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CONCORD HEALTHCARE GROUP CO., LTD.

美中嘉和醫學技術發展集團股份有限公司

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

(Stock Code: 2453)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

The Board is pleased to announce the consolidated annual results of the Group for the year ended December 31, 2025, together with the comparative figures for the year ended December 31, 2024, which have been reviewed by the Audit Committee.

FINANCIAL HIGHLIGHTS

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

| | Notes | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|-------|-----------------------------|------------------------|
| Revenue | 4 | 459,922 | 388,305 |
| Cost of revenue | | <u>(427,972)</u> | <u>(455,553)</u> |
| Gross profit/(loss) | | 31,950 | (67,248) |
| Other income and other net gains | | 16,754 | 62,682 |
| Provision for impairment loss on trade receivables | | (21,896) | (13,418) |
| Provision for impairment loss on other receivables | | (14,184) | (9,734) |
| Reversal of/(provision for) impairment loss on amounts due from related parties | | 19,451 | (16,057) |
| Selling and distribution expenses | | (52,744) | (48,875) |
| Administrative expenses | | (133,835) | (210,482) |
| Research and development expenses | | (28,172) | (31,184) |
| Listing expense | | – | (40,959) |
| Share of associates' results | | (896) | (953) |
| Share of joint venture's result | | (2,919) | (354) |
| Finance costs | 5 | <u>(123,530)</u> | <u>(109,267)</u> |
| Loss before income tax credit | | <u>(310,021)</u> | <u>(485,849)</u> |
| Income tax credit | 6 | <u>4,225</u> | <u>1,031</u> |
| Loss and total comprehensive income for the year | | <u>(305,796)</u> | <u>(484,818)</u> |
| Attributable to: | | | |
| Owners of the Company | | (256,603) | (443,223) |
| Non-controlling interests | | <u>(49,193)</u> | <u>(41,595)</u> |
| | | <u>(305,796)</u> | <u>(484,818)</u> |
| Loss per share (expressed in RMB) | | | |
| Basic and diluted loss per share | 8 | <u><u>(0.34)</u></u> | <u><u>(0.62)</u></u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

| | Notes | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|--|-------|------------------------|------------------------|
| ASSETS AND LIABILITIES | | | |
| Non-current assets | | | |
| Interests in associates | | 87,648 | 88,722 |
| Interest in a joint venture | | 98,727 | 101,646 |
| Property, plant and equipment | | 3,471,586 | 3,492,817 |
| Right-of-use assets | | 419,038 | 437,532 |
| Intangible assets | | 796,431 | 826,372 |
| Deposits, prepayments and other receivables | | 28,636 | 22,275 |
| Amounts due from related parties | | 200,211 | 207,852 |
| Deferred tax assets | | 15,462 | 15,726 |
| | | <u>5,117,739</u> | <u>5,192,942</u> |
| Current assets | | | |
| Inventories | | 16,846 | 33,441 |
| Trade receivables | 9 | 45,807 | 51,480 |
| Deposits, prepayments and other receivables | | 284,979 | 138,993 |
| Amounts due from related parties | | 3,165 | 106,376 |
| Restricted cash | | 24,395 | 46,211 |
| Financial assets at fair value through profit or loss ("FVTPL") | | – | 132,575 |
| Cash and cash equivalents | | 294,476 | 204,544 |
| | | <u>669,668</u> | <u>713,620</u> |
| Current liabilities | | | |
| Trade payables | 10 | (82,699) | (112,146) |
| Accruals and other payables | | (419,268) | (558,916) |
| Income tax payable | | (2,298) | (2,295) |
| Contract liabilities | | (95,923) | (46,426) |
| Amounts due to related parties | | (13,855) | (13,464) |
| Lease liabilities | | (9,582) | (10,388) |
| Bank and other borrowings | | (600,317) | (372,629) |
| Convertible bond | | (21,762) | (19,600) |
| | | <u>(1,245,704)</u> | <u>(1,135,864)</u> |
| Net current liabilities | | <u>(576,036)</u> | <u>(422,244)</u> |
| Total assets less current liabilities | | <u>4,541,703</u> | <u>4,770,698</u> |
| Non-current liabilities | | | |
| Lease liabilities | | (93,686) | (101,712) |
| Bank and other borrowings | | (2,364,113) | (2,705,590) |
| Deferred tax liabilities | | (58,097) | (62,586) |
| | | <u>(2,515,896)</u> | <u>(2,869,888)</u> |
| Net assets | | <u>2,025,807</u> | <u>1,900,810</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

