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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Concord Healthcare Group Co., Ltd., you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**(1) PROPOSED AMENDMENTS TO THE
ARTICLES OF ASSOCIATION; AND
(2) PROPOSED CHANGE IN USE OF PROCEEDS
AND
NOTICE OF THE 2024 SECOND
EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 3 to 9 of this circular.

A notice convening the extraordinary general meeting (the “EGM”) of Concord Healthcare Group Co., Ltd. (美中嘉和醫學技術發展集團股份有限公司) to be held at A1, 26th Floor, Hanwei Building East Area, No. 7 Guanghua Road, Chaoyang District, Beijing, PRC on Monday, September 30, 2024 at 9:00 a.m. is set out on page 10 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.concordmedical.com).

Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the holding of EGM (i.e. before 9:00 a.m. on Sunday, September 29, 2024) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM (or any adjournment thereof) if they so wish. In such event, the form of proxy shall be deemed to be revoked.

September 10, 2024

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Announcement”	the announcement of the Company dated August 29, 2024, in relation to, among others, the (1) Proposed amendments to the Articles of Association and (2) Proposed change in use of proceeds
“Articles of Association” or “Articles”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors of the Company
“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, the issued H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2453)
“Directors”	the directors 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 Share Shareholder(s)”	holder(s) of Domestic Share(s)
“EGM”	the 2024 second extraordinary general meeting of the Company to be held at A1, 26th Floor, Hanwei Building East Area, No. 7 Guanghua Road, Chaoyang District, Beijing, PRC on Monday, September 30, 2024 at 9:00 a.m., or any adjournment thereof
“H Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars
“H Share Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Net Proceeds”	the net proceeds from the listing of H Shares of the Company on the Stock Exchange on January 9, 2024 (pursuant to the offer price of HK\$14.28 per H Share after deducting the underwriting commissions and other listing related expenses payable by the Company in connection with the Global Offering)
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus of the Company dated December 29, 2023
“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 the 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)
“Share(s)”	ordinary share(s) in the issued capital of the Company with a nominal value of RMB1.00 each, comprising Domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	Percent

LETTER FROM 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

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

(Stock Code: 2453)

Executive Directors:

Dr. YANG Jianyu (*Chairman*)

Ms. FU Xiao

Mr. CHANG Liang

Non-Executive Directors:

Mr. WANG Lei

Mr. CHEN Hongzhang

Mr. SHI Botao

Independent Non-Executive Directors:

Ms. LI Xuemei

Mr. SUN Yansheng

Mr. NG Kwok Yin

Registered office:

Room B311, 3rd Floor, Building 7

No. 48, Zhongguancun South Road

Haidian District

Beijing, PRC

Headquarters and Principal Place of

Business in the PRC:

Room 26A1-26A5, East Tower

Hanwei Building

No. 7 Guanghua Road

Chaoyang District

Beijing, PRC

Principal Place of Business in Hong Kong:

Room 1701, 9 Chong Yip Street

Kwun Tong, Kowloon

Hong Kong

September 10, 2024

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED AMENDMENTS TO THE
ARTICLES OF ASSOCIATION; AND
(2) PROPOSED CHANGE IN USE OF PROCEEDS
AND
NOTICE OF THE 2024 SECOND
EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

The purpose of this circular is to provide you with the information on (1) the proposed amendments to the Articles of Association and (2) the proposed change in use of proceeds. A notice of the EGM containing the resolutions to be proposed at the EGM is set out in this circular.

LETTER FROM THE BOARD

Reference is made to the Announcement in respect of, among other things, the proposed amendments to the Articles of Association and the proposed change in use of proceeds. Unless otherwise defined herein, capitalized terms used in this circular shall have the same meanings as those defined in the Announcement.

At the EGM, special resolutions will be proposed as follows:

SPECIAL RESOLUTIONS

II. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

As disclosed in the Announcement, the Board has considered and approved, among other things, to propose to the Shareholders certain amendments to the Articles of Association. According to the business development needs of the Company, the Company has decided to, among others, expand the scope of business to include the wholesale, sales, and leasing of Class II and III medical devices regulated by the National Medical Products Administration.

