

Concord Medical Services Holdings Ltd.

NYSE: CCM

Investor Presentation

April 2013



This presentation contains forward-looking statements that are based on the beliefs of our management, and involve risks and uncertainties, as well as assumptions, that, if they ever materialize or prove incorrect, could cause actual results to differ materially from those expressed or implied by such forward-looking statements. The words “believe,” “expect,” “anticipate,” “project,” “targets,” “optimistic,” “intend,” “aim,” “will” or similar expressions are intended to identify forward-looking statements. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including statements regarding new and existing products, technologies and opportunities; statements regarding market and industry segment growth and demand and acceptance of new and existing products; any projections of sales, earnings, revenue, margins or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements regarding future economic conditions or performance; uncertainties related to conducting business in China; any statements of belief or intention; and any statements of assumptions underlying any of the foregoing. All forward-looking statements included in this presentation are based on information available to us on the date of this presentation. We assume no obligation and do not intend to update these forward-looking statements, except as required by law.

Investment Highlights

1 Leading market position with favorable regulatory environment

2 Business model delivers substantial value

3 Unique platform of clinical support drives scalability

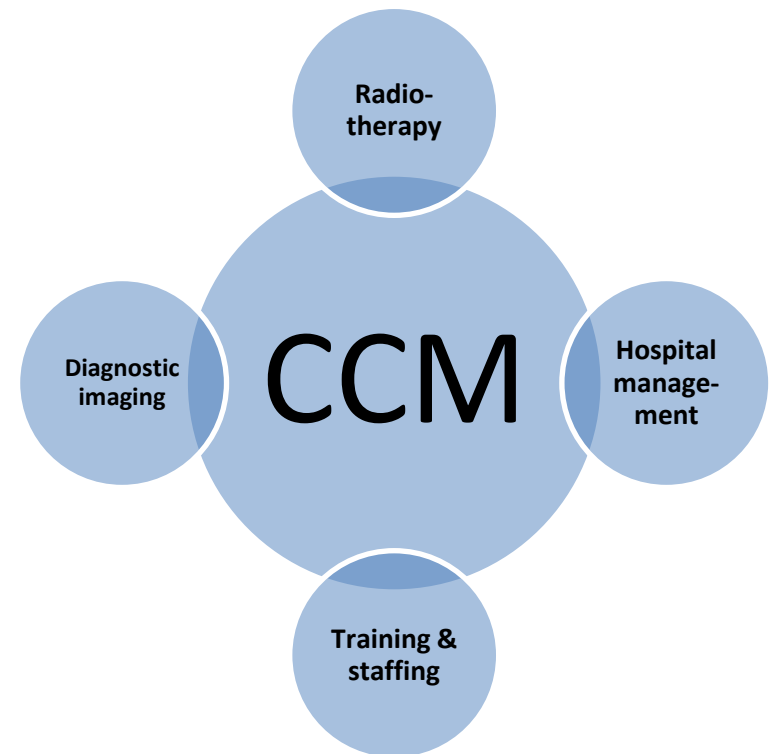
4 Will build and operate specialty hospitals in China

5 Solid financial performance supporting future growth

Company Overview

- Leading provider of radiotherapy and diagnostic imaging services in China
 - Operates a nationwide network of 136 centers with 75 hospitals in 24 provinces
 - Establishing two proton medical centers in Beijing and Guangzhou
- Unique value proposition drives hospital/patient satisfaction
 - 74 hospital partners in 53 cities
 - Over 1,000,000 patient cases since 2007
- Acquisition of 52% ownership in Chang'an Hospital closed in Q2 2012
 - Has received all necessary government approvals
 - 2012H2 Chang'an Revenue of RMB197.3 million, 46% YoY growth
- Acquisition of 19.98% ownership of MD Anderson Proton Center in Dec 2013
 - Preparing for proton centers in China
 - Achieve satisfactory financial return

Our Service Offerings



Nationwide Network



- 136 centers
- 75 hospital partners
- 53 cities
 - 13 Tier One*
 - 39 Tier Two
- 24 provinces
- Cover over 85% of China's population

