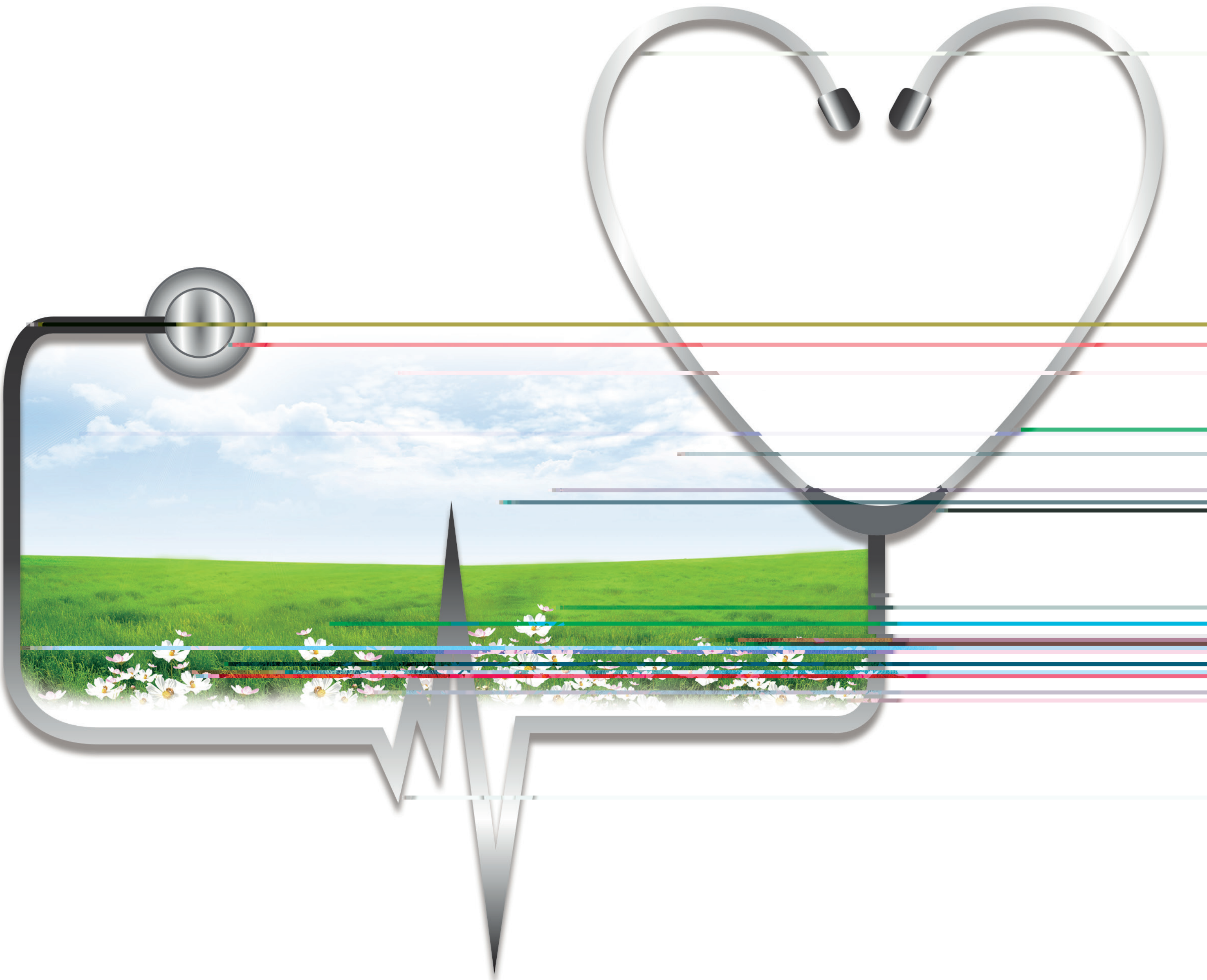

# Contents

# Corporate Information

## B D

### Executive Directors

M. GUAN W (C )
M. WANG L
M. WANG H

### Non-Executive Directors

M. YANG Y
M. LIN L

### Independent Non-Executive Directors

M. CHONG Y K
M. HUANG
M. GOT C K C

## A C

M. HUANG (C )
M. GOT C K C
M. LIN L

## N C

M. GOT C K C (C )
M. CHONG Y K
M. GUAN W

## R C

M. CHONG Y K (C )
M. HUANG
M. YANG Y

## S R
## M C

M. GUAN W (C )
M. HUANG
M. YANG Y

## S C

M. SUN F (C )
M. HUANG J
M. XIE T
M. QIAN C
M. MA J

## J C G S

M. WANG J
M. NG W S

## A R

M. WANG H
M. NG W S

## A

R C T LLP

# Corporate Information

## P P B H K

18/F, T C
28 Q R E
W
H K

## H S R

C H K I S L
S 1712-1716, 17 F
H C
183 Q R E
W
H K

## S C

2120

## C W

## I R

T : (86) 577 8877 1689
F : (86) 577 8878 9117
E : @

# Financial Highlights

| | For the six months ended June 30, | |
|---|---|---|
| | 2017 | 2016 |
| | (RMB'000) | (RMB'000) |
| | (Unaudited) | (U[illegible]) |
| R[illegible] | 283,136 | 189,680 |
| P[illegible] | 42,319 | 36,818 |
| I[illegible] | (12,014) | (10,531) |
| N[illegible] | 30,305 | 26,287 |
| N[illegible] C[illegible] | 31,710 | 28,208 |
| N[illegible] | (1,405) | (1,921) |

| | As of June 30, 2017 | A[illegible] D[illegible] 31, 2016 |
|---|---|---|
| | (RMB'000) | (RMB'000) |
| | (Unaudited) | (A[illegible]) |
| T[illegible] | 1,757,386 | 1,603,382 |
| T[illegible] | 689,664 | 562,012 |
| T[illegible] | 1,067,722 | 1,041,370 |
| E[illegible] C[illegible] | 1,022,149 | 1,008,384 |
| N[illegible] | 45,573 | 32,986 |

# Management Discussion and Analysis

## B R O

I 2017, C G D :

