美中嘉和
CONCORD MEDICAL

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

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

Stock code: 2453

2026
INTERIM REPORT

CONTENTS

Definitions

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

"AGM"	the annual general meeting of the Company held on Monday, May 11, 2026
"Articles of Association" or "Articles"	the articles of association of the Company, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Beijing Concord"	Beijing Concord Medical Technology Co., Ltd. (北京泰和誠醫療技術有限公司), a limited liability company established in the PRC on January 4, 2016
"Beijing Healthingkon"	Beijing Healthingkon Technology Co., Ltd. (北京和信康科技有限公司), a limited liability company established in the PRC on August 25, 2015, which is controlled by our Company as to approximately 53.72%
"Board Committees"	collectively, the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee
"Board of Directors" or "Board"	the board of directors of our Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (as amended from time to time)
"China" or "PRC"	the People's Republic of China, excluding, for the purposes of this interim report and for geographical reference only and except where the context requires otherwise, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Company," "our Company" or "Concord Healthcare"	Concord Healthcare Group Co., Ltd. (美中嘉和醫學技術發展集團股份有限公司), a joint stock company incorporated in the PRC with limited liability on July 23, 2008
"Company Law" or "PRC Company Law"	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"Concord HK"	Concord Hospital Management Group Limited, a wholly-owned subsidiary of Concord Medical and one of the Controlling Shareholders
"Concord Medical"	Concord Medical Services Holdings Limited, a company incorporated in the Cayman Islands on November 27, 2007 and listed on the New York Stock Exchange (symbol: CCM) since December 11, 2009

Definitions

"Controlling Shareholders"	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Dr. Yang, Morgancreek, Concord Medical, Ascendium Group Limited, Shanghai Huifu Technology Development Co., Ltd. (上海卉馥科技發展有限公司), Concord HK, Shanghai Medstar, Beijing Concord, and Tianjin Concord
"Director(s)"	the director(s) of our Company
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are not listed on the Stock Exchange
"Dr. Yang"	Dr. YANG Jianyu (楊建宇), our chairman of the Board, executive Director and one of the Controlling Shareholders
"Global Offering"	the Hong Kong public offering and the international offering of the Company
"Group," "our Group," "the Group," "we" or "us"	the Company and its subsidiaries from time to time
"Guangzhou Hospital"	Guangzhou Concord Cancer Center Co., Ltd. (廣州泰和腫瘤醫院有限公司), a limited liability company established in the PRC on June 29, 2011, which is owned as to 70% by our Company and operates under the trade name of Guangzhou Concord Cancer Hospital (廣州泰和腫瘤醫院)
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are subscribed for and traded in HK dollars and listed on the Stock Exchange
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRSs"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Parties"	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in The Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
"IPO"	initial public offering
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange

Definitions

"Listing Date"	Tuesday, January 9, 2024, on which the H Shares were listed and on which dealings in the H Shares were first permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"Morgancreek"	Morgancreek Investment Holdings Limited, a limited company established in British Virgin Islands and an investment vehicle controlled by Dr. Yang
"Nomination Committee"	the nomination committee of the Board
"Prospectus"	the prospectus of the Company dated December 29, 2023
"R&D"	research and development
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Period"	the six months ended June 30, 2026
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Shanghai Yunying COPC"	Shanghai Concord Medical Yunying Comprehensive Outpatient Center Co., Ltd (上海嘉和雲影綜合門診部有限公司), a limited liability company established in the PRC on November 2, 2020, which is controlled by our Company and operates under the trade name of Shanghai Concord Medical Yunying Comprehensive Outpatient Center (上海嘉和雲影綜合門診部)
"Shanghai Hospital"	Shanghai Concord Medical Cancer Hospital Limited* (上海泰和誠腫瘤醫院有限公司), a limited liability company established in the PRC on March 17, 2014, which is owned as to 69.63% by our Company and is expected to operate under the trade name of Shanghai Concord Medical Cancer Hospital* (上海泰和誠腫瘤醫院)

Definitions

"Shanghai Imaging Center"	Shanghai Concord Medical Diagnostic Imaging Limited (上海美中嘉和醫學影像診斷有限公司), a limited liability company established in the PRC on January 15, 2018, which is controlled by our Company and operates under the trade name of Shanghai Concord Medical Imaging Diagnostic Center (上海美中嘉和醫學影像診斷中心)
"Shanghai Medstar"	Medstar (Shanghai) Enterprise Management Co., LTD (醫學之星(上海)企業管理有限公司) (previously known as Shanghai Medstar Financial Leasing Company Limited (醫學之星(上海)融資租賃有限公司)), a limited liability company established in the PRC on March 21, 2003, one of the Controlling Shareholders
"Shanghai Outpatient Center"	Shanghai Concord Medical Cancer Center Co., Ltd. (上海美中嘉和腫瘤門診部有限責任公司), a limited liability company established in the PRC on November 2, 2006, which is owned as to 67.22% by our Company and operates under the trade name of Shanghai Concord Medical Cancer Outpatient Center (上海美中嘉和腫瘤門診部)
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Tianjin Concord"	Tianjin Concord Medical Technology Co., Ltd. (天津泰和誠醫療技術有限公司) (formerly known as Tianjin Kangmeng Tumor Radiotherapy Equipment Management Co., Ltd. (天津康盟腫瘤放療設備管理有限公司)), a limited liability company established in the PRC on November 16, 2007 and one of our Controlling Shareholders
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"USD" or "US$"	US dollars, the lawful currency of the United States
"%"	per cent

* *For identification purposes only*

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. YANG Jianyu *(Chairman)*
Mr. JIANG Wei *(appointed with effect from May 11, 2026)*

