is unsecured and interest-free.
- (v) The secured bank and other borrowings are secured by the following assets of the Group, whose carrying amounts are as follows:

	2025 RMB'000	2024 RMB'000
Property, plant and equipment	2,694,151	2,195,646
Right-of-use assets	367,895	377,254
Restricted cash	24,395	46,211
Trade receivables	6,609	33,162
	3,093,050	2,652,273

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

30. BANK AND OTHER BORROWINGS (continued)

Notes: (continued)

- (vi) As at 31 December 2025, bank and other borrowings totalling RMB2,712.4 million (2024: RMB1,479.9 million) are secured mostly by the issued share capital of the Group's subsidiaries, 100% of SHCC and 100% of Shanghai Meizhong Jiahe Medical Image Diagnosis Limited, guaranteed by the Company, Shanghai Administration Center of Policy Financing guarantee Funds for SMEs, and a medical imaging equipment owned by the Group.
- (vii) As at 31 December 2025, bank borrowings totalling RMB1,035.6 million (2024: RMB1,072.2 million) are secured mostly by the revenue of the Group's subsidiaries, Shanghai Meizhong Jiahe Medical Image Diagnosis Limited and Shanghai Outpatient Center.
- (viii) As at 31 December 2025, bank and other borrowings totalling RMB212.5 million (2024: RMB220 million) are guaranteed by Dr. Yang Jianyu, a controlling shareholder and the chairman of the Board of Director of the Company.

31. SHARE CAPITAL

	Note	2025		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)	67,324	67,324	-	-
At 31 December		783,662	783,662	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. The capital reserves can be used for deduction of share issuance expenses.
- (ii) On 4 June 2025, the Company allotted and issued 18,600,000 shares of RMB1.00 each at a price of HK\$5.38 per share. The gross proceeds from issuance of new shares 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 RMB68,624,000, net of share issuance expenses, was credited to capital reserves account. The capital reserves can be used for deduction of share issuance expenses.

On 29 July 2025, the Company allotted and issued 48,723,600 shares of RMB1.00 each at a price of HK\$5.54 per share. The gross proceeds from issuance of new shares of approximately RMB231,971,000 (equivalent to approximately HK\$269,930,000) of which approximately RMB48,724,000 was credited to the Company's share capital, and the remaining balance of approximately RMB187,847,000, was credited to capital reserves account. The capital reserves can be used for deduction of share issuance expenses.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

32. RELATED PARTY TRANSACTIONS AND BALANCES

During the years ended 31 December 2025 and 2024, the Group entered into the following transactions with related parties:

(a) Name and relationship

Name of related parties	Relationship with the Group
Concord Medical	Intermediate holding company of the Group
Beijing Concord	Immediate holding company
Shanghai Medstar	Immediate holding company of the Group
Beijing Century Friendship	A company controlled by Concord Medical
Zhejiang Marine	An associate of Concord Medical
Guangdong Proton International Hospital Management Co., Ltd. ("Guangdong Proton")	A subsidiary of an associate
Shanghai Changshengshu Enterprise Management Co., Ltd.	An associate
Guangzhou Yicheng Biological Immunity Technology Co., Ltd.	An associate
Shanghai Epu Supply Chain Technology Co., Ltd	Minority shareholder of the Company and subsidiaries
Shijiazhuang Hi-tech Cancer Center Co., Ltd.	A subsidiary of a joint venture

(b) Related parties transactions

	2025 RMB'000	2024 RMB'000
Shanghai Medstar		
– Purchase of property, plant and equipment	–	129,196
Shanghai Changshengshu Enterprise Management Co., Ltd.		
– Medical service income	(1,070)	(1,013)
Guangzhou Medstar		
– Interest expense on borrowing	–	7,338
Zhejiang Marine		
– Interest expense on borrowing and financing guaranteed expense	5,902	6,615
Shijiazhuang Hi-tech Cancer Center Co., Ltd.		
– Interest expense on borrowing	776	322
– Technical support	(5,795)	–

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

32. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Related parties balances

(i) Amounts due from related parties (Note 25)

	2025 RMB'000	2024 RMB'000
Shanghai Medstar		
– Trade	201,271	208,912
– Non-trade	784	–
Shanghai Changshengshu Healthcheck Center Co., Ltd		
– Trade	1,321	–
– Non-trade	–	990
Shanghai Changshengshu Health Management Co., Ltd		
– Non-Trade	–	46
Shanghai Epu Supply Chain Technology Co., Ltd		
– Non-Trade	–	104,280

The trade and non-trade balance of amounts due from related parties:

	2025 RMB'000	2024 RMB'000
Trade	202,592	208,912
Non-trade	784	105,316

The maximum balance outstanding of amounts due from related parties:

