

Concord Medical Services Holdings Ltd

Form F-1/A

December 07, 2009

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As filed with the Securities and Exchange Commission on December 7, 2009

Registration No. 333-163155

**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Amendment No. 4 to  
Form F-1**

**REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**Concord Medical Services Holdings Limited**  
*(Exact name of registrant as specified in its charter)*

**Not Applicable**  
*(Translation of registrant's name into English)*

**Cayman Islands**  
*(State or other jurisdiction of  
incorporation or organization)*

**8011**  
*(Primary Standard Industrial  
Classification Code Number)*

**Not Applicable**  
*(I.R.S. Employer  
Identification Number)*

**18/F, Tower A, Global Trade Center  
36 North Third Ring Road East, Dongcheng District  
Beijing 100013  
People's Republic of China  
(86 10) 5903-6688**  
*(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)*

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this registration statement

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earliest effective registration statement for the same offering.  \_

#### CALCULATION OF REGISTRATION FEE

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to Be Registered<sup>(1)(2)</sup></b>	<b>Proposed Maximum Offering Price per Ordinary Share<sup>(1)</sup></b>	<b>Proposed Maximum Aggregate Offering Price<sup>(1)</sup></b>	<b>Amount of registration fee</b>
<b>Ordinary shares, par value US\$0.0001 per share<sup>(2)(3)</sup></b>	<b>41,400,000</b>	<b>US\$3.8333</b>	<b>US\$158,700,000</b>	<b>US\$8,855<sup>(4)</sup></b>

(1) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(a) under the Securities Act of 1933.

(2) Includes ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public, and also includes ordinary shares that may be purchased by the underwriters pursuant to an over-allotment option. These ordinary shares are not being registered for the purposes of sales outside of the United States.

(3) American depositary shares issuable upon deposit of the ordinary shares registered hereby will be registered under a separate registration statement on Form F-6 (Registration No. 333- ). Each American depositary share

represents three ordinary shares.

(4) Previously paid.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to such Section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. Neither we nor the selling shareholders may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.**

*PROSPECTUS (Subject to Completion)*  
*Issued           , 2009*

*12,000,000 American Depositary Shares*

*Concord Medical Services Holdings Limited*

*REPRESENTING 36,000,000 ORDINARY SHARES*

*Concord Medical Services Holdings Limited is offering 12,000,000 American Depositary Shares, or ADSs. Each ADS represents three ordinary shares, par value US\$0.0001 per share. This is our initial public offering and no public market exists for our ADSs or our ordinary shares. We anticipate that the initial public offering price will be between US\$9.50 and US\$11.50 per ADS.*

*We have received approval to list the ADSs on the New York Stock Exchange under the symbol   CCM.*

*Investing in the ADSs involves risks. See   Risk Factors   beginning on page 18.*

*PRICE \$   AN ADS*

	<i>Price to Public</i>	<i>Underwriting Discounts and Commissions</i>	<i>Proceeds to Company</i>
Per ADS	\$	\$	\$
Total	\$	\$	\$

The selling shareholders identified in this prospectus have granted the underwriters the right to purchase up to an aggregate of 1,800,000 additional ADSs to cover over-allotments.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ADSs to purchasers on or about \_\_\_\_\_, 2009.

*MORGAN STANLEY*

*J.P.MORGAN*

*CICC*

December , 2009

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Cms O J centers in .30 cities\* Concord Medical operates the largest network of radiotherapy and diagnostic imaging centers in China\*\* 1 As of September 30,2009. In terms of revenues and the total number of centers in operation in 2008, according to a Frost & Sullivan report commissioned by Concord Medical.

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You should rely only on the information contained in this prospectus or any free writing prospectus filed with the Securities and Exchange Commission, or the SEC, in connection with this offering. We have not authorized anyone to provide you with information that is different from that contained in this prospectus or in any filed free writing prospectus. We are offering to sell, and seeking offers to buy, the ADSs only in jurisdictions where offers and sales are permitted. The information contained in this prospectus or in any filed free writing prospectus is current only as of its date, regardless of the time of its delivery or of any sale of the ADSs.



We have not taken any action to permit a public offering of the ADSs outside of the United States or to permit the possession or distribution of this prospectus or any filed free writing prospectus outside the United States. Persons outside of the United States who come into possession of this prospectus or any filed free writing prospectus must inform themselves about and observe any restrictions relating to the offering of the ADSs and the distribution of this prospectus or any filed free writing prospectus outside of the United States.

