



Concord Medical Announces Industry Update

October 15, 2013

-- The State Council of China recently issued "Guidelines to promote the development of the healthcare services industry" --

BEIJING, Oct. 15, 2013 /PRNewswire/ -- Concord Medical Services Holdings Limited ("Concord Medical", "CCM", or the "Company") (NYSE: [CCM](#)), a leading specialty hospital management solution provider and operator of the largest network of radiotherapy and diagnostic imaging centers in China and the parent of Chang'an Hospital, today provided an industry update, announcing that the State Council of China has issued "*Guidelines to promote the development of the healthcare services industry*" ("Guidelines") on October 14, 2013.

The "Guidelines" propose relaxation of market access restrictions, the strengthening of planning layouts and land protection, improvements to the tax policy and other measures focused on encouraging the expansion of supply and fueling consumer demand in the healthcare service sector.

Additionally, the "Guidelines" further relax limits and restrictions on the entry of private capital into the healthcare services sector, including the following measures:

- Further "opening up" the healthcare services sector---increase social capital investment in areas in which laws and regulations do not explicitly ban investment;
- Every area open for local capital investment must also be open to non-local capital investment;
- Implement and enforce stricter time limits for the approval of establishing healthcare services institutions by the appropriate regulatory authorities and ensure approval is appropriately delegated to the respective local government agencies;
- Relax the number, size and configuration limits for procurement of large medical equipment at for-profit hospitals.

The new guidelines are the Chinese government's latest effort to consolidate and expand the reach and performance of its medical and healthcare system, plan for stable overall growth of the industry, adjust the industry structure, promote reform, and protect and improve the livelihood of its citizens. The Guidelines are significant measures to satisfy the diverse and multi-level healthcare service needs of the Chinese people, improve the health of the nation's population, enhance service quality, expand the job market, promote economic reform and establish new opportunities for growth.

Dr. Jianyu Yang, Chairman and Chief Executive Officer of Concord Medical, commented, "We are pleased with the Chinese government's recent guidelines that encourage private capital investment in the healthcare service sector. For CCM, the new guidelines will greatly improve the visibility of government approvals and equipment procurement for establishing new private, for-profit hospitals. We feel very confident that CCM's planned specialty cancer hospitals will significantly benefit from the new policies over time. We also believe these guidelines will facilitate healthcare reform in China and create a more level playing field for private sector investment in the healthcare service sector."

A more detailed translation of the comprehensive guidelines will be available for review on the Company's IR website shortly ([ir.cmsholdings.com](#)).

About Concord Medical

Concord Medical Services Holdings Limited operates the largest network of radiotherapy and diagnostic imaging centers in China, measured by revenues and the number of centers in operation and is the parent of Chang'an Hospital. As of June 30, 2013, the Company operated a network of 140 centers with 77 hospital partners that spanned 54 cities and 24 provinces and administrative regions in China. Under long-term arrangements with top-tier hospitals in China, Concord Medical provides radiotherapy and diagnostic imaging equipment and manages the daily operations of these centers, which are located on the premises of its hospital partners. The Company also provides ongoing training to doctors and other medical professionals in its network of centers to ensure a high level of clinical care for patients. For more information, please see <http://ir.concordmedical.com>.

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