	2025 RMB'000	2024 RMB'000
Shanghai Medstar	525,478	208,913
Shanghai Changshengshu Healthcheck Center Co., Ltd	1,563	1,137
Shanghai Changshengshu Health Management Co., Ltd	46	53
Shanghai Epu Supply Chain Technology Co., Ltd	124,000	124,000

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

32. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Related parties balances (continued)

(ii) Amounts due to related parties (Note 25)

	2025 RMB'000	2024 RMB'000
Shanghai Medstar		
– Trade	(5,186)	(5,126)
– Non-trade	(2,445)	(1,814)
Shanghai Changshengshu Enterprise Management Co., Ltd.		
– Non-trade	(2,000)	(2,000)
Guangzhou Yicheng Biological Immunity Technology Co., Ltd.		
– Non-trade	–	(300)
Wuxi Concord Medical Development Co., Ltd		
– Trade	(4,224)	(4,224)

The trade and non-trade balance of amounts due to related parties:

	2025 RMB'000	2024 RMB'000
Trade	(9,410)	(9,350)
Non-trade	(4,445)	(4,114)

(iii) Other loans from related parties (Note 30)

	2025 RMB'000	2024 RMB'000
Zhejiang Marine		
– Non-trade	(123,507)	(79,047)
Shijiazhuang Hi-tech Cancer Center Co., Ltd.		
– Non-trade	(30,000)	(30,000)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

32. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Note:

- a) The English names of all related parties established in the PRC are translated for identification purpose only.
- b) The outstanding balances of non-trade nature are interest free, unsecured and repayable on demand. There is no guarantee being given or received regarding the above mentioned related party transactions.
- c) The key management personnel are the Directors and the five highest paid individuals of the Company. The details of the emoluments paid to them are set out in Notes 14(a) and 14(b) respectively.
- d) 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 years ended 31 December 2025 and 2024 or at the end of each financial year.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Amounts due to related parties RMB'000 (Note 32(c)(ii))	Bank and other borrowings RMB'000 (Note 30)	Lease liabilities RMB'000 (Note 28)	Convertible bond RMB'000 (Note 29)	Total RMB'000
As at 1 January 2024	31,023	2,371,823	205,625	19,233	2,627,704
Changes from financing cash flows:					
Proceeds from bank and other borrowings	–	2,230,221	–	–	2,230,221
Payments of lease liabilities	–	–	(13,142)	–	(13,142)
Repayment of bank and other borrowings	–	(1,515,623)	–	–	(1,515,623)
Repayment to related parties	(26,909)	–	–	–	(26,909)
Interest paid	–	(151,816)	(10,531)	–	(162,347)
Total changes from financing cash flows	(26,909)	562,782	(23,673)	–	512,200
Non-cash changes:					
Disposed through disposal of subsidiaries (Note 35)	–	(7,487)	(32,066)	–	(39,553)
Interest expense	–	97,770	10,531	966	109,267
Interest expense capitalized	–	53,331	–	–	53,331
Recognition of lease liabilities	–	–	446	–	446
Termination of lease	–	–	(1,622)	–	(1,622)
Effect of lease modification	–	–	(47,141)	–	(47,141)
Change in fair value	–	–	–	(599)	(599)
Total non-cash changes	–	143,614	(69,852)	367	74,129
As at 31 December 2024 and 1 January 2025	4,114	3,078,219	112,100	19,600	3,214,033

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

	Amounts due to related parties RMB'000	Bank and other borrowings RMB'000	Lease liabilities RMB'000	Convertible bond RMB'000	Total RMB'000
Changes from financing cash flows:					
Proceeds from bank and other borrowings	-	307,222	-	-	307,222
Payments of lease liabilities	-	-	(8,862)	-	(8,862)
Repayment of bank and other borrowings	-	(421,011)	-	-	(421,011)
Advances from related parties	331	-	-	-	331
Interest paid	-	(144,107)	(8,031)	-	(152,138)
Total changes from financing cash flows	331	(257,896)	(16,893)	-	(274,458)
Non-cash changes:					
Interest expense	-	114,536	8,031	963	123,530
Interest expense capitalized	-	29,571	-	-	29,571
Recognition of lease liabilities	-	-	2,959	-	2,959
Termination of lease	-	-	(2,909)	-	(2,909)
Effect of lease modification	-	-	(20)	-	(20)
Change in fair value	-	-	-	1,199	1,199
Total non-cash changes	-	144,107	8,061	2,162	154,330
As at 31 December 2025	4,445	2,964,430	103,268	21,762	3,093,905

34. CAPITAL COMMITMENTS

	2025 RMB'000	2024 RMB'000
Capital expenditure of the Group authorized and contracted for at the end of the financial year but not recognized as liabilities:		
- Acquisition of property, plant and equipment	434	16,682
- Capital injection in an associate	-	260,099

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

35. DISPOSAL OF SUBSIDIARIES

(a) Shenzhen Concord Medical Investment Limited (“Shenzhen Concord”)

In June 2024, the Company entered into a sale and purchase agreement with an independent third party to transfer 100% interest of Shenzhen Concord, a wholly owned subsidiary of the Group with a consideration of RMB10,000,000. Upon completion of the transaction, Shenzhen Concord ceased to be a subsidiary of the Group.