Note: Tier One : Cities with annual per capita income of more than RMB11,000

Source: Asia demographics

Chang'an Hospital



- A private-owned general hospital established in 1998
- Designed capacity of 2,000-beds, around 1,000 beds opened
- A full-service hospital with 51 departments
- Serves over 100 million population in NW China

- In July 2010, formed CCICC by acquiring a 52% equity interests in the Chang'an's cancer treatment facilities;
- In January 2011, the agreement to acquire a total of 52% equity interest in Chang'an Hospital for RMB 248 million
- Successfully closed in Q2 2012



Chang'an & Specialty Hospitals

Chang'an Hospital

- CCM obtained 52% of the ownership for RMB 248 million
- Strategic transformation to CCM's business model
- A general hospital focusing on cancer treatment and diagnostics with 1000+ beds
- Will serve as a regional hub for northwestern China

Beijing and Guangzhou Proton Centers (in progress)

- First licensed proton beam therapy system in China
- Relative monopoly and competitive edge in mid-term
- Leverage our existing network to get patient referrals
- Guangzhou JV obtained the approval from the Ministry of Health of Guangdong Province and Land Usage Rights to build a 400-bed specialty cancer hospital. Construction will start in 2H2013

Significant Developments

- Obtained the approval of establishing medical institution from the Ministry of Health of Guangdong province for the Guangzhou JV project. We will build a 400-bed cancer specialty hospital.
- Has signed a framework agreement with Beijing International Medical Center ("BIMC") to establish a cancer specialty hospital.
- Chang'an Hospital acquisition closed in Q2/2012
- CCM acquired 19.98% of ownership of MD Anderson Proton Therapy Center in December 2012
- **The strategic transformation into a specialty hospital management group**

Healthcare Service Market in China

	Total Healthcare Market (Billions USD)	As Percentage of GDP	Per Capita Spending (USD)	CAGR 2000-2009
China	229	4.6%	177	17.5%
Japan	420	8.3%	3,321	1.9%
United States	2,287	16.2%	7,410	6.2%
United Kingdom	202	9.3%	3,285	7.7%
Germany	376	11.3%	4,629	7.7%
France	310	11.7%	4,798	9.9%

- Healthcare is the third largest expenditure for Chinese families, behind housing and education;
- Chinese government has allocated RMB 800 billion to healthcare expenditure for 2009-2011

Healthcare System Overhaul

图 2：优质的医疗服务是供不应求的



资料来源：长江证券研究部

- Expansion of private capital in the healthcare reform
- Establishment of Major Illness national coverage system
- Macro and demographic trends favorable to healthcare industry

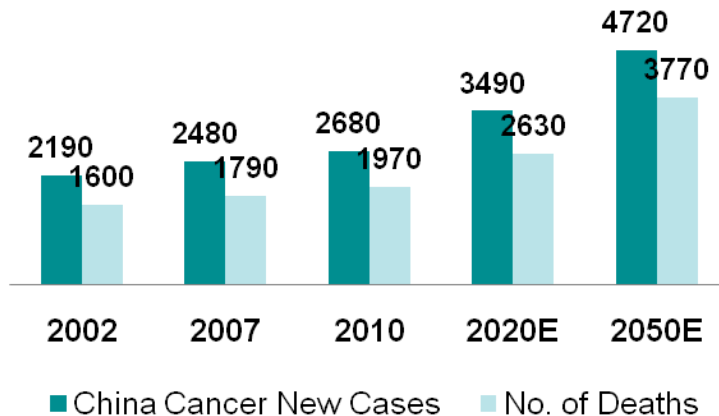
“CCM ... will benefit as Chinese consumers become more educated about Western treatment options”

- Oct. 1, 2012, CNBC

Cancer: No. 1 Health Threat in China

- Cancer is the leading cause of death in 2010 in China, accounting for 2M deaths (26.2% of total deaths)
- Aging population, urbanization, tobacco usage, and environmental pollution have contributed to the higher rate of cancer in China
- Mortality rate from cancer is almost 3 times that of advanced nations (9%), due to lack of early diagnosis and proper treatment

