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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)

DISCLOSABLE TRANSACTIONS FORMATION OF PARTNERSHIPS AND DEEMED DISPOSALS OF INTEREST IN SUBSIDIARIES

The Board is pleased to announce that to promote the Company's strategic development and business operation needs, the Company has formed the three Partnerships with an Independent Third Party which shall act as the general partner to manage a minority stake in three of its subsidiaries that the Partnerships acquired, namely Shanghai Hospital, Shanghai Outpatient Center and Ningbo Jiahe, to seek for strategic opportunities in line with the Company's long-term development, details of which are set forth as follows:

FORMATION OF PARTNERSHIPS

On April 7, 2024, April 22, 2024 and April 7, 2024, the Company and Lingfu PE, an Independent Third Party, formed the partnership of Jiaxue Healthcare, Shanghai Xinjiatai and Xinfu Enterprise, respectively.

Jiaxue Healthcare is a limited partnership with Lingfu PE acting as the general partner and the Company acting as the limited partner. The total capital contribution by all partners to Jiaxue Healthcare is RMB500,010,000, of which Lingfu PE and the Company shall contribute RMB10,000 and RMB500,000,000, respectively.

Shanghai Xinjiatai is a limited partnership with Lingfu PE acting as the general partner and the Company acting as the limited partner. The total capital contribution by all partners to Shanghai Xinjiatai is RMB100,010,000, of which Lingfu PE and the Company shall contribute RMB10,000 and RMB100,000,000, respectively.

Xinfu Enterprise is a limited partnership with Lingfu PE acting as the general partner and the Company acting as the limited partner. The total capital contribution by all partners to Xinfu Enterprise is RMB30,010,000, of which Lingfu PE and the Company shall contribute RMB10,000 and RMB30,000,000, respectively.

DEEMED DISPOSALS OF INTEREST IN SUBSIDIARIES

(1) Shanghai Hospital Capital Increase Agreement

On April 26, 2024, Jiaxue Healthcare has entered into the Shanghai Hospital Capital Increase Agreement with Shanghai Hospital, pursuant to which, amongst others, Shanghai Hospital agrees to allot and issue and Jiaxue Healthcare agrees to contribute in cash to subscribe for RMB429.0 million of new registered capital in Shanghai Hospital at the consideration of RMB429.0 million.

As Shanghai Hospital allots and issues shares to Jiaxue Healthcare, the Group's interests in Shanghai Hospital will be diluted from 99.50% to 69.63% after completion. According to Rule 14.29 of the Listing Rules, the relevant dilution is considered to be deemed disposal of the Company's interest in a subsidiary.

(2) Shanghai Outpatient Center Capital Increase Agreement

On April 26, 2024, Shanghai Xinjiatai has entered into the Shanghai Outpatient Center Capital Increase Agreement with Shanghai Outpatient Center, pursuant to which, amongst others, Shanghai Outpatient Center agrees to allot and issue and Shanghai Xinjiatai agrees to contribute in cash to subscribe for RMB25.3 million of new registered capital in Shanghai Outpatient Center at the consideration of RMB95.5 million.

As Shanghai Outpatient Center allots and issues shares to Shanghai Xinjiatai, the Group's interests in Shanghai Outpatient Center will be diluted from 86.44% to 67.22% after completion. According to Rule 14.29 of the Listing Rules, the relevant dilution is considered to be deemed disposal of the Company's interest in a subsidiary.

(3) Ningbo Jiahe Capital Increase Agreement

On April 26, 2024, Xinfu Enterprise has entered into the Ningbo Jiahe Capital Increase Agreement with Ningbo Jiahe, pursuant to which, amongst others, Ningbo Jiahe agrees to allot and issue and Xinfu Enterprise agrees to contribute in cash to subscribe for RMB21.5 million of new registered capital in Ningbo Jiahe at the consideration of RMB31.5 million.

As Ningbo Jiahe allots and issues shares to Xinfu Enterprise, the Group's interests in Ningbo Jiahe will be diluted from 100% to 69.93% after completion. According to Rule 14.29 of the Listing Rules, the relevant dilution is considered to be deemed disposal of the Company's interest in a subsidiary.