Gain on disposal of a subsidiary was determined as follows:

	RMB'000
Property, plant and equipment (Note 17)	19,182
Deferred tax assets (Note 19)	6,234
Right of use assets (Note 28)	16,521
Intangible assets (Note 18)	284
Inventories	219
Trade receivables	169
Deposits, prepayment, and other receivables	16,044
Cash and cash equivalents	632
Trade payables	(3,119)
Accruals and other payables	(24,031)
Deferred tax liabilities (Note 19)	(4,130)
Contract liabilities (Note 7(c))	(5)
Lease liabilities (Note 28)	(26,435)
	<hr/>
Net assets disposed of:	1,565
Consideration satisfied by:	
Cash consideration	10,000
Amount due from Shenzhen Concord	28,454
	<hr/>
	38,454
Gain on disposal of a subsidiary (Note 8)	36,889
	<hr/>
Net cash inflow on disposal of a subsidiary:	

	RMB'000
Cash consideration received	10,000
Less: cash and cash equivalents disposed of	(632)
	<hr/>
	9,368
	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

35. DISPOSAL OF SUBSIDIARIES (continued)

(b) Guangzhou Concord Hospital Management Co. Ltd. (“Guangzhou Concord”)

In April 2024, the Company entered into an agreement to transfer 50% interest of 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. Upon the completion of the transaction, 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.

Gain on disposal of a subsidiary was determined as follows:

	RMB'000
Property, plant and equipment (Note 17)	7,533
Right of use assets (Note 28)	4,308
Intangible assets (Note 18)	7,087
Inventories	189
Trade receivables	1
Deposits, prepayment, and other receivables	696
Cash and cash equivalents	1,469
Trade payables	(4,252)
Accruals and other payables	(5,711)
Contract liabilities (Note 7(c))	(2)
Borrowings (Note 33)	(7,487)
Deferred tax liabilities (Note 19)	(984)
Lease liabilities (Note 28)	(5,631)
	<hr/>
Net liabilities disposed of:	(2,784)
Release of: – capital reserve	463
– non-controlling interest	1,360
	<hr/>
	(961)
	<hr/>
Consideration satisfied by:	
Cash consideration	1,945
Fair value of 20% retained interest	778
	<hr/>
	2,723
Gain on partial disposal of a subsidiary (Note 8)	3,684
	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

35. DISPOSAL OF SUBSIDIARIES (continued)

(b) Guangzhou Concord Hospital Management Co. Ltd. (“Guangzhou Concord”) (continued)

Net cash inflow on disposal of a subsidiary:

	RMB'000
Cash consideration received	1,945
Less: cash and cash equivalents disposed of	<u>(1,469)</u>
	<u>476</u>

(c) Chengdu Wenjiang Hexinkang Internet Hospital Co., LTD (“Wenjiang Hexinkang”)

In July 2024, the Company entered into an agreement to transfer 100% interest of Wenjiang Hexinkang to an independent third party at a consideration of RMB500,000. Upon completion of the transaction, Wenjiang Hexinkang ceased to be a subsidiary of the Group.

	RMB'000
Deposits, prepayment, and other receivables	_*
Cash and cash equivalents	<u>_*</u>
Net asset disposed were:	_*
Consideration satisfied by:	
Cash consideration	<u>500</u>
Gain on disposal of a subsidiary (Note 8)	<u>500</u>
Net cash inflow on disposal of a subsidiary:	
	RMB'000
Cash consideration received	500
Less: cash and cash equivalents disposed of	<u>_*</u>
	<u>500</u>

* represent balance less than RMB1,000.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

36. NON-CONTROLLING INTEREST

Details of particular of material non-controlling interest are as follows:

Name of subsidiary	Ownership interest held by non-controlling interests	
	2025	2024
SHMDI	50.81%	50.38%

Summarized financial information in relation to the NCI of SHMDI, before intra-group eliminations, is presented below:

	2025 RMB'000	2024 RMB'000
Revenue	58,655	66,024
Post-tax loss	(24,677)	(29,471)
Total comprehensive income	(24,677)	(29,471)
Loss allocated to NCI	(12,540)	(14,625)
Cash flows from operating activities	2,502	186
Cash flows from investing activities	(25)	(352)
Cash flows from financing activities	(352)	(25)
Net cash outflows	2,125	(191)
	2025 RMB'000	2024 RMB'000
Current assets	30,629	13,771
Non-current assets	208,182	241,489
Current liabilities	(99,881)	(83,685)
Non-current liabilities	(172,073)	(190,021)
Net liabilities	(33,143)	(18,446)
Accumulated non-controlling interests	(72,167)	(59,482)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

37. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimisation of the debt and equity balance, as well as to meet the requirements of the financial covenants.