| | Note | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|--|------|-------------------------------|-------------------------|
| EQUITY | | | |
| Capital and reserves | | | |
| Share capital | 11 | 783,662 | 716,338 |
| Reserves | | <u>1,046,588</u> | <u>931,559</u> |
| Equity attributable to owners of the Company | | 1,830,250 | 1,647,897 |
| Non-controlling interests | | <u>195,557</u> | <u>252,913</u> |
| Total equity | | <u><u>2,025,807</u></u> | <u><u>1,900,810</u></u> |

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the People's Republic of China (the "PRC") on July 23, 2008 with limited liability under the Companies laws of the PRC. The Company became listed on The Stock Exchange of Hong Kong (the "Stock Exchange") Limited on 9 January 2024. The address of the 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. ADOPTION OF NEW OR AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

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

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

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

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

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

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

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

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

- ¹ Effective for annual periods beginning on or after 1 January 2026.
- ² Effective for annual periods beginning on or after 1 January 2027.
- ³ Effective for annual periods beginning on or after a date to be determined.

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

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

3.2 Basis of measurement and going concern assumption

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

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

3. BASIS OF PREPARATION (CONTINUED)

3.2 Basis of measurement and going concern assumption (Continued)

For the year ended 31 December 2025, the Group incurred a loss of RMB305,796,000 and had net current liabilities of RMB576,036,000 as at that date. Nevertheless, the consolidated financial statements have been prepared on the going concern basis because the Directors are of the view that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow forecast of the Group covering a period from the end of the reporting period up to 31 December 2026 (the “**Forecast Period**”). In the preparation of the cash flow forecast, the following is taken into consideration:

- (i) The Group has unused credit line of approximately RMB945,000,000 at the date of approval of the consolidated financial statements;
- (ii) The Group continued to exercise stringent cost control measures to preserve liquidity, including reducing administrative costs and deferring capital expenditures that are not of higher priority. The Group will remain proactive in identifying and implementing additional measures to further enhance cost efficiency.
- (iii) The Group is actively seeking additional credit facilities and will diversify its source of financing by exploring and developing opportunities and cultivating strong relationship with potential investors.
- (iv) The proton therapy center of Guangzhou Concord Cancer Hospital will reach its full-scale operations and is anticipated to contribute a stable, recurring and growing revenue stream.

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

3.3 Functional and presentation currency

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

4. REVENUE

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

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

Unsatisfied performance obligations

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

5. FINANCE COSTS

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

6. INCOME TAX CREDIT

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Current tax | | |
| Current year | – | 3 |
| Overprovision for previous years | – | – |
| | <hr/> | <hr/> |
| Deferred tax | | |
| Credited to profit or loss for the year | (4,225) | (1,034) |
| | <hr/> | <hr/> |
| | (4,225) | (1,031) |
| | <hr/> <hr/> | <hr/> <hr/> |

7. DIVIDENDS

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

8. LOSS PER SHARE

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

Note:

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

9. TRADE RECEIVABLES

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|--------------------------------|------------------------|------------------------|
| Trade receivables | 92,208 | 97,985 |
| Less: allowance for impairment | <u>(46,401)</u> | <u>(46,505)</u> |
| | <u>45,807</u> | <u>51,480</u> |

As at 31 December 2025 and 2024, the trade receivables were denominated in RMB.

