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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2026**

The Board is pleased to announce the unaudited consolidated financial results of the Group for the six months ended June 30, 2026, together with the comparative figures for the six months ended June 30, 2025 as below.

FINANCIAL HIGHLIGHTS

- Our revenue increased by 34.2% from RMB200.9 million for the six months ended June 30, 2025 to RMB269.6 million for the six months ended June 30, 2026, of which the revenue from hospital operations increased by 73.4% from RMB153.2 million for the six months ended June 30, 2025 to RMB265.7 million for the six months ended June 30, 2026.
- Our gross profit increased by 18,950.1% from RMB0.4 million for the six months ended June 30, 2025 to RMB73.0 million for the six months ended June 30, 2026.
- Our net loss decreased by 50.4% from RMB200.0 million for the six months ended June 30, 2025 to RMB99.2 million for the six months ended June 30, 2026.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 June

2026	2025
RMB '000	RMB '000
(Unaudited)	(Unaudited)

Revenue	269,648	200,903
Cost of revenue	<u>(196,686)</u>	<u>(200,520)</u>
Gross profit	72,962	383
Other income and other net gains	10,684	1,850
Reversal of/(provision for) impairment loss on trade receivables, net	2,073	(30,654)
Reversal of/(provision for) impairment loss on other receivables, net	2,707	(7,681)
Provision for impairment loss on amounts due from related parties, net	(22,881)	(7,812)
Selling and distribution expenses	(30,366)	(21,126)
Administrative expenses	(64,296)	(55,345)
Research expenses	(11,562)	(13,618)
Share of associates' results	(852)	(888)
Share of a joint venture's result	(384)	(772)
Finance costs	<u>(59,542)</u>	<u>(66,329)</u>
Loss before income tax credit	<u>(101,457)</u>	<u>(201,992)</u>
Income tax credit	<u>2,225</u>	<u>1,971</u>
Loss and total comprehensive income for the period	<u>(99,232)</u>	<u>(200,021)</u>
Attribute to:		
Owners of the Company	(77,338)	(176,598)
Non-controlling interests	<u>(21,894)</u>	<u>(23,423)</u>
	<u>(99,232)</u>	<u>(200,021)</u>
Loss per share (expressed in RMB cents)		
Basic loss per share	(9.87)	(24.46)
Diluted loss per share	<u>(10.74)</u>	<u>(24.46)</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Hospital Business

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

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

The Group has independently built and operated a tertiary specialized cancer hospital with a total planned floor area exceeding 100,000 square meters – Guangzhou Concord Cancer Hospital. Located in the China – Singapore Guangzhou Knowledge City, the hospital is one of the first key high-tech medical service projects launched in the Knowledge City. The hospital fully integrates government support policies and industrial park resources to provide comprehensive diagnostic and treatment services including cancer screening and risk intervention, precision cancer diagnosis and treatment, and rehabilitation. In particular, the hospital employs distinctive treatment modalities such as precision radiotherapy for tumors featuring proton therapy, breast-conserving surgery and reconstruction for breast cancer, striving to provide high – quality and differentiated diagnostic and treatment services for every patient. On December 16, 2024, the proton therapy center at Guangzhou Concord Cancer Hospital commenced full – scale clinical operations, marking the first proton therapy system officially operational in the southern region of Mainland China. Cancer patients from across China and even Southeast Asia can now access advanced proton therapy closer to home. This milestone event marks a significant step forward for the Group in precision oncology, particularly in the high-end radiotherapy service market. Revenue and profits have gradually achieved qualitative improvement. Meanwhile, the Group’s technical service capabilities and competitiveness in the high-end medical service market will be enhanced, enabling it to better deliver differentiated oncology diagnosis and treatment services.

2. *Yangtze River Delta Region*

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

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, as well as operation and management support. To this end, the Group has established an extensive network covering medical institutions, research institutions and equipment manufacturers to lay a solid foundation for the sustainable growth of business. Since 2019, the Group has launched CSS (Cloud + Software + Service), covering cloud platforms, software, and related services, 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. At this stage, the Group has leveraged its years of accumulated experience to expand overseas operations in regions such as Southeast Asia and Central Asia, achieving breakthroughs in its internationalization and global expansion efforts.

BUSINESS UPDATES

Proton Therapy Business has Entered a New Phase of Routine Operation

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

As of the date of this announcement, the proton therapy center of Guangzhou Hospital has been in operation for 20 months, with the cumulative total number of patients served exceeding 1,100 and the number of patients treated in a single day surpassing 100 for several consecutive days. Its service network covers 32 provincial-level administrative regions in China and more than 20 countries worldwide. Patients range from a 13-month-old infant to a 91-year-old senior. The cancers treated cover a broad spectrum of malignancies across multiple systems — including pediatric tumors, nasopharyngeal carcinoma, lung cancer, liver cancer, breast cancer, and neurological tumors, fully demonstrating the broad clinical value and strong market demand for proton therapy. Having officially entered a new phase of large-scale and routine operations, high-end proton precision radiotherapy in South China has stepped into a brand-new stage of development.

Deepen the Development of Specialized Oncology Diagnosis and Treatment, and Strengthen Technological Innovation, Disciplinary Collaboration, and International Service Capabilities

During the Reporting Period, Guangzhou Hospital successfully performed “SpaceOAR Hydrogel Rectal Spacer Placement”, an international cutting-edge technique, marking another major breakthrough in the precision and safety of domestic prostate cancer radiation therapy. The primary clinical value of this technology lies in significantly reducing radiation dosage to the rectum, minimizing radiation-induced intestinal toxicity, and preserving patients’ sexual function. The hydrogel naturally hydrolyzes and gets absorbed after the procedure, enhancing both safety and patient compliance.

Guangzhou Hospital continues to strengthen its academic development and team of experts. Guangzhou Hospital jointly established the Guangzhou Concord Cancer Hospital – Su Fengxi Breast Cancer Center (蘇逢錫乳腺腫瘤中心) with Professor Su Fengxi, Honorary Dean of Yat-sen Breast Tumor Hospital of Sun Yat-sen University (中山大學逸仙乳腺腫瘤醫院) and Founder of Su Fengxi Specialist Clinic (蘇逢錫專科門診部). Focusing on a full-cycle, integrated service model of “Breast-Conserving Surgery + Radiotherapy + Rehabilitation + Reconstruction”, the center is committed to building a leading domestic integrated platform for breast disease diagnosis and treatment. Both parties will integrate superior resources to jointly elevate breast cancer care in South China, offering patients more precise, systematic, and higher-quality full-cycle medical services.

To ensure a treatment experience for international patients, Guangzhou Hospital has built a full-process dedicated support system. This covers pre-arrival assistance (including medical visa invitation letters and dual-language medical record evaluations), in-hospital logistics (such as airport pickups, accommodation coordination, and dedicated medical interpreter accompaniment), and post-discharge care (including bilingual rehabilitation guidance and ongoing online follow-ups), thereby resolving barriers to cross-border medical care across all stages. In practice, Guangzhou Hospital has established a patient-centric treatment system benchmarked against internationally recognized standards. Guided by the philosophy of “Precise Control, Meticulous Execution, and Thoughtful Care”, it integrates personalized treatment plans, dynamic quality control, and the entire diagnosis and treatment process – ensuring every treatment is reliable and reassuring. Based on current treatment effectiveness, the proton center of Guangzhou Hospital leverages the advantage of being currently the only operational proton platform in South China, persistently strengthening its function as a core hub for high-end radiotherapy services in South China and Southeast Asia; meanwhile, establishing differentiated diagnosis and treatment pathways for regionally prevalent diseases to improve patient quality of life. The continued deepening of this business segment is effectively consolidating the Group’s position as a technological highland in precision cancer radiotherapy.

The Capacity to Introduce Innovative Medicines and Medical Devices Continues to be Demonstrated

The Group’s hospitals are committed to promoting safe and effective drug use, establishing efficient drug supply systems, improving drug accessibility, and providing patients with more comprehensive, stable, and economical innovator drugs and international frontier innovative drugs.