**Until (the 25th day after the date of this prospectus), all dealers that buy, sell or trade ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.**

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**PROSPECTUS SUMMARY**

*The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in the ADSs discussed under Risk Factors, before deciding whether to buy our ADSs. Unless the context indicates otherwise, all share and per share data in this prospectus give effect to a 1-for-100 share split that became effective on November 17, 2009.*

**Our Business**

We operate the largest network of radiotherapy and diagnostic imaging centers in China in terms of revenues and the total number of centers in operation in 2008, according to a report by Frost & Sullivan commissioned by us that compared our pro forma revenues against the revenues of our competitors in 2008 and our number of centers and units of equipment against those of our competitors as of the end of 2008. As of September 30, 2009, our network comprised 83 centers based in 55 hospitals, spanning 36 cities across 21 provinces and administrative regions in China. These hospitals are substantially comprised of 3A hospitals, the highest ranked hospitals by quality and size in China as determined in accordance with the standards of the Ministry of Health, or the MOH. Cancer was the leading cause of death in China in 2008 according to the MOH, and there is a relatively low penetration of radiotherapy and diagnostic imaging equipment compared to developed countries. We believe that our leading network and our experience and expertise uniquely position us to address the underserved market in China for radiotherapy and diagnostic imaging services.

Most of the centers in our network are established through long-term lease and management services arrangements entered into with our hospital partners. Under these arrangements, we receive a contracted percentage of each center's revenue net of specified operating expenses. Each center is located on the premises of our hospital partners and is typically equipped with a primary unit of advanced radiotherapy or diagnostic imaging equipment, such as a linear accelerator, head gamma knife system, body gamma knife system, positron emission tomography-computed tomography scanner, or PET-CT scanner, or magnetic resonance imaging scanner, or MRI scanner. We provide clinical support services to doctors who work in the centers in our network, which include developing treatment protocols for doctors and organizing joint diagnosis between doctors in our network and clinical research. In addition, we help recruit and determine the compensation of doctors and other medical personnel in our network and are typically in charge of most of the non-clinical aspects of the centers' daily operations, including marketing, training and administrative duties. Our hospital partners are responsible for the centers' clinical activities, the medical decisions made by doctors, and the employment of the doctors in accordance with regulations.

We believe that our success is largely due to the high quality clinical care provided at our network of centers and our market-oriented management culture and practices. Many of the doctors who work in our network have extensive clinical experience in radiotherapy, some of whom are recognized as leading experts in radiation oncology in China. We enhance the quality of clinical care in our network through established training of, and on-going clinical education for, doctors in our network. We believe that our market-oriented management culture and practices allow us to manage centers more efficiently and offer more consistent and better patient services than our competitors. We believe that our success has given us a strong reputation within the medical community, which in turn gives us a competitive advantage in gaining patient referrals and establishing new centers.

To complement our organic growth, we have also selectively acquired businesses to expand our network. In July 2008, we acquired China Medstar Pte. Ltd., or China Medstar, a company then publicly listed on the Alternative Investment Market of the London Stock Exchange, or the AIM, for approximately £17.1 million or approximately

RMB238.7 million (US\$35.0 million). At the time of the acquisition, China Medstar jointly managed 23 centers with its hospital partners across 14 cities in China.

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To further enhance our reputation and to employ high quality doctors, we plan to establish and operate specialty cancer hospitals in China. We intend for our specialty cancer hospitals to be centers of excellence. Our first specialty cancer hospital, the Chang'an CMS International Cancer Center, in Xi'an, Shaanxi Province, is expected to commence operation in early 2010. We are also in the process of establishing the Beijing Proton Medical Center, another specialty cancer hospital, which is expected to commence operation in 2012. We expect that the Beijing Proton Medical Center will be the first proton beam therapy treatment center in China equipped with a proton beam therapy system licensed for clinical use.