Non-Executive Directors

Mr. WANG Lei
Mr. SONG Qingbao
Mr. SHI Botao

Independent Non-Executive Directors

Ms. LI Xuemei
Mr. SUN Yansheng
Mr. NG Kwok Yin

Employee Directors

Ms. JIANG Li

AUDIT COMMITTEE

Mr. NG Kwok Yin *(Chairperson)*
Mr. SUN Yansheng
Ms. LI Xuemei

REMUNERATION AND APPRAISAL COMMITTEE

Ms. LI Xuemei *(Chairperson)*
Dr. YANG Jianyu
Mr. SUN Yansheng

NOMINATION COMMITTEE

Mr. SUN Yansheng *(Chairperson)*
Dr. YANG Jianyu
Ms. LI Xuemei

JOINT COMPANY SECRETARIES

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

H SHARE REGISTRAR

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

AUTHORIZED REPRESENTATIVES

Dr. YANG Jianyu
Mr. PAN Lichen

AUDITOR

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

REGISTERED OFFICE IN THE PRC

Room B311, 3rd Floor, Building 7
No. 48, Zhongguancun South Road
Haidian District
Beijing, PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 26A1-26A5, East Tower, Hanwei Building
No. 7 Guanghua Road
Chaoyang District
Beijing, PRC

Corporate Information

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL BANKS

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

HONG KONG LEGAL ADVISORS

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

COMPANY'S WEBSITE

www.concordmedical.com

STOCK SHORT NAME

CONCORD HC GP

STOCK CODE

2453

DATE OF LISTING

January 9, 2024

Results Highlights

- Our revenue 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.

Management Discussion and Analysis

BUSINESS OVERVIEW

Hospital Business

The Group focuses on the high-end oncology healthcare sector. As of the date of this report, the Group owns and operates four offline self-operated medical institutions and one medical institution under construction, dedicated to providing comprehensive and specialized medical services to cancer patients. These institutions are 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 report, 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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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 report and should be read in conjunction with them.

Revenue

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

Our revenue increased by 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.

  - *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.

  - *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.

  - *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.

Management Discussion and Analysis

Cost of revenue

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

Our cost of revenue decreased by 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	
	RMB '000	***%***	*RMB '000*	*%*
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,			
	2026		2025	
	Amount	**Gross margin**	Amount	Gross margin
	RMB '000	***%***	*RMB '000*	*%*
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
	RMB '000	
Loss for the Reporting Period	**(99,232)**	(200,021)
Add:		
Listing expenses	**–**	–
Adjusted net loss (non-HKFRS measure)	**(99,232)**	(200,021)

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	**137,263**	170,028

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.

Management Discussion and Analysis

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	2025
	RMB '000	
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 investments

We did not have any material acquisitions, disposals or 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	As of December 31, 2025
	RMB '000	
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	As of December 31, 2025
	RMB '000	
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	20.3
After one year but within two years	**1,335,523**	**46.2**	124,600	4.2
Over two years but within five years	**697,673**	**24.2**	1,566,919	52.8
Over five years	**584,090**	**20.2**	672,594	22.7
Total	**2,887,580**	**100.0**	2,964,430	100.0

Management Discussion and Analysis

Key financial ratios

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

	Six months ended June 30,	
	2026	2025
Profitability ratios		
Gross margin[1]	**27.1%**	0.2%
Net margin[2]	**(36.8)%**	(99.6)%

	As of	
	June 30, 2026	December 31, 2025
Liquidity ratios		
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.

Other Information

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.

LITIGATION AND COMPLIANCE

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

INTERIM DIVIDEND

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

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. As of June 30, 2026, the Company did not hold any treasury shares.

Other Information

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) was approximately HK$466.36 million.

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

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 placing price was HK$5.38 per placing share. The closing price on May 28, 2025, being the date on which the terms of 2025 May Placing were fixed, was HK$6.70 per H Share.

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 placing price was HK$5.54 per placing share. The closing price on July 21, 2025, being the date on which the terms of 2025 July Placing were fixed, was HK$6.67 per H Share.

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	Utilized amount for the six months ended June 30, 2026	Utilized amount as of June 30, 2026	Unutilized amount as of June 30, 2026
				(HK$ million)		
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**	

As of June 30, 2026, the Group has fully utilized the net proceeds raised from the 2025 July Placing.

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.

The bonds were issued to Dragon Merit Holdings Limited, a wholly-owned subsidiary of CSPC Pharmaceutical Group Limited, at an issue price equal to 100% of their principal amount. Based on the initial conversion price of HK$1.70 per H Share and assuming full conversion, the bonds are convertible into 40,000,000 H Shares. The estimated net issue price was approximately HK$1.58 per H Share issuable upon conversion. The closing price of the H Shares on 8 May 2026, being the last trading day before the signing of the placing and subscription agreement dated 10 May 2026, was HK$1.49 per H Share. The 2026 Convertible Bonds Issue was intended to fund the Group's business development, strengthen its financial position and capital structure, and deepen its strategic cooperation with CSPC Pharmaceutical Group Limited.

The unutilized net proceeds are expected to be utilized before 31 December 2026, and there was no material change in the intended use of the net proceeds or delay in the expected timeline for their utilization as previously disclosed by the Company.

As at the date of this report, the Company has not utilized any net proceeds from 2026 Convertible Bonds Issue. 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 interim report, at least 31.90% of the Company's total number of issued shares are held by the public.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

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

The Company adopted the Model Code as its own code of conduct regarding the transactions of securities of the Company by its Directors 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.

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

As of June 30, 2026, to the best knowledge of the Directors, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name	Our Company/name of associated corporation	Class of Shares	Capacity/Nature of interest	Number of Shares held(1)	Approximate percentage of total shareholdings in the Company(2)	Approximate percentage shareholding in the relevant class of Shares of the Company(3)
Dr. Yang	Our Company	Domestic Shares	Interest in controlled corporation	192,274,636 (L)	24.54%	40.93%
		H Shares	Interest in controlled corporation	63,859,100 (L)	8.15%	20.35%

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

(2) Represents the percentage of the number of shares in the relevant class as at June 30, 2026 divided by the number of all shares of the Company in issue (totaling 734,938,416 Shares, including 265,151,024 H Shares and 469,787,392 Domestic Shares).