Just 8 days after the National Medical Products Administration approved the world’s first bispecific antibody-drug conjugate (ADC) targeting EGFR × HER3 – Izalontamab brengitecan (trade name: Yizekang(宜澤康)®)—it was officially made available in Guangdong Province. On the very first day of its release, Guangzhou Hospital completed the prescription issuance and clinical administration, fully demonstrating the hospital’s strong clinical capabilities in rapidly adopting cutting-edge innovative therapies. As a first-in-class bispecific ADC, this drug provides dual blockade of both the EGFR and HER3 tumor proliferation pathways. Leveraging a high-potency payload and the bystander effect, it effectively overcomes tumor resistance, showing superior clinical potential over traditional treatment regimens in indications such as nasopharyngeal carcinoma and esophageal squamous cell carcinoma, with broad application prospects. Relying on a mature multidisciplinary team (MDT) approach and a standardized adverse reaction management system, Guangzhou Hospital strictly implements stratified pre-treatment evaluation and full-process safety monitoring to ensure the safe clinical application of this innovative therapy.

Additionally, to better meet patients’ individualized medication needs, Guangzhou Hospital has opened a special “sporadic procurement (零星採購)” process. The drug procurement process and payment methods are also very user-friendly. Usually, with one day advance reservation, patients can obtain drugs on the second or third day. Guangzhou Hospital has formed a diversified payment model of “basic medical insurance + commercial insurance, etc.”, which can flexibly meet patients’ different needs. Furthermore, during the Reporting Period, Guangzhou Hospital officially launched a mobile payment function for outpatient medical insurance, enabling the entire process of medical insurance reimbursement and payment to be carried out online. This covers both patients with Guangzhou medical insurance and those with medical insurance from other regions, creating a closed-loop online service covering the entire process from “consultation – payment – collecting medication – bill inquiry”.

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

Synchronously Establishing Multi-Level Payment Channels, and Lowering the Barriers to Access for Cutting-edge Therapies

During the Reporting Period, the Group partnered with 16 mainstream insurance and health management institutions – including Ping An, CPIC, PICC, AIA, and MSH – and incorporated Guangzhou Hospital's proton therapy into their coverage, spanning 56 million-RMB medical insurance and mid-tier medical insurance products. Among these, direct-billing services for high-end medical insurance were established with nearly 30 insurance and TPA (Third-Party Administrator) entities, allowing patients to settle payments without cash upon obtaining pre-authorization. On the other hand, urban commercial healthcare insurance plans such as Guangzhou's "Suixin Bao" (穗新保) and Shenzhen's "Huimin Bao" (惠民保) have also included proton therapy within their reimbursement scope, forging a comprehensive payment ecosystem that combines "High-End Medical Insurance + Mid-Tier Million-RMB Medical Insurance + Urban Customized Inclusive Insurance." Currently, nearly 30% of patients receiving proton therapy at Guangzhou Hospital have their treatment expenses fully or partially covered by commercial insurance, significantly lowering the financial threshold for accessing cutting-edge radiotherapy. Proton therapy offers unique organ-sparing advantages in treating pediatric tumors, head and neck tumors, and other conditions; the expansion of insurance coverage will further unleash business demand. The Group will continuously broaden its insurance partnerships, dynamically update the list of reimbursable products, and steadily enhance the accessibility of proton therapy, laying a solid foundation for the growth of its precision radiotherapy business.

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 18% during the first half of 2026, representing a significant decline compared to the 25% recorded for the basic medical insurance payments for the same period of 2025.

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, 2026, 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.

Drive Progress through Scientific Research and Standard-setting, While Solidifying Our Industry Leadership and Strategic Influence

The Group continues to deepen its scientific research, innovation, and academic leadership, reinforcing technical barriers for high-quality development. During the Reporting Period, multiple national-level research projects acquired in 2025 progressed steadily. Numerous clinical studies on proton therapy focusing on cervical cancer, esophageal cancer, and nasopharyngeal carcinoma were carried out, alongside joint cutting-edge research in proton physics with top international institutions, resulting in multiple papers published in authoritative international SCI journals. Since 2019, Guangzhou Hospital has published over 90 SCI papers in aggregate and led or participated in formulating more than 10 national guidelines and standards. During the Reporting Period, 6 new SCI papers were published, and 8 clinical research projects were accepted.

Qian Chaonan (錢朝南), Dean of Guangzhou Hospital, has been selected for Elsevier's World's Top 2% Scientists list for six consecutive years;

- Experts such as Yuan Taize (袁太澤) and Zheng Yuanshui (鄭沅水) delivered academic presentations at the International Particle Therapy Conference;
- Fu Shen (傅深), Vice Dean, attended the Annual Conference of the Ion Radiotherapy Branch (離子放射治療分會) to share clinical experience in proton therapy. The project led by him was selected as a Guangzhou Clinical High-Tech Major Characteristic Technology Project and successfully concluded. His team has conducted multiple clinical studies on proton therapy for cervical cancer, esophageal cancer, and nasopharyngeal carcinoma, partnered with top international institutions on cutting-edge proton physics research, and published numerous papers in authoritative international SCI journals;
- Professor Gong Qing (龔卿) attended the Seminar of the Radiotherapy Equipment and Technology Branch, providing professional commentary.
- Professor Li Yang (李揚) was invited to attend the National Dermatopathology Academic Conference and the Academic Annual Meeting of the Pathology Branch of the Chinese Medical Association (中華醫學會), serving as a guest case commentator and delivering keynote presentations. Professor Li was also successfully re-elected as Vice Leader of the Dermatopathology Group of the Pathology Branch of the Chinese Medical Association.

Talent development and industry empowerment are advanced synchronously. The Group's Guangzhou Hospital hosted the first proton and heavy ion therapist training program of 2026. This program will offer standardized training for practitioners across the nation's proton and heavy ion centers, including radiotherapy technologists, physicists, and clinicians. Equipped with comprehensive proton therapy practical teaching scenarios and a standardized clinical system, Guangzhou Hospital will leverage these assets to help bridge the talent gap for professional proton therapy technologists in China. This will further consolidate the Group's advantages in exporting industry standards and cultivating talent within the particle radiotherapy sector.

The Group has long adhered to standardized cancer diagnosis and treatment, continuously enhancing its capacity to lead industry standards. During the Reporting Period, the Radiotherapy Quality Control Committee of the National Cancer Center officially released the 2026 edition of 11 radiotherapy quality control guidelines. Notably, the Group spearheaded the drafting of the Clinical Practice Guidelines for Total Skin (E-beam) Irradiation Technology (2026 Edition), establishing unified and standardized clinical operations and quality control specifications for the specialized radiotherapy of generalized cutaneous malignant tumors in China. To date, the Group has participated in compiling six radiotherapy quality control guidelines for the National Cancer Center. Relying on its long-term deep strategic cooperation with MD Anderson and Mayo Clinic, coupled with its self-developed oncology AI auxiliary diagnostic and treatment system, medical technology overseas expansion business, and a full-cycle MDT integrated diagnostic and treatment layout covering radiotherapy, internal medicine, surgery, and rehabilitation, the Group has constructed a differentiated competitive advantage driven synergistically by multiple growth curves. Simultaneously, it actively promotes the integration of proton therapy and AI technology to empower the entire diagnostic and treatment process, building a three-dimensional development pattern of “Medical + AI + Overseas Expansion”.

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

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

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

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

The Group Firmly Implements the “Overseas Expansion” Strategy, Achieving Substantive Breakthroughs in International Layout

In the first half of 2026, the Group’s cross-border medical service network gradually expanded to Southeast Asia, South Asia, Central Asia, and Russia, continuously strengthening its international diagnostic and treatment services and medical technology export capabilities.

The Group signed an agreement with the National Hospital in Indonesia, officially launching a new journey for the overseas export of “Medical + AI”. During the Reporting Period, Mr. Jiang Wei, President of the Group, and his core team officially signed a memorandum of understanding with the National Hospital in Surabaya, Indonesia, 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 leap in the independent innovation capabilities 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, working together to create a “Indonesian Model” that can be replicated and implemented. Through the introduction of state-of-the-art medical equipment, the establishment of a standardised diagnostic and treatment system, and the deployment of AI-assisted diagnostic tools, this cooperation will comprehensively enhance the standard of regional oncology care, enabling local patients to access world-class medical services on their doorstep and effectively reducing the burden of cross-border medical treatment. The Group abandons the single hardware technology export model in favor of providing full-chain systematic solutions. The Group not only exports cutting-edge diagnostic and treatment technologies, such as proton therapy and precision radiotherapy, and establishes efficient, standardized two-way international referral mechanisms; it also implements a full-cycle empowerment system. This system covers personalized treatment plan design, clinical quality control standard construction, and diagnostic workflow standardization. These efforts ensure the high-quality implementation of international standardized diagnostic and treatment processes in Indonesia, allowing local patients to access international-standard medical services without leaving their home country.

