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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)**

### **PLACING OF NEW SHARES PURSUANT TO THE PLACING AGREEMENT UNDER GENERAL MANDATE**

**Sole Overall Coordinator, Placing Agent and Capital Market Intermediary**



On 28 May 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed to act as the Company's sole placing agent and to procure, on a best effort basis, not less than six (6) Placees, who and whose ultimate beneficial owner(s) (where applicable) shall be Independent Third Parties, to subscribe for 18,600,000 Placing Shares at the Placing Price (together with such brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee to the extent payable by the Placees) of HK\$5.38 per Placing Share, on the terms thereunder.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion Date, the number of 18,600,000 Placing Shares under the Placing represents approximately 7.54% of the number of existing issued H Shares and approximately 2.60% of the number of existing issued Shares as at the date of this announcement, and approximately 7.01% of the number of issued H Shares and approximately 2.53% of the number of issued Shares as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$5.38 per Placing Share represents:

- (a) a discount of approximately 19.70% to the closing price of HK\$6.70 per H Share as quoted on the Stock Exchange on 28 May 2025, being the date on which the Placing Price was fixed; and

- (b) a discount of approximately 10.48% to the average closing price of HK\$6.01 per H Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to 28 May 2025, being the date on which the Placing Price was fixed.

Subject to the Completion, it is expected that the gross proceeds from the Placing will be approximately HK\$100.07 million and the net proceeds from the Placing (after deducting the Placing commission and other relevant costs and expenses of the Placing) will be approximately HK\$93.94 million. On such basis, the net issue price will be approximately HK\$5.05 per Placing Share.

No Shareholders' approval is required for the Placing and the allotment and issue of the Placing Shares by the Company, as the Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Board by resolution of the Shareholders passed at the AGM held on 27 May 2025, under which the Board may allot and issue up to 107,450,762 new Shares (representing 15% of the total number of Shares in issue as at the date of the passing of the resolution at the AGM). As at the date of this announcement and immediately prior to the entering into of the Placing Agreement, the Company has not issued any Shares under the General Mandate.

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares on the Stock Exchange.

**As Completion is subject to the Placing Agreement not being terminated, and the fulfilment of the Conditions, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

On 28 May 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed to act as the Company's sole placing agent and to procure, on a best effort basis, not less than six (6) Placees, who and whose ultimate beneficial owner(s) (where applicable) shall be Independent Third Parties, to subscribe for 18,600,000 Placing Shares at the Placing Price of HK\$5.38 per Placing Share (together with such brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee to the extent payable by the Placees), on the terms thereunder.

## **PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT**

**Date:** 28 May 2025 (after trading hours)

**Parties:** (i) the Company, as the issuer; and  
(ii) Guotai Junan Securities (Hong Kong) Limited, as the Placing Agent

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

## **Placees**

The Placing Agent has conditionally agreed to procure, on a best effort basis, the subscription of the Placing Shares by no fewer than six (6) Placees who will be independent individual, professional or institutional investors at the Placing Price on the terms and subject to the conditions set out in the Placing Agreement. The Placees and their respective ultimate beneficial owner(s) (where applicable) shall be Independent Third Parties and not connected with, the Company and its connected persons.

It is expected that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Completion.

## **Number of Placing Shares**

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion Date, the number of 18,600,000 Placing Shares under the Placing represents approximately 7.54% of the number of existing issued H Shares and approximately 2.60% of the number of existing issued Shares as at the date of this announcement, and approximately 7.01% of the number of issued H Shares and approximately 2.53% of the number of issued Shares as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares to be allotted and issued will be RMB18,600,000.

## **Ranking of the Placing Shares**

The Placing Shares will rank *pari passu* in all respects among themselves and with the other existing H Shares upon issuance.

## **Placing Price**

The Placing Price is HK\$5.38 per Placing Share and represents:

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

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent and with reference to the market conditions and the prevailing market price of the H Shares.