Thousand



New Cases and Incidence

Source: CITIC Research Institute

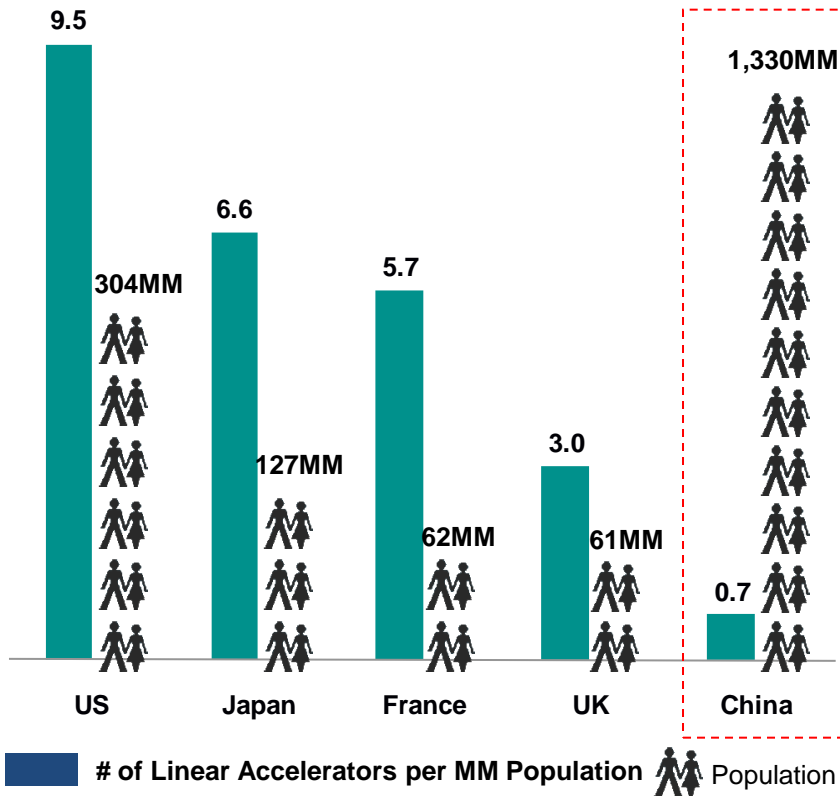


Pollution in Beijing

Low Penetration of Radiotherapy in China

...Penetration in China is
Comparatively Low

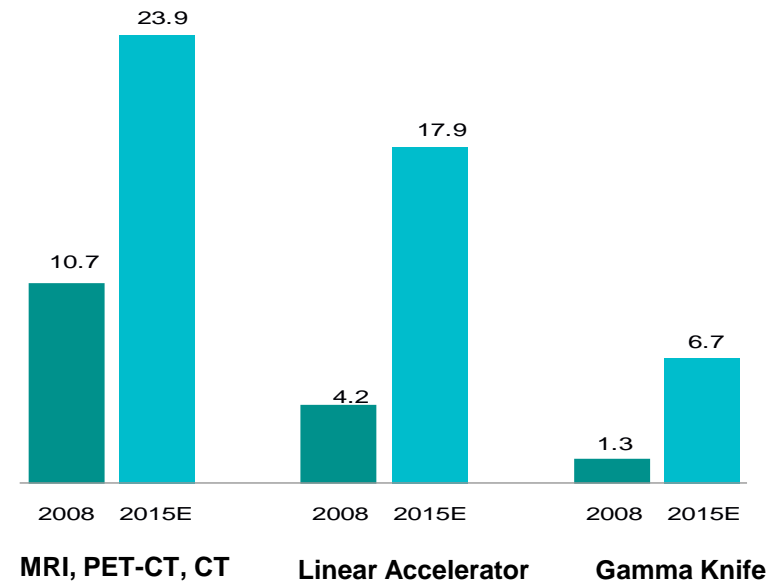
Penetration Rate (per MM)



Only 15% of cancer patients receive radiotherapy, while the international norm is 50-60%