The directors of the Company review the capital structure on a continuous basis taking into account the loss of capital and the risk associated with the capital. The Group will balance its overall capital structure through the payment of dividends, new shares issue and share buy-back as well as the issue of new debts or redemption of existing debt, if necessary.

	2025 RMB'000	2024 RMB'000
Current liabilities		
Trade payables	82,699	112,146
Accruals and other payables	419,268	558,916
Income tax payable	2,298	2,295
Contract liabilities	95,923	46,426
Amounts due to related parties	13,855	13,464
Lease liabilities	9,582	10,388
Bank and other borrowings	600,317	372,629
Convertible bond	21,762	19,600
	1,245,704	1,135,864
Non-current liabilities		
Lease liabilities	93,686	101,712
Bank and other borrowings	2,364,113	2,705,590
Deferred tax liabilities	58,097	62,586
	2,515,896	2,869,888
Total debt	3,761,600	4,005,752
Less: Cash and cash equivalents	(294,476)	(204,544)
Net debt	3,467,124	3,801,208
Total equity	2,025,807	1,900,810
Capital and net debt	5,492,931	5,702,018

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table shows the carrying amount of financial assets and liabilities:

	2025 RMB'000	2024 RMB'000
Financial assets at amortized cost:		
Trade receivables	45,807	51,480
Deposits and other receivables	82,130	44,363
Amounts due from related parties	2,105	105,316
Restricted cash	24,395	46,211
Cash and cash equivalents	294,476	204,544
	448,913	451,914
Financial assets at fair value through profit or loss		
Financial products	–	132,575
	448,913	584,489
Financial liabilities at amortized cost:		
Trade payables	82,699	112,146
Accruals and other payables	311,253	473,965
Amounts due to related parties	13,855	13,464
Lease liabilities	103,268	112,100
Bank and other borrowings	2,964,430	3,078,219
Convertible bond – liability component	19,585	18,622
	3,495,090	3,808,516
Financial liabilities at fair value through profit or loss		
Convertible bond – embedded derivatives component	2,177	978
	3,497,267	3,809,494

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, deposits and other receivables, amounts due from/(to) related parties, restricted cash, cash and cash equivalents, trade payables, accruals and other payables, and bank and other borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include interest rate risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Interest rate risk

The Group has no significant interest — bearing assets other than bank deposits and financial products. Bank balances and financial products at floating rates expose the Group to cash flow interest rate risk. Management monitors the interest rate risk and performs sensitivity analysis on a regular basis.

The Group's interest-rate risk mainly arises from bank and other borrowings as disclosed in Note 30. Certain bank and other borrowings were issued at fixed rates which expose the Group to fair value interest-rate risk. The Group also has cash flow interest-rate risk arising from borrowings which bear floating interest rates. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

The interest rates and terms of repayment of the Group's lease liabilities, bank and other borrowings and convertible bond are disclosed in Notes 28, 30 and 29 to the financial statements respectively.

At 31 December 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's loss after taxation and would have decreased/increased total equity by approximately RMB24,062,000 (2024: RMB24,225,000), in response to the general increase/decrease in interest rates.

The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the end of reporting date.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(ii) *Credit risk*

The Group is exposed to credit risk in relation to its trade and other receivables, amounts due from related parties, and cash deposits at banks. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage this risk, cash deposits are mainly placed with state-owned financial institutions in the PRC and reputable international financial institutions outside the PRC. There has been no recent history of default in relation to these financial institutions.

The Group's trade receivable are mainly from providing medical service to patients as well as providing services to the radiotherapy centers and trustee hospitals. The Group, being a provider of healthcare service to patients, has a highly diversified customer base, with one customer whose transactions have exceeded 10% of the Group's revenue. However, the Group has concentrated debtor's portfolio, as majority patients will claim their medical bill from public medical insurance program. The reimbursement from these organizations may take one to twelve months. The Group has policy in place to ensure the treatments and medicines prescribed and provided to such insured patients are in line with respective organizations' policy, provided fulfilling all ethics and moral responsibilities as a healthcare provider. The Group also has controls to closely monitor the patients' billings and claim status to minimise the credit risk.