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

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

10. TRADE PAYABLES

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|----------------|------------------------|------------------------|
| Trade payables | <u>82,699</u> | <u>112,146</u> |
| | <u>82,699</u> | <u>112,146</u> |

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

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

11. SHARE CAPITAL

| | Notes | 2025 | | 2024 | |
|------------------------------------|-------|----------------|-------------------|----------------|-------------------|
| | | Number '000 | Amount RMB'000 | Number '000 | Amount RMB'000 |
| Authorized, issued and fully paid: | | | | | |
| At 1 January | | 716,338 | 716,338 | 676,918 | 676,918 |
| Issue of shares upon listing | (i) | – | – | 39,420 | 39,420 |
| Placing of shares | (ii) | 67,324 | 67,324 | – | – |
| At 31 December | | <u>783,662</u> | <u>783,662</u> | <u>716,338</u> | <u>716,338</u> |

- (i) In connection with the Company's issue of new shares upon listing, the Company allotted and issued 39,420,000 shares of RMB1.00 each at a price of HK\$14.28 per share on 9 January 2024. The gross proceeds from issuance of new shares of approximately RMB517,886,000 (equivalent to approximately HK\$562,920,000) of which approximately RMB39,420,000 (equivalent to approximately HK\$43,466,000) was credited to the Company's share capital, and the remaining balance of approximately RMB478,466,000 (equivalent to approximately HK\$519,454,000) before deduction of share issuance expenses of RMB29,152,000, was credited to capital reserves account. The capital reserves can be used for deduction of share issuance expenses.
- (ii) On 4 June 2025, the Company allotted and issued 18,600,000 shares of RMB1.00 each at a price of HK\$5.38 per share. The gross proceeds from issuance of new shares of approximately RMB91,824,000 (equivalent to approximately HK\$100,068,000) of which approximately RMB18,600,000 was credited to the Company's share capital, and the remaining balance of approximately RMB68,624,000, net of share issuance expenses, was credited to capital reserves account. The capital reserves can be used for deduction of share issuance expenses.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

Hospital Business

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

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

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

2. *Yangtze River Delta Region*

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

Medical Equipment, Software and Related Services

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

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

Consolidating the Foundation with Proton Therapy Technology

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

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

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

On July 14, 2025, the proton center of Guangzhou Hospital successfully completed the nation's first choroidal malignant melanoma proton therapy case. The Group utilized advanced proton therapy pencil beam scanning technology combined with real-time image guidance systems to achieve high-dose precision irradiation of tumor target areas while maximally protecting adjacent important structures, sparing patients from enucleation and significantly improving patient quality of life, fully demonstrating the precision and clinical advancement of the Group's proton therapy.

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

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

II. Continuous Enhancement in Discipline Construction and Scientific Research Capabilities

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

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

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

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

III. Deepened Implementation of International Cooperation

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

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

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

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

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

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

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

V. AI Business

In the first half of 2025, the Group achieved major breakthroughs in AI healthcare, successfully developing and deploying the world's first large language model in the vertical field of proton therapy. This model deeply integrates nearly 10,000 high-quality radiotherapy cases accumulated by cancer institutions under its umbrella and professional journal literature data to build an intelligent system for the entire proton radiotherapy process.

At the patient service level, it can transform complex radiotherapy principles into accessible interpretations and real-time answers to high-frequency concerns such as treatment differences; at the clinical support level, it can automatically analyze massive literature and case data to provide evidence-based references for rare tumor treatment planning while generating research analysis reports meeting international journal standards.

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

With global cancer incidence continuing to rise and healthcare intelligence demand exploding, this Group will leverage its professional and first-mover advantages in cancer diagnosis and treatment to capture shares of the trillion-level market, not only creating sustainable growth engines for Concord Healthcare but also leading the entire cancer medical industry toward a new era of “precision intelligent therapy”.

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

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

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

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

VI. Medical Overseas Expansion

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

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

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

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

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

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

The Group continues to deepen payment system innovation in proton therapy through its cancer hospitals: with cutting-edge radiotherapy technology as the core and precision radiotherapy as a specialty, actively expanding industry cooperation and channel construction to build an efficient payment network. This ensures that commercial insurance patients meeting proton therapy indications can quickly connect with high-end medical resources, creating a complete service pathway from clinical diagnosis to precision treatment, forming a closed-loop management system for high-end proton therapy accessibility. Under the multi-tiered payment network framework, the Group's share of basic medical insurance payments from hospital business stood at 23% during 2025, representing a significant decline compared to the 40% recorded for the basic medical insurance payments for the same period of 2024.