The particulars of the proposed amendments (the “**Proposed Amendments**”) are as follows:

Content of the original Articles of Association	Content of the Proposed Amendments
Article 14. After due registration in accordance with the law, the scope of business of the Company covers the following: medical research and experimental development; hospital management consulting service; medical technology development, technology transfer, technology consulting, technology training, technology service. (For items subject to approval according to law, business activities can only be carried out after the approval by relevant authorities.)	Article 14. After due registration in accordance with the law, the scope of business of the Company covers the following: medical research and experimental development; hospital management consulting service; medical technology development, technology transfer, technology consulting, technology training, technology service, <u>the wholesale, sale and lease of Class II and Class III medical devices.</u> (For items subject to approval according to law, business activities can only be carried out after the approval by relevant authorities.)
Article 202. The Articles of Association shall come into force from the date when the publicly issued H shares of the Company are listed for trading on the main board of the Hong Kong Stock Exchange. The original Articles of Association of the Company shall automatically become null and void as of the effective date of the Articles of Association.	Article 202. The Articles of Association shall come into force from the date when <u>the resolutions of the general meeting are approved.</u> The original Articles of Association of the Company shall automatically become null and void as of the effective date of the Articles of Association.

The actual amendment is subject to the review and approval by relevant authorities.

LETTER FROM THE BOARD

Save as disclosed above, the contents of the other articles of the Articles of Association remain unchanged. The Articles of Association is written in Chinese without an official English version, and any English translation is for reference only. In case of inconsistency between the two versions, the Chinese version shall prevail.

The Proposed Amendments to the Articles of Association is subject to the consideration and approval by the Shareholders by way of a special resolution at the EGM. The Proposed Amendments shall come into effect upon the passing of the relevant special resolution at the EGM. Prior to the passing of the relevant special resolution at the EGM, the prevailing Articles of Association shall remain valid.

After the Proposed Amendments to the Articles of Association come into effect, the full text of the revised Articles of Association will be published on the Company's website (www.concordmedical.com) and the Stock Exchange's website (www.hkexnews.hk).

III. PROPOSED CHANGE IN USE OF PROCEEDS

Use of Net Proceeds

As disclosed in the Prospectus, the announcement of the Company dated January 8, 2024 in relation to the offer price and allotment results announcement of the Global Offering, annual result announcement of the Company for 2023 dated March 27, 2024, the interim results announcement for 2024 dated August 29, 2024 and the Announcement, the Net Proceeds were approximately HK\$466.36 million. The breakdown of the use of Net Proceeds as set out in the Prospectus and the unutilized Net Proceeds as of June 30, 2024 are summarized below:

	Percentage of net proceeds from the Global Offering	Net proceeds from the Global Offering	Utilized amount as of June 30, 2024	Unutilized amount as of June 30, 2024	Expected timeline of full utilization
Repaying part of the interest-bearing bank borrowings	59.4%	277.02	99.32	177.70	By December 31, 2025
Financing the construction of Shanghai Hospital	30.6%	142.71	140.00	2.71	By December 31, 2025
Working capital and other general corporate purposes	10.0%	46.63	21.83	24.80	By December 31, 2025
Total	100%	466.36	261.16	205.21	

LETTER FROM THE BOARD

As of June 30, 2024, approximately HK\$205.2 million of the Net Proceeds has not been utilized.

The Company plans to change the use of the Net Proceeds as follows:

Proposed change in use of proceeds

1. Pursuant to the Prospectus, approximately 59.4% of the net proceeds would be used to repay part of the Company's interest-bearing bank borrowings denominated in Renminbi, namely the principal of an interest-bearing bank loan with the principal amount of RMB500.0 million bearing a floating interest rate based on the reference rate of 4.90% per annum, with repayment scheduled by installment and a final maturity date on December 21, 2027, for financing the phase I construction of Guangzhou Concord Cancer Center Co., Ltd. (廣州泰和腫瘤醫院有限公司) (the "**Guangzhou Hospital Loan**"). As of June 30, 2024, the Company has utilized HK\$99.3 million of the Net Proceeds in repayment of the Guangzhou Hospital Loan, leaving the remaining Net Proceeds to HK\$177.7 million. The Company plans to reallocate HK\$46.6 million from the Net Proceeds for repayment of the Guangzhou Hospital Loan to working capital and other general corporate purposes.