## **Conditions of the Placing**

The Completion is conditional upon the satisfaction of the following conditions:

- (a) the Listing Approval having been granted by the Stock Exchange and such Listing Approval not subsequently being revoked prior to the delivery of the definitive share certificate(s) representing the Placing Shares;

- (b) approvals, permissions, actions, authorizations and filings required for the performance by the Company of its obligations under the Placing Agreement and the matters contemplated by the Placing Agreement has been obtained and are in full force and effect; and
- (c) the Company's representations and warranties made pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Completion Date.

Save as Condition (c) above, which is waivable by the Placing Agent, all other Conditions are not waivable at all time. If any of the Conditions is not fulfilled or not waived (as the case may be) on or prior to 4:00 p.m. (Hong Kong time) on 5 June 2025 or such later time as may be agreed in writing between the Company and the Placing Agent, all rights, obligations and liabilities of the Parties in relation to the Placing shall cease and determine and none of the Parties shall have any claim against any other, save for antecedent breaches.

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares on the Stock Exchange.

### **Completion**

The Completion shall take place on the Completion Date subject to fulfillment (or waiver) of the Conditions set out above.

### **Termination of the Placing Agreement**

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 8:00 a.m. (Hong Kong time) on the Completion Date upon the occurrence of the specific events provided in the Placing Agreement which, in the sole opinion of the Placing Agent, has or may have an Material Adverse Effect or the full placement of all of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement.

Without prejudice to any other provisions of the Placing Agreement, the Placing Agent shall have the right exercisable at any time by notice in writing to the Company to terminate the Placing Agreement if any of the Placing Shares are not delivered by or on behalf of the Company in accordance with the Placing Agreement.

Upon the giving of notice by the Placing Agent pursuant to the Placing Agreement, all obligations of the Company and the Placing Agent shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement except for (i) any antecedent breach of any obligation under the Placing Agreement and (ii) liabilities otherwise stipulated in the Placing Agreement.

## **Lock-up undertaking**

The Company has undertaken to the Placing Agent that it will not allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares during the period commencing on the date of the Placing Agreement and expiring on 90th day following the Completion Date, unless the prior written consent of the Placing Agent having been obtained, other than pursuant to:–

- (i) any exercise of any convertible notes or warrants or options in issue at the date of the Placing Agreement or any other conversion or subscription rights existing as at the date of the Placing Agreement;
- (ii) exercise of any share options granted pursuant to the share option scheme of the Company adopted pursuant to the Listing Rules as at the date of the Placing Agreement;
- (iii) any scrip dividend scheme; or
- (iv) any allotment and issue of the Placing Shares pursuant to the Placing Agreement,

and the Company will not agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described above.

**As Completion is subject to the Placing Agreement not being terminated, and the fulfilment of conditions under the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## **GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES**

No Shareholders' approval is required for the Placing and the allotment and issue of the Placing Shares by the Company, as the Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Board by resolution of the Shareholders passed at the AGM held on 27 May 2025, under which the Board may allot and issue up to 107,450,762 new Shares (representing 15% of the total number of Shares in issue as at the date of the passing of the resolution at the AGM).

As at the date of this announcement and immediately prior to the entering into of the Placing Agreement, the Company has not issued any Shares under the General Mandate.

## **LISTING APPLICATION**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

The Placing is conditional upon, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

## **CSRC FILINGS**

The Company shall complete the CSRC Filings in connection with the issue of the Placing Shares in accordance with applicable laws and regulations.

## **REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS**

The Company was established as a limited liability company in the PRC on 23 July, 2008 and converted as a joint stock company with limited liability in the PRC on 27 August, 2015. The Group is an oncology healthcare service provider in China serving both cancer patients and third-party medical institutions.

The Directors consider that the Placing will be conducive to the Company's utilisation of the financing function of the capital market, improvement of the capital structure of the Company, implementation of the strategic reserve fund and reduction of the gearing ratio of the Company.

Subject to the Completion, it is expected that the gross proceeds from the Placing will be approximately HK\$100.07 million and the net proceeds from the Placing (after deducting the Placing commission and other relevant costs and expenses of the Placing) will be approximately HK\$93.94 million. On such basis, the net issue price will be approximately HK\$5.05 per Placing Share.