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

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

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

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

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

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

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

IX. Talent Development

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

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

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

Future Outlook

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

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

Financial Review

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

Revenue

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

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

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

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

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

Cost of revenue

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

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

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

Notes:

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

- *Cost of medical equipment and software.* Cost of medical equipment and software represents the cost of procuring medical equipment and software which we offer to our enterprise customers under our medical equipment, software and related services. Our cost of medical equipment and software decreased by 37.8% from RMB93.6 million for the year ended December 31, 2024 to RMB58.2 million for the year ended December 31, 2025, primarily due to the decrease in cost as a result of the decrease in revenue generated from sales and installation of medical equipment and software.
- *Employee benefit expenses.* Employee benefit expenses represent the salaries, bonuses, pension and other social security and welfare of physicians, professional nurses and caretaking staff and other medical professionals at our medical institutions in operation. Our employee benefit expenses decreased by 6.7% from RMB112.8 million for the year ended December 31, 2024 to RMB105.2 million for the year ended December 31, 2025, primarily due to the improved efficiency of human resources and the Group's implementation of the concept of cost reduction and efficiency enhancement.
- *Depreciation and amortization.* Depreciation and amortization represents depreciation of medical equipment and properties used at hospital premises. Our depreciation and amortization increased by 9.3% from RMB114.1 million for the year ended December 31, 2024 to RMB124.7 million for the year ended December 31, 2025, primarily due to the commencement of proton therapy equipment at Guangzhou Concord Cancer Hospital.
- *Cost of pharmaceuticals, consumables and other inventories.* Cost of pharmaceuticals, consumables and other inventories represents the cost of procuring pharmaceuticals and medical consumables used by our medical institutions. Our cost of pharmaceuticals, consumables and other inventories decreased by 5.8% from RMB87.1 million for the year ended December 31, 2024 to RMB82.0 million for the year ended December 31, 2025, primarily due to the decrease in pharmaceuticals sales revenue, as a result of the adjustments in the Company's revenue structure.
- *Leasing, repair and maintenance.* Leasing, repair and maintenance represents the leasing, repair and maintenance cost of our medical institutions in operation and the medical equipment under our medical equipment, software and related services. Our leasing, repair and maintenance increased by 21.7% from RMB21.7 million for the year ended December 31, 2024 to RMB26.4 million for the year ended December 31, 2025, primarily due to the newly added maintenance fee of proton therapy equipment at Guangzhou Concord Cancer Hospital in 2025.
- *Utilities and office expenses.* Our utilities and office expenses increased by 484.5% from RMB1.2 million for the year ended December 31, 2024 to RMB7.3 million for the year ended December 31, 2025, primarily due to the newly added advisory fee for Mayo Clinic in 2025.

Gross profit/(loss) and gross margin

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

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

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

- *Hospital business.* We recorded gross profit and gross margin for hospital business of RMB34.6 million and 9.3% for the year ended December 31, 2025, as compared to gross loss and gross margin of RMB64.9 million and negative 23.9% for the year ended December 31, 2024. The change was primarily due to the restructuring of the Company's revenue model, with the proton therapy business driving improved profitability, while simultaneously implementing a strategy to reduce costs and enhance efficiency.
- *Medical equipment, software and related services.* We recorded gross loss and gross margin for medical equipment, software and related services of RMB2.6 million and negative 3.0% for the year ended December 31, 2025, as compared to gross loss and gross margin of RMB2.4 million and negative 2.0% for the year ended December 31, 2024. The change was primarily due to the decrease in revenue, and higher fixed costs.
 - *Sales and installation of medical equipment and software.* Our gross profit and gross margin for sales and installation of medical equipment and software increased from RMB5.4 million and 5.4% for the year ended December 31, 2024 to RMB13.1 million and 18.6% for the year ended December 31, 2025, primarily due to implementation of a strategy focused on cost reduction and efficiency improvement, and optimize pricing strategies.

- Management and technical support. We recorded gross loss and gross margin for management and technical support of RMB7.5 million and negative 62.0% for the year ended December 31, 2025, as compared to gross loss and gross margin of RMB9.1 million and negative 130.9% for the year ended December 31, 2024. The change was primarily due to the increase in revenue of this segment which led to a narrowing of the gross loss.
- Operating lease. We recorded gross loss and gross margin for operating lease of RMB8.2 million and negative 188.4% for the year ended December 31, 2025, as compared to gross profit and gross margin of RMB1.3 million and 12.9% for the year ended December 31, 2024. The change was primarily due to the decrease in revenue of relevant segment and higher fixed costs.