Our business has grown significantly in recent years through development of new centers, increases in the number of patient cases of existing centers and acquisitions. We have increased the number of centers in our network from 41 at the end of 2007 to 72 at the end of 2008 and to 83 as of September 30, 2009. Our total net revenues were RMB67.4 million, RMB14.0 million and RMB171.8 million (US\$25.2 million) for the period from January 1, 2007 to October 30, 2007, the period from September 10, 2007 to December 31, 2007 and for the year ended December 31, 2008. Our total net revenues increased to RMB205.7 million (US\$30.1 million) for the nine months ended September 30, 2009 from RMB102.0 million for the same period in 2008, due primarily to an increase in the number of centers in our network, including centers added to our network as a result of our acquisition of China Medstar, and an increase in the number of patient cases in existing centers. For periods prior to October 30, 2007, our predecessor is deemed the reporting entity for financial reporting purposes as a result of our reorganization. We report the financial statements of our successor entity from September 10, 2007, the date of inception of our successor entity. For additional information as to our history and reorganization and our financial presentation, see Our History and Corporate Structure and Management's Discussion and Analysis of Financial Condition and Results of Operations.

## **Our Industry**

The radiotherapy and diagnostic imaging market in China has several favorable characteristics. The market is expected to grow, with a compound annual growth rate, or CAGR, of 22.4% between 2008 and 2015, according to a report by Frost & Sullivan, due to the increasing incidence rate of cancer in China and awareness among physicians and patients and their adoption of advanced radiotherapy and diagnostic imaging technologies, rising household disposable income and government healthcare expenditures that will increase the affordability of such cancer treatment and diagnosis technologies. Moreover, China's relatively underdeveloped medical infrastructure has resulted in significant unmet demand for cancer radiotherapy and diagnostic imaging services, with the per capita number of units of such medical equipment in China being significantly lower than in developed countries. For example, Frost & Sullivan estimates that China had only 0.7 linear accelerators per million people at the end of 2008 compared to 9.5 in the United States, 6.6 in Japan, 5.6 in France and 3.0 in the United Kingdom. Hospitals in China often lack the financial resources to purchase, and the experienced radiation oncologists and radiologists to operate, advanced radiotherapy and diagnostic imaging equipment. We believe that we are well positioned to benefit from these market dynamics through our ability to provide equipment and expertise to hospitals in China to establish and operate radiotherapy and diagnostic imaging centers.

## **Our Competitive Strengths**

We believe that the following competitive strengths have, and will continue to, uniquely position us to capitalize on growth opportunities in the cancer treatment market in China:

leading market position and successful track record;

doctors with extensive cancer treatment experience developed and supported by our network;

market-oriented management of centers;

successful track record of new center development and acquisitions; and  
strong and experienced management team.

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**Our Strategies**

We intend to further strengthen our leading position in radiotherapy and diagnostic imaging market in China by pursuing the following strategies:

- continue to develop new radiotherapy and diagnostic imaging centers;
- increase marketing efforts to drive growth in patient cases at our existing centers;
- establish specialty cancer hospitals;
- introduce advanced cancer treatment options and diagnostic technology in our network; and
- complement our development of new centers with selected acquisitions.

**Our Challenges**

We believe that the following are some of the major risks and uncertainties that may materially affect us:

- we may encounter difficulties in successfully opening new centers or renewing agreements for existing centers due to the limited number of suitable hospital partners and their potential ability to finance the purchase of medical equipment directly;
- we have historically derived a significant portion of our revenues from centers located at a limited number of our hospital partners and regions;
- we conduct our business in a heavily regulated industry;
- any failure by our hospital partners to make contracted payments to us or any disputes over, or significant delays in receiving, such payments could have a material adverse effect on our business and financial condition; and
- our business may be harmed by technological and therapeutic changes or by shifts in doctors' or patients' preferences for alternative treatments.

See **Risk Factors** and other information included in this prospectus for a discussion of these and other risks and uncertainties.

**Our History and Corporate Structure**

Concord Medical Services Holdings Limited, or Concord Medical, was incorporated in the Cayman Islands on November 27, 2007 and became our ultimate holding company on March 7, 2008, when the shareholders of Ascendium Group Limited, or Ascendium, a holding company incorporated in the British Virgin Islands on September 10, 2007, exchanged all of their shares for shares of Concord Medical. Prior to that, on October 30, 2007, Ascendium had acquired 100% of the equity interest in Our Medical Services, Ltd., or OMS, resulting in a change in control. We refer to this transaction as the OMS reorganization in this prospectus. Prior to the OMS reorganization, OMS, together with Shenzhen Aohua Medical Services Co., Ltd., or Aohua Medical, in which OMS effectively held all of the equity interest at the time, operated all of our business.