IMPLICATION OF THE LISTING RULES

As the capital increase in Shanghai Hospital, Shanghai Outpatient Center and Ningbo Jiahe will lead to a dilution of the interest of the Company in such subsidiaries, such capital increases are considered to be deemed disposals of the Company's interest in a subsidiary according to Rule 14.29 of the Listing Rules. In addition, the Formation of Partnerships also constitutes disclosable transactions under Chapter 14 of the Listing Rules.

According to Rules 14.22 and 14.23 of the Listing Rules, in relation to determining the applicable percentage ratios, as the partners of Jiaxue Healthcare, Shanghai Xinjiatai and Xinfu Enterprise are the same party, the relevant transactions shall be aggregated. As the aggregated highest applicable percentage ratio for each of the Deemed Disposals (in aggregate) and the Formation of Partnerships (in aggregate) is higher than 5% but less than 25%, each of them constitutes disclosable transactions for the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that to promote the Company's strategic development and business operation needs, the Company has formed the three Partnerships with an Independent Third Party which shall act the general partner to manage a minority stake in three of its subsidiaries that the Partnerships acquired, namely Shanghai Hospital, Shanghai Outpatient Center and Ningbo Jiahe, to seek for strategic opportunities in line with the Company's long-term development, details of which are set forth as follows:

FORMATION OF PARTNERSHIPS

(1) Formation of Jiaxue Healthcare

On April 7, 2024, the Company and Lingfu PE, an Independent Third Party, formed the partnership of Jiaxue Healthcare. The principal terms of the partnership agreement of Jiaxue Healthcare are set out below:

Date:

March 29, 2024

Parties:

- (a) Lingfu PE; and
- (b) the Company

Scope of business:

The scope of business includes engagement in healthcare consulting services (excluding medical services), technology service, technology development, technology consultancy, technology communication, technology transfer and technology promotion. The specific scope of business shall be subject to the approval of the relevant government authorities of the PRC.

Term of partnership:

The partnership shall have an indefinite term, commencing from the date of its establishment. The partners may decide to dissolve it in advance or extend its term.

Purpose of partnership:

The purpose of the partnership is to maximize the Company's profits through the formation of a partnership to organize individuals and/or entities with different fund conditions, technologies and management capabilities.

Capital contribution:

The total capital contribution by all partners to Jiaxue Healthcare shall be RMB500,010,000, of which each of Lingfu PE and the Company shall contribute RMB10,000 and RMB500,000,000, respectively. The size of the partnership and the capital contribution of each partner were determined after arm's length negotiations among the partners with reference to the expected capital needs of the partnership.

Management:

The general partner is vested with the power to (1) convene partners' meetings and report to the partners; (2) implement the resolutions passed by all partners; (3) be in charge of the production and operation management of the partnership; (4) determine the annual financial budget plans and final accounts; (5) implement the foundational management policy and determine the establishment of management institutions; and (6) any other power entrusted by all the partners, such as seeking strategic collaboration or opportunities.

The limited partner shall principally not participate in the conduct of the business of the partnership.

Transfer restriction:

No interest in the partnership shall be transferred in whole or in part, nor shall any new general partner be admitted, unless resolved by all the partners.

Allocations of profits and losses and liabilities:

Profits and losses of the partnership attributable to investments of the partnership shall be allocated between the general partner and the limited partner in proportion to their respective capital contributions to the partnership. Subject to the applicable laws and regulations, the limited partner's liability for the partnership's debts and obligations shall be limited to its capital contribution and all undistributed profits and income thereon. The general partner shall be liable for the partnership's debts and obligations to an unlimited extent.

(2) Formation of Shanghai Xinjiatai

On April 22, 2024, the Company and Lingfu PE, an Independent Third Party, formed the partnership of Shanghai Xinjiatai. The principal terms of the partnership agreement of Shanghai Xinjiatai are set out below:

Date:

April 19, 2024

Parties:

(a) Lingfu PE; and

(b) the Company

Scope of business:

The scope of business includes engagement in enterprise management consulting, marketing planning, information technology consulting services, social economics consulting services, information consulting services (excluding licensed information consulting services), technology services, technology development, technology consultancy, technology communication, technology transfer and technology promotion, enterprise management and enterprise image planning. The specific scope of business shall be subject to the approval of the relevant government authorities of the PRC.

Term of partnership:

The partnership shall have a term of 20 years, commencing from the date of its establishment. The partners may decide to dissolve it in advance or extend its term.