I 2017, G P K H S Y H M 2017 T L K H , G H Q Y H , 2016, L K H 8 Q K H Y K H W K H , C K H Y K H A J 30, 2017, G 10 (D 31, 2016: 8) 3,050 (D 31, 2016: 2,577).

I 2017, G F G Y P H C W C H C ., L 280. S B Y H , T Y F H , P H , C H P C W O C R W A J 30, 2017, G 8 (D 31, 2016: 6) 1,100 (D 31, 2016: 790).

I 2017, G A , H Y H , L Y H , T L Y H C ., L S K H A C H K H G Y H C ., L S Y H M P L T G H Y H C .,( )T ( )T 0 T (C)T ( )T 2H

L … PRC … G … W … Q … Y … H … , P … K … H … S … Y … H … W … G … ’ … G … .

## F … R …

T … G … RMB283.1 … R … P … , … RMB44.0 … RMB239.1 … 26.1% … 2016. T … G … ’ … H … , … Q … Y … H … , P … K … H … S … Y … H … , … 33.1%, … 54.6%. A … G … R … P … 34.1% ( … J … 30, 2016: 37.0%). D … R … P … , … RMB31.7 … 12.4% … 2016, … RMB5.8 … , … 2016 … RMB7.2 … .

## R … C … R …

T … G … : ( ) … , ( ) … , ( ) … ( ) … .

# Management Discussion and Analysis

T [illegible]:

| | For the six months ended June 30, | |
|---|---|---|
| | 2017 | 2016 |
| | (RMB'000) | (RMB'000) |
| | (Unaudited) | (U[illegible]) |
| R[illegible] | 226,529 | 178,979 |
| M[illegible] | 11,579 | 8,838 |
| R[illegible] | 987 | 1,863 |
| T[illegible] | 239,095 | 189,680 |
| R[illegible] | 44,041 | — |
| Total revenue | 283,136 | 189,680 |

D[illegible] R[illegible] P[illegible] G[illegible] RMB283.1 [illegible] 49.3% [illegible] 2016, [illegible] ( ) [illegible] G[illegible]' [illegible] 26.6%, ( ) [illegible] 31.0% [illegible] ( ) [illegible] RMB41.4 [illegible] P[illegible] II W[illegible] B[illegible] C[illegible] W[illegible] H[illegible] E[illegible] M[illegible] C[illegible] W[illegible] G[illegible] R[illegible] G[illegible]' [illegible] 94.7% [illegible] (J[illegible] 30, 2016: 94.4%) [illegible] 4.8% [illegible] (J[illegible] 30, 2016: 4.7%). T[illegible].