Fast Growing Market

RMB Bn

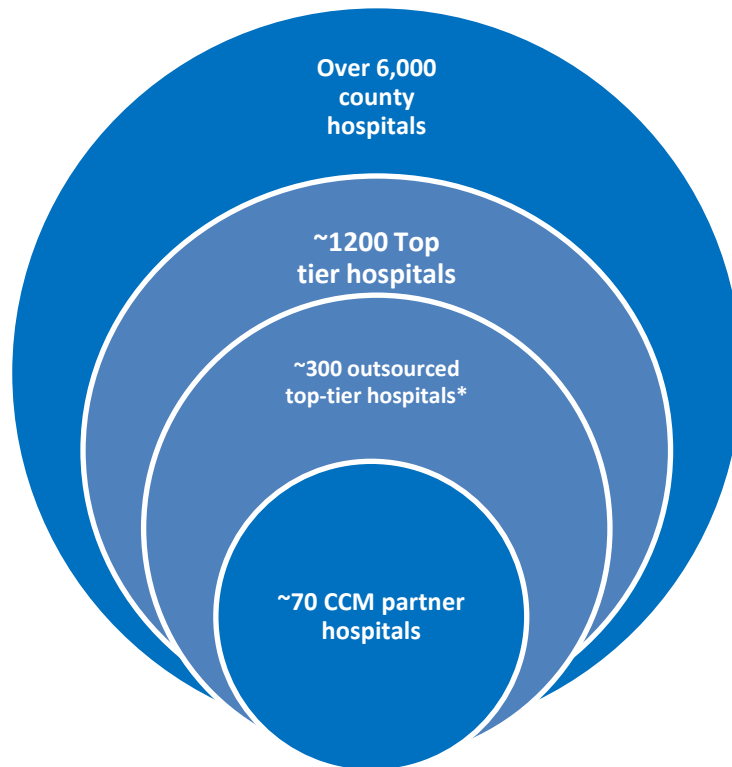


Total market size in 2015:
RMB 48.5 billion

Market Leader & Huge Growth Opportunities

Third-party radiotherapy & diagnosis market

Facts & Opportunities



* Industry survey. Management estimate

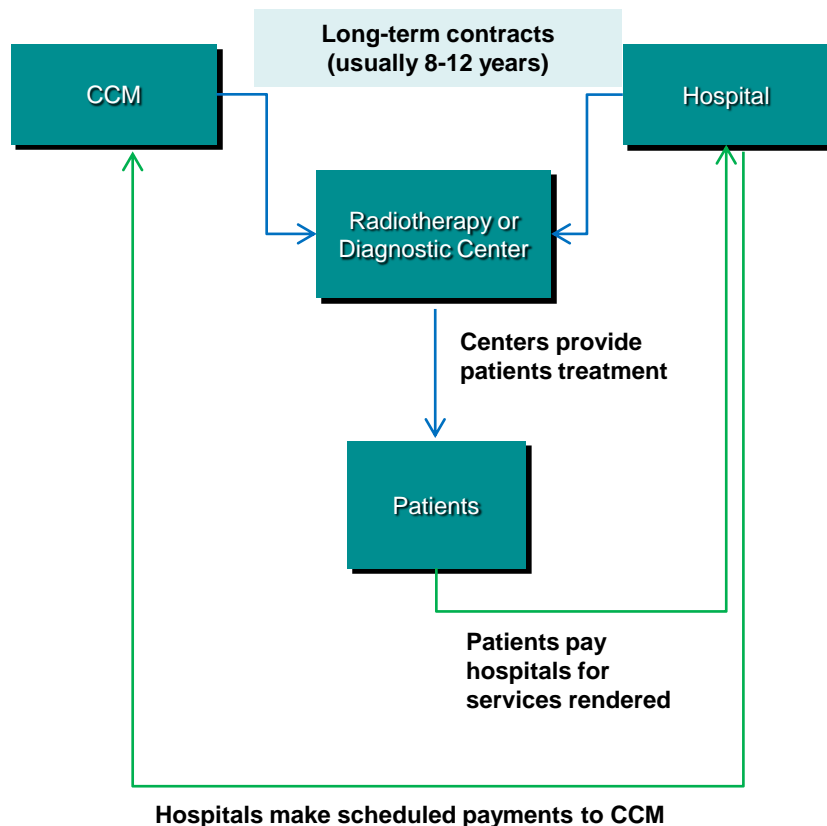
• Facts

- Uneven distribution of resources
- Concentration of medical resources in big cities (15 provinces: < 1 LAC per million)
- Lack of basic medical resources, such as MRI or LAC, in vast regions