Aohua Medical was incorporated by OMS on July 23, 1997 and OMS contributed RMB4.8 million to Aohua Medical, representing 90% of the equity interest in Aohua Medical. The other 10% of Aohua Medical was held by two nominees who acted as the custodians of such equity interest. On June 10, 2009, this 10% equity interest was transferred to our subsidiary Shenzhen Aohua Medical Leasing and Services Co., Ltd., or Aohua Leasing. The two nominees have not maintained their required capital contributions at any time subsequent to the incorporation of Aohua Medical. Due to this capital deficiency as well as other legal conditions, the two nominees had no legal rights to participate either retrospectively or prospectively at any time in any profits or losses of Aohua Medical or to share in any residual assets or any proceeds in the event that Aohua Medical encountered a liquidation event. For these reasons, we do not account for this 10% equity interest as a minority interest in our consolidated results of operations or financial position.

On July 31, 2008, our subsidiary Ascendium acquired 100% of the equity interest in China Medstar together with its wholly owned PRC subsidiary, Medstar (Shanghai) Leasing Co., Ltd., or Shanghai Medstar, for

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approximately £17.1 million or approximately RMB238.7 million (US\$35.0 million). China Medstar, through its then subsidiary Shanghai Medstar, engaged in the provision of medical equipment leasing and management services to hospitals in the PRC. On August 17, 2009, 100% of the equity interest in Shanghai Medstar was transferred from China Medstar to Ascendium.

On October 28, 2008, we acquired control of Beijing Xing Heng Feng Medical Technology Co., Ltd., or Xing Heng Feng Medical, through our subsidiaries Aohua Leasing and CMS Hospital Management Co., Ltd., or CMS Hospital Management, by acquiring 100% of its equity interest, which corresponded to its then paid-in registered capital. We paid total consideration of approximately RMB35.0 million (US\$5.1 million) for this acquisition.

We currently conduct substantially all of our operations through the following subsidiaries in the PRC:

Shenzhen Aohua Medical Services Co., Ltd., our wholly owned subsidiary incorporated in the PRC that engages in the provision of radiotherapy and diagnostic center management services to hospitals in the PRC;

Shenzhen Aohua Medical Leasing and Services Co., Ltd., our wholly owned subsidiary incorporated in the PRC that engages in the provision of radiotherapy and diagnostic equipment leasing services to hospitals in the PRC;

Medstar (Shanghai) Leasing Co., Ltd., our wholly owned subsidiary incorporated in the PRC that engages in the sale of medical equipment and the provision of radiotherapy and diagnostic equipment leasing and management services to hospitals in the PRC;

CMS Hospital Management Co., Ltd., our wholly owned subsidiary incorporated in the PRC that engages in the provision of radiotherapy and diagnostic equipment management services to hospitals in the PRC; and

Beijing Xing Heng Feng Medical Technology Co., Ltd., our wholly owned subsidiary incorporated in the PRC that engages in the provision of radiotherapy and diagnostic equipment management services to hospitals in the PRC.

The following diagram illustrates our corporate structure and the place of organization of each of our subsidiaries as of the date of this prospectus.



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**Corporate Information**

Our principal executive offices are located at 18/F, Tower A, Global Trade Center, 36 North Third Ring Road East, Dongcheng District, Beijing, People's Republic of China, 100013. Our telephone number at this address is (86 10) 5903-6688 and our fax number is (86 10) 5957-5252. Our registered office in the Cayman Islands is at Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands KY1-1112.

Investor inquiries should be directed to us at the address and telephone number of our principal executive offices set forth above. Our website is [www.cmsholdings.com](http://www.cmsholdings.com). The information contained on our website is not part of this prospectus. Our agent for service of process in the United States is National Registered Agents, Inc., located at 875 Avenue of the Americas, Suite 501, New York, New York 10001.

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**Conventions That Apply to This Prospectus**

Unless otherwise indicated, references in this prospectus to:

ADRs are to the American depositary receipts, which, if issued, evidence our ADSs;

ADSs are to our American depositary shares, each of which represents three ordinary shares;

China and the PRC are to the People's Republic of China, excluding, for the purposes of this prospectus only, Taiwan and the special administrative regions of Hong Kong and Macau;

ordinary shares are to our ordinary shares, par value US\$0.0001 per share;

PRC subsidiaries are to our subsidiaries incorporated in the People's Republic of China, including Aohua Medical, Aohua Leasing, Shanghai Medstar, CMS Hospital Management Co., Ltd., or CMS Hospital Management, and Xing Heng Feng Medical;

RMB and Renminbi are to the legal currency of China;

US\$ and U.S. dollars are to the legal currency of the United States;

we, us, our company and our are to Concord Medical Services Holdings Limited, its predecessor entities and its consolidated subsidiaries; and

£ is to the legal currency of the United Kingdom of Great Britain and Northern Ireland.