During the Reporting Period, the Ambassador of the Republic of Uzbekistan to China led a delegation to visit Guangzhou Hospital, reaching a cooperation consensus on cancer prevention and treatment technology synergy, two-way exchange and training of medical talents, and the construction of remote medical platforms. A medical delegation from Bangladesh also visited, reaching multiple cooperation consensuses regarding international medical referrals, medical technology sharing, and specialist talent exchanges. Furthermore, medical delegations from multiple countries, including Russia and Kazakhstan, visited for exchanges, with plans to establish a long-term, normalized communication and collaboration mechanism. The Group’s cross-border medical service network now covers Southeast Asia, South Asia, Central Asia, and Russia. As a result, its international diagnostic and treatment services and medical technology export capabilities are continuously strengthening, driving a steady rise in its international brand influence.

During the Reporting Period, a delegation comprising representatives from ten international medical referral institutions and oncology experts from multiple countries, including Russia and Kazakhstan, visited Guangzhou Concord Cancer Hospital under the Group to conduct special inspections and academic exchanges. The delegation conducted on-site visits to key clinical platforms such as the hospital’s proton therapy center and radiotherapy center, systematically inspecting the technical configuration, clinical application effectiveness, and standardized diagnostic and treatment service system of the first ProBeam proton therapy system in South China. The two parties engaged in in-depth consultations on pragmatic cooperation directions, including two-way cross-border patient referrals, remote multidisciplinary consultations, multilingual exclusive medical services, international medical and commercial insurance docking, and specialized academic exchanges. They reached a deep cooperation consensus and plan to establish a long-term, normalized communication and collaboration mechanism to jointly serve the high-end diagnostic and treatment needs of cancer patients in Russian-speaking regions and countries along the route.

Medical institutions under the Group welcomed waves of high-end visits and academic exchanges from multiple countries, demonstrating international medical community recognition of their technical strength. On March 9, 2026, Professor Toh Han Chong, deputy director of National Cancer Centre Singapore, led a delegation to visit Guangzhou Concord Cancer Hospital, conducting in-depth examinations of clinical business systems and international service standards. On June 21, 2026, Sophon Suwannarat, the prefectural magistrate of Phuket, Thailand, led a government delegation for a special visit, with both sides conducting in-depth exchanges on international medical cooperation and international referral cooperation. These visits not only verified the Group's international standards in high-end medical equipment, medical standards, service concepts, and medical environment construction, but also opened new pathways for cross-border medical resource collaboration.

Meanwhile, the Group's technical exchange level shows deep professionalization trends. The "New Technologies in Stereotactic Radiotherapy and Clinical Applications • Sino-US Radiotherapy Frontier Academic Exchange Conference (立體定向放療新技術及臨床應用•中美放療前沿學術交流會)" held in June 2026 specially invited renowned senior medical physicist Professor Benedict from the United States to give lectures. This conference built a good exchange platform for Sino-US radiotherapy academia, providing beneficial references for future development of precision radiotherapy through sharing clinical practice experience in innovative technologies such as SBRT and SBPT. Guangzhou Concord Cancer Hospital will continue to promote such high-level international academic exchanges, helping China's radiation treatment industry align with international frontiers.

In international cooperation channel expansion, the Group demonstrated platform value. During the "Japanese Enterprises Guangdong Tour (日本企業廣東行)" event in June 2026, executives from over 20 Japanese companies including Mizuho Financial and Mitsubishi Corporation focused on inspecting Guangzhou Concord Cancer Hospital. As a representative of high-end medical institutions in Huangpu District, the hospital became an important window for foreign parties to gain in-depth understanding of Guangzhou's medical strength and level of internationalization. Current international interactions are steadily enhancing the Group's professional reputation in Asia's high-end medical field.

Medical Equipment, Software and Related Services

In the first half of 2026, the Group continued to focus on the core tasks of the medical equipment, software and related services business: ensuring the steady advancement and timely delivery of core projects, while concurrently following up on the strategic expansion of product lines. At the project execution level, the Group continuously deepened customer collaboration mechanisms, improved supporting systems, and ensured high-quality, zero-defect delivery of major projects. It persistently optimised delivery solutions and cooperation standards, building long-term competitive advantages for customers. Meanwhile, the Group deeply integrated nearly 20 years of technological accumulation in the radiotherapy field, systematically consolidated full-cycle radiotherapy supporting products, and built a three-dimensional product matrix of "core equipment + expert advantages + value-added services", providing comprehensive high-end solutions from requirement initiation to delivery upgrade, thereby enhancing differentiated competitiveness. At the business development level, the Group continued to deepen technical empowerment services and improve the penetration rate of radiotherapy and imaging cloud platforms. In terms of customer ecosystem development, the Group continued to consolidate cooperative relationships with customers, upgrading the cooperation model from single projects to deep collaboration. Looking ahead, it will continue to provide product, technology and customer resource support for other related businesses of the Group, solidify the business foundation, and assist the overall business of the Group in proceeding smoothly and orderly.

Deeply Cultivating the AI Vertical Scenario in Oncology to Build a Full-Chain Closed Loop from Screening to Treatment

With the promulgation of the State Council's *Opinions on the In-depth Implementation of the "AI+" Action* (Guo Fa 2025 No. 11) and the Implementation Opinions on Promoting and Regulating the Application and Development of "AI + Healthcare" by five departments including the National Health Commission, the development of medical artificial intelligence in China has entered a period of intensive release of policy dividends. The above documents specify that by 2027, a batch of vertical large models and agent applications for clinical specific diseases and specialties will be formed; by 2030, hospitals at or above the secondary level will be pushed to widely carry out artificial intelligence technology applications such as intelligent auxiliary diagnosis for medical imaging and intelligent auxiliary decision-making for clinical diagnosis and treatment, basically achieving full coverage of intelligent auxiliary applications in primary care. The industry is accelerating its transition from technical verification to large-scale commercialization.

The Group focuses on the precision cancer diagnosis and treatment and multimodal medical digitalization track, focusing on advancing the R&D and implementation of the Medical AI Cloud Operation Platform, Proton Therapy AI Auxiliary Platform, and Medical Multi-Agent Platform. This forms an integrated AI medical capability matrix covering imaging diagnosis, clinical decision-making, and full-cycle health management. It deeply aligns with the digital transformation needs of domestic oncology radiotherapy and corporatized medical institutions, possessing a differentiated competitive advantage.

- Medical AI Cloud Operation Platform (MAICOP): Serving as a multimodal imaging integration base, it completed the iteration of its English version during the period and strengthened the PET-CT nuclear medicine functions. It is compatible with full-category medical imaging standards such as DICOM 3.0, and has over thirty built-in professional film reading tools and a structured intelligent report module. Supporting multi-campus decentralized management and group-wide deployment, it effectively resolves industry pain points such as fragmented multi-equipment systems and low efficiency in report writing, complying with the trend of medical AI developing towards hospital-wide integration;
- Proton Therapy AI Auxiliary Platform: Deeply cultivating the proton radiotherapy segment, it completed the full-function launch of V1.0 during the period. It connects with the in-hospital HIS system and establishes an evidence-based diagnosis and treatment knowledge base covering 33 common cancer types. It realizes the full-process digitalization of intelligent analysis of patient files, clinical consultation, dose auxiliary decision-making, and permission control. Relying on the proton vertical large model, it achieves full evidence chain traceability for diagnostic and treatment recommendations, and strictly conducts evidence-based reasoning based on authoritative cancer diagnosis and treatment guidelines, filling the gap of AI decision-making tools in the high-end proton therapy field;

- **Medical Multi-Agent Platform:** Equipped with five subdivided agent modules, it has achieved large-scale implementation at Yiling Hospital Management Group, covering core scenarios such as the automatic generation of physical examination reports, clinical evidence-based assistance, and out-of-hospital health management. This effectively relieves the pressure of administrative work on medical staff. It is also planned to be implemented at Shanghai Concord Medical Imaging Diagnostic Center (上海美中嘉和醫學影像診斷中心) within the year. Relying on a multi-agent collaborative architecture, it achieves business extension from in-hospital diagnosis and treatment to full-cycle patient health services, responding to the industry development direction of full coverage of both doctors and patients.