• Opportunities for CCM

- High-end Segment: Specialty oncology hospital: Beijing and Guangzhou in planning
- Vast numbers of county-level hospitals: demand for basic equipments (MRI and LAC)
- Over 95% of Chinese population is covered by one of the three insurance programs

Lease & Management Model



- Exclusive long-term (8~12 years) contracts with hospital partners across 24 provinces in China
 - Solid partnerships with top-tier hospitals to build flagship centers
 - Largest national network providing easy access for patients
- Joint operation improves center operational efficiency
 - Enhanced cost control and effectiveness
 - Better patient service and experience
- Increases patient volume to the centers and other departments of the hospitals
- Provides value-added services to the hospitals, e.g. doctor training, joint research, academic exchanges, hospital management, etc.

Full Spectrum of Services

Radiotherapy treatment



Linear Accelerator (LAC)

- Deliver a high-energy x-ray beam capable of treating larger tumor
- Advanced modalities including three-dimensional conformal radiation

Head Gamma Knife System (HGK)

- Use multiple radiation sources (cobalt-60) to produce a beam of radiation
- Mostly used for the treatment of brain tumors

Body Gamma Knife System (BGK)

- Used for the treatment of tumors inside the body
- Widely used in China

Diagnostic imaging



Positron Emission Tomography – Computed Tomography (PET-CT)

- Combine the function of PET scanner and CT scanner in one unit
- More precise imaging, one of the most advanced diagnostic imaging technologies

Magnetic Resonance Imaging (MRI)

- Use a powerful magnetic field and radio frequency pulses but not involving radiation
- Produce detailed pictures of internal body structures in neurological or oncology imaging

Others

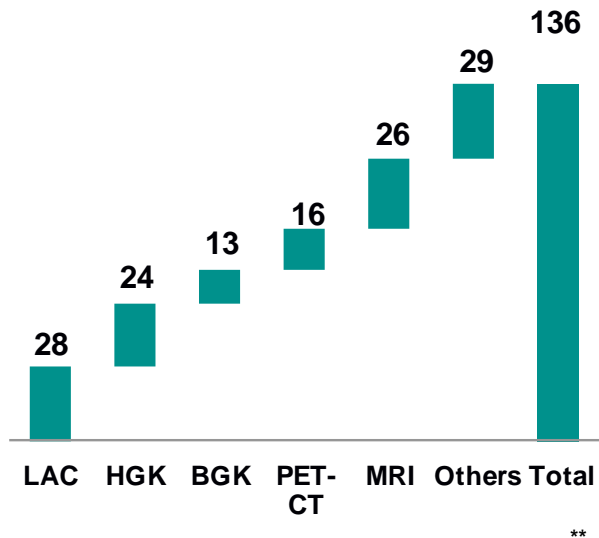
- Includes CT scanners, ECT scanners, epilepsy diagnosis equipment, thermotherapy equipment, high-intensity focused ultrasound therapy equipment, cell knife and ophthalmic equipment

Full range of services with operational synergies between radiotherapy and diagnostic imaging

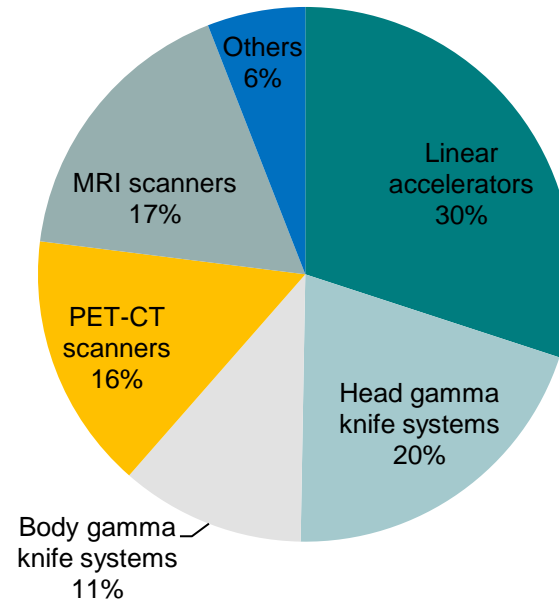
Revenue by Equipment Type

Number of Equipment *

Dec 31, 2012



Revenue Contribution by Equipment *



Notes: * Breakdown of Lease & Management Services (excluding 7 service-only centers, which we provide management services without owning the equipment)

