

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

SUPPLEMENTAL ANNOUNCEMENT TO INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND INTERIM REPORT 2024

Reference is made to the announcement in relation to the interim results announcement of the Company dated August 29, 2024 (the “**Interim Results Announcement**”) and the interim report of the Company dated September 27, 2024 (the “**Interim Report**”). Unless otherwise stated, capitalized terms used in this announcement shall bear the same meanings as defined in the Interim Results Announcement and the Interim Report.

The Board would like to supplement the following additional information regarding the use of the net proceeds from the Global Offering (the “**IPO Proceeds**”).

USE OF NET PROCEEDS FROM LISTING

As disclosed in the Interim Results Announcement and the Interim Report, as of June 30, 2024, the Company held nine principal-protected and low-risk financial products (the “**Investments**”) from nine different fund companies for treasury management purpose, the fair value of which amounted to an aggregate of RMB207.2 million. The Investments were redeemable on demand.

As disclosed in the Prospectus, to the extent that the net proceeds were not immediately applied to the above purposes, the Company would deposit the net proceeds into short-term demand deposits with licensed banks or other authorized financial institutions as defined under the Securities and Futures Ordinance or the applicable laws and regulations in China, so long as it was deemed to be in the best interests of the Company. Having considered that the Investments were short-term, principal-guaranteed and redeemable on demand such that the IPO Proceeds could be redeemed in time to be applied in the manner as set forth in the disclosures in the Prospectus, the Company misunderstood the nature of these Investments was akin to bank deposits that financing the Investments with the IPO Proceeds would not affect the intended use of IPO Proceeds as disclosed in the Prospectus. The Company thus placed certain portion of the IPO Proceeds in financing all of the Investments. Going forward, the Company will utilize the IPO Proceeds in accordance with the use of the IPO Proceeds as disclosed in the announcement of the Company dated August 28, 2024 and the circular of the Company dated September 10, 2024, which was approved by the Shareholders in the extraordinary general meeting on September 30, 2024.

REMEDIAL ACTIONS

The Company would like to stress that the deviation from its use of IPO proceeds was inadvertent and unintentional. To prevent similar cases from occurring in the future, the Company has implemented the following remedial actions with immediate effect:

- (1) the Company circulates a guidance relating to the use of IPO Proceeds to the relevant staff (including Directors and the heads and deputy heads of the Group's key business and compliance functions (human resources, finance, legal and compliance, and internal controls)) and a working group comprising executive Directors and senior management is established to oversee the relevant use of IPO Proceeds;
- (2) the Company enhances communications with the compliance adviser, strengthens the Company's familiarity with the Listing Rules and, subject to a reasonable cost budget in the future, may consider engaging the compliance adviser for an additional year; and
- (3) the Company convenes regular meetings amongst senior management and the heads of the Group's key business and compliance functions to discuss and monitor the sufficiency of and compliance with internal control procedures and to provide the Board with quarterly updates.

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, October 28, 2024

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. 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.