Purpose of partnership:

The purpose of the partnership is to protect the partnership interests of all partners and to achieve optimized economic efficiency.

Capital contribution:

The total capital contribution by all partners to Shanghai Xinjiatai shall be RMB100,010,000, of which each of Lingfu PE and the Company shall contribute RMB10,000 and RMB100,000,000, respectively. The size of the partnership and the capital contribution of each partner were determined after arm's length negotiations among the partners with reference to the expected capital needs of the partnership.

Management:

The general partner is vested with the power to (1) convene partners' meetings and report to the partners; (2) implement the resolutions passed by all partners; (3) determine the annual financial budget plans and final accounts; (4) determine the foundational policies and rules; and (5) any other power entrusted by all the partners, such as seeking strategic collaboration or opportunities.

The limited partner shall principally not participate in the conduct of the business of the partnership.

Transfer restriction:

No interest in the partnership shall be transferred in whole or in part, nor shall any new general partner be admitted, unless resolved by all the general partner and limited partners who contributed more than 2/3 of the capital in the partnership.

Allocations of profits and losses and liabilities:

Profits and losses of the partnership attributable to investments of the partnership shall be allocated between the general partner and the limited partner in proportion to their respective capital contributions to the partnership. Subject to the applicable laws and regulations, the limited partner's liability for the partnership's debts and obligations shall be limited to its capital contribution and all undistributed profits and income thereon. The general partner shall be liable for the partnership's debts and obligations to an unlimited extent.

(3) Formation of Xinfu Enterprise

On April 7, 2024, the Company and Lingfu PE, an Independent Third Party, formed the partnership of Xinfu Enterprise. The principal terms of the partnership agreement of Xinfu Enterprise are set out below:

Date:

March 29, 2024

Parties:

- (a) Lingfu PE; and
- (b) the Company

Scope of business:

The scope of business includes engagement in enterprise management, social economics consulting services, marketing planning, technology service, technology development, technology consultancy, technology communication, technology transfer and technology promotion. The specific scope of business shall be subject to the approval of the relevant government authorities of the PRC.

Term of partnership:

The partnership shall have an indefinite term, commencing from the date of its establishment. The partners may decide to dissolve it in advance.

Purpose of partnership:

The purpose of the partnership is to maximize the Company's profits through the formation of a partnership to organize individuals and/or entities with different fund conditions, technologies and management capabilities.

Capital contribution:

The total capital contribution by all partners to Xinfu Enterprise shall be RMB30,010,000, of which each of Lingfu PE and the Company shall contribute RMB10,000 and RMB30,000,000, respectively. The size of the partnership and the capital contribution of each partner were determined after arm's length negotiations among the partners with reference to the expected capital needs of the partnership.

Management:

The general partner is vested with the power to (1) convene partners' meetings and report to the partners; (2) implement the resolutions passed by all partners; (3) be in charge of the production and operation management of the partnership; (4) determine the annual financial budget plans and final accounts; (5) implement the foundational management policy and determine the establishment of management institutions; and (6) any other power entrusted by all the partners, such as seeking strategic collaboration or opportunities.

The limited partner shall principally not participate in the conduct of the business of the partnership.

Transfer restriction:

No interest in the partnership shall be transferred in whole or in part, nor shall any new general partner be admitted, unless resolved by all the partners.

Allocations of profits and losses and liabilities:

Profits and losses of the partnership attributable to investments of the partnership shall be allocated between the general partner and the limited partner in proportion to their respective capital contributions to the partnership. Subject to the applicable laws and regulations, the limited partner's liability for the partnership's debts and obligations shall be limited to its capital contribution and all undistributed profits and income thereon. The general partner shall be liable for the partnership's debts and obligations to an unlimited extent.

DEEMED DISPOSALS OF INTEREST IN SUBSIDIARIES

(1) Shanghai Hospital Capital Increase Agreement

On April 26, 2024, Jiaxue Healthcare has entered into the Shanghai Hospital Capital Increase Agreement with Shanghai Hospital, pursuant to which, amongst others, Shanghai Hospital agrees to allot and issue and Jiaxue Healthcare agrees to contribute in cash to subscribe for RMB429.0 million of new registered capital in Shanghai Hospital at the consideration of RMB429.0 million.