## Revenue and cost of revenue from operating the Group's owned hospitals

R[illegible] G[illegible] T[illegible]:

| | For the six months ended June 30, | |
|---|---|---|
| | 2017 | 2016 |
| | (RMB'000) | (RMB'000) |
| | (Unaudited) | (U[illegible]) |
| Treatment and general healthcare services | | |
| R[illegible] | 166,226 | 129,416 |
| C[illegible] | 102,118 | 73,792 |
| G[illegible] | 64,108 | 55,624 |
| Pharmaceutical sales | | |
| R[illegible] | 60,303 | 49,563 |
| C[illegible] | 49,515 | 40,834 |
| G[illegible] | 10,788 | 8,729 |
| Owned hospitals | | |
| R[illegible] | 226,529 | 178,979 |
| C[illegible] | 151,633 | 114,626 |
| G[illegible] | 74,896 | 64,353 |

D[illegible] R[illegible] P[illegible], [illegible] G[illegible] [illegible] RMB226.5 [illegible], [illegible] RMB47.6 [illegible] 2016, [illegible] L[illegible] K[illegible] H[illegible], G[illegible] H[illegible], Q[illegible] Y[illegible] H[illegible] S[illegible] Y[illegible] H[illegible]. R[illegible] R[illegible] P[illegible] RMB22.8 [illegible] ([illegible] J[illegible] 30, 2016: RMB0.5 [illegible]).

## Management Discussion and Analysis

T[illegible] G[illegible]'[illegible]
[illegible]:

| | For the six months ended June 30, | |
|---|---|---|
| | 2017 | 2016 |
| I[illegible] | | |
| I[illegible] | 3,050 | 2,300 |
| E[illegible] | 552,050 | 418,600 |
| U[illegible] (%) | 85.9% | 88.6% |
| N[illegible] | | |

D. R. P. , RMB187.0 , 30.1%0.399 0 T ( )0 T

# Management Discussion and Analysis

R

T G ' D
R P RMB44.0 ( J 30, 2016:
), RMB41.4 RMB2.6
W G G A 2016, R P W
G W G 2016. T
RMB37.6 W
G R P RMB6.4 .

## Gross Profit and Gross Profit Margin

D R P G RMB92.0
31.2% 2016. T
RMB81.6 16.4%
2016. T :

| | For the six months ended June 30, | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U ) |
| T | 38.6% | 43.0% |
| P | 17.9% | 17.6% |
| M | 54.6% | 51.1% |
| P | 23.9% | 66.0% |
| Consolidated gross profit margin | 32.5% | 37.0% |

D R P G 32.5% (
J 30, 2016: 37.0%), W G ,
34.1%,
2.9 2016, G
H , Q Y H , P K H S Y H ,

# Management Discussion and Analysis

## Tax and Surcharge

D[illegible] R[illegible] P[illegible] G[illegible] RMB3.9 [illegible] (J[illegible] 30, 2016: RMB34.1 [illegible]), [illegible] W[illegible] G[illegible].

## Selling Expenses

D[illegible] R[illegible] P[illegible] G[illegible] RMB0.4 [illegible] (J[illegible] 30, 2016: RMB1.0 [illegible]), [illegible] 56.3% [illegible] 2016 [illegible] 0.2% [illegible] G[illegible] (J[illegible] 30, 2016: 0.5%), [illegible] R[illegible] P[illegible] 2016.