In relation to the remaining Net Proceeds that were originally allocated for repaying part of the Guangzhou Hospital Loan, the Company also plans to apply such remaining portion of the Net Proceeds to repay other loans granted by financial institutions to the Group's subsidiaries, including but not limited to the principal and interest of bank working capital loans, the principal and interest of fixed asset loans, and financial lease liabilities (the "**Bank Loans**"), in addition to repaying part of the Guangzhou Hospital Loan.

2. Upon completion of the aforesaid reallocation, the remaining Net Proceeds for repayment of the Guangzhou Hospital Loan and the Bank Loans amounts to HK\$131.1 million, which will continue to be utilized in the repayment of such loans, while some part of the Guangzhou Hospital Loan shall be subsequently be repaid by way of self-financing, new bank loans or such other way(s) as the Company deems fit in light of the market situation and its own development.

LETTER FROM THE BOARD

The breakdown of the use of Net Proceeds as set out in the Prospectus and the proposed revised allocation of the remaining Net Proceeds are summarized as below:

	Planned use of Net Proceeds as disclosed in the Prospectus		Proposed reallocation in the Net Proceeds			Utilized Net Proceeds as of June 30, 2024	Unutilized Net Proceeds as of June 30, 2024	Expected timeline for full utilization
	Amount of Net Proceeds (HK\$ million)	Approximate Percentage of the total Net Proceeds	Amount of Net Proceeds (HK\$ million)	Net Proceeds after proposed reallocation (HK\$ million)	Approximate Percentage of the total Net Proceeds	Amount of Net Proceeds (HK\$ million)	Amount of Net Proceeds (HK\$ million)	
Repaying part of the interest-bearing bank borrowings	277.02	59.4%	(46.60)	230.42	49.4%	99.32	131.10	By December 31, 2025
Financing the construction of Shanghai Hospital	142.71	30.6%	–	142.71	30.6%	140.00	2.71	By December 31, 2025
Working capital and other general corporate purposes	46.63	10.0%	46.60	93.23	20.0%	21.83	71.40	By December 31, 2025
Total	466.36	100%		466.36	100%	261.16	205.21	

Reasons for and benefits of change in use of Net Proceeds

The Board is of the view that the expansion of the scope of the bank facilities from Guangzhou Hospital Loan to also include the Bank Loans will help the Company to improve the efficiency of the use of funds, and apply the funds in a more balanced and flexible manner for the development and investment in various aspects of the business operations of the Company, and will be of greater significance for the Company to use financial resources in a more flexible, beneficial and efficient way. The reallocation of HK\$46.6 million, representing approximately 10.0% of the Net Proceeds, to working capital and general corporate purposes, will enhance the Group's financial management flexibility.

The Board confirms that there are no material changes in the nature of the business of the Group and is of the view that the proposed change in use of Net Proceeds is in the interests of the Company and its Shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group.

LETTER FROM THE BOARD

The Board will continuously assess the changing market conditions and may revise or amend such plans where necessary to cope with the changing market conditions in order to strive for better performance of the Group.

A special resolution will be proposed at the EGM for the Shareholders to consider and it thought fit, to approve the proposed change in use of proceeds.

IV. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the EGM, the register of members of H Shares of the Company will be closed from September 26, 2024 to September 30, 2024, both days inclusive, during which period no transfer of H Shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents of H shares accompanied by the relevant shares certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on September 25, 2024.