Unless otherwise indicated, information in this prospectus: (i) assumes that the underwriters do not exercise their option to purchase up to an aggregate of 1,800,000 additional ADSs representing 5,400,000 ordinary shares from the selling shareholders, and (ii) does not include 4,765,800 ordinary shares reserved for issuance under our 2008 share incentive plan.

This prospectus contains translations of certain Renminbi amounts into U.S. dollars at specified rates. For all dates through December 31, 2008, all translations from Renminbi to U.S. dollars were made at the noon buying rate in the City of New York for cable transfers in Renminbi per U.S. dollar as certified for customs purposes by the Federal Reserve Bank of New York, or the noon buying rate. For January 1, 2009 and all later dates and periods, the exchange rate refers to the noon buying rate as set forth in the H.10 statistical release of the Federal Reserve Board. Unless otherwise stated, the translation of Renminbi into U.S. dollars has been made at the noon buying rate in effect on September 30, 2009, which was RMB6.8262 to US\$1.00. We make no representation that the Renminbi or U.S. dollar amounts referred to in this prospectus could have been or could be converted into U.S. dollars or Renminbi, as the case may be, at any particular rate or at all. See Risk Factors Risks Related to Doing Business in China Fluctuations in the value of the Renminbi may have a material adverse effect on your investment. On November 27, 2009, the noon buying rate was RMB6.8272 to US\$1.00.

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**THE OFFERING**

Price per ADS	We currently estimate that the initial public offering price will be between US\$9.50 and US\$11.50 per ADS.
ADS offered by us	12,000,000 ADSs
The ADSs	<p>Each ADS represents three ordinary shares, par value US\$0.0001 per share. The ADSs may be evidenced by an ADR.</p> <p>The depositary will be the holder of the ordinary shares underlying the ADSs and you will have the rights of an ADS holder as provided in the deposit agreement among us, the depositary and owners and beneficial owners of ADSs from time to time.</p> <p>You may surrender your ADSs to the depositary to withdraw the ordinary shares underlying your ADSs. The depositary will charge you a fee for such an exchange.</p> <p>We may amend or terminate the deposit agreement for any reason without your consent. If an amendment becomes effective, you will be bound by the deposit agreement as amended if you continue to hold your ADSs.</p> <p>To better understand the terms of the ADSs, you should carefully read the section in this prospectus entitled "Description of American Depositary Shares." We also encourage you to read the deposit agreement, which is an exhibit to the registration statement that includes this prospectus.</p>
Over-allotment option	The selling shareholders identified in this prospectus have granted the underwriters an option, exercisable within 30 days from the date of this prospectus, to purchase up to an aggregate of 1,800,000 additional ADSs representing 5,400,000 ordinary shares.
Ordinary shares outstanding immediately after the offering	147,455,500 ordinary shares, excluding 4,765,800 ordinary shares reserved for issuance under our 2008 share incentive plan.
ADSs outstanding immediately after the offering	12,000,000 ADSs (or 13,800,000 ADSs if the underwriters exercise the option to purchase additional ADSs in full).
Use of proceeds	We estimate that we will receive net proceeds from this offering of approximately US\$113.9 million, after deducting the underwriting discounts and commissions and estimated aggregate offering expenses payable by us. This estimate is based upon an assumed initial public offering price of US\$10.50 per ADS, the midpoint of the range shown on the front cover of this prospectus. We intend to use a portion of the net proceeds we receive from this offering for the following purposes:

approximately US\$50 million to US\$60 million to expand our network of centers;

approximately US\$25 million to US\$30 million to develop our Beijing Proton Medical Center; and

approximately US\$20 million to US\$25 million to develop our Chang an CMS International Cancer Center.

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We will use any remaining portion of the net proceeds we receive from this offering for general corporate purposes, including potential acquisitions of, or investments in, other businesses or technologies that we believe will complement our current operations and expansion strategies. See [Use of Proceeds](#) for additional information.

We will not receive any of the proceeds from the sale of the ADSs by the selling shareholders.

**Listing** We have received approval to list our ADSs on the New York Stock Exchange, or the NYSE. Our ordinary shares will not be listed on any exchange or quoted for trading on any over-the-counter trading system.