For other receivables and amount due from related parties, management makes periodic collective assessments as well as individual assessment on the recoverability of such receivables based on historical settlement records and past experience. The directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables and amounts due from related parties as the Group closely monitors their repayment.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(ii) Credit risk (continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forwarding-looking information. Especially the following indicators are incorporated:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on the other financial instruments of the borrower
- Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(ii) Credit risk (continued)

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2025 and 2024.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

	12 – month	Lifetime ECLs			Total
	ECLs			Simplified	
	Stage 1	Stage 2	Stage 3	approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	–	–	–	92,208	92,208
Deposits and other receivables**	101,170	–	3,998	–	105,168
Amounts due from related parties**	2,526	–	–	–	2,526
Restricted cash	24,395	–	–	–	24,395
Cash and cash equivalents	294,476	–	–	–	294,476
	422,567	–	3,998	92,208	518,773

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(ii) Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2024

	12 – month ECLs		Lifetime ECLs		Simplified approach RMB'000	Total RMB'000
	Stage 1	Stage 2	Stage 3			
	RMB'000	RMB'000	RMB'000			
Trade receivables*	–	–	–	97,985	97,985	
Deposits and other receivables**	52,521	–	696	–	53,217	
Amounts due from related parties**	125,188	–	–	–	125,188	
Restricted cash	46,211	–	–	–	46,211	
Cash and cash equivalents	204,544	–	–	–	204,544	
	428,464	–	696	97,985	527,145	

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 21 to the financial statements.

** Deposits and other receivables and amounts due from related parties is considered to be “stage 1” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Therefore, a loss allowance at an amount equal to 12-month ECL is recognized for these financial assets. Otherwise, the financial assets is considered to be “stage 2” or “stage 3” and lifetime ECL is recognized.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in Note 21 to the consolidated financial statements.

Since the Group trades only with recognized and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty and by geographical region.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(ii) Credit risk (continued)

Maximum exposure and year-end staging (continued)

Movement in the loss allowance account in respect of other receivables and amounts due from related parties during the year is as follows:

Loss allowances

	Stage 1 12 months ECLs RMB'000	Stage 2 Lifetime ECL, non-credit impaired RMB'000	Stage 3 Lifetime ECL, credit- impaired RMB'000	Total RMB'000
Balance as at 1 January 2024	7,836	62	823	8,721
Transfer from stage 1 to stage 2	(696)	696	–	–
Transfer from stage 2 to stage 3	–	(696)	696	–
Derecognition or repaid	(5,045)	(62)	(823)	(5,930)
New financial assets	31,721	–	–	31,721
Disposal of subsidiaries	(5,786)	–	–	(5,786)
Balance as at 31 December 2024 and 1 January 2025	28,030	–	696	28,726
Transfer from stage 1 to stage 2	(3,998)	3,998	–	–
Transfer from stage 2 to stage 3	–	(3,998)	3,998	–
Derecognition or repaid	(31,851)	–	(696)	(32,547)
New financial assets	27,280	–	–	27,280
Balance as at 31 December 2025	19,461	–	3,998	23,459

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(iii) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the directors of the Company, who has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements, as well as compliance with financial covenants. The Group manages liquidity risk by maintaining adequate reserves and banking facilities.

The following table details the Group's remaining contractual maturity for its non-derivative and derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from current interest rate at the end of each reporting period.

	Carrying amount RMB'000	Within one year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total contractual undiscounted cash flows RMB'000
As at 31 December 2025						
Trade and other payables	393,952	393,952	-	-	-	393,952
Amounts due to related parties	13,855	13,855	-	-	-	13,855
Lease liabilities	103,268	20,790	15,515	115,845	-	152,150
Convertible bond	21,762	24,750	-	-	-	24,750
Bank and other borrowings	2,964,430	612,239	134,602	1,597,239	679,000	3,023,080
	3,497,267	1,065,586	150,117	1,713,084	679,000	3,607,787

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(iii) Liquidity risk (continued)

	Carrying amount RMB'000	Within one year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total contractual undiscounted cash flows RMB'000
As at 31 December 2024						
Trade and other payables	586,111	586,111	–	–	–	586,111
Amounts due to related parties	13,464	13,464	–	–	–	13,464
Lease liabilities	112,100	21,405	15,272	128,235	–	164,912
Convertible bond	19,600	–	–	24,750	–	24,750
Bank and other borrowings	3,078,219	391,196	277,578	1,626,363	837,557	3,132,694
	3,894,494	1,012,176	292,850	1,779,348	837,557	3,921,931

(iv) Currency risk

The Group mainly operated in the PRC with most of the transactions settled in RMB and did not have significant exposure to risk resulting from changes in foreign currency exchange rates.