The three major businesses mentioned above form a closed loop of technical synergy. The imaging platform provides standardized data input, the proton AI platform deeply cultivates the high-end radiotherapy specialty, and the multi-agent platform undertakes front-end and back-end clinical and patient services. This strengthens the Group's technical barriers in the intelligent medical imaging analysis and proton therapy segments, and further promotes a value leap from "auxiliary tools" to "clinical infrastructure" through deep coupling with existing medical businesses. Synchronously advancing technological iteration and commercial implementation, the Group complies with the 2026 industry trend of medical AI developing towards specialty verticalization, hospital-wide integration, and full coverage of both doctors and patients. It seizes the rapid growth opportunities in the hospital AI solution market, continuously building the Group's core technical barriers in digital healthcare.

Additionally, the Group launched the R&D of the radiotherapy AI project to promote the deep integration of artificial intelligence technology with the hospital's oncology radiotherapy business. The radiotherapy AI project is a vital component of the Group's strategic layout. It will systematically coordinate and integrate resources across the entire system to advance technical R&D and deployment, focusing on the creation of an intelligent radiotherapy system with independent intellectual property rights. This provides core technical support for the hospital's radiotherapy operations and the work of physicists, achieving an intelligent upgrade of the diagnostic and treatment process. The introduction of AI technology will effectively resolve the pain points under the traditional model where manual processing of radiotherapy plans is time-consuming, labor-intensive, and susceptible to variations in experience. In the future, through the deep application of large AI models, the Group will achieve the intelligent and standardized upgrade of the entire radiotherapy process, significantly improving diagnostic efficiency and quality consistency.

FUTURE OUTLOOK

Looking ahead, the Group will firmly implement the three-dimensional development strategy of “Medical + AI + Overseas Expansion”, continuously focusing on its core oncology medical business to create an intelligent and internationalized cancer diagnostic and treatment ecosystem.

Regarding the core medical business, the Group will continue to optimize the entire diagnostic and treatment process, refine clinical service capabilities, and steadily expand the supply of high-quality, and precise medical care. Relying on the strong momentum of the scaled operation of the proton therapy center, the Group will continuously consolidate its technological barriers and industry benchmark position in the field of high-end precise radiotherapy. Simultaneously, it will deepen its specialized ecosystem strategy, using the breast tumor center as a template to continuously drive the strategic upgrade from “equipment-driven” to a “specialized ecosystem”. By integrating the three core advantages of experts, equipment, and services, the Group aims to achieve the cross-regional implementation of frontier technologies and the standardized coverage of high-quality diagnostic and treatment services.

In terms of the AI business, the Group will accelerate the commercial implementation of large models for cancer diagnosis and treatment, covering the entire process including treatment plan formulation, clinical pathway optimization, and full life-cycle patient management. The Group will advance the standardized transformation of clinical data assets, fully excavating data value to upgrade AI from a business assistant to a tool that broadens the application scenarios of AI-assisted diagnosis and treatment.

Regarding medical overseas expansion, the Group will take its cooperation in Indonesia as a strategic starting point to deeply cultivate the blue-ocean market for cancer medical care targeting Southeast Asia’s population of approximately 700 million, planning a three-step global development path. Concurrently, the Group will construct a tripartite medical service ecosystem comprising a “core diagnostic and treatment base + local talent cultivation + cross-border referral channel”. Centered on standardized medical AI products and high-end cancer diagnostic and treatment services, the Group will export premium medical resources and technical solutions globally. The Group will continue to expand the circle of cross-border medical cooperation, perfect its international medical service and technology export capabilities, and steadily elevate its brand influence and industry discourse power in the global cancer medical field.

Continuously taking a patient-centric approach and relying on the core advantages of “Medical + AI + Overseas Expansion”, the Group will steadily march towards becoming an industry-leading globalized cancer medical group. The Group is committed to providing more efficient and precise medical services for cancer patients worldwide, continuously unlocking its intrinsic value, and creating long-term, robust returns.

FINANCIAL REVIEW

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

Revenue

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

Our revenue increased by 34.2% from RMB200.9 million for the six months ended June 30, 2025 to RMB269.6 million for the six months ended June 30, 2026. The following table sets forth a breakdown of our revenues by service offerings for the six months ended June 30, 2025 and 2026.

	Six Months ended June 30,			
	2026		2025	
	RMB '000	%	RMB '000	%
Hospital business				
– Medical institutions	265,651	98.5	153,244	76.3
Medical equipment, software and related services				
– Sales and installation of medical equipment and software	178	0.1	37,436	18.6
– Management and technical support	1,652	0.6	8,206	4.1
– Operating lease	2,167	0.8	2,017	1.0
Total	269,648	100.0	200,903	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 73.4% from RMB153.2 million for the six months ended June 30, 2025 to RMB265.7 million for the six months ended June 30, 2026, primarily due to a significant increase in revenue from the proton therapy business at Guangzhou Hospital, which in turn drove an increase in revenue from other medical services.
- *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 91.6% from RMB47.7 million for the six months ended June 30, 2025 to RMB4.0 million for the six months ended June 30, 2026, primarily due to that overall business demand has been delayed in light of the current macroeconomic environment.
 - o *Sales and installation of medical equipment and software.* Our revenue generated from sales and installation of medical equipment and software decreased by 99.5% from RMB37.4 million for the six months ended June 30, 2025 to RMB0.2 million for the six months ended June 30, 2026, primarily because overall business demand has been delayed in light of the current macroeconomic environment.

- o Management and technical support. Our revenue generated from management and technical support decreased by 79.9% from RMB8.2 million for the six months ended June 30, 2025 to RMB1.7 million for the six months ended June 30, 2026, primarily due to the expiration of certain customer service contracts.
- o Operating lease. Our revenue generated from operating lease increased by 7.4% from RMB2.0 million for the six months ended June 30, 2025 to RMB2.2 million for the six months ended June 30, 2026.

Cost of revenue

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

Our cost of revenue decreased by 1.9% from RMB200.5 million for the six months ended June 30, 2025 to RMB196.7 million for the six months ended June 30, 2026. The following table sets forth a breakdown of our cost of revenue by nature for the six months ended June 30, 2025 and 2026.

	Six Months ended June 30,			
	2026		2025	
	<i>RMB '000</i>	<i>%</i>	<i>RMB '000</i>	<i>%</i>
Variable Costs				
– Cost of medical equipment and software	1,243	0.6	32,320	16.1
– Cost of pharmaceuticals, consumables and other inventories	51,853	26.4	32,611	16.2
– Utilities and office expenses	211	0.1	146	0.1
– Others ⁽¹⁾	10,906	5.5	8,573	4.3
Sub-total	64,213	32.6	73,650	36.7
Fixed Costs				
– Employee benefit expenses	51,590	26.3	49,081	24.5
– Depreciation and amortization	61,004	31.0	65,645	32.7
– Leasing, repair and maintenance	19,879	10.1	12,144	6.1
Sub-total	132,473	67.4	126,870	63.3
Total	196,686	100.0	200,520	100.0

Note:

- (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 96.2% from RMB32.3 million for the six months ended June 30, 2025 to RMB1.2 million for the six months ended June 30, 2026, primarily due to the decrease in cost as a result of the decrease in revenue generated from sales and installation of medical equipment and software.
- *Employee benefit expenses.* Employee benefit expenses represent the salaries, bonuses, pension and other social security and welfare of physicians, professional nurses and caretaking staff and other medical professionals at our medical institutions in operation. Our employee benefit expenses increased by 5.1% from RMB49.1 million for the six months ended June 30, 2025 to RMB51.6 million for the six months ended June 30, 2026, primarily due to the increase of employee cost along with the increase in revenue.
- *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 increased by 59.0% from RMB32.6 million for the six months ended June 30, 2025 to RMB51.9 million for the six months ended June 30, 2026, primarily due to the increase of hospital business revenue.
- *Leasing, repair and maintenance.* Leasing, repair and maintenance represents the leasing, repair and maintenance cost of our medical institutions in operation and the medical equipment under our medical equipment, software and related services. Our cost of leasing, repair and maintenance increased by 63.7% from RMB12.1 million for the six months ended June 30, 2025 to RMB19.9 million for the six months ended June 30, 2026, primarily due to the increased repair and maintenance demand of proton therapy equipment and other medical equipments along with the increase in revenue generated from hospital business.
- *Utilities and office expenses.* Our utilities and office expenses increased by 44.6% from RMB0.1 million for the six months ended June 30, 2025 to RMB0.2 million for the six months ended June 30, 2026.