## Administrative Expenses

D[illegible] R[illegible] P[illegible] G[illegible]. T[illegible] G[illegible]:

| | For the six months ended June 30, | |
|---|---|---|
| | 2017 | 2016 |
| | (RMB'000) | (RMB'000) |
| | (Unaudited) | (U[illegible]) |
| E[illegible] | 17,968 | 15,247 |
| L[illegible] | 7,956 | 8,477 |
| D[illegible] | 3,980 | 3,708 |
| C[illegible] | 2,667 | 1,791 |
| T[illegible] | 1,615 | 1,492 |
| O[illegible] | 5,628 | 5,644 |
| Total administrative expenses | 39,814 | 36,359 |

D R P G RMB39.8 ( J 30, 2016: RMB36.4 ), 9.5% 2016, RMB2.7 T G 16.3% ( J 30, 2016: 19.2%), ( ) G G ' ; ( ) S Y H M 2017,

## Finance (Expense)/Income - Net

O T :

| | For the six months ended June 30, | |
|---|---|---|
| | 2017 | 2016 |
| | (RMB'000) | (RMB'000) |
| | (Unaudited) | (U ) |
| I | 1,907 | 3,102 |
| E ( )/ | (7,730) | 9,592 |
| B | (1,691) | — |
| T | (2,725) | (2,777) |
| O | (198) | (131) |
| Finance (expenses)/income – Net | (10,437) | 9,786 |

D R P G RMB10.4 RMB20.2 2016, ( ) RMB7.7 HKD RMB R P RMB17.3 2016; ( ) RMB1.7

## Management Discussion and Analysis

### Investment Income/(Loss)

O[illegible] /([illegible]) [illegible] /([illegible]) [illegible] /([illegible]) [illegible] T[illegible] /([illegible]) [illegible]:

| | For the six months ended June 30, | |
|---|---|---|
| | 2017 | 2016 |
| | (RMB'000) | (RMB'000) |
| | (Unaudited) | (U[illegible]) |
| S[illegible] /([illegible]) [illegible] | (2,852) | (2,200) |
| G[illegible] | 5,243 | — |
| | 2,391 | (2,200) |

D[illegible] R[illegible] P[illegible] G[illegible] RMB2.4 [illegible] ([illegible] J[illegible] 30, 2016: [illegible] RMB2.2 [illegible]), [illegible] B[illegible] Y[illegible] H[illegible] 49.0% [illegible] 32.7% [illegible] T[illegible] RMB5.2 [illegible] 16.3% [illegible] B[illegible] Y[illegible] H[illegible] C[illegible] H[illegible] K[illegible] H[illegible] H[illegible] H[illegible] I[illegible]

### Assets Impairment Losses

D[illegible] R[illegible] P[illegible] RMB2.8 [illegible] ([illegible] J[illegible] 30, 2016: RMB1.2 [illegible]), [illegible] 137.4% [illegible] 2016 [illegible] 1.2% [illegible] ([illegible] J[illegible] 30, 2016: 0.6%), [illegible] R[illegible] P[illegible] D[illegible] 31, 2016, [illegible] A[illegible] J[illegible] 30, 2017 [illegible] D[illegible] 31, 2016, [illegible] G[illegible] RMB10.4 [illegible] RMB8.1 [illegible] 5.1% [illegible] 5.4% [illegible].

## Non-Operating Income (Expenses) and Other Income

[illegible]

| | For the six months ended June 30, | |
|---|---|---|
| | 2017 | 2016 |
| | (RMB'000) | (RMB'000) |
| | (Unaudited) | (U[illegible]) |
| G[illegible] | 5,246 | 143 |
| O[illegible] | 131 | 42 |
| Non-operating income | 5,377 | 185 |
| D[illegible] | (2,247) | (1,935) |
| L[illegible] | (96) | (84) |
| O[illegible] | (326) | (435) |
| Non-operating expenses | (2,669) | (2,454) |
| Other gain | 2,693 | — |

D[illegible] R[illegible] P[illegible] G[illegible] RMB5.4 [illegible] RMB4.8 [illegible] G[illegible]. T[illegible] G[illegible] RMB2.7 [illegible]. O[illegible] G[illegible] RMB2.7 [illegible].