The principal terms of the Shanghai Hospital Capital Increase Agreement are set out as follows:

Date

April 26, 2024

Parties

- (a) Jiaxue Healthcare; and
- (b) Shanghai Hospital

Particulars of the capital increase

The current registered capital of Shanghai Hospital is RMB1,000.0 million. Jiaxue Healthcare intends to contribute and increase the registered capital of Shanghai Hospital by RMB429.0 million, after the completion of which, the registered capital will be RMB1,429.0 million.

The table below sets out the registered capital and shareholding of the Shanghai Hospital as at the date of this announcement and immediately upon completion of capital increase:

	As at the date of this announcement		Immediately upon completion of capital increase	
	Registered Capital RMB (million)	Shareholding %	Registered Capital RMB (million)	Shareholding %
The Company	845.0	84.50	845.0	59.13
Shenzhen Aohua	150.0	15.00	150.0	10.50
CCM (Hong Kong) Medical Investment Limited	5.0	0.50	5.0	0.35
Jiaxue Healthcare	–	–	429.0	30.02
Total	1,000.0	100	1,429.0	100

Consideration

The consideration was RMB429.0 million, which was agreed by the two parties after negotiation based on the principle of fairness and by reference to (i) the valuation report prepared by an Independent Third Party; (ii) the prevailing market conditions; and (iii) the operational and financial performance of Shanghai Hospital.

Completion

Jiaxue Healthcare shall deposit the consideration into a bank account designated by Shanghai Hospital within five (5) years from the date of execution of the Shanghai Hospital Capital Increase Agreement. Jiaxue Healthcare and Shanghai Hospital shall commence and complete the industrial and commercial registration filing process promptly and without delay. Jiaxue Healthcare shall exercise its best endeavors in assisting Shanghai Hospital with such registration filing process. There are no preconditions to the completion of the Shanghai Hospital Capital Increase Agreement. It is expected that the capital increase by Jiaxue Healthcare will be completed by April 2029.

To the best knowledge of the Directors' knowledge, information and belief having made all reasonable enquiries, Jiaxue Healthcare is a third party independent of and not connected with the Company and its connected persons.

(2) Shanghai Outpatient Center Capital Increase Agreement

On April 26, 2024, Shanghai Xinjiatai has entered into the Shanghai Outpatient Center Capital Increase Agreement with Shanghai Outpatient Center, pursuant to which, amongst others, Shanghai Outpatient Center agrees to allot and issue and Shanghai Xinjiatai agrees to contribute in cash to subscribe for RMB25.3 million of new registered capital in Shanghai Outpatient Center at the consideration of RMB95.5 million.

The principal terms of the Shanghai Outpatient Center Capital Increase Agreement are set out as follows:

Date

April 26, 2024

Parties

- (a) Shanghai Xinjiatai; and
- (b) Shanghai Outpatient Center

Particular of the capital increase

The current registered capital of Shanghai Outpatient Center is RMB88.505 million. Shanghai Xinjiatai intends to contribute and increase the registered capital of Shanghai Outpatient Center by RMB25.3 million, after the completion of which, the total registered capital of Shanghai Outpatient Center will be RMB113.805 million.

The table below sets out the registered capital and shareholding of the Shanghai Outpatient Center (i) as at the date of this announcement; and (ii) immediately upon completion of capital increase:

	As at the date of this announcement		Immediately upon completion of capital increase	
	Registered Capital <i>RMB (million)</i>	Shareholding <i>%</i>	Registered Capital <i>RMB (million)</i>	Shareholding <i>%</i>
The Company	48.505	54.80	48.505	42.62
Shenzhen Aohua	28.0	31.64	28.0	24.60
Shanghai Epu Supply Chain Technology Co., Ltd. (上海峨浦供應鏈科技有限公司)	8.85	10.00	8.85	7.78
Concord Medical	3.15	3.56	3.15	2.77
Shanghai Xinjiatai	–	–	25.3	22.23
Total	88.505	100	113.805	100

Consideration

The consideration for the capital increase was RMB95.5 million, which was agreed by the two parties after negotiation based on the principle of fairness and by reference to (i) the valuation report prepared by an Independent Third Party; (ii) the prevailing market conditions; and (iii) the operational and financial performance of Shanghai Outpatient Center.