Gross profit and gross margin

Our gross profit increased by 18,950.1% from RMB0.4 million for the six months ended June 30, 2025 to RMB73.0 million for the six months ended June 30, 2026.

The following table sets forth a breakdown of our gross profit and gross margin by service offerings for the six months ended June 30, 2025 and 2026.

	Six Months ended June 30,		2025	
	2026		2025	
	Amount	Gross	Amount	Gross
	RMB '000	margin	RMB '000	margin
		%		%
Hospital business				
– Medical institutions	84,128	31.7	555	0.4
Medical equipment, software and related services				
– Sales and installation of medical equipment and software	(1,946)	(1,093.2)	4,810	12.8
– Management and technical support	(6,968)	(421.8)	(1,277)	(15.6)
– Operating lease	(2,252)	(103.9)	(3,705)	(183.7)
Total	72,962	27.1	383	0.2

- *Hospital business.* Our gross profit and gross margin for hospital business increased from RMB0.6 million and 0.4% for the six months ended June 30, 2025 to RMB84.1 million and 31.7% for the six months ended June 30, 2026, and the change was primarily due to a significant increase in revenue from our hospital business, while the change in costs was relatively small.
- *Medical equipment, software and related services.* Our gross loss and gross margin for medical equipment, software and related services increased from RMB0.2 million and negative 0.4% for the six months ended June 30, 2025 to RMB11.2 million and negative 279.4% for the six months ended June 30, 2026, and the change was primarily due to a decrease in business revenue.
 - o *Sales and installation of medical equipment and software.* We recorded gross loss and gross margin for sales and installation of medical equipment and software of RMB1.9 million and negative 1093.2% for the six months ended June 30, 2026, as compared to gross profit and gross margin of RMB4.8 million and 12.8% for the six months ended June 30, 2025, and the change was primarily due to a decrease in business revenue.
 - o *Management and technical support.* Our gross loss and gross margin for management and technical support increased from RMB1.3 million and negative 15.6% for the six months ended June 30, 2025 to RMB7.0 million and negative 421.8% for the six months ended June 30, 2026, and the change was primarily due to a decrease in business revenue.
 - o *Operating lease.* Our gross loss and gross margin for operating lease decreased from RMB3.7 million and negative 183.7% for the six months ended June 30, 2025 to RMB2.2 million and negative 103.9% for the six months ended June 30, 2026, and the change was primarily due to an increase in business revenue.

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 43.7% from RMB21.1 million for the six months ended June 30, 2025 to RMB30.4 million for the six months ended June 30, 2026, which was primarily attributable to the increase of revenue.

Administrative expenses

Our administrative expenses primarily consisted of (i) employee benefit expenses for our administrative staff, and physicians, professional nurses and caretaking staff and other medical professionals at our medical institutions prior to opening, (ii) depreciation and amortization, (iii) office, travel and miscellaneous expenses, (iv) consultancy and professional service fees and (v) leasing, repair and maintenance expenses. Our administrative expenses increased by 16.2% from RMB55.3 million for the six months ended June 30, 2025 to RMB64.3 million for the six months ended June 30, 2026, which was primarily attributable to the increase of revenue.

Research expenses

Our research expenses primarily consisted of (i) employee benefit expenses for our research and development staff and outsourcing personnel responsible for the development, operation and maintenance of our cloud platforms and other services, (ii) design and development expenses, (iii) utilities and office expenses, and (iv) depreciation and amortization. Our research expenses decreased by 15.1% from RMB13.6 million for the six months ended June 30, 2025 to RMB11.6 million for the six months ended June 30, 2026, which was primarily attributable to the decrease in staff cost and the Group's implementation of the concept of improved efficiency and reduced costs.

Other income and other net gains

Our other income primarily consisted of (i) interest income, (ii) additional value added tax deduction, (iii) government grants and (iv) compensation income. Our other net gains/(losses) primarily represented (i) written-off of property, plant and equipment, (ii) gain on lease termination and (iii) fair value change on convertible bond-embedded derivatives. Our other income and other net gain increased by 477.5% from RMB1.9 million for the six months ended June 30, 2025 to RMB10.7 million for the six months ended June 30, 2026, which was primarily attributable to fair value change on convertible bond classified as FVTPL for the six months ended June 30, 2026.

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

Our reversal of/(provision for) impairment loss on trade receivables primarily consisted of provision or reversal calculated based on the expected credit loss ratio for trade receivables. We recorded provision for impairment loss on trade receivables of RMB30.7 million for the six months ended June 30, 2025 and reversal of impairment loss on trade receivables of RMB2.1 million for the six months ended June 30, 2026. The change was primarily attributable to the decreasing balance of trade receivables.

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

Our reversal of/(provision for) impairment loss on other receivables primarily consisted of reversal or provision for impairment calculated based on the expected credit loss ratio for other receivables. We recorded provision for impairment loss on other receivables of RMB7.7 million for the six months ended June 30, 2025 and reversal of impairment loss on other receivables of RMB2.7 million for the six months ended June 30, 2026. The change was primarily attributable to the decreasing balance of other receivables.

Provision for impairment loss on amounts due from related parties

Our provision for impairment loss on amounts due from related parties primarily consisted of reversal of impairment loss after settling amounts due from related parties. We recorded provision for impairment loss on amounts due from related parties of RMB7.8 million for the six months ended June 30, 2025 and provision for impairment loss on amounts due from related parties of RMB22.9 million for the six months ended June 30, 2026, which was primarily attributable to the increasing balance of amounts due from related parties.

Share of associates' results

Our share of associates' results primarily consisted of share of loss of associates. Our share of associates' results decreased from RMB0.88 million for the six months ended June 30, 2025 to RMB0.85 million for the six months ended June 30, 2026.

Income tax credits

Our income tax credit increased by 12.9% from RMB2.0 million for the six months ended June 30, 2025 to RMB2.2 million for the six months ended June 30, 2026, which was primarily attributable to the increase of deferred tax which is credited to profit or loss for the Reporting Period.

Loss for the Reporting Period

As a result of the foregoing, our loss for the Reporting Period decreased by 50.4% from a net loss of RMB200.0 million for the six months ended June 30, 2025 to a net loss of RMB99.2 million for the six months ended June 30, 2026.

Non-HKFRS measures

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

We define adjusted net loss (non-HKFRS measure) as loss for the Reporting Period adjusted by adding back listing expenses. Our listing expenses are expenses relating to our Listing and are non-recurring in nature.

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

	Six Months ended June 30,	
	2026	2025
	<i>RMB '000</i>	
Loss for the Reporting Period	<u>(99,232)</u>	<u>(200,021)</u>
<i>Add:</i>		
Listing expenses	<u>—</u>	<u>—</u>
Adjusted net loss (non-HKFRS measure)	<u>(99,232)</u>	<u>(200,021)</u>

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The primary uses of cash are to fund the daily operations of the business of the Group. For the six months ended June 30, 2025 and June 30, 2026, we financed our capital expenditures and working capital requirements primarily through cash generated from our operating activities and bank loans and other borrowings. Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash flows generated from our operating activities, bank loans and other borrowings, and other funds raised from the capital markets from time to time. As of June 30, 2026, the Group had not used any financial instruments for hedging purposes.

We have continued to maintain a healthy and sound financial position and have followed a set of stringent funding and treasury policies to manage our capital resources and mitigate potential risks involved.

Our current liabilities decreased from approximately RMB1,245.7 million as of December 31, 2025, to approximately RMB971.2 million as of June 30, 2026, primarily due to the decrease of bank and other borrowings.