## Income Tax Expense

D R P RMB12.0 ( J 30, 2016: RMB10.5 ), 14.1% 2016, G ' R P 14.9% 2016. F J 30, 2017 2016, 28.4% 28.6%, T R P

## Total Comprehensive Income

D R P C RMB31.7 12.4% 2016, :

RMB3.4 W G R P ;

RMB7.7 HKD RMB R P .

B C RMB3.9 R P E C R P RMB35.6 26.2% 2016, L K H R P 2016.

## F... P...

### Inventory

A... J... 30, 2017, ... RMB176.6 ... (... D... 31, 2016: RMB162.8 ...), ... ( ) ... RMB14.5 ... (... D... 31, 2016: RMB9.3 ...); ... ( ) ... RMB162.1 ... (... D... 31, 2016: ... RMB153.5 ...), ... P... II W... B... C... W... H... E... M... C... W... G... T... R... P...:

| | |
|---|---|
| C... | P... II W... B... C... W... H... E... M... C... |
| A... | S... W... H... E... M... C..., C... S..., W... C... P... PRC |
| L... | G... Y... (2012) N... 3-289403 |
| I... G... | 75% |
| L... (A...) (S...) | 6,602.26 |
| T... (A...) (...) | 30,557.34 |
| U... | C... |
| S... | C... |
| C... | J... 30, 2017 |

### Trade Receivables

A... J... 30, 2017, ... RMB195.2 ... (... D... 31, 2016: RMB142.9 ...), ... RMB189.4 ..., ... 32.5% ... D... 31, 2016, ... R... P... 2016.

D... R... P..., ... 125 ... (... J... 30, 2016: 120 ...).

# Management Discussion and Analysis

### Accounts Payables

A[illegible] J[illegible] 30, 2017, [illegible] RMB80.5 [illegible] ([illegible] D[illegible] 31, 2016: RMB43.3 [illegible]), [illegible] RMB29.4 [illegible] W[illegible] G[illegible].

### Advanced from Customers

A[illegible] J[illegible] 30, 2017, [illegible] RMB60.7 [illegible] ([illegible] D[illegible] 31, 2016: RMB71.1 [illegible]), [illegible] P[illegible] II W[illegible] B[illegible] C[illegible] W[illegible] H[illegible] E[illegible] M[illegible] C[illegible] RMB14.9 [illegible].

### Other Payables

A[illegible] J[illegible] 30, 2017, [illegible] RMB87.8 [illegible] ([illegible] D[illegible] 31, 2016: RMB38.9 [illegible]), [illegible] W[illegible] K[illegible] H[illegible] Y[illegible] P[illegible] H[illegible] C[illegible].

## L[illegible] C[illegible] R[illegible]

T[illegible] G[illegible]:

| | For the six months ended June 30, | |
|---|---|---|
| | 2017 | 2016 |
| | (RMB'000) | (RMB'000) |
| | (Unaudited) | (U[illegible]) |
| N[illegible] | 3,472 | 37,984 |
| N[illegible] | (134,699) | (159,031) |
| N[illegible] | 61,809 | 22,062 |
| N[illegible] ([illegible]) [illegible] | (76,732) | (96,088) |

### Net Cash Generated from Operating Activities

A[illegible] J[illegible] 30, 2017, [illegible] RMB3.5 [illegible], [illegible] RMB30.3 [illegible] RMB20.9 [illegible] C[illegible] RMB58.3 [illegible] W[illegible] RMB33.6 [illegible].

### Net Cash Used in Investing Activities

D R P RMB134.7 RMB158.1 W K H C K H S Y H H Y H; RMB37.9

### Net Cash Generated from Financing Activities

D R P RMB61.8 RMB90.0 RMB37.7

### Significant Investment, Acquisition and Disposal

T G J 30, 2017.

## I

### Bank Borrowings

A J 30, 2017, G RMB269.0 ( D 31, 2016: RMB216.7 ), RMB90.0 RMB37.7

### Contingent Liabilities

A J 30, 2017, G G

### Asset Pledge

W G G , P I B C W H E M C , W B C M B J 30, 2017, RMB20.0 W G , P I B C W H E M C , B J 30, 2017, RMB40.0

### Contractual Obligations

T G A J 30, 2017, RMB332.0 .