** Include computed tomography scanners, or CT scanners, and emission computed tomography scanners, or ECT scanners, epilepsy diagnosis equipment, thermotherapy equipment, high-intensity focused ultrasound therapy equipment, cell knife and ophthalmic equipment

Compelling Value Proposition

Hospital Partners

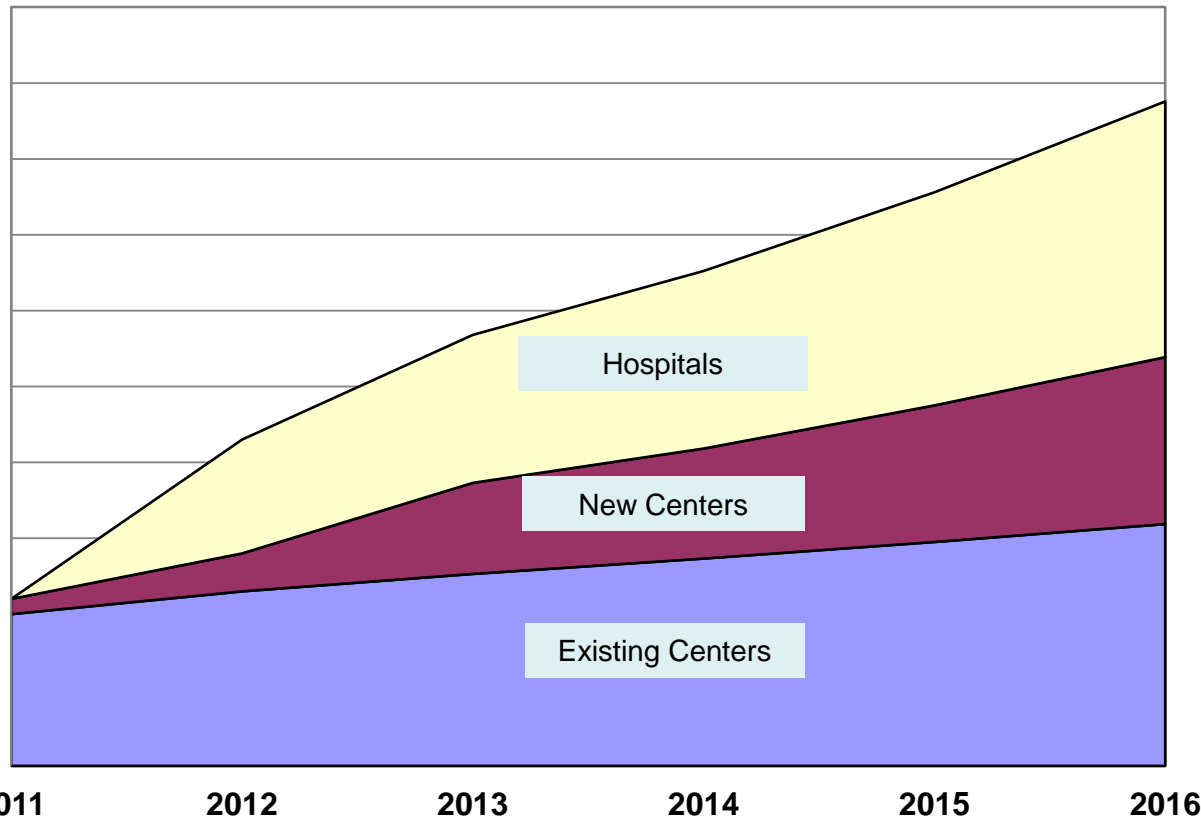
- **Financing & procurement of equipment**
 - Relieves the hospital of upfront capital investment
 - Expertise and specialty in medical equipment industry
 - Economy of scale in procurement and pricing
- **Value-added Services**
 - Training for doctors and staff in the centers
 - Information sharing and database within the CCM network
 - Joint and distant diagnosis
- **Marketing**
 - Organize marketing and education programs to increase patient volume
 - Supervise and optimize the budget of marketing activities
- **Staffing**
 - Employs highly respected clinical staff in management functions
 - Dedicated support and technical staff for each center
 - Help hospitals to recruit high-level doctors