Cash flows

As of June 30, 2026, 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 decreased by 19.3% from RMB170.0 million as of June 30, 2025 to RMB137.3 million as of June 30, 2026. The decrease was primarily attributed to an increase in net cash used in investing activities and financing activities.

The following table provides the information regarding the Group's cash flow for the six months ended June 30, 2025 and 2026.

Six Months ended June 30,
2026 2025
RMB '000

Net cash generated from/(used in) operating activities	50,263	(60,406)
Net cash used in investing activities	(108,202)	(25,289)
Net cash (used in)/generated from financing activities	(99,274)	51,179
Net decrease in cash and cash equivalents	(157,213)	(34,516)
Cash and cash equivalents at the beginning of the Reporting Period	294,476	204,544
Cash and cash equivalents at the end of the Reporting Period	<u>137,263</u>	<u>170,028</u>

For the six months ended June 30, 2026, our net cash generated from operating activities was RMB50.3 million, as compared to the net cash used in operating activities of RMB60.4 million for the six months ended June 30, 2025, which was primarily attributable to the increase of hospital business revenue.

For the six months ended June 30, 2026, our net cash used in investing activities was RMB108.2 million, representing an increase of RMB82.9 million from the net cash used in investing activities of RMB25.3 million for the six months ended June 30, 2025, which was primarily attributable to proceeds from disposal of financial asset at FVTPL for the six months ended June 30, 2025, and advance to related parties.

For the six months ended June 30, 2026, our net cash used in financing activities was RMB99.3 million, as compared to the net cash generated from financing activities of RMB51.2 million for six months ended June 30, 2025, 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 six months ended June 30, 2026, our total capital expenditure was approximately RMB25.0 million, compared to approximately RMB24.1 million for the six months ended June 30, 2025. Our capital expenditure primarily consisted of payments for purchase of property, plant and equipment, purchase of right-of-use assets, and purchase of intangible assets. We funded these expenditures with cash generated from our operations and bank loans and other borrowings.

Capital commitments

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

	As of June 30, 2026 <i>RMB '000</i>	2025
Acquisition of property, plant and equipment	434	434

Contingent liabilities

As of June 30, 2026, we did not have any material contingent liabilities, guarantee or any litigation or claim of material importance, pending or threatened against any member of our Group.

Future plans for material investments and capital assets

As of June 30, 2026, we did not have detailed future plans for material investments or capital assets.

Material acquisitions, disposals and significant investment

We did not have any material acquisitions and disposals and significant investments during the six months ended June 30, 2026. 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.

Pledge of assets

As at June 30, 2026, bank borrowings totaling RMB2,408.0 million (as of December 31, 2025: RMB2,712.4 million) are secured mostly by the issued share capital of the Group's subsidiaries, including 70% of Guangzhou Hospital, 100% of SHCC and 100% of Shanghai Meizhong Jiahe Medical Image Diagnosis Limited, and guaranteed by the Company, Shanghai Administration Center of Policy Financing guarantee Funds for SMEs, and a medical imaging equipment owned by the Group.

As at June 30, 2026, bank borrowings totaling RMB998.4 million (as of December 31, 2025: RMB1,035.6 million) are secured mostly by the revenue of the Group's subsidiaries, including SHCC, Shanghai Meizhong Jiahe Medical Image Diagnosis Limited and Shanghai Outpatient Center.

As at June 30, 2026, bank and other borrowings totaling RMB181.0 million (as of December 31, 2025: RMB212.5 million) are guaranteed by Dr. Yang Jianyu, a controlling shareholder and the chairman of the Board.

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

	As of June 30, 2026 <i>RMB '000</i>	As of December 31, 2025
Property, plant and equipment	2,697,082	2,694,151
Right-of-use asset	363,229	367,895
Restricted cash	24,503	24,395
Trade receivables	8,905	6,609
Total	3,093,719	3,093,050

Net current liabilities

As of June 30, 2026, we had net current liabilities of RMB346.7 million, compared to net liabilities of RMB576.0 million as of December 31, 2025, mainly attributable to the decrease of bank and other borrowings.

Amounts due from related parties

As of June 30, 2026, we had amounts due from related parties of RMB307.5 million, increasing from RMB203.4 million as of December 31, 2025.

Borrowings and indebtedness

As of June 30, 2026, our indebtedness consisted primarily of bank and other borrowings, convertible bonds and lease liabilities, and the borrowings were all made in RMB. As of June 30, 2026, 6.9% of the indebtedness (RMB211.0 million) bore fixed interest rates and exposed the Group to fair value interest rate risk. The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of June 30, 2026 <i>RMB '000</i>	As of December 31, 2025
Current indebtedness		
Bank loans and other borrowings	270,294	600,317
Convertible bonds	72,388	21,762
Lease liabilities	9,643	9,582
Non-trade amounts due to related parties	13,722	9,631
Subtotal	366,047	641,292
Non-Current indebtedness		
Bank loans and other borrowings	2,617,286	2,364,113
Lease liabilities	89,609	93,686
Subtotal	2,706,895	2,457,799
Total	3,072,942	3,099,091

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

	As of June 30, 2026		As of December 31, 2025
	Balance	%	Balance
	(RMB '000, except for the percentages)		%
Within one year	270,294	9.4	600,317
After one year but within two years	1,335,523	46.2	124,600
Over two years but within five years	697,673	24.2	1,566,919
Over five years	584,090	20.2	672,594
Total	2,887,580	100.0	2,964,430

Key financial ratios

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

	Six months ended June 30,	
	2026	2025
Profitability ratios		
Gross margin ⁽¹⁾	27.1%	0.2%
Net margin ⁽²⁾	(36.8)%	(99.6)%
Liquidity ratios		
	As of	
	June 30,	December 31,
	2026	2025
Current ratio ⁽³⁾	0.64	0.54
Quick ratio ⁽⁴⁾	0.63	0.52
Gearing ratio ⁽⁵⁾	65.9%	65.0%

Notes:

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

EMPLOYEE, TRAINING AND REMUNERATION POLICIES

The Group had 574 employees as at June 30, 2026, as compared to 573 employees as at June 30, 2025. The total staff costs for the six months ended June 30, 2026 (including salaries, wages and other benefits, retirement scheme contribution etc.) amounted to approximately RMB96.3 million. The Group provides both in-house and external trainings for our employees to improve their skills and knowledge.

Remuneration packages for our employees mainly comprise base salary and performance-related bonus. We set performance targets for our employees primarily based on their position and department and periodically review their performance. The results of such reviews are used in their salary determinations, bonus awards and promotion appraisals.

As required under PRC labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. In compliance with PRC regulations, we participate in various employee social insurance plans that are organized by applicable local municipal and provincial governments, including maternity, pension, medical, work-related injury and unemployment benefit plans, as well as housing provident funds. We are required under PRC laws to make contributions to employee benefit plans.

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

OTHER INFORMATION

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.

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

Neither the Company nor its subsidiary had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) listed on the Stock Exchange during the six months ended June 30, 2026 to the date of this announcement. As of June 30, 2026, the Company did not hold any treasury shares.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there are no material subsequent events undertaken by the Group after June 30, 2026 and up to the date of this announcement.

USE OF PROCEEDS

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) were 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.

The Group has fully utilized the net proceeds from the Listing 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 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 following table sets forth the planned use and actual use of the net proceeds from the 2025 July Placing as of June 30, 2026:

	Percentage of net proceeds from the placing	Net proceeds from the placing (HK\$ million)	Utilized amount for the six months ended June 30, 2026	Utilized amount as of June 30, 2026	Unutilized amount as of June 30, 2026
To fund the construction of Shanghai Concord Medical Cancer Hospital	30.0%	77.634	31.17	77.634	Nil
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	22.32	38.817	Nil
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	30.20	64.695	Nil
To supplement working capital of the Company and its subsidiaries for general corporate purposes					
– Payments for suppliers	10.5%	27.172	15.27	27.172	Nil
– Employee salaries and benefits	6.0%	15.527	6.33	15.527	Nil
– Operational support expenses (maintenance and upgrading of medical equipment, expenses for property utilities, etc.)	4.5%	11.645	5.94	11.645	Nil
– Administrative expenses (market expansion and promotion, travel expenses, administrative expenses, etc.)	4.5%	11.645	4.80	11.645	Nil
– Others	4.5%	11.645	6.14	11.645	Nil
Total	100%	258.78	122.17	258.78	

2026 Convertible Bonds Issue

As disclosed in the announcement of the Company dated May 11, 2026 and May 13, 2026, The aggregate net proceeds from the issue of the 2% convertible bonds due 2027 in the principal amount of HK\$68 million (“**2026 Convertible Bonds Issue**”), after deduction of fees, commissions and other related expenses, are estimated to be approximately HK\$63.1 million.