V. NOTICE OF EXTRAORDINARY GENERAL MEETING

Set out on page 10 of this circular is the notice of the EGM at which, inter alia, two special resolutions will be proposed to the Shareholders to consider and approve the Proposed Amendments to the Articles of Association and proposed change in use of proceeds.

VI. FORM OF PROXY

A form of proxy is enclosed for use at the EGM. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.concordmedical.com). Whether or not you intend to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for holding the EGM (i.e. before 9:00 a.m. on Sunday, September 29, 2024) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish. In such event, the form of proxy shall be deemed to be revoked.

VII. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, at any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolution set out in the notice of EGM will be decided by way of a poll.

LETTER FROM THE BOARD

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorized representative shall have one vote for every fully paid Share of which he is the holder. A Shareholder entitled to more than one vote needs not use all his votes or cast all the votes he uses in the same way.

An announcement on the poll results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

VIII. RECOMMENDATIONS

The Board considers that the proposals for the Proposed Amendments to the Articles of Association and proposed change in use of proceeds are in the best interests of the Company and the Shareholders taken as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of the resolutions to be proposed at the EGM as set forth in the notice of the EGM.

IX. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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 of the Board and Executive Director

NOTICE OF EGM



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)

NOTICE OF 2024 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2024 second extraordinary general meeting (the “EGM”) of Concord Healthcare Group Co., Ltd. (美中嘉和醫學技術發展集團股份有限公司) (the “**Company**”) will be held at A1, 26th Floor, Hanwei Building East Area, No. 7 Guanghua Road, Chaoyang District, Beijing, PRC on Monday, September 30, 2024, at 9:00 a.m., for the purpose of considering and if thought fit, passing the following resolutions:

Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the circular dated September 10, 2024.

SPECIAL RESOLUTIONS

1. To consider and approve the Proposed Amendments to the Articles of Association; and
2. To consider and approve the proposed change in use of proceeds.

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 of the Board and Executive Director

Beijing, the People's Republic of China, September 10, 2024

NOTICE OF EGM

Notes:

1. For details of the resolutions to be approved in this EGM, please refer to the circular of the Company dated September 10, 2024 (the “**Circular**”). Unless the context requires otherwise, the terms used in this notice of EGM shall have the meaning same as those used in the Circular.
2. For determining the entitlement to attend and vote at the EGM, the register of members of H Shares of the Company will be closed from September 26, 2024 to September 30, 2024, both days inclusive, during which period no transfer of H Shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents of H shares accompanied by the relevant shares certificates must be lodged with the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong before 4:30 p.m. September 25, 2024.
3. H Share Shareholders and Domestic Share Shareholders who have the right to attend and vote at the EGM are entitled to appoint one or more proxies (whether or not a Shareholder) to attend and vote on his/her/its behalf. For those Shareholders who appoint more than one proxy, such proxies can only exercise their voting rights by way of poll.
4. In order to be valid, the proxy form must be completed and signed in accordance with the instructions printed thereon and return it to the Company’s H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM (for the H Share Shareholders); or to the business address of the Company in the PRC, at Room 26A1-26A5, East Tower, Hanwei Building No. 7 Guanghai Road, Chaoyang District, Beijing, PRC not less than 24 hours before the time appointed for the holding of the EGM (for the Domestic Share Shareholders).
5. If a proxy is appointed to attend the EGM on behalf of a Shareholder, the proxy must produce a proxy form which is signed by the appointer or his/her agent so authorized in writing, or if the appointer is a legal person, sealed by the stamp of the legal person or signed by its director or agent so officially authorized. The proxy form shall specify the number of shares represented by the proxy of the Shareholder. Where a Shareholder appoints more than one proxy, he/she shall specify the number of shares represented by each proxy.
6. All persons who are registered holders of shares of the Company at the close of business (Hong Kong time) on September 30, 2024 will be entitled to attend and vote at the meeting.
7. References to time and dates in this notice are to Hong Kong time and dates.
8. Pursuant to Rule 13.39(4) of the Listing Rules, the resolution set out in this notice will be decided by poll at the EGM.

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