(3) Represents the percentage of the number of shares in the relevant class as at June 30, 2026 divided by the number of shares in the relevant class of the Company in issue.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which would be required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Other Information

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

As of June 30, 2026, to the best of knowledge of the Directors, the following persons, other than Directors or chief executive of the Company, had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Class of Shares	Capacity/Nature of interest	Number of Shares held[1]	Approximate percentage of total shareholdings in the Company[2]	Approximate percentage shareholding in the relevant class of Shares of the Company[3]
Ascendium Group Limited[4][5][6]	Domestic Shares	Interest in controlled corporation	192,274,636 (L)	24.54%	40.93%
	H Shares	Interest in controlled corporation	63,859,100 (L)	8.15%	20.35%
Concord Medical[4]	Domestic Shares	Interest in controlled corporation	192,274,636 (L)	24.54%	40.93%
	H Shares	Interest in controlled corporation	63,859,100 (L)	8.15%	20.35%
Morgancreek[4]	Domestic Shares	Interest in controlled corporation	192,274,636 (L)	24.54%	40.93%
	H Shares	Interest in controlled corporation	63,859,100 (L)	8.15%	20.35%
Ms. ZHANG Bi[4]	Domestic Shares	Interests of spouse; interest in controlled corporation	192,274,636 (L)	24.54%	40.93%
	H Shares	Interests of spouse; interest in controlled corporation	63,859,100 (L)	8.15%	20.35%
Shanghai Medstar[5]	Domestic Shares	Beneficial interest	96,137,318 (L)	12.27%	20.46%
	H Shares	Interest in controlled corporation	28,115,800 (L)	3.59%	8.96%
	Domestic Shares	Other	96,137,318 (L)	12.27%	20.46%
	H Shares	Beneficial interest	141,000 (L)	0.02%	0.04%
Beijing Concord[6]	H Shares	Beneficial interest	35,602,300 (L)	4.54%	11.34%
Concord HK[6]	H Shares	Interest in controlled corporation	35,602,300 (L)	4.54%	11.34%
Tianjin Concord	H Shares	Beneficial interest	28,115,800 (L)	3.59%	8.96%
CICC Jiatai Phase II (Tianjin) Equity Investment Fund Partnership (Limited Partnership) (中金佳泰貳期(天津)股權投資基金合夥企業(有限合夥)) ("**CICC Jiatai**")[7]	Domestic Shares	Beneficial Interest	120,000,000 (L)	15.31%	25.54%
CICC Capital Management Co., Ltd.	Domestic Shares	Interest in controlled corporation	120,000,000 (L)	15.31%	25.54%
China International Capital Corporation Limited	Domestic Shares	Interest in controlled corporation	120,000,000 (L)	15.31%	25.54%

Name	Class of Shares	Capacity/Nature of interest	Number of Shares held[1]	Approximate percentage of total shareholdings in the Company[2]	Approximate percentage shareholding in the relevant class of Shares of the Company[3]
Central Huijin Investment Ltd.	Domestic Shares	Interest in controlled corporation	120,000,000 (L)	15.31%	25.54%
Ningbo Xinyu Jiahui Enterprise Management Co., Ltd. (寧波信鈺嘉慧企業管理有限公司) ("**Ningbo Xinyu**")[8]	Domestic Shares	Beneficial Interest	77,777,776 (L)	9.92%	16.56%
CITIC Industrial Investment Group Corp., Ltd.	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	9.92%	16.56%
CITIC Corporation Limited	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	9.92%	16.56%
CITIC Limited	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	9.92%	16.56%
CITIC Polaris Limited	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	9.92%	16.56%
CITIC Glory Limited	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	9.92%	16.56%
CITIC Group Corporation Limited	Domestic Shares	Interest in controlled corporation	77,777,776 (L)	9.92%	16.56%
CSPC NBP Pharmaceutical Co., Ltd. (石藥集團恩必普藥業有限公司)[9]	Domestic Shares	Beneficial Interest	28,195,488 (L)	3.60%	6.00%
CSPC Pharmaceutical Group Limited	Domestic Shares	Interest in controlled corporation	28,195,488 (L)	3.60%	6.00%
WisdoMont Asset Management (Shanghai) Co., Ltd.[10]	Domestic Shares	Interest in controlled corporation	34,715,560 (L)	4.43%	7.39%
GAN Shixiong (甘世雄)	Domestic Shares	Interest in controlled corporation	34,715,560 (L)	4.43%	7.39%

(1)–(3) See "— Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" in this interim report for more information.

(4) Ascendium Group Limited is deemed to be interested in (i) the entire interests held by Shanghai Medstar, which is owned as to 98.19% by Ascendium Group Limited and as to 1.81% by Shanghai Huifu Technology Development Co., Ltd. (上海卉馥科技發展有限公司) ("**Shanghai Huifu**"), and (ii) the entire interests held by Concord HK, which is wholly owned by Ascendium Group Limited. Shanghai Huifu is owned as to approximately 99% by Dr. Yang and as to approximately 1% by Mr. SHI Botao. Ascendium Group Limited is wholly owned by Concord Medical. As of the date of this interim report, Dr. Yang, through his controlled entity, Morgancreek, is entitled to exercise approximately 73.2% of the voting rights at general meetings of Concord Medical. Ms. ZHANG Bi, the spouse of Dr. Yang, indirectly holds 70% of the equity interests in Morgancreek; and Dr. Yang is the sole director of Morgancreek, and as such Dr. Yang has the power to direct Morgancreek as to the voting and disposition of the shares held by Morgancreek in Concord Medical. Ms. ZHANG Bi, as the spouse of Dr. Yang, is deemed to be interested in Dr. Yang's entire interest.