Completion

Shanghai Xinjiatai shall deposit the consideration into a bank account designated by Shanghai Outpatient Center within five (5) years from the date of execution of the Shanghai Outpatient Center Capital Increase Agreement. Shanghai Xinjiatai and Shanghai Outpatient Center shall commence and complete the industrial and commercial registration filing process promptly and without delay. Shanghai Xinjiatai shall exercise its best endeavors in assisting Shanghai Outpatient Center with such registration filing process. There are no preconditions to the completion of the Shanghai Outpatient Center Capital Increase Agreement. It is expected that the capital increase by Shanghai Xinjiatai will be completed by April 2029.

To the best knowledge of the Directors' knowledge, information and belief having made all reasonable enquiries, Shanghai Xinjiatai is a third party independent of and not connected with the Company and its connected persons.

(3) Ningbo Jiahe Capital Increase Agreement

On April 26, 2024, Xinfu Enterprise has entered into the Ningbo Jiahe Capital Increase Agreement with Ningbo Jiahe, pursuant to which, amongst others, Ningbo Jiahe agrees to allot and issue and Xinfu Enterprise agrees to contribute in cash to subscribe for RMB21.5 million of new registered capital in Ningbo Jiahe at the consideration of RMB31.5 million.

The principal terms of the Ningbo Jiahe Capital Increase Agreement are set out as follows:

Date

April 26, 2024

Parties

- (a) the Company; and
- (b) Xinfu Enterprise

Particulars of the capital increase

The current registered capital of Ningbo Jiahe is RMB50.0 million. Xinfu Enterprise intends to contribute and increase the registered capital of Ningbo Jiahe by RMB21.5 million, after the completion of which, the total registered capital of Ningbo Jiahe will be RMB71.5 million.

The table below sets out the registered capital and shareholding of Ningbo Jiahe (i) as at the date of this announcement; and (ii) immediately upon completion of capital increase:

	As at the date of this announcement		Immediately upon completion of capital increase	
	Registered Capital	Shareholding	Registered Capital	Shareholding
	<i>RMB (million)</i>	<i>%</i>	<i>RMB (million)</i>	<i>%</i>
The Company	50.0	100.00	50.0	69.93
Xinfu Enterprise	—	—	21.5	30.07
Total	50.0	100	71.5	100

Consideration

The consideration for the capital increase was RMB31.5 million, which was agreed by the two parties after negotiation based on the principle of fairness and by reference to (i) the valuation report prepared by an Independent Third Party; (ii) the prevailing market conditions; and (iii) the operational and financial performance of Ningbo Jiahe.

Completion

Xinfu Enterprise shall deposit the consideration into a bank account designated by Ningbo Jiahe within five (5) years from the date of execution of the Ningbo Jiahe Capital Increase Agreement. Xinfu Enterprise and Ningbo Jiahe shall commence and complete the industrial and commercial registration filing process promptly and without delay. Xinfu Enterprise shall exercise its best endeavors in assisting Ningbo Jiahe with such registration filing process. There are no preconditions to the completion of the Ningbo Jiahe Capital Increase Agreement. It is expected that the capital increase by Xinfu Enterprise will be completed by April 2029.

To the best knowledge of the Directors' knowledge, information and belief having made all reasonable enquiries, Xinfu Enterprise is a third party independent of and not connected with the Company and its connected persons.

REASONS FOR THE DEEMED DISPOSALS AND THE RELEVANT BENEFITS

The Company entered into the Formation of Partnerships and Deemed Disposals to engage a professional fund manager to manage a minority stake in three of its subsidiaries and seek for strategic opportunities in line with the Company's long-term strategic development and business operation needs. The Company still remains as the ultimate controlling shareholder for the three subsidiaries whose registered capital was contributed by the Independent Third Parties. The terms of the Deemed Disposals and the Formation of Partnerships were agreed after arm's length negotiations among the parties thereto as disclosed above. The Company considers that such transactions are in the interests of the Company and its shareholders taken as a whole.