The net proceeds from the Placing are intended to be used for (1) funding the procurement of medical equipment, consumables, and pharmaceuticals for the medical institutions of the Company; (2) 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; and (3) supplementing the working capital of the Company and its subsidiaries for general corporate purposes.

In view of the above, the Directors consider that the terms of the Placing Agreement and the transactions contemplated thereunder (including the Placing, the Placing Price and the Placing commission payable to the Placing Agent) are fair and reasonable and with reference to the prevailing market conditions. The Placing and the entry into of the Placing Agreement are in the interest of the Company and its Shareholders as a whole.

## **EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY FOLLOWING THE PLACING**

As at the date of this announcement, the total number of issued Shares of the Company is 716,338,416 Shares, of which 246,551,024 Shares are H Shares of RMB1.00 each and 469,787,392 Shares are Domestic Shares of RMB1.00 each.

The table below sets out a summary of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion (assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion Date, other than the allotment and issue of the Placing Shares):

| Name of Shareholders            | (i) As at the date of this announcement |  | (ii) Immediately after the Completion |  |
|---------------------------------|---|--|---------------------------------------|--|
|                                 | <i>Number of Shares</i>                 | <i>Approximate percentage of total issued Shares (%)</i> | <i>Number of Shares</i>               | <i>Approximate percentage of total issued Shares (%)</i> |
| <b>Domestic Shares</b>          |   |  |                                       |  |
| Core connected persons (Note 1) | 403,385,744                             | 56.31  | 403,385,744                           | 54.89  |
| Other Domestic Shareholders     | 66,401,648                              | 9.27   | 66,401,648                            | 9.03   |
| <b>Sub-total</b>                | <b>469,787,392</b>                      | <b>65.58</b>   | <b>469,787,392</b>                    | <b>63.92</b>   |
| <b>H Shares</b>                 |   |  |                                       |  |
| Core connected persons (Note 2) | 96,659,100                              | 13.49  | 96,659,100                            | 13.15  |
| Placees                         | –                                       | –  | 18,600,000                            | 2.53   |
| Other H Shareholders            | 149,891,924                             | 20.92  | 149,891,924                           | 20.40  |
| <b>Sub-total</b>                | <b>246,551,024</b>                      | <b>34.42</b>   | <b>265,151,024</b>                    | <b>36.08</b>   |
| <b>Total</b>                    | <b>716,338,416</b>                      | <b>100.00</b>  | <b>734,938,416</b>                    | <b>100.00</b>  |

*Notes:*

1. This represents the sum of (i) 205,607,968 Domestic Shares that Dr. Yang Jianyu, our chairman of the Board, is deemed to be interested; (ii) 120,000,000 Domestic Shares that CICC Jiatai Phase II (Tianjin) Equity Investment Fund Partnership (Limited Partnership) (中金佳泰貳期(天津)股權投資基金合夥企業(有限合夥)) is interested; and (iii) 77,777,776 Domestic Shares that Ningbo Xinyu Jiahui Enterprise Management Co., Ltd. (寧波信鈺嘉慧企業管理有限公司) is interested.
2. This represents 96,659,100 H Shares that Dr. Yang Jianyu, our chairman of the Board, is deemed to be interested.
3. The sum of the shareholding percentage may not be equal to the total percentage due to rounding.

As at the date hereof, the Company does not have any outstanding options, convertible bonds, warrants or other similar securities which are convertible into Shares.