**NYSE trading symbol** CCM

**Lock-up** We, our directors, executive officers and all existing shareholders have agreed with the underwriters, subject to certain exceptions, not to sell, transfer or dispose of any of our ADSs, ordinary shares or similar securities for a period of 180 days after the date of this prospectus. See [Underwriting](#).

**Reserved ADSs** At our request, the underwriters have reserved for sale, at the public offering price, up to an aggregate of 600,000 ADSs offered by this prospectus to our directors, officers, employees, business associates and related persons through a reserved share program.

**Depository** JPMorgan Chase Bank, N. A.

**Payment and settlement** The ADSs are expected to be delivered against payment on \_\_\_\_\_, 2009. The ADSs will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company, or DTC, in New York, New York. Initially, beneficial interests in the ADSs will be shown on, and transfers of these beneficial interest will be effected through, records maintained by DTC and its direct and indirect participants.

**Risk factors** See [Risk Factors](#) and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in the ADSs.

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**SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA**

Concord Medical was incorporated on November 27, 2007. On March 7, 2008, the shareholders of Ascendium exchanged their shares in Ascendium for shares of Concord Medical. As a result, Concord Medical became our ultimate holding company. Our financial statements have been prepared as if the current corporate structure had been in existence from September 10, 2007, the date on which Ascendium was incorporated. Prior to the OMS reorganization, which became effective on October 30, 2007, OMS, together with Aohua Medical, in which OMS effectively held all of the equity interest at the time, operated all of the business of our company. As a result of the OMS reorganization, there was a change in control of OMS with the Ascendium shareholders effectively acquiring OMS from the OMS shareholders. For additional information relating to our history and reorganization, see Our History and Corporate Structure. For financial statements reporting purposes, OMS is deemed to be the predecessor reporting entity for periods prior to October 30, 2007. In our discussion for the year ended December 31, 2007, we refer to certain financial statement line items as combined for comparative purposes, which do not comply with U.S. GAAP. The unaudited combined amounts represent the addition of the amounts for certain financial statement line items of OMS, our predecessor, for the period from January 1, 2007 to October 30, 2007, and the amounts for the corresponding line items of Concord Medical for the period from September 10, 2007 to December 31, 2007. We have included these unaudited combined amounts as we believe they are helpful for the reader to gain a better understanding of results of operations for a complete fiscal year and to improve the comparative analysis against the results of operations for the year ended December 31, 2008. These unaudited combined amounts do not purport to represent what our financial position, results of operations or cash flows would have been if the OMS reorganization had occurred on January 1, 2007.

The following summary consolidated statements of operations and other consolidated financial data for the period from January 1, 2007 to October 30, 2007, for the period from September 10, 2007 to December 31, 2007 and for the year ended December 31, 2008 (other than income (loss) per ADS data) and the summary consolidated balance sheet data as of December 31, 2007 and 2008 have been derived from our audited consolidated financial statements, which are included elsewhere in this prospectus. The following summary consolidated statements of operations and other consolidated financial data for the nine months ended September 30, 2008 and 2009 (other than income (loss) per ADS data) and summary consolidated balance sheet data as of September 30, 2009 have been derived from our unaudited condensed consolidated financial statements, which are included elsewhere in this prospectus. We have prepared the unaudited condensed consolidated financial statements on the same basis as our audited consolidated financial statements. The unaudited condensed consolidated financial statements include all adjustments, consisting only of normal and recurring adjustments, which we consider necessary for a fair presentation of our financial position and operating results for the periods presented. You should read the summary consolidated financial data in conjunction with those financial statements and the related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with United States generally accepted accounting principles, or US GAAP. Our historical results are not necessarily indicative of our results expected for future periods.

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	<b>Concord Medical</b>			<b>Concord Medical (Successor)</b>				
	<b>Predecessor Period from January 1, 2007 to October 30, 2007</b>	<b>(Successor) Period from September 10, 2007 to December 31, 2007</b>	<b>Combined Year Ended December 31, 2007</b>	<b>Year Ended December 31, 2008</b>		<b>Nine Months Ended September 30, 2009</b>		
	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>	<b>US\$</b>	<b>RMB</b>	<b>RMB</b>	<b>US\$</b>
<b>(in thousands, except share, per share and per ADS data)</b>								
<b>Summary Consolidated Statements of Operations Data</b>								
Revenues, net of business tax, value-added tax and related surcharges:								
Lease and management services	63,082	13,001	76,083	155,061	22,716	94,296	184,937	&nb