Individual Patients

- **Largest national network provides easy access for patients**
 - Covers over 85% of Chinese population
 - Will establish oncology specialty hospitals
- **Advanced equipment and technology**
 - Majority of equipment used are leading brands, e.g. GE (27%), Varian (10%), Siemens (10%), Elekta (8%), etc.
 - Opened first Cyberknife center in January 2012
- **Affordable cancer treatment and diagnostic imaging provider**
 - Majority of patients covered by government insurance programs
 - Specialty hospitals will target high-end market
- **High quality medical services**
 - Experienced doctors and oncologists in CCM's network
 - Patient friendly environment different from over-crowded public hospitals

Sustainable Growth & Visibility

Revenue Growth Path
5-Year Target CAGR = 25-35%



Key Points

- In 2013, hospital revenue will contribute for a significant portion of total revenue
- Only 1 hospital, Chang'an Hospital is considered in the projection.
- New centers will gradually contribute to our revenue

Growth Strategies

Network Expansion

Profitability

Innovation

Specialty Hospital

- Develop new centers with hospital partners
- Focus on expanding among the 6,000 tier-II hospitals
- Acquire existing radiotherapy and diagnostic centers
- Increase marketing efforts to drive patient volume
- Improve profitability / efficiency of existing centers
- Introduce new radiotherapy and diagnostic imaging technology to China's cancer market
- Improve network synergy through new IT technology, including tele-radiology
- Develop / Enhance CCM's brand name
- Employ and retain the best doctors in the country

**To provide the best treatment and diagnostic services
to cancer patients in China**

MD Anderson PTC Ownership Acquisition

CCM acquired 19.98% of ownership of MD Anderson Proton Therapy Center in December 2012

CCM will become the only China-based listed company that owns a substantial interest in a leading USA medical institution

Proton treatment has become widely accepted method of radiation therapy


The MDACC proton center has delivered solid performance since 2006

CCM will gain access to the management and medical expertise of Proton Center

Achieve satisfactory financial return from stable and predictable cash flow

Strategic Value to CCM

- To introduce the most advanced radiation therapy with treatment for the most comprehensive range of cancers to patients in China
- Access to MD Anderson Cancer Center's world-renowned research, cancer specialists and multidisciplinary care
- Achieve first-hand knowledge about the operation, medical protocol and management expertise of MDACC, the best cancer hospital in the USA
- Help CCM to train doctors, physicist and therapist in preparation for the opening of planned proton centers in China

- 
- Solidify CCM's position as a leading radiotherapy operator in China
 - Achieve satisfactory financial returns (IRR=20%) over the investment period

Financial Overview

Strong Financial Performance

Net revenue of \$107.9mm for full year 2012
Revenue CAGR 36.1%*
Adjusted EBITDA of \$60.4mm with 56.0% margin for full year 2012

Significant Operation Cash Flow

\$41.7 mm for FY 2012
89% increase from FY 2011

Solid Capital Structure

Cash and cash equivalents: \$57.7mm at 12/31/2012
Total liability to asset is 35.2% and total liability to equity is 54.4% as of
December 31, 2012

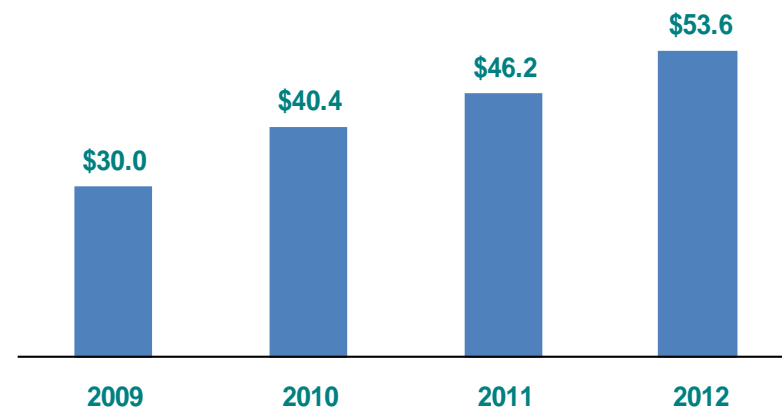
Note: * CAGRs represent 2009 to 2012

Financial Performance

Revenue (US\$ m)