Selling and distribution expenses

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

Administrative expenses

Our administrative expenses primarily consisted of (i) employee benefit expenses for our administrative staff, and physicians, professional nurses and caretaking staff and other medical professionals at our medical institutions prior to opening, (ii) depreciation and amortization, (iii) office, travel and miscellaneous expenses, (iv) consultancy and professional service fees, and (v) leasing, repair and maintenance expenses. Our administrative expenses decreased by 36.4% from RMB210.5 million for the year ended December 31, 2024 to RMB133.8 million for the year ended December 31, 2025, which was primarily attributable to the Group's implementation of the concept of cost reduction and efficiency enhancement.

Research and development expenses

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

Other income and other net gains

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

Provision for impairment loss on trade receivables

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

Provision for impairment loss on other receivables

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

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

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

Share of associates' results

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

Finance costs

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

Income tax credit

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

Loss for the year

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

Liquidity, financial resources and capital structure

The primary uses of cash are to fund the daily operations of the business of the Group. For the years ended December 31, 2024 and 2025, we financed our capital expenditures and working capital requirements primarily through cash generated from our operating activities. Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash flows generated from our operating activities, net proceeds from the Global Offering, bank loans and other borrowings, and other funds raised from the capital markets from time to time. As of December 31, 2025, the Group had not used any financial instruments for hedging purposes.

We have continued to maintain a healthy and sound financial position and have followed a set of funding and treasury policies to manage our capital resources and mitigate potential risks involved. Our current liabilities increased from approximately RMB1,135.9 million as of December 31, 2024 to approximately RMB1,245.7 million as of December 31, 2025, primarily due to the increasing balance of current bank and other borrowings.

Cash flows

As of December 31, 2025, our cash and cash equivalents primarily consisted of cash on hand and cash at banks, and were substantially all denominated in RMB, USD and HKD. Our total cash and cash equivalents increased by 44.0% from RMB204.5 million as of December 31, 2024 to RMB294.5 million as of December 31, 2025. The increase was primarily attributed to the less net cash used in operating activities and net cash generated from investing and financing activities.

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

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

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

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

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

Foreign exchange risk management

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

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

Capital expenditure

For the year ended December 31, 2025, our total capital expenditure was approximately RMB88.1 million, compared to approximately RMB305.4 million for the year ended December 31, 2024. Our capital expenditure primarily consisted of payments for purchase of property, plant and equipment, purchase of right-of-use assets, and purchase of intangible assets. We funded these expenditures with cash generated from our operations, bank loans and other borrowings.

Capital commitments

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

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

Contingent liabilities

As of December 31, 2025, we did not have any material contingent liabilities, guarantee or any litigation or claim of material importance, pending or threatened against any member of our Group.

Future plans for material investments and capital assets

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

Material acquisitions and disposals and significant investment

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

Pledge of assets

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

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

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

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

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

Net current liabilities

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

Amounts due from related parties

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

Borrowings and indebtedness

As of December 31, 2025, our indebtedness consisted primarily of bank and other borrowings, convertible bonds and lease liabilities, and the borrowings were all made in RMB. As of December 31, 2025, 16.8% of the indebtedness (RMB520.5 million) bore fixed interest rates and exposed the Group to fair value interest rate risk. The following table sets forth a breakdown of our indebtedness as of the dates indicated.

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

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

| | December 31, 2025 | | December 31, 2024 | |
|--------------------------------------|---|---------------------|-------------------------|---------------------|
| | Balance | % | Balance | % |
| | <i>(RMB in thousands, except for the percentages)</i> | | | |
| Within one year | 600,317 | 20.3 | 372,629 | 12.1 |
| After one year but within two years | 124,600 | 4.2 | 195,653 | 6.4 |
| Over two years but within five years | 1,566,919 | 52.8 | 1,137,304 | 36.9 |
| Over five years | 672,594 | 22.7 | 1,372,633 | 44.6 |
| Total | <u>2,964,430</u> | <u>100.0</u> | <u>3,078,219</u> | <u>100.0</u> |