## **EQUITY FUND RAISING ACTIVITY OF THE COMPANY DURING THE PAST TWELVE MONTHS**

The Directors confirm that the Company has not been involved in any fund raising activities in relation to the issuance of its equity securities within the twelve months immediately preceding the date of this announcement.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings.

|                            |  |
|----------------------------|--|
| “AGM”                      | the annual general meeting of the Company held on 27 May 2025  |
| “Board”                    | the board of Directors   |
| “Business Day(s)”          | any day (excluding Saturdays, Sundays and public holidays in Hong Kong) on which licensed banks generally are open for business and the Stock Exchange is open for trading of securities in Hong Kong  |
| “Company”                  | 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, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2453)   |
| “Completion”               | the completion of the Placing on the terms and subject to the conditions set out in the Placing Agreement  |
| “Completion Date”          | expected to be the second Business Day after the date upon which the Listing Approval has been granted but in any event no later than 5 June 2025, or such other date as may be agreed in writing between the Placing Agent and the Company                          |
| “Conditions”               | the conditions precedent to completion of the Placing set out in the Placing Agreement   |
| “connected person(s)”      | has the meaning ascribed thereto in the Listing Rules  |
| “core connected person(s)” | has the meaning ascribed thereto in the Listing Rules  |
| “CSRC”                     | China Securities Regulatory Commission   |
| “CSRC Filing Rules”        | the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies issued by the CSRC and supporting guidelines issued by the CSRC (effective from 31 March 2023), as amended, supplemented or otherwise modified from time to time |
| “CSRC Filings”             | the CSRC Filing Report and any relevant supporting materials to be filed with the CSRC   |
| “CSRC Filing Report”       | the filing report in relation to the Placing and any transactions contemplated by the Placing Agreement to be filed with the CSRC  |
| “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 Shareholders”     | holders of Domestic Shares  |
| “General Mandate”           | the general mandate granted by the Shareholders at the AGM, pursuant to which the Directors were authorised to issue, allot and/or deal with additional Domestic and/or H Shares in the share capital of the Company not exceeding 15% of the total number of Shares in issue as at the date of passing this resolution, being 716,338,416 Shares |
| “Group”                     | the Company and its subsidiaries from time to time  |
| “HK\$”                      | Hong Kong dollar, the lawful currency of Hong Kong  |
| “Hong Kong”                 | Hong Kong Special Administrative Region of the People’s Republic of China   |
| “H Share(s)”                | ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are subscribed for and traded in HK dollars and listed on the Stock Exchange   |
| “H Shareholders”            | holders of H Shares   |
| “Independent Third Parties” | third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Takeovers Code) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)  |
| “Listing Approval”          | the written confirmation issued by the listing committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares   |
| “Listing Rules”             | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited  |
| “Material Adverse Effect”   | a material adverse effect on the condition, financial, trading or otherwise, or the earnings, business affairs or prospects (whether or not arising in the ordinary course of business) of the Group as a whole or which is material in the context of the Placing  |

|                           |   |
|---------------------------|---|
| “Placee(s)”               | any independent individual, professional or institutional investor whom the Placing Agent and/or any of their sub-placing agent(s), delegate(s) and/or affiliate(s) has procured to subscribe for any of the Placing Shares under the Placing |
| “Placing”                 | the placing of the Placing Shares by or on behalf of the Placing Agent on the terms and subject to the conditions of the Placing Agreement  |
| “Placing Agent”           | Guotai Junan Securities (Hong Kong) Limited   |
| “Placing Agreement”       | the conditional placing agreement dated 28 May 2025 entered into between the Company and the Placing Agent in relation to the Placing   |
| “Placing Price”           | HK\$5.38 per Placing Share  |
| “Placing Share(s)”        | a total of 18,600,000 new H Shares to be issued by the Company pursuant to the Placing Agreement, each a “Placing Share”  |
| “PRC”                     | the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan   |
| “RMB”                     | Renminbi, the lawful currency of the PRC  |
| “Share(s)”                | ordinary share(s) in the share capital of the Company of RMB1.00 each, comprising both Domestic Shares and H Shares   |
| “Shareholder(s)”          | Domestic Shareholder(s) and H Shareholder(s)  |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited   |
| “substantial shareholder” | has the meaning ascribed thereto under the Listing Rules  |
| “Takeovers Code”          | The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong   |
| “%”                       | per cent  |

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

Beijing, the PRC, 29 May 2025

*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.*