### Financial Instruments

F G T C .

### Exposure to Fluctuation in Exchange Rates

T G 0.282 0 T (‑)T0.053 T (’)T ,(‑)T0.053 T ( T 0.T ( )T 0

## AUDIT COMMITTEE AND REVIEW OF THE INTERIM REPORT AND THE INTERIM RESULTS

T C A C R 3.21 R 3.22 H K L R CG C A C B T A C D , M HUANG ( A C ), M . GOT C K C , D , M . LIN L . T A C G J 30, 2017,

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

D R P , C C .

## CHANGE IN DIRECTORS

O J 14, 2017, M . LIN L D A C B D J 14, 2017 AGM. D , M . HE X D A C C J 14, 2017.

O J 14, 2017, M . GUAN W , M . WANG L , M . WANG H , M . YANG Y , M . CHONG Y K , M . HUANG M . GOT C K C D B AGM.

## CHANGE IN SUPERVISORS

O J 14, 2017, M . QIAN C M . MA J S S C J 14, 2017 AGM.

O J 14, 2017, M . HUANG J S S S C AGM. I , M . SUN F M . XIE T S S C C J 12, 2017.

## CHANGES IN DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S BIOGRAPHICAL DETAILS

S D ' S ' J 1, 2017 J 30, 2017 R 13.51B H K L R :

| Name | Member of the Group | Positions held at members of the Group | Term of office |
| --- | --- | --- | --- |
| | | Position held with other members of the Group and term of office | |
| M . WANG L | Y K H M C ., L . | | F J 2017 |

| Name | Position held in the Company | Change in biographical details |
| --- | --- | --- |
| M . WANG H | E D | M . WANG H S U F E (上海財經大學) J 2017. |
| M . YANG Y | N D | M . YANG Y G K E I C L (廣州康旭股權投資有限公司), J 2017. |

S C D ' S ' R 13.51B H K L R .

## RELOCATION OF CANGNAN KANGNING HOSPITAL

O J 7, 2016, C W D P C L ( ), C L V , C C H . S 2016, O F 28, 2017, C K H C C P ' C C C .

O J 13, 2016, C (2017) C C R E T N .0018361. F C .

## USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

T H S M B H K S E N 20, 2015. A J 30, 2017, C HK$693.2 ( RMB 580.7 )

A J 30, 2017, G :

- RMB314.4
- RMB37.1 W K H ;
- RMB17.5 ;
- RMB5.0 IT ;
- RMB20.7 .

## DISCLOSURE OF INTEREST

### Directors', Supervisors' and Chief Executives' Interests in Securities

A J 30, 2017, D S C S S C ( P XV SFO) C H K S E D 7 8 P XV SFO ( SFO), C 352 SFO, C H K S E M C :

| Name of Directors | Class of Shares | Nature of Interest | Number of Shares | Total Number of Shares | Approximate Percentage in Shares of the Same Class(1) | Approximate Percentage of the Company's Total Issued Share Capital(1) |
|---|---|---|---|---|---|---|
| M. GUAN W | D S | B<br>I | 18,350,250(L)<br>3,794,500(L) (2) | 22,144,750 (L) | 41.94% | 30.32% |
| M. WANG L | D S | B<br>I | 3,794,500(L)<br>18,350,250(L) (2) | 22,144,750 (L) | 41.94% | 30.32% |
| M. WANG H | D S | B<br>I | 3,984,350(L)<br>1,543,000(L) (3) | 5,527,350(L) | 10.46% | 7.57% |

# Corporate Governance and Other Information

N :

(L): L

(1) T 52,800,000 D S 20,240,000 H S ( 73,040,000 S ) C J 30, 2017.

(2) M . GUAN W M . WANG L , M . GUAN W D S M . WANG L , M . WANG L D S M . GUAN W P XV SFO.