(v) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade receivables, deposits and other receivables, amounts from related parties, trade payables, accruals and other payables, amounts due to related parties, convertible bond – liability component, and bank and other borrowings.

Due to their short term nature, the fair values of cash and cash equivalents, trade receivables, deposits and other receivables, amounts from/to related parties, trade payables, accruals and other payables, amounts due to related parties, convertible bond liability component, and bank and other borrowings approximate their carrying amounts.

(vi) Financial instruments measured at fair value

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:

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(vi) Financial instruments measured at fair value (continued)

Fair value hierarchy (continued)

- 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

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

	At 31 December 2025			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Financial liabilities at FVTPL				
Convertible bonds – Embedded derivatives component	-	-	2,177	2,177
	At 31 December 2024			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Financial liabilities				
Financial products	-	132,575	-	132,575
Financial liabilities at FVTPL				
Convertible bonds – Embedded derivatives component	-	-	978	978

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(vi) Financial instruments measured at fair value (continued)

During the years ended 31 December 2025 and 2024, 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 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.

	31 December 2025 RMB'000	31 December 2024 RMB'000	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
Financial assets							
Financial products	N/A	132,575	Level 2	Net asset value	n/a	n/a	n/a

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:

	31 December 2025 RMB'000	31 December 2024 RMB'000	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
Derivative financial liabilities classified as FVTPL – convertible bonds	2,177	978	Level 3	Binominal pricing model	Risk-free interest rate Volatility Stock Price	1.33% (2024: 1.13%) 46.48% (2024: 48.27%) 9.15 (2024: 13.6)	The higher the interest rate, the lower the fair value The higher the volatility, the higher the fair value The higher the stock price, the higher the fair value

There was no change in valuation techniques for the years.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(vi) Financial instruments measured at fair value (continued)

The sensitivity analysis on changes in fair value of the embedded derivative component of convertible bond is as follows:

A 0.5% increase/decrease in risk-free interest rate while all other variables keep constant, would decrease/increase the carrying amount as at 31 December 2025 by RMBNil/RMBNil (2024: RMB147,000/RMB150,000).

A 5% increase/decrease in volatility while all other variables keep constant, would increase/decrease the carrying amount as at 31 December 2025 by RMBNil/RMBNil (2024: RMB306,000/RMB308,000).

A 5% increase/decrease in stock price while all other variables keep constant, would increase/decrease the carrying amount as at 31 December 2025 by RMBNil/RMBNil (2024: RMB412,000/RMB412,000).

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

	2025 RMB'000	2024 RMB'000
At 1 January	978	1,577
Change in fair value recognised in profit or loss	1,199	(2,033)
At 31 December	2,177	978

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

39. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

	2025 RMB'000	2024 RMB'000
ASSETS AND LIABILITIES		
Non-current assets		
Investments in subsidiaries	1,987,775	2,017,395
Property, plant and equipment	207,558	208,672
Right-of-use assets	980	1,465
Intangible assets	4,719	7,843
Deposits, prepayments and other receivables	–	17,772
Amounts due from related parties	173,733	181,269
	2,374,765	2,434,416
Current assets		
Trade receivables	223	4,339
Deposits, prepayments and other receivables	141,877	43,087
Amounts due from subsidiaries	1,710,092	1,528,946
Amount due from related parties	–	72,448
Restricted cash	19,603	10,020
Financial assets measured at fair value through profit or loss (FVTPL)	–	132,575
Cash and cash equivalents	124,413	35,565
	1,996,208	1,826,980
Current liabilities		
Trade payables	(736)	(402)
Accruals and other payables	(100,646)	(157,740)
Income tax payable	(572)	(1,670)
Amounts due to related parties	(59)	(337)
Lease liabilities	(1,410)	(1,113)
Bank and other borrowings	(451,070)	(115,226)
	(554,493)	(276,488)
Net current assets	1,441,715	1,550,492
Total assets less current liabilities	3,816,480	3,984,908

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

39. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION (continued)

	Notes	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Lease liabilities		–	(848)
Bank and other borrowings		(127,251)	(573,325)
Deferred tax liabilities		(28)	(2,160)
		(127,279)	(576,333)
Net assets		3,689,201	3,408,575
EQUITY			
Share capital	31	783,662	716,338
Reserves	(i)	2,905,539	2,692,237
Total equity		3,689,201	3,408,575

Approved and authorised for issue by the Board of Directors on 27 March 2026

YANG Jianyu

FU Xiao

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

39. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION (continued)

Note:

(i) Movement in reserves are as follows:

	Capital reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	3,824,541	(1,277,697)	2,546,844
Loss and total comprehensive income for the year	–	(303,921)	(303,921)
Issuance of shares upon listing	478,466	–	478,466
Expense attributed to issue of new shares upon listing	(29,152)	–	(29,152)
At 31 December 2024 and 1 January 2025	4,273,855	(1,581,618)	2,692,237
Loss and total comprehensive income for the year	–	(43,169)	(43,169)
Placing of shares	256,471	–	256,471
At 31 December 2025	4,530,326	(1,624,787)	2,905,539

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

40. INVESTMENT IN SUBSIDIARIES

Name of subsidiary	Date and place of incorporation/ establishment	Attributable equity interest of the Group		Issued and fully paid share capital	Principal activities
		2025	2024		
Shenzhen Aohua Medical Technology Development Co., Ltd. ("Shenzhen Aohua")	Incorporated on 21 February 2008 in the PRC	100%	100%	RMB250,051,480	Leasing of medical equipment and provision of management services
Ningbo Jiahe Hospital Management Ltd.	Incorporated on 5 November 2020 in the PRC	100%	100%	RMB71,500,000/ RMB1,000,000	Provision of management services
Yinchuan Meizhong Jiahe Internet Hospital Ltd.	Incorporated on 18 November 2020 in the PRC	100%	100%	RMB22,000,000	Medical treatment and service
Guangzhou Meizhong Jiahe Technology Service Co., Ltd. (note f)	Incorporated on 11 May 2021 in the PRC	—	100%	N/A (2024: RMB10,000,000)	Inactive
Guangzhou Concord Medical Sci-Tech Innovation Center Co., Ltd.	Incorporated on 22 April 2021 in the PRC	100%	100%	RMB50,000,000/ RMBNil	Inactive
Guangzhou Concord Cancer Center Co., Ltd. ("Guangzhou Concord Cancer Hospital")	Incorporated on 29 June 2011 in the PRC	70%	80%	RMB200,000,000	Medical treatment and service
Beijing Yundu Internet Technology Co., Ltd.	Incorporated on 27 July 2007 in the PRC	100%	100%	RMB10,000,000	Provision of management services
Shanghai Concord Medical Cancer Center Co., Ltd. ("Shanghai Outpatient Center")	Incorporated on 2 November 2006 in the PRC	86.4%	86.4%	RMB113,805,000/ RMB88,505,000	Medical treatment and service
Shanghai Concord Medical Cancer Hospital Limited ("SHCC")	Incorporated on 17 March 2014 in the PRC	99.5%	99.5%	RMB1,429,000,000/ RMB1,000,000,000	Medical treatment and service
Shanghai Jaihe General Practice Center Co., Ltd. (Note e)	Incorporated on 2 November 2020 in the PRC	14.1%	27.0%	RMB3,000,000	Medical treatment and service

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

40. INVESTMENT IN SUBSIDIARIES (continued)

Name of subsidiary	Date and place of incorporation/ establishment	Attributable equity interest of the Group		Issued and fully paid share capital	Principal activities
		2025	2024		
Shanghai Taizhi Medical Technology Service Co., Ltd.	Incorporated on 15 November 2021 in the PRC	100%	100%	RMB100,000,000/ RMB30,000	Medical equipment trading and technical service
Shanghai Concord Medical Diagnosis Imaging Limited ("SHMDI") (note g)	Incorporated on 15 January 2018 in the PRC	49.2%	49.6%	RMB186,533,719/ RMB173,003,719	Provision of medical treatment and service business
Beijing Healthingkon Technology Co., Ltd. ("Beijing Healthingkon") (Note d)	Incorporated on 25 August 2018 in the PRC	27.0%	26.3%	RMB52,919,181/ RMB36,050,395	Provision of medical treatment and service business
Beijing Healthingkon Data Technology Co., Ltd. ("Healthingkon Data") (Note e and f)	Incorporated on 25 May 2018 in the PRC	27.0%	26.3%	RMB1,000,000/ RMBNil	Technology promotion and application service
Shanghai Hexinkang Technology Service Co., Ltd. ("Shanghai Healthingkon") (Note e)	Incorporated on 19 September 2023 in the PRC	14.1%	26.3%	RMB3,000,000	Inactive
Guangzhou Taihe Pharmacy Co., Ltd.	Incorporated on 12 December 2022 in the PRC	100%	100%	RMB10,000,000/ RMB456,000	Medical equipment trading and technical service

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

40. INVESTMENT IN SUBSIDIARIES (continued)

Notes:

- a) The English names of all subsidiaries established in the PRC are translated for identification purpose only.
- b) All companies comprising the Group have adopted 31 December as their financial year end date.
- c) All entities are established in the PRC in the form of domestic limited liability company.
- d) As at 31 December 2025 and 2024, although the Group only owns 26.3% interest in this company, the Group has the power to control and direct its key operating and financing activities through entering into an acting in concert agreement with other shareholders. By executing the acting in concert agreement, other shareholders agreed to follow all decisions made by the Group. Consequently, the company is considered as a subsidiary of the Group.
- e) As at 31 December 2025 and 2024, although the Group only owns 26.3% interest in these companies, the Group has the power to control and direct its key operating and financing activities as the company is a wholly-owned subsidiary of Beijing Healthingkon.
- f) The companies have been deregistered during the year.
- g) As at 31 December 2025 and 2024, although the Group only owns 49.6% interest in these companies, the Group has the power to control and direct its key operating and financing activities as the company is 68.4% owned by Beijing Healthingkon and 31.6% owned by the Company.

41. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issued by the Board on 27 March 2026.

Five-Year Financial Summary

(RMB'000)	For the year ended December 31,				
	2025	2024	2023	2022	2021
Operation results					
Revenue	459,922	388,305	538,650	472,170	470,505
Loss before income tax credit	(310,021)	(485,849)	(432,592)	(647,170)	(836,337)
Income tax credit	4,225	1,031	6,198	9,948	5,204
Loss and total comprehensive income attributable to owners of the Company	(256,603)	(443,223)	(373,090)	(541,404)	(816,593)
Total assets	5,787,407	5,906,562	5,236,396	5,411,525	5,446,953
Total liabilities	3,761,600	4,005,752	3,367,211	3,415,946	6,603,903
Total equity	2,025,807	1,900,810	1,869,185	1,995,579	(1,156,950)

Definition

“2025 Environmental, Social and Governance Report”	the environmental, social and governance report of the Company to be published on April 15, 2026
“AGM”	the annual general meeting of the Company to be held on Monday, May 11, 2026 or any adjournment thereof
“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 Healthingkon”	Beijing Healthingkon 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 53.72%
“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
“China” or “PRC”	the People’s Republic of China, excluding, for the purposes of this annual 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 a member of the Controlling Shareholders

Definition

“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, Tianjin Concord and Shanghai Xinhe
“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
“EGM”	an extraordinary general meeting of the Company
“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
“H Share Incentive Scheme”	the H Share incentive scheme adopted by the Company at the extraordinary general meeting held on January 22, 2025
“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

Definition

“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
“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, 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
“Pre-IPO Investor(s)”	the investor(s) from whom the Company obtained several investments, details of which are set out in the section headed “History, Development and Corporate Structure – Pre-IPO Investments” in the Prospectus
“Prospectus”	the prospectus 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 year ended December 31, 2025
“Restricted Period”	the period which commences from the Listing Date and (1) the date when the Shares cease to be listed on the Stock Exchange and (2) the date when the Controlling Shareholders cease to be controlling shareholders of our Company

Definition

“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 GP Clinic”	Shanghai Meizhong Jiahe General Practice Center Co., Ltd. (上海美中嘉和雲影全科診所有限公司), a limited liability company established in the PRC on November 2, 2020 and an indirectly wholly-owned subsidiary of our Company, which operates under the trade name of Shanghai Meizhong Jiahe Yuning General Practice Clinic (上海美中嘉和雲影全科診所)
“Shanghai Hospital”	Shanghai Concord Medical Cancer Hospital Limited* (上海泰和誠腫瘤醫院有限公司), a limited liability company established in the PRC on March 17, 2014, which is owned as to 69.63% by our Company and is expected to operate under the trade name of Shanghai Concord Medical Cancer Hospital* (上海泰和誠腫瘤醫院)
“Shanghai Imaging Center”	Shanghai Concord Medical Diagnostic Imaging Limited (上海美中嘉和醫學影像診斷有限公司), a limited liability company established in the PRC on January 15, 2018, which is controlled by our Company and operates under the trade name of Shanghai Concord Medical Imaging Diagnostic Center (上海美中嘉和醫學影像診斷中心)
“Shanghai Medstar”	Medstar (Shanghai) Enterprise Management Co., LTD (醫學之星(上海)企業管理有限公司) (previously known as Shanghai Medstar Financial Leasing Company Limited (醫學之星(上海)融資租賃有限公司)), a limited liability company established in the PRC on March 21, 2003, one of the Controlling Shareholders
“Shanghai Outpatient Center”	Shanghai Concord Medical Cancer Center Co., Ltd. (上海美中嘉和腫瘤門診部有限責任公司), a limited liability company established in the PRC on November 2, 2006, which is owned as to 67.22% by our Company and operates under the trade name of Shanghai Concord Medical Cancer Outpatient Center (上海美中嘉和腫瘤門診部)
“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, one of the Controlling Shareholders
“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

Definition

“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