Key financial ratios

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

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

Notes:

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

OTHER INFORMATION

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

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

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

Use of Proceeds from Placing

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

| | Percentage of net proceeds from the placing | Net proceeds from the placing | Utilized Amount for the year ended December 31, 2025 <i>(HK\$ million)</i> | Utilized amount as of December 31, 2025 | Unutilized amount as of December 31, 2025 |
|---|---|--|--|---|---|
| Funding the procurement of medical equipment, consumables, and pharmaceuticals for the medical institutions of the Company | 40% | 37.576 | 37.576 | 37.576 | Nil |
| Repaying loans provided by financial institutions to the Company and its subsidiaries, including but not limited to principal and interest of working capital loans, principal and interest of fixed asset loans, and financing lease liabilities | 30% | 28.182 | 28.182 | 28.182 | Nil |
| Supplementing the working capital of the Company and its subsidiaries for general corporate purposes | 30% | 28.182 | 28.182 | 28.182 | Nil |
| Total | 100% | 93.94 | 93.94 | 93.94 | |

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

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

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

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

| | Percentage of net proceeds from the placing | Net proceeds from the placing | Utilized Amount for the year ended December 31, 2025 <i>(HK\$ million)</i> | Utilized amount as of December 31, 2025 | Unutilized amount as of December 31, 2025 | Expected timeline of full utilization |
|--|---|--|--|---|---|--|
| - Administrative expenses (market expansion and promotion, travel expenses, administrative expenses, etc.) | 4.5% | 11.645 | 6.85 | 6.85 | 4.80 | By June 30, 2026 |
| - Others | 4.5% | 11.645 | 5.50 | 5.50 | 6.14 | By June 30, 2026 |
| Total | 100% | 258.78 | 136.61 | 136.61 | 122.17 | |

Employee and Remuneration Policy

The Group had 592 employees as at December 31, 2025, as compared to 567 employees as at December 31, 2024. The Group provides both in-house and external trainings for our employees to improve their skills and knowledge. Remuneration packages for our employees mainly comprise base salary and performance-related bonus. We set performance targets for our employees primarily based on their position and department and periodically review their performance. The results of such reviews are used in their salary determinations, bonus awards and promotion appraisals. As required under PRC labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. In compliance with PRC regulations, we participate in various employee social insurance plans that are organized by applicable local municipal and provincial governments, including maternity, pension, medical, work-related injury and unemployment benefit plans, as well as housing provident funds. We are required under PRC laws to make contributions to employee benefit plans.

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

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

Neither the Company nor its subsidiary had purchased, sold or redeemed any of the Company's listed securities during the year ended December 31, 2025 to the date of this announcement.

As at December 31, 2025, the Company did not hold any treasury shares.

Sufficiency of Public Float

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

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

Compliance with Corporate Governance Code

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

In the opinion of the Directors, during the year ended 31 December 2025, the Company has complied with all the code provisions as set out in the CG Code.

Compliance with the Model Code for Securities Transactions by Directors

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

Specific enquiry has been made to all directors and relevant employees of the Company and all of them have confirmed that they have complied with the Model Code during the year ended 31 December 2025.

Review of Annual Results

As of the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely, Mr. NG Kwok Yin, Mr. SUN Yansheng and Ms. LI Xuemei, with Mr. NG Kwok Yin being the chairman of the Audit Committee. The Audit Committee has reviewed the annual results of the Group for the year ended December 31, 2025 and has recommended for the Board's approval thereof.

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

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

Scope of Work of the Auditor

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in this annual results announcement have been agreed by the Group's auditor, BDO Limited, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year ended December 31, 2025 and the amounts were found to be in agreement. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this annual results announcement.

Events after the Reporting Period

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

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

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

AGM

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

Final dividend

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

Closure of Register of Members

In relation to the AGM

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

In order to be eligible to attend and vote at the AGM, all H Share transfer documents accompanied by the corresponding share certificates must be lodged with the Company's branch H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Tuesday, May 5, 2026. Domestic Share Shareholders should contact the Board Secretary for details concerning registration of transfers of Domestic Shares. The contact details of the Secretary to the Board are: A1, 26th Floor, Hanwei Building East Area, No. 7 Guanghua Road, Chaoyang District, Beijing, China; and telephone No.: +86 010-59036688. The record date for determining the entitlement to attend and vote at the AGM is Monday, May 11, 2026.