INFORMATION OF THE PARTIES

Information about the Company

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

Information about Lingfu PE

Lingfu PE was incorporated as a limited liability company in the PRC on November 21, 2016. Lingfu PE is owned by Cai Jinhuan (蔡金煥), Ji Tian (冀田), Huang Guozhang (黃國璋), Zhu Maowei (祝毛尉) and Zhuo Dafeng (卓大楓), each an Independent Third Party, as to 40%, 35%, 10%, 10% and 5%, respectively. Lingfu PE is primarily engaged in fund management.

Information about Jiaxue Healthcare

Jiaxue Healthcare is a limited partnership whose general partner is Lingfu PE, an Independent Third Party, with the Company acting as the only limited partner which holds 99.998% partnership interests in Jiaxue Healthcare.

Information about Shanghai Xinjiatai

Shanghai Xinjiatai is a limited partnership whose general partner is Lingfu PE, an Independent Third Party, with the Company acting as the only limited partner which holds 99.99% partnership interests in Shanghai Xinjiatai.

Information about Xinfu Enterprise

Xinfu Enterprise is a limited partnership whose general partner is Lingfu PE, an Independent Third Party, with the Company acting as the only limited partner which holds 99.97% partnership interests in Xinfu Enterprise.

Information about Shanghai Hospital

Shanghai Hospital is a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement. It is principally engaged in provision of medical treatment and services.

Set out below is the financial information of Shanghai Hospital for the year ended December 31, 2022 and for the year ended December 31, 2023:

	For the year ended December 31,	
	2023	2022
	(audited)	(audited)
	(RMB'000)	(RMB'000)
Revenue	–	–
Operating Profit/(Loss)	(44,989)	(51,221)
Net Profit/(Loss)	(44,989)	(51,221)
	As at	As at
	December 31,	December 31,
	2023	2022
	(audited)	(audited)
	(RMB'000)	(RMB'000)
Total Assets	2,118,355	1,890,046
Net Assets/(Liabilities)	727,859	772,848

Information about Shanghai Outpatient Center

Shanghai Outpatient Center is a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement. It is principally engaged in provision of medical treatment and services.

Set out below is the financial information of Shanghai Outpatient Center for the year ended December 31, 2022 and for the year ended December 31, 2023:

	For the year ended December 31,	
	2023	2022
	(audited)	(audited)
	(RMB'000)	(RMB'000)
Revenue	95,255	64,735
Operating Profit/(Loss)	4,361	(16,353)
Net Profit/(Loss)	4,256	(16,353)
	As at	As at
	December 31,	December 31,
	2023	2022
	(audited)	(audited)
	(RMB'000)	(RMB'000)
Total Assets	105,609	106,748
Net Assets/(Liabilities)	32,150	27,894

Information about Ningbo Jiahe

Ningbo Jiahe is a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement. It is principally engaged in provision of management services and holding Internet Hospital.

Information about Internet Hospital

Internet Hospital is a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement. It is principally engaged in provision of medical treatment and services.

Set out below is the financial information of Internet Hospital for the year ended December 31, 2022 and for the year ended December 31, 2023:

	For the year ended December 31,	
	2023	2022
	(audited)	(audited)
	(RMB'000)	(RMB'000)
Revenue	6,150	13,308
Operating Profit/(Loss)	(2,934)	(11,378)
Net Profit/(Loss)	(2,935)	(11,378)

	As at December 31, 2023 (audited) (RMB'000)	As at December 31, 2022 (audited) (RMB'000)
Total Assets	18,906	4,156
Net Assets/(Liabilities)	<u>(18,115)</u>	<u>(15,180)</u>

IMPLICATIONS OF THE LISTING RULES

As the capital increase in Shanghai Hospital, Shanghai Outpatient Center and Ningbo Jiahe will lead to a dilution of the interest of the Company in such subsidiaries, such capital increases are considered to be deemed disposals of the Company's interest in a subsidiary according to Rule 14.29 of the Listing Rules. In addition, the Formation of Partnerships also constitutes disclosable transactions under Chapter 14 of the Listing Rules.