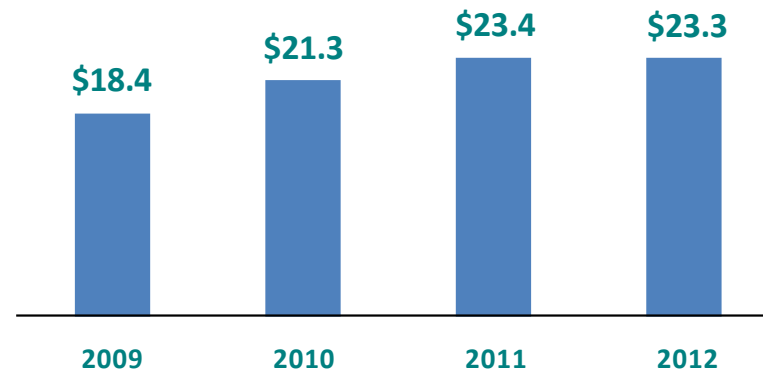
Gross Profit (US\$ m)



Adjusted EBITDA (US\$ m)



Non-GAAP Net Income (US\$ m)



Capital Structure

RMB MM	Dec 31, 2010	Dec 31, 2011	Dec 31, 2012
Cash	535.8	394.4*	359.4*
PP&E, Net	907.3	1,068.7	1,499.6
Total Assets	2,663.0	2,393.4	3,615.2
Total Bank Debt	189.0	201.2	875.5
Total Liabilities	361.2	355.4	1,273.4
Shareholders' Equity	2,301.8	2,038.1	2,341.8
Total Liabilities / Total Assets	13.7%	14.8%	35.2%
Total Liabilities / Total Equity (incl. Preferred)	15.9%	17.4%	54.4%

*Cash, held-to-maturity, time deposit, restricted cash, current and non-current portions

Management Team



Dr. Jianyu Yang
Chairman & CEO

- 10 years of management experience
- Former CEO of Eguard Resource Development (A-share listed)
- PhD in Economics from Liaoning University



Dr. Zheng Cheng
COO & President

- 20 years of industry-related experience
- Co-founder and former CEO of China Medstar (AIM-listed)
- Qualified clinical surgeon



Mr. Steve Sun
Director, Chairman of Investment Committee

- 13 years of management experience
- MBA from University of Chicago Graduate School of Business



Mr. Adam J. Sun
CFO

- Over 10 years of finance and management experience
- Experience in healthcare industry in China
- MBA from University of Chicago, GSB



Mr. Jing Zhang
Chief Administrative Officer

- 14 years of industry experience
- Co-founder and former COO of China Medstar (AIM-listed)
- BA from Beijing Institute of Chemical Technology



Ms. Xun Liu
Financial Controller

- 13 years of financial management and accounting experience
- VP of Finance with Xueda Education (NYSE: XUE)
- CICPA member

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2 **Business model delivers substantial value**

3 **Unique platform of clinical support drives scalability**

4 **Will build and operate specialty hospitals in China**

5 **Solid financial performance supporting future growth**

Appendix

About MD Anderson Cancer Center

- The University of Texas MD Anderson Cancer Center (MDACC) is one of the world's most respected medical institutions devoted exclusively to cancer patient care, research, education and prevention
- Created in 1941 as part of the UT System, MDACC marked its 70-year anniversary in 2011.
- In 2011, MDACC received over 100,000 patients and achieved total revenue of over \$3.6B.
- For eight of the past 10 years, including 2011, MD Anderson has ranked No. 1 in cancer care in the “Best Hospitals” survey published by U.S. News & World Report.



MDACC Proton Therapy Center

- MD Anderson Proton Center (MDACC PTC) is an affiliate of University of Texas, MD Anderson Cancer Center (MDACC). Opened in 2006, it was the 4th proton treatment center in the US.
- With a total investment of \$125M, the MDACC PTC is funded by private capital and managed under contract with MDACC.
- MDACC PTC has 3 gantries and 1 fixed beam room, with the capacity of treating 1200 patients annually.
- Since its opening, MDACC PTC has treated over 3,000 patients, accounting for 15% of total number of patients received proton treatment in the US.