As at the date of this announcement, the Company has not utilized any net proceeds from 2026 Convertible Bonds Issue. Majority of the unutilised net proceeds are deposited with reputable banks in Hong Kong or the PRC as at 30 June 2026. For details of the proposed use of proceeds from 2026 Convertible Bonds Issue, please refer to the announcement of the Company dated May 11, 2026.

SUFFICIENCY OF PUBLIC FLOAT

On January 9, 2024 when the Company was listed, Rule 8.08(1)(a) of the Listing Rules requires that at least 25% of an issuer's total number of issued shares must at all times be held by the public. We have been granted by the Stock Exchange a waiver from strict compliance with Listing Rule 8.08(1)(a) so as to allow a lower public float percentage of between 15% and 25% (or such higher percentage as was held by the public upon completion of the listing of the shares of the Company on the Stock Exchange). On such completion on January 9, 2024, the public float percentage was approximately 16.73%. From information that is publicly available to the Company and within the knowledge of its Directors at the date of this announcement, at least 31.90% of the Company's total number of issued shares are held by the public.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to good corporate governance. The corporate governance principles of the Company are to implement effective internal control measures and enhance the transparency and accountability of the Board to all shareholders of the Company. The Company has adopted the code provisions of the CG Code as its own corporate governance practices with effect from the Listing Date. In the opinion of the Directors, during the Reporting Period, the Company has complied with the code provisions as 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.

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

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

AUDIT COMMITTEE

As of the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely, Mr. NG Kwok Yin, Mr. SUN Yansheng and Ms. LI Xuemei, with Mr. NG Kwok Yin being the chairman of the Audit Committee.

The accounting information contained in this announcement has not been audited by the independent auditor of the Company. However, the Audit Committee together with the management of the Company have reviewed the accounting policies and practices adopted by the Group and discussed, among other things, internal controls and financial reporting matters including a review of the unaudited interim results for the six months ended June 30, 2026. In addition, the independent auditor of the Company, BDO Limited, has reviewed the unaudited interim financial information for the six months ended June 30, 2026 in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Company will not declare any interim dividend for the six months ended June 30, 2026.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND THE INTERIM REPORT

This announcement was published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.concordmedical.com). The interim report for the six months ended June 30, 2026 will be despatched to the Shareholders who have requested corporate communications in printed copy and published on the websites of the Stock Exchange and the Company in due course.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
	Notes	2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	269,648	200,903
Cost of revenue		<u>(196,686)</u>	<u>(200,520)</u>
Gross profit		72,962	383
Other income and other net gains		10,684	1,850
Reversal of/(provision for) impairment loss on trade receivables, net		2,073	(30,654)
Reversal of/(provision for) impairment loss on other receivables, net		2,707	(7,681)
Provision for impairment loss on amounts due from related parties, net		(22,881)	(7,812)
Selling and distribution expenses		(30,366)	(21,126)
Administrative expenses		(64,296)	(55,345)
Research expenses		(11,562)	(13,618)
Share of associates' results		(852)	(888)
Share of a joint venture's result		(384)	(772)
Finance costs	5	<u>(59,542)</u>	<u>(66,329)</u>
Loss before income tax credit		<u>(101,457)</u>	<u>(201,992)</u>
Income tax credit	6	<u>2,225</u>	<u>1,971</u>
Loss and total comprehensive income for the period		<u>(99,232)</u>	<u>(200,021)</u>
Attribute to:			
Owners of the Company		(77,338)	(176,598)
Non-controlling interests		<u>(21,894)</u>	<u>(23,423)</u>
		<u>(99,232)</u>	<u>(200,021)</u>
Loss per share (expressed in RMB cents)			
Basic loss per share	8	(9.87)	(24.46)
Diluted loss per share	8	<u>(10.74)</u>	<u>(24.46)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Interests in associates		156,215	87,648
Interest in a joint venture		–	98,727
Property, plant and equipment		3,444,631	3,471,586
Right-of-use assets		409,783	419,038
Intangible assets		783,085	796,431
Deposits, prepayments and other receivables		28,631	28,636
Amounts due from related parties		200,211	200,211
Deferred tax assets		15,646	15,462
		<u>5,038,202</u>	<u>5,117,739</u>
Current assets			
Inventories		17,102	16,846
Trade receivables	9	42,523	45,807
Deposits, prepayments and other receivables		295,850	284,979
Amounts due from related parties		107,307	3,165
Restricted cash		24,503	24,395
Cash and cash equivalents		137,263	294,476
		<u>624,548</u>	<u>669,668</u>
Current liabilities			
Trade payables	10	(76,134)	(82,699)
Accruals and other payables		(419,831)	(419,268)
Income tax payable		(2,298)	(2,298)
Contract liabilities		(96,711)	(95,923)
Amounts due to related parties		(23,931)	(13,855)
Lease liabilities		(9,643)	(9,582)
Bank and other borrowings		(270,294)	(600,317)
Convertible bonds		(72,388)	(21,762)
		<u>(971,230)</u>	<u>(1,245,704)</u>
Net current liabilities		<u>(346,682)</u>	<u>(576,036)</u>
Total assets less current liabilities		<u>4,691,520</u>	<u>4,541,703</u>

		As at 30 June 2026 <i>RMB'000</i> (Unaudited)	As at 31 December 2025 <i>RMB'000</i> (Audited)
	<i>Note</i>		
Non-current liabilities			
Lease liabilities		(89,609)	(93,686)
Bank and other borrowings		(2,617,286)	(2,364,113)
Deferred tax liabilities		<u>(56,050)</u>	<u>(58,097)</u>
		<u>(2,762,945)</u>	<u>(2,515,896)</u>
Net assets		<u>1,928,575</u>	<u>2,025,807</u>
EQUITY			
Capital and reserves			
Share capital	11	783,662	783,662
Reserves		<u>969,758</u>	<u>1,046,588</u>
Equity attributable to owners of the Company		1,753,420	1,830,250
Non-controlling interests		<u>175,155</u>	<u>195,557</u>
Total equity		<u>1,928,575</u>	<u>2,025,807</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

2. ACCOUNTING POLICY

Except as described below, the accounting policies applied are consistent with those of the 2025 financial statements.

New and amendments to standards and interpretation adopted by the Group

The following amendments are effective for the period beginning 1 January 2026:

Amendments to HKFRS 9 and HKFRS 7	Amendment to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9 HKFRS 10 and HKAS 7

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

3. BASIS OF PREPARATION AND ESTIMATES AND JUDGMENT

3.1 Statement of compliance

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

It should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2025 which have been prepared in accordance with HKFRS Accounting Standards.

3.2 Basis of measurement and going concern assumption

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

For the six months ended 30 June 2026, the Group incurred a loss of RMB99,232,000, and had net current liabilities of RMB346,682,000 as at that date. Nevertheless, the interim condensed consolidated financial statements have been prepared on the going concern basis because the Directors are of the view that the Group 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 30 June 2027 (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 RMB577,456,000 as at 30 June 2026;
- (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.

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 interim condensed consolidated financial statements on a going concern basis.

3.3 Estimates and judgments

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

In preparing these interim condensed consolidated financial statements, the significant judgments and estimations made by management were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

3.4 Functional and presentation currency

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

4. REVENUE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
By major services and products		
Hospital Business		
Cancer hospital and clinics	265,651	153,244
Medical Equipment, Software and Related Services		
Sales and installation of medical equipment and software	178	37,436
Management and technical support	1,652	8,206
	<u>267,481</u>	<u>198,886</u>
Revenue from other source		
Medical Equipment, Software and Related Services		
Operating lease income	2,167	2,017
Total revenue	<u>269,648</u>	<u>200,903</u>
	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Time of revenue recognition		
Over time	161,575	59,783
At a point in time	105,906	139,103
Revenue from contracts with customers	<u>267,481</u>	<u>198,886</u>

5. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest charge on bank and other borrowings	75,794	84,342
Interest charge on lease liabilities	478	4,139
Interest charge on convertible bond	3,734	478
Total interest expenses for liabilities not classified as at fair value through profit or loss	80,006	88,959
Less: amounts included in the cost of qualifying assets	(20,464)	(22,630)
	<u>59,542</u>	<u>66,329</u>

6. INCOME TAX CREDIT

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
Current year	6	–
Overprovision for previous years	–	–
Deferred tax		
Credited to profit or loss for the period	(2,231)	(1,971)
	(2,225)	(1,971)

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong during the six months ended 30 June 2026 and 2025.