(5) Shanghai Medstar is deemed to be interested in (i) the 192,415,636 Shares directly held by it, and (ii) the 28,115,800 Shares held by Tianjin Concord, which is wholly owned by Shanghai Medstar. On July 10, 2024 and October 14, 2024 and January 24, 2025, Shanghai Medstar pledged a total of 96,137,318 Domestic Shares in favor of China Credit Trust Co., Ltd. as security for a loan facility. For details, please refer to "— Pledge of Shares by the Controlling Shareholder" in this report.

(6) Concord HK is deemed to be interested in the 35,602,300 Shares held by Beijing Concord, which is wholly owned by Concord HK.

(7) CICC Jiatai is a limited partnership established in the PRC and the general partner of which is CICC Capital Management Co., Ltd. (中金資本運營有限公司), a wholly-owned subsidiary of China International Capital Corporation Limited, which is a company listed on the Shanghai Stock Exchange (stock code: 601995) and Stock Exchange (stock code: 3908). Central Huijin Investment Ltd. (中央匯金投資有限責任公司) is deemed to be interested in the entire interest held by China International Capital Corporation Limited for the purpose of the SFO.

(8) Ningbo Xinyu is a limited liability company established in the PRC and is a wholly-owned subsidiary of CITIC Industrial Investment Group Corp., Ltd., which is in turn wholly owned by CITIC Corporation Limited. CITIC Corporation Limited is wholly owned by CITIC Limited, a company listed on the Stock Exchange (stock code: 0267), which is in turn owned as to 32.53% by CITIC Polaris Limited and as to 25.60% by CITIC Glory Limited. Each of CITIC Polaris Limited and CITIC Glory Limited is wholly owned by CITIC Group Corporation Limited.

(9) CSPC NBP Pharmaceutical Co., Ltd. is a company established in the PRC with limited liability and is a wholly-owned subsidiary of CSPC Pharmaceutical Group Limited, which is a company listed on the Stock Exchange (stock code: 1093).

(10) WisdoMont Asset Management (Shanghai) Co., Ltd. is the general partner of Jiaxing Shengshi Equity Investment Partnership (Limited Partnership) (嘉興盛識股權投資合夥企業(有限合夥)) ("**Jiaxing Shengshi**"), Suzhou Juepu Investment Center (Limited Partnership) (蘇州覺普投資中心(有限合夥)) ("**Suzhou Juepu**") and Lanhai Youfang, and also controls the general partner of Suzhou Shengshan Huiying Venture Capital Partnership (Limited Partnership) (蘇州盛山漶贏創業投資企業(有限合夥)) ("**Shengshan Huiying**"). Accordingly, WisdoMont Asset Management (Shanghai) Co., Ltd. is deemed to be interested in the entire interests held by Jiaxing Shengshi, Suzhou Juepu, Lanhai Youfang and Shengshan Huiying. WisdoMont Asset Management (Shanghai) Co., Ltd. is owned as to 51% by GAN Shixiong (甘世雄).

Save as disclosed above, as at June 30, 2026, the Directors and the chief executive of the Company are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be required to be recorded in the register to be kept by the Company pursuant to Section 336 of the SFO.

CHANGES IN DIRECTORS' INFORMATION

Mr. JIANG Wei was appointed as a executive Director of the Company at the AGM held on May 11, 2026, the term of which shall terminate upon the expiry of the term of the current session of the Board. Mr. JIANG Wei has also been appointed as the president with effect from January 12, 2026.

Ms. FU Xiao, the executive Director of the fourth session of the Board, retired upon the date of the election of Mr. JIANG Wei at the AGM held on May 11, 2026. Ms. FU Xiao has also resigned as the president of the Group with effect from January 12, 2026 in accordance with the changes in duties within the Group.

Ms. JIANG Li was appointed as an employee Director of the Company at the employee representative meeting held on May 11, 2026, the term of which shall terminate upon the expiry of the term of the current session of the Board.

Mr. CHANG Liang, the executive Director of the fourth session of the Board, retired on May 11, 2026.

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

PLEDGE OF SHARES BY THE CONTROLLING SHAREHOLDER

During the six months ended June 30, 2026, the Company had no disclosure obligation under Rule 13.17 of the Listing Rules.

Reference is made to the announcements of the Company dated July 10, 2024, October 14, 2024 and January 24, 2025 in relation to pledge of the 23,070,000 domestic shares, the 64,100,000 domestic shares and 8,967,318 domestic shares, respectively, of the Company (the "**Pledged Domestic Shares**") by Shanghai Medstar in favor of China Credit as a security for the loan facility up to a maximum aggregate amount of RMB500,000,000 (the "**Domestic Shares Pledge**"). As disclosed in the announcement of the Company dated September 1, 2026, on September 1, 2026, the Company received notification from Shanghai Medstar that (i) the Domestic Shares Pledge had been fully released on September 1, 2026; and (ii) on the same date, Shanghai Medstar has pledged 96,137,318 domestic shares of the Company, representing approximately 49.96% of total shares directly held by Shanghai Medstar in the Company, in favor of China Credit Trust Co., Ltd. (中誠信託有限責任公司) ("**China Credit**") as security for a loan facility in an aggregate amount of no more than RMB300,000,000 provided by China Credit to the Group. As at the date of this report, the aggregate domestic shares of the Company pledged by Shanghai Medstar represent approximately 12.27% of the total issued shares of the Company.

Other Information

Reference is made to the announcement of the Company dated November 4, 2025 in relation to pledge of the 35,602,300 H shares of the Company by Beijing Concord Medical Technology Co., Ltd. (北京泰和誠醫療技術有限公司) ("**Beijing Concord**"), one of the controlling shareholders (as defined under the Listing Rules) of the Company in favor of China Credit as a security for the loan facility up to a maximum aggregate amount of RMB500,000,000 (the "**H Shares Pledge**"). As disclosed in the announcement of the Company dated September 8, 2026, on September 8, 2026, the Company received notification from Beijing Concord that (i) the H Shares Pledge had been fully released; and (ii) on the same date, Beijing Concord has pledged 35,602,300 H shares of the Company, representing approximately 100% of total shares directly held by Beijing Concord in the Company, in favor of China Credit as security for a loan facility in an aggregate amount of no more than RMB300,000,000 provided by China Credit to the Group. As at the date of this report, the aggregate H shares of the Company pledged by Beijing Concord represent approximately 4.54% of the total issued shares of the Company.