According to Rules 14.22 and 14.23 of the Listing Rules, in relation to determining the applicable percentage ratios, as the partners of Jiaxue Healthcare, Shanghai Xinjiatai and Xinfu Enterprise are the same party, the relevant transactions shall be aggregated. As the aggregated highest applicable percentage ratio for each of the Deemed Disposals (in aggregate) and the Formation of Partnerships (in aggregate) is higher than 5% but less than 25%, each of them constitutes disclosable transactions for the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the terms below have the following meanings:

“Board”	the board of Directors
“Company”, “our Company” or “the 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 on July 23, 2008
“Concord Medical”	Concord Medical Services Holdings Limited, a company incorporated in the Cayman Islands on November 27, 2007 and listed on the New York Stock Exchange (symbol: CCM) since December 11, 2009
“Deemed Disposals”	collectively, the capital increase for (i) RMB429.0 million registered capital in Shanghai Hospital by Jiaxue Healthcare pursuant to the terms and conditions of the Shanghai Hospital Capital Increase Agreement; (ii) RMB25.3 million registered capital in Shanghai Outpatient Center by Shanghai Xinjiatai pursuant to the terms and conditions of the Shanghai Outpatient Center Capital Increase Agreement; and (iii) RMB21.5 million registered capital in Ningbo Jiahe by Xinfu Enterprise pursuant to the terms and conditions of the Ningbo Jiahe Capital Increase Agreement

“Director(s)”	director(s) of the Company
“Formation of Partnerships”	the formation of Jiaxue Healthcare, Shanghai Xinjiatai and Xinfu Enterprise
“Group”	the Company and its subsidiaries
“Independent Third Party”	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Listing Rules
“Internet Hospital”	Yinchuan Meizhong Jiahe Internet Hospital Co., Ltd. (銀川美中嘉和互聯網醫院有限公司), a limited liability company established in the PRC on November 18, 2020 and an indirectly wholly-owned subsidiary of our Company
“Jiaxue Healthcare”	Ningbo Jiaxue Healthcare Consulting Partnership (Limited Partnership) (寧波市嘉學健康諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on April 7, 2024
“Lingfu PE”	Lingfu Private Equity Fund Management (Shanghai) Co., Ltd. (領復私募基金管理(上海)有限公司), a limited liability company incorporated in the PRC on November 21, 2016 and the general partner of Jiaxue Healthcare, Shanghai Xinjiatai and Xinfu Enterprise
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Ningbo Jiahe”	Ningbo Jiahe Hospital Management Ltd. (寧波佳和醫院管理有限公司), a limited liability company incorporated on November 5, 2020 in the PRC, and a directly wholly-owned subsidiary of the Company
“Ningbo Jiahe Capital Increase Agreement”	the registered capital increase agreement dated April 26, 2024 entered into by the Company and Xinfu Enterprise pursuant to which Xinfu Enterprise agreed to contribute in cash to subscribe for RMB21.5 million registered capital in Ningbo Jiahe
“Partnerships”	collectively, Jiaxue Healthcare, Shanghai Xinjiatai and Xinfu Enterprise
“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 controlled 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 Hospital Capital Increase Agreement”	the registered capital increase agreement entered into by Jiaxue Healthcare and Shanghai Hospital, pursuant to which Jiaxue Healthcare agreed to contribute in cash to subscribe for RMB429.0 million registered capital in Shanghai Hospital
“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 controlled by our Company and operates under the trade name of Shanghai Concord Medical Cancer Outpatient Center (上海美中嘉和腫瘤門診部)
“Shanghai Outpatient Center Capital Increase Agreement”	the registered capital increase agreement entered into by Shanghai Xinjiatai and Shanghai Outpatient Center, pursuant to which Shanghai Xinjiatai agreed to contribute in cash to subscribe for RMB25.3 million registered capital in Shanghai Outpatient Center
“Shanghai Xinjiatai”	Shanghai Xinjiatai Management Consulting Partnership (Limited Partnership) (上海信嘉泰管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on April 22, 2024
“Shenzhen Aohua”	Shenzhen Aohua Medical Technology Development Co., Ltd. (深圳傲華醫療科技發展有限公司), a limited liability company established in the PRC on February 21, 2008, a wholly-owned subsidiary of our Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xinfu Enterprise”	Ningbo Xinfu Enterprise Management Partnership (Limited Partnership) (寧波市信馥企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on April 7, 2024
“%”	per cent

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

The PRC, April 26, 2024

As at the date of this announcement, the Board comprises (i) Dr. YANG Jianyu, Ms. FU Xiao, Mr. CHANG Liang and Mr. SHI Botao as executive Directors; (ii) Mr. WANG Lei and Mr. CHEN Hongzhang 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