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

According to the relevant tax rules and regulations of the PRC, distribution to foreign investors of profits earned by PRC companies since 1 January 2008 is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investors’ foreign incorporated immediate holding companies. As at 30 June 2026 and 31 December 2025, the PRC entities have deficits in retained earnings, so no withholding tax is provided.

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

Certain companies were accredited as a High and New Technology Enterprise since 2019 and were entitled to a preferential income tax rate of 15% for the year ending 31 December 2026 and year ended 31 December 2025.

7. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2026 and 2025, nor has any dividend been proposed since the end of reporting period.

8. LOSS PER SHARE

(a) Basic loss per share

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Loss attributable to the owners of the Company, used in basic loss per share calculation (RMB'000)	(77,338)	(176,598)
Weighted average number of ordinary shares in issue, used in basic loss per share calculation (thousand shares)	783,662	721,861
Basic loss per share attributable to the owners of the Company (RMB cents per share)	(9.87)	(24.46)

(b) Diluted loss per share

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Loss attributable to the owners of the Company, used in basic loss per share calculation (RMB'000)	(77,338)	(176,598)
Less: Fair value change on convertible bonds (notes (i) and (ii))	(8,027)	N/A
Loss attributable to the owners of the Company, used in diluted loss per share calculation (RMB'000)	(85,365)	(176,598)
Weighted average number of ordinary shares in issue, used in basic loss per share calculation (thousand shares)	783,662	721,861
Effect of dilutive potential ordinary shares:		
– Conversion of convertible bonds (notes (i) and (ii))	10,829	N/A
Weighted average number of ordinary shares in issue, used in diluted loss per share calculation (thousand shares)	794,491	721,861
Diluted loss per share attributable to the owners of the Company (RMB cents per share)	(10.74)	(24.46)

Notes:

- (i) The computation of diluted loss per share for the six months ended 30 June 2026 assumes the conversion of the Company's HK\$68,000,000 2.0% convertible bonds issued on 13 May 2026. Accordingly, the loss attributable to owners of the Company used in the diluted loss per share calculation was adjusted to exclude the fair value gain on the convertible bonds of RMB8,027,000, and the weighted average number of ordinary shares was adjusted to include the effect of 40,000,000 ordinary shares issuable upon the assumed conversion of the convertible bonds.
- (ii) Diluted loss per share was the same as the basic loss per share as the Group has no dilutive potential ordinary shares for the six months ended 30 June 2025.

9. TRADE RECEIVABLES

	As at 30 June 2026 <i>RMB'000</i> (Unaudited)	As at 31 December 2025 <i>RMB'000</i> (Audited)
Trade receivables	86,851	92,208
Less: allowance for impairment	(44,328)	(46,401)
	<u>42,523</u>	<u>45,807</u>

As at 30 June 2026 and 31 December 2025, 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 recognised, the aging analysis of the Group's net amount of trade receivables at the end of each reporting period is as follows:

	As at 30 June 2026 <i>RMB'000</i> (Unaudited)	As at 31 December 2025 <i>RMB'000</i> (Audited)
Within 3 months	19,009	24,828
3-6 months	3,464	1,555
6-12 months	18,149	15,700
1-2 years	1,901	3,724
Total	<u>42,523</u>	<u>45,807</u>

10. TRADE PAYABLES

	As at 30 June 2026 <i>RMB'000</i> (Unaudited)	As at 31 December 2025 <i>RMB'000</i> (Audited)
Trade payables	76,134	82,699
	<u>76,134</u>	<u>82,699</u>

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

	As at 30 June 2026 <i>RMB'000</i> (Unaudited)	As at 31 December 2025 <i>RMB'000</i> (Audited)
Within 1 year	48,160	51,659
More than 1 year but within 2 years	3,757	22,631
More than 2 years but within 3 years	15,552	7,296
More than 3 years	8,665	1,113
	<u>76,134</u>	<u>82,699</u>

11. SHARE CAPITAL

	<i>Note</i>	Six months ended 30 June 2026		Year ended 31 December 2025	
		Number	Amount	Number	Amount
		'000	RMB'000	'000	RMB'000
Authorized, issued and fully paid:					
At 1 January		783,662	783,662	716,338	716,338
Placing of shares	(i)	<u>—</u>	<u>—</u>	<u>67,324</u>	<u>67,324</u>
At 30 June/31 December		<u>783,662</u>	<u>783,662</u>	<u>783,662</u>	<u>783,662</u>

- (i) 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.

DEFINITIONS

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

“Audit Committee”	the audit committee of the Board
“AI”	artificial intelligence
“Articles of Association”	the articles of association of the Company, as amended from time to time
“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 and a controlling shareholder (as defined under the Listing Rules) of the Company
“Board”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Company” or “Concord Healthcare” or “Concord Healthcare Group”	Concord Healthcare Group Co., Ltd. (美中嘉和醫學技術發展集團股份有限公司), a joint stock company incorporated in the PRC with limited liability on July 23, 2008
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are not listed on the Stock Exchange
“Global Offering”	has the meaning ascribed to it under the Prospectus
“Group”, “our”, “we” or “us”	the Company and its subsidiary from time to time
“Guangzhou Hospital”	Guangzhou Concord Cancer Center Co., Ltd. (廣州泰和腫瘤醫院有限公司), a limited liability company established in the PRC on June 29, 2011, which is owned as to 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 the Company with a nominal value of RMB1.00 each, which is/are listed on the Stock Exchange and traded in Hong Kong dollars
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of H Shares of the Company on the Main Board of the Stock Exchange
“Listing Date”	January 9, 2024, being the date on which the H Shares of the Company were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“PACS”	Picture Archiving and Communication System
“PET”	positron emission tomography
“PET-CT”	positron emission tomography – computed tomography
“PET/MR”	positron emission tomography – magnetic resonance imaging
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong Special Administrative Region, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus issued by the Company on December 29, 2023 in connection with the Hong Kong public offering of the H Shares
“Reporting Period”	six months from January 1, 2026 to June 30, 2026
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Hospital”	Shanghai Concord Medical Cancer Hospital Limited* (上海泰和誠腫瘤醫院有限公司), a limited liability company established in the PRC on March 17, 2014, which is owned as to 69.63% by our Company and is expected to operate under the trade name of Shanghai Concord Medical Cancer Hospital* (上海泰和誠腫瘤醫院)
“Shanghai Imaging Center”	Shanghai Concord Medical Diagnostic Imaging Limited (上海美中嘉和醫學影像診斷有限公司), a limited liability company established in the PRC on January 15, 2018, which is controlled by our Company and operates under the trade name of Shanghai Concord Medical Imaging Diagnostic Center (上海美中嘉和醫學影像診斷中心)

“Shanghai Outpatient Center”	Shanghai Concord Medical Cancer Center Co., Ltd. (上海美中嘉和腫瘤門診部有限責任公司), a limited liability company established in the PRC on November 2, 2006, which is owned as to 67.22% by our Company and operates under the trade name of Shanghai Concord Medical Cancer Outpatient Center (上海美中嘉和腫瘤門診部)
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of Share(s)
“SPDB”	Shanghai Pudong Development Bank Beijing Branch
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	U.S. dollar
“%”	per cent

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

Beijing, the PRC, August 21, 2026

As at the date of this announcement, the Board comprises (i) Dr. YANG Jianyu, and Mr. JIANG Wei as executive Directors; (ii) Mr. WANG Lei, Mr. SONG Qingbao and Mr. SHI Botao as non-executive Directors; (iii) Ms. LI Xuemei, Mr. SUN Yansheng and Mr. NG Kwok Yin as independent non-executive Directors; and (iv) Ms. JIANG Li as employee Director.