To the best knowledge of the Directors, China Credit is an independent third party of the Company and its connected persons.

EXPIRY OF APPOINTMENT OF COMPLIANCE ADVISER

Haitong International Capital Limited ("**Compliance Advisor**") has been appointed as the Compliance Advisor of the Company, effective from the date of listing of the Company's shares on the Main Board of the Stock Exchange. According to Rule 3A.19 of the Listing Rules of The Stock Exchange of Hong Kong Limited, the appointment period shall expire on the day when the Company complies with Rule 13.46 of the Listing Rules and publishes the audited annual results for the first full financial year after listing. Our Company has published the annual report for the year ended December 31, 2025 on April 15, 2026, and the term of appointment for the compliance consultant has officially expired on April 15, 2026. The board of directors confirms that the Company has fully fulfilled all legal obligations under the listing rules regarding the appointment of compliance advisors; There is no disagreement between the board of directors and the compliance advisor, and there are no other matters related to the expiration of the compliance advisor's appointment that need to be brought to the attention of the Company's shareholders and the Stock Exchange.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

As of June 30, 2026, the Company had no other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in this interim report, at no time during six months ended June 30, 2026 was the Company or its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporates, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporates or had exercised any such right.

Other Information

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

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the six months ended June 30, 2026.

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

AUDIT COMMITTEE

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

The accounting information contained in this interim report has not been audited by the independent auditor of the Company. However, the Audit Committee together with the management of the Company have reviewed the accounting policies and practices adopted by the Group and discussed, among other things, internal controls and financial reporting matters including a review of the unaudited interim results for the six months ended June 30, 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.

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 interim report.

By order of the Board of Directors
Dr. YANG Jianyu
Chairman of the Board and Executive Director

Beijing, the PRC, September 15, 2026

Report on Review of Interim Condensed Consolidated Financial Statements

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To the Board of directors of Concord Healthcare Group Co., Ltd.
(incorporated in People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 45 to 72 which comprise the condensed consolidated statement of financial position of Concord Healthcare Group Co., Ltd. and its subsidiaries (collectively referred to as the "Group") as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements, including material accounting policy information (the "interim condensed consolidated financial statements"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

BDO Limited
Certified Public Accountants
Chan Tsz Hung
Practising Certificate no. P06693

Hong Kong
21 August 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	Six months ended 30 June 2025 RMB'000 (Unaudited)
Revenue	5	**269,648**	200,903
Cost of revenue		**(196,686)**	(200,520)
Gross profit		**72,962**	383
Other income and other net gains	6	**10,684**	1,850
Reversal of/(provision for) impairment loss on trade receivables, net	13	**2,073**	(30,654)
Reversal of/(provision for) impairment loss on other receivables, net	14	**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 results		**(384)**	(772)
Finance costs	7	**(59,542)**	(66,329)
Loss before income tax credit	8	**(101,457)**	(201,992)
Income tax credit	9	**2,225**	1,971
Loss and total comprehensive income for the period		**(99,232)**	(200,021)
Attribute to:			
Owners of the Company		**(77,338)**	(176,598)
Non-controlling interests		**(21,894)**	(23,423)
		(99,232)	(200,021)
Loss per share (expressed in RMB cents)			
Basic loss per share	11	**(9.87)**	(24.46)
Diluted loss per share	11	**(10.74)**	(24.46)

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	**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	12	**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	14	**28,631**	28,636
Amounts due from related parties		**200,211**	200,211
Deferred tax assets		**15,646**	15,462
		5,038,202	5,117,739
Current assets			
Inventories		**17,102**	16,846
Trade receivables	13	**42,523**	45,807
Deposits, prepayments and other receivables	14	**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
		624,548	669,668
Current liabilities			
Trade payables	15	**(76,134)**	(82,699)
Accruals and other payables	16	**(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	17	**(270,294)**	(600,317)
Convertible bonds		**(72,388)**	(21,762)
		(971,230)	(1,245,704)
Net current liabilities		**(346,682)**	(576,036)
Total assets less current liabilities		**4,691,520**	4,541,703

Condensed Consolidated Statement of Financial Position (continued)

As at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Lease liabilities		**(89,609)**	(93,686)
Bank and other borrowings	17	**(2,617,286)**	(2,364,113)
Deferred tax liabilities		**(56,050)**	(58,097)
		(2,762,945)	(2,515,896)
Net assets		**1,928,575**	2,025,807
EQUITY			
Capital and reserves			
Share capital	18	**783,662**	783,662
Reserves		**969,758**	1,046,588
Equity attributable to owners of the Company		**1,753,420**	1,830,250
Non-controlling interests		**175,155**	195,557
Total equity		**1,928,575**	2,025,807