Publication of the Annual Results Announcement and the Annual Report

This announcement was published on the HKEXnews website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.concordmedical.com). The annual report of the Group for the year ended December 31, 2025 containing all the information required by the Listing Rules will be published on the aforesaid websites of the Stock Exchange and the Company in due course.

Appreciation

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

DEFINITIONS

| | |
|-----------------------------------|--|
| “AGM” | the forthcoming annual general meeting of the Company to be held on Monday, May 11, 2026 |
| “Audit Committee” | the audit committee of the Board |
| “Board” | the board of Directors of the Company |
| “Board Secretary” | secretary to the Board |
| “CG Code” | the Corporate Governance Code as set out in Appendix C1 to the Listing Rules |
| “Company” or “Concord Healthcare” | Concord Healthcare Group Co., Ltd. (美中嘉和醫學技術發展集團股份有限公司), a joint stock company incorporated in the PRC with limited liability on July 23, 2008 |
| “Director(s)” | the director(s) of the Company |
| “Domestic Share(s)” | ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are not listed on the Stock Exchange |
| “Domestic Shareholder(s)” | Shareholder(s) of Domestic Shares |

| | |
|---------------------------------|--|
| “Global Offering” | has the meaning ascribed to it under the Prospectus |
| “Group”, “our”, “we” or “us” | the Company and its subsidiary from time to time |
| “Guangzhou Hospital” | Guangzhou Concord Cancer Center Co., Ltd. (廣州泰和腫瘤醫院有限公司), a limited liability company established in the PRC on June 29, 2011, which is owned as to 70% by our Company and operates under the trade name of Guangzhou Concord Cancer Hospital (廣州泰和腫瘤醫院) |
| “H Share(s)” | ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the Stock Exchange and traded in Hong Kong dollars |
| “H Share Shareholder(s)” | holder(s) of H Shares |
| “HKD” or “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “HKFRS” | Hong Kong Financial Reporting Standards |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Main Board” | the Main Board of the Stock Exchange |
| “Model Code” | the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules |
| “PRC” | the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong Special Administrative Region, the Macau Special Administrative Region of the PRC and Taiwan |
| “Prospectus” | the prospectus issued by the Company on December 29, 2023 in connection with the Hong Kong public offering of the H Shares |
| “Reporting Period” | twelve months from January 1, 2025 to December 31, 2025 |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shanghai Hospital” | Shanghai Concord Medical Cancer Hospital Limited* (上海泰和誠腫瘤醫院有限公司), a limited liability company established in the PRC on March 17, 2014, which is owned as to 69.63% by our Company and is expected to operate under the trade name of Shanghai Concord Medical Cancer Hospital* (上海泰和誠腫瘤醫院) |

| | |
|------------------------------|---|
| “Shanghai Imaging Center” | Shanghai Concord Medical Diagnostic Imaging Limited (上海美中嘉和醫學影像診斷有限公司), a limited liability company established in the PRC on January 15, 2018, which is controlled by our Company and operates under the trade name of Shanghai Concord Medical Imaging Diagnostic Center (上海美中嘉和醫學影像診斷中心) |
| “Shanghai Medstar” | Medstar (Shanghai) Enterprise Management Co., LTD (醫學之星(上海)企業管理有限公司) (previously known as Shanghai Medstar Financial Leasing Company Limited (醫學之星(上海)融資租賃有限公司)), a limited liability company established in the PRC on March 21, 2003, one of the Controlling Shareholders |
| “Shanghai Outpatient Center” | Shanghai Concord Medical Cancer Center Co., Ltd. (上海美中嘉和腫瘤門診部有限責任公司), a limited liability company established in the PRC on November 2, 2006, which is owned as to 67.22% by our Company and operates under the trade name of Shanghai Concord Medical Cancer Outpatient Center (上海美中嘉和腫瘤門診部) |
| “Share(s)” | ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “USD” | U.S. dollar |
| “%” | per cent |

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

Beijing, the PRC, March 27, 2026

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

* *For identification purposes only*