Approved and authorised for issue by the Board of Directors on 21 August 2026

YANG Jianyu

JIANG Wei

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to owners of the Company							
	Share capital RMB'000 (Note 18)	Capital reserves* RMB'000 (Note a)	PRC statutory reserves* RMB'000 (Note b)	Merger reserves* RMB'000 (Note c)	Accumulated losses* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2025 (audited)	716,338	4,643,501	39,867	34,736	(3,786,545)	1,647,897	252,913	1,900,810
Loss and total comprehensive income for the period	–	–	–	–	(176,598)	(176,598)	(23,423)	(200,021)
Capital injection from non-controlling interests	–	(12,209)	–	–	–	(12,209)	45,709	33,500
Deemed disposal of non-controlling interest	–	(6,966)	–	–	–	(6,966)	6,966	–
Placing of new shares	18,600	73,224	–	–	–	91,824	–	91,824
Transaction costs attributed to issue of new shares	–	(4,599)	–	–	–	(4,599)	–	(4,599)
At 30 June 2025 (Unaudited)	734,938	4,692,951	39,867	34,736	(3,963,143)	1,539,349	282,165	1,821,514
At 1 January 2026 (audited)	**783,662**	**5,015,133**	**39,867**	**34,736**	**(4,043,148)**	**1,830,250**	**195,557**	**2,025,807**
Loss and total comprehensive income for the period	**–**	**–**	**–**	**–**	**(77,338)**	**(77,338)**	**(21,894)**	**(99,232)**
Capital injection from non-controlling interests	**–**	**508**	**–**	**–**	**–**	**508**	**1,492**	**2,000**
At 30 June 2026 (Unaudited)	**783,662**	**5,015,641**	**39,867**	**34,736**	**(4,120,486)**	**1,753,420**	**175,155**	**1,928,575**

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

Notes:

(a) Capital reserves represented the paid up capital of the subsidiaries now comprising the Group attributable to the shareholders, the excess of proceeds received over the nominal value of share of the Company issued, less transaction costs in connection with the issue of shares and the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received upon changes in ownership interest in a subsidiary without change in control.

(b) Statutory reserves represented the amount transferred from net profit for the period of the Company and the subsidiaries established in the People's Republic of China ("**PRC**") (based on the Company and the subsidiaries' PRC statutory financial statements) in accordance with the relevant PRC laws until the statutory reserves reach 50% of the registered capital of the respective entities. The statutory reserves cannot be reduced except either in setting off the accumulated losses or increasing capital.

(c) The merger reserves of the Group arose as a result of the acquisitions of subsidiaries under common control and represented the difference between the consideration paid for the acquisitions and the carrying amount of the net assets of the subsidiaries at the date when the Group and the acquired subsidiaries became under common control.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from operating activities			
Loss before income tax credit		**(101,457)**	(201,992)
Adjustments for:			
Depreciation of property, plant and equipment	8	**51,360**	53,042
Depreciation of right-of-use assets	8	**9,542**	10,320
Amortization of intangible assets	8	**13,596**	13,876
(Reversal of)/provision for impairment loss on trade receivables, net	13	**(2,073)**	30,654
(Reversal of)/provision for impairment loss on other receivables, net	14	**(2,707)**	7,681
Provision for impairment loss on amounts due from related parties, net		**22,881**	7,812
Reversal of write-down of inventories	6	**–**	(28)
Write-off of property, plant and equipment	6	**50**	–
Gain on lease modifications	6	**–**	(1,243)
Gain on disposal of a joint venture	6	**(1,076)**	–
Fair value change on convertible bond classified as fair value through profit or loss ("FVTPL")	6	**(8,027)**	–
Fair value change on convertible bond – embedded derivatives	6	**(1,232)**	58
Fair value change on financial assets at FVTPL	6	**–**	(323)
Interest income	6	**(317)**	(196)
Share of associates' results		**852**	888
Share of a joint venture's results		**384**	772
Finance costs	7	**59,542**	66,329
Operating gain/(loss) before working capital changes		**41,318**	(12,350)
(Increase)/decrease in inventories		**(256)**	19,778
Decrease/(increase) in trade receivables		**5,357**	(18,328)
Increase in deposits, prepayment and other receivables		**(8,159)**	(77,448)
Increase in amounts due from related parties		**(3,023)**	(1,134)
(Increase)/decrease in restricted cash		**(108)**	1,120
Decrease in trade payables		**(6,565)**	(10,874)
Increase/(decrease) in accruals and other payables		**10,841**	(15,615)
Increase in amounts due to related parties		**10,076**	–
Increase in contract liabilities		**788**	54,442
Cash generated from/(used in) operations		**50,269**	(60,409)
Income tax (paid)/refunded		**(6)**	3
Net cash generated from/(used in) operating activities		**50,263**	(60,406)

Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2026

	Note	For the six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(14,270)**	(152,818)
Purchase of intangible assets		**(250)**	–
Proceeds from disposal of items of property, plant and equipment		**1**	–
Proceeds from disposal of a joint venture		**30,000**	–
Bank interest received		**317**	196
Advance to related parties		**(124,000)**	(5,565)
Proceeds from disposal of financial asset at FVTPL		**–**	132,898
Net cash used in investing activities		**(108,202)**	(25,289)
Cash flows from financing activities			
Proceeds from bank and other borrowings		**762,613**	222,520
Repayment of lease liabilities		**(4,303)**	(4,846)
Repayment of bank and other borrowings		**(839,463)**	(229,112)
Repayment to related parties		**–**	(371)
Proceeds from issue of new shares	18	**–**	91,824
Proceeds from issuance of convertible bond		**59,407**	–
Payments of transaction cost attributed to issue of new shares		**–**	(4,599)
Capital injection from non-controlling interests		**2,000**	33,500
Interest paid		**(79,528)**	(57,737)
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 beginning of the period		**294,476**	204,544
Cash and cash equivalents at end of the period		**137,263**	170,028

1. GENERAL INFORMATION

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

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

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

2. ACCOUNTING POLICY

Except as described below, the accounting policies applied are consistent with those of the 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 JUDGMENTS

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. BASIS OF PREPARATION AND ESTIMATES AND JUDGMENTS (continued)

3.2 Basis of measurement and going concern assumption

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

For the six months ended 30 June 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. SEGMENT INFORMATION

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

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

– Hospital Business

– Medical Equipment, Software and Related Services

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

The following is an analysis of the Group's revenue and results by reportable segment six months ended 30 June 2026 and 2025:

	For the six months ended 30 June 2026		
	Hospital Business RMB'000 (Unaudited)	Medical Equipment, Software and Related Services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue	265,651	3,997	269,648
Segment results	16,804	(68,167)	(51,363)
Other income and net gains			10,684
Finance costs			(59,542)
Share of associates' results			(852)
Share of a joint venture's result			(384)
Loss before income tax			(101,457)

4. SEGMENT INFORMATION (continued)

	As at 30 June 2026		
	Hospital Business RMB'000 (Unaudited)	Medical Equipment, Software and Related Services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Assets			
Segment assets	4,052,520	929,206	4,981,726
Goodwill	140,942	368,221	509,163
			5,490,889
Deferred tax assets			15,646
Interests in associates			156,215
Total Assets			5,662,750
Liabilities			
Segment liabilities	(3,109,066)	(515,381)	(3,624,447)
Income tax payable			(2,298)
Convertible bond			(51,380)
Deferred tax liabilities			(56,050)
Total Liabilities			(3,734,175)

4. SEGMENT INFORMATION (continued)

	For the six months ended 30 June 2026		
	Hospital Business RMB'000 (Unaudited)	Medical Equipment, Software and Related Services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Other segment information			
Depreciation of property, plant, and equipment	(45,571)	(5,789)	(51,360)
Depreciation of right-of-use assets	(8,171)	(1,371)	(9,542)
Amortization of intangible assets	(7,410)	(6,186)	(13,596)
(Provision for)/reversal of impairment loss on trade receivable, net	(776)	2,849	2,073
(Provision for)/reversal of impairment loss on other receivables, net	(66)	2,773	2,707
Provision for impairment loss on amounts due from related parties, net	(172)	(22,709)	(22,881)
Write-off of property, plant and equipment	(50)	–	(50)

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

4. SEGMENT INFORMATION (continued)

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

4. SEGMENT INFORMATION (continued)

	For the six months ended 30 June 2025		
	Hospital Business RMB'000 (Unaudited)	Medical Equipment, Software and Related Services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Other segment information			
Depreciation of property, plant, and equipment	(39,618)	(13,424)	(53,042)
Depreciation of right-of-use assets	(8,170)	(2,150)	(10,320)
Amortization of intangible assets	(7,423)	(6,453)	(13,876)
Provision for impairment loss on trade receivable, net	(1,078)	(29,576)	(30,654)
Provision for impairment loss on other receivables, net	(2,499)	(5,182)	(7,681)
Provision for impairment loss on amounts due from related parties, net	(77)	(7,735)	(7,812)
Write-down of inventories	(28)	–	(28)

5. REVENUE

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

	Six months ended 30 June	
	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
	267,481	198,886
Revenue from other source		
Medical Equipment, Software and Related Services		
Operating lease income	**2,167**	2,017
Total revenue	**269,648**	200,903

	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	**267,481**	198,886

6. OTHER INCOME AND OTHER NET GAINS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income:		
Interest income	**317**	196
Government grants (Note (a))	**610**	443
Other net gains/(losses):		
Fair value change on convertible bond classified as FVTPL (Note 21)	**8,027**	–
Fair value change on convertible bond-embedded derivatives (Note 21)	**1,232**	(58)
Gain on disposal of a joint venture (Note (b))	**1,076**	–
Compensation expenses	**(66)**	–
Write-off of property, plant and equipment	**(50)**	–
Gain on lease modifications	**–**	1,243
Fair value change on financial assets at FVTPL	**–**	323
Reversal of write-down of inventories	**–**	28
Exchange gain/(loss)	**42**	(216)
Others	**(504)**	(109)
	10,684	1,850

Notes:

(a) Government grants represented the financial support received from local government as an incentive for business development and there has no unfulfilled conditions attached to the government grants.

(b) During the six months ended 30 June 2026, the Group disposed of its 15% equity interest in its then joint venture, Hebei CSPC Concord Hospital Management Co. Ltd. ("Hebei CSPC") at a consideration of RMB30,000,000. Upon the completion of the disposal, Hebei CSPC became an associate of the Group and a gain on disposal of RMB1,076,000 was recognised in profit or loss during the six months ended 30 June 2026.

7. 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	**3,734**	4,139
Interest charge on convertible bond	**478**	478
Total interest expenses for liabilities not classified as at FVTPL	**80,006**	88,959
Less: amounts included in the cost of qualifying assets	**(20,464)**	(22,630)
	59,542	66,329

8. LOSS BEFORE INCOME TAX CREDIT

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Auditors' remuneration	**1,000**	1,000
Depreciation of property, plant and equipment	**51,360**	53,042
Depreciation of right-of-use assets	**9,542**	10,320
Short-term leases expenses	**1,187**	1,327
Amortization of intangible assets	**13,596**	13,876
Cost of inventories recognized as expenses	**51,291**	64,526
Staff costs (including directors' emoluments):		
Salaries, wages and other benefits	**76,818**	78,413
Retirement scheme contribution (Note (a))	**20,132**	21,756
	96,950	100,169

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

9. INCOME TAX CREDIT

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
Current year	**6**	–
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.

10. 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.

11. 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)

11. LOSS PER SHARE (continued)

(b) Diluted loss per share (continued)

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.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with a cost of approximately RMB24,456,000 (six months ended 30 June 2025: RMB18,617,000). The Group had written-off property, plant and equipment with net book value of RMB50,000 (six months ended 30 June 2025: RMBNil). Deprecation of property, plant and equipment amounted to RMB51,360,000 (six months ended 30 June 2025: RMB53,042,000).

13. TRADE RECEIVABLES

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

As at 30 June 2026 and 31 December 2025, the trade receivables were denominated in RMB.

13. TRADE RECEIVABLES (continued)

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

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (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	42,523	45,807

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

	Six months ended 30 June 2026 RMB'000 (Unaudited)	Year ended 31 December 2025 RMB'000 (Audited)
At the beginning of period/year	46,401	46,505
(Reversal of)/provision for impairment loss recognized, net	(2,073)	21,896
Written-off	–	(22,000)
At the end of the period/year	44,328	46,401

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

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current assets		
Deposits	1,607	1,607
Other receivables	1,089	1,089
	2,696	2,696
Less: allowance for impairment	(971)	(966)
	1,725	1,730
Prepayment for property, plant and equipment	26,906	26,906
	28,631	28,636
Current assets		
Deposits	2,764	4,763
Advance to employees	1,630	1,820
Other tax recoverable	49,817	49,339
Other receivables	21,344	3,874
Amount due from a non-controlling shareholder	26,002	46,000
Amount due from a former subsidiary	40,473	46,015
	142,030	151,811
Less: allowance for impairment	(19,360)	(22,072)
	122,670	129,739
Prepayments	173,180	155,240
	295,850	284,979

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

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (continued)

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

	Six months ended 30 June 2026 RMB'000 (Unaudited)	Year ended 31 December 2025 RMB'000 (Audited)
At the beginning of period/year	**23,038**	8,854
(Reversal of)/provision for impairment loss recognized, net	**(2,707)**	14,184
At the end of the period/year	**20,331**	23,038

15. TRADE PAYABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade payables	**76,134**	82,699
	76,134	82,699

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 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (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
	76,134	82,699

16. ACCRUALS AND OTHER PAYABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Accruals and other payables	**110,704**	109,062
Payables for property, plant and equipments	**191,913**	202,191
Salaries payables	**113,867**	102,315
Other tax payable	**3,347**	5,700
	419,831	419,268

17. BANK AND OTHER BORROWINGS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Short-term borrowings		
Secured bank loans	**122,122**	125,317
Secured other borrowings	**10,030**	–
Unsecured bank borrowings	**–**	340
Unsecured other borrowing	**24,000**	–
Current portion of long term borrowings		
Secured bank loans	**35,643**	28,260
Secured other borrowings from related parties	**28,541**	20,640
Secured other borrowings	**49,958**	385,764
Unsecured other borrowings from related parties	**–**	39,996
Non-current portion of long term borrowings		
Secured bank loans	**2,123,099**	2,143,990
Secured other borrowings from related parties	**93,732**	50,966
Secured other borrowings	**400,455**	127,252
Unsecured other borrowings from related parties	**–**	41,905
	2,887,580	2,964,430

17. BANK AND OTHER BORROWINGS (continued)

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

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
On demand or within 1 year	**270,294**	600,317
Current portion	**270,294**	600,317
After 1 year but within 2 years	**1,335,523**	124,600
After 2 years but within 5 years	**697,673**	1,566,919
Over 5 years	**584,090**	672,594
Non-current portion	**2,617,286**	2,364,113
Total	**2,887,580**	2,964,430

Notes:

(i) As at 30 June 2026, the total banking facilities and financial institution facility of the Group was RMB3,959 million (31 December 2025: RMB4,409 million). They were utilized to the extent of RMB2,781 million (31 December 2025: RMB2,859 million) respectively.

18. SHARE CAPITAL

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

(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.

19. MATERIAL RELATED PARTY TRANSACTIONS

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

(a) Name and relationship

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

(b) Related parties transactions

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Zhejiang Marine		
– Interest expense on borrowing	**2,155**	2,717
Shanghai Changshengshu Enterprise Management Co., Ltd.		
– Medical service expense	**580**	587
Shijiangzhuang Hi-tech Cancer Center Co., Ltd.		
– Management and technical support	**–**	4,717

Notes:

a) The English names of all related parties established in the PRC are translated for identification purpose only.

b) Except as disclosed above, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company was a party and in which a Director of the Company or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during the six months ended 30 June 2026 and 2025 or at the end of each financial period.

20. CAPITAL COMMITMENTS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Capital expenditure of the Group authorized and contracted for at the end of the financial period but not recognized as liabilities:		
– Acquisition of property, plant and equipment	**434**	434

21. FAIR VALUE MEASURES OF FINANCIAL INSTRUMENTS

Fair value hierarchy

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

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

- Level 3 valuations: Fair value measured using significant unobservable inputs

	At 30 June 2026 (Unaudited)			
	Level 1 RMB'000	**Level 2 RMB'000**	**Level 3 RMB'000**	**Total RMB'000**
Financial liabilities				
Convertible bonds – Embedded derivatives component	**–**	**–**	**945**	**945**
Convertible bond classified as FVTPL	**–**	**–**	**51,380**	**51,380**

21. FAIR VALUE MEASURES OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

	At 31 December 2025 (Audited)			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial liabilities				
Convertible bonds – Embedded derivatives component	–	–	2,177	2,177

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

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

Financial liabilities	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
Derivative financial liabilities classified as FVTPL – convertible bonds	**945**	2,177	Level 3	Binominal option pricing model	Risk-free interest rate	1.06% (31 December 2025: 1.33%)	The higher the interest rate, the lower the fair value
					Volatility	51.4% (31 December 2025: 46.48%)	The higher the volatility, the higher the fair value
					Stock Price	9.01 (31 December 2025: 9.15)	The higher the stock price, the higher the fair value
Convertible bond classified as FVTPL	**51,380**	N/A	Level 3	Binominal option pricing model	Risk-free interest rate	1.09% (31 December 2025: N/A)	The higher the interest rate, the lower the fair value
					Volatility	59.6% (31 December 2025: N/A)	The higher the volatility, the higher the fair value
					Stock Price	0.79 (31 December 2025: N/A)	The higher the stock price, the higher the fair value

21. FAIR VALUE MEASURES OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

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

	Six months ended 30 June 2026 RMB'000 (Unaudited)	Year ended 31 December 2025 RMB'000 (Audited)
At 1 January	**2,177**	978
Issuance of convertible bond	**59,407**	–
Change in fair value recognised in profit or loss	**(9,259)**	1,199
At 30 June/31 December	**52,325**	2,177

22. EVENTS AFTER REPORTING PERIOD

There were no material events after the reporting date.