(3) M . WANG H N X K I M L.P. ( Xinshi Kangning ), 17.75% X K . T , P XV SFO, M . WANG H D S X K C

S , J 30, 2017, B , D , S C S , S C ( P XV SFO) : ( ) C H K S E D 7 8 P XV SFO ( D S C SFO); ( ) C S 352 SFO; ( ) C H K S E M C .

## Interests of Substantial Shareholders

A J 30, 2017, [illegible] C [illegible] S 336 SFO [illegible] D [illegible] / [illegible] ( [illegible] D [illegible] S [illegible] C [illegible]) [illegible] S [illegible] S [illegible]

| Name | Class of Shares | Nature of Interest | Number of Shares | Approximate Percentage in Shares of the Same Class [1] | Approximate Percentage of the Company's Total Issued Share Capital [1] |
|---|---|---|---|---|---|
| [illegible] [8] | [illegible] | [illegible] | 2,780,000 (L) | 5.27% | 3.81% |
| [illegible] | H Shares | [illegible] | 2,822,966 (L)<br>58,266 (S) | 13.95%<br>0.29% | 3.86%<br>0.08% |
| [illegible] | H Shares | [illegible] | 3,052,400 (L) | 15.08% | 4.18% |
| [illegible] LLC ([illegible] LLC) | H Shares | [illegible] | 3,034,200 (L) | 14.99% | 4.15% |
| [illegible] | H Shares | [illegible] | 2,093,700 (L) | 10.34% | 2.87% |
| [illegible] LLC | H Shares | [illegible] | 1,454,000 (L) | 7.18% | 2.00% |
| [illegible] LLC | H Shares | [illegible] | 2,150,900 (L) | 10.63% | 2.94% |
| [illegible] | H Shares | [illegible] | 1,279,900 (L) | 6.32% | 1.75% |
| [illegible] | H Shares | [illegible] | 2,803,800 (L) | 13.85% | 3.84% |
| [illegible] II, LP | H Shares | [illegible] | 1,052,000 (L) | 5.20% | 1.44% |
| [illegible] | H Shares | [illegible] | 1,208,534 (L)<br>1,143,634 (S) | 5.97%<br>5.65% | 1.65%<br>1.57% |
| UBS [illegible] AG | H Shares | [illegible] | 1,343,800 (L) | 6.64% | 1.84% |

# Corporate Governance and Other Information

N :

(L): L

(S): S

(1) T 52,800,000 D S 20,240,000 H S ( 73,040,000 S ) C J 30, 2017.

(2) G GL C GP L.P. D F T P XV SFO, G GL C GP L.P. D S D F C

(3) G A G C C ., L D F 52.45% D F T P XV SFO, G A G C C ., L D S D F C

(4) M . XU Y M . WANG H D , M . XU Y D S M . WANG H P XV SFO.

(5) S L I L.P. 99.99% S T I L.P.. T P XV SFO, S L I L.P. D S S T I L.P. C

(6) M . [illegible]HAO Y 99.90% S Q I M L.P.. T P VX SFO, M . [illegible]HAO Y D S S Q I M L.P..

(7) S S I M C ., L S Q I M L.P. S T I L.P., T P XV SFO, S S I M C ., L D S S Q I M L.P. S T I L.P. C

(8) Q J H I C ., L J I C ., L . T , J I C ., L D S Q J H I C ., L P XV SFO.

S J 30, 2017, D ( D , S C ) S S C D 2 3 P XV SFO, C C S 336 SFO.

B B

Wenzhou Kangning Hospital Co., Ltd.

Guan Weili

*C*

[illegible] PRC

A 18, 2017

# Consolidated Balance Sheet

A[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

| | N[illegible] | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|---|
| ASSETS | | | |
| Current assets | | | |
| C[illegible] | 4(1) | 360,431,821 | 496,614,542 |
| A[illegible] | 4(2) | 195,213,586 | 142,938,440 |
| O[illegible] | 4(3) | 56,099,625 | 54,672,733 |
| A[illegible] | 4(4) | 19,717,584 | 22,283,987 |
| I[illegible] | 4(5) | 176,567,409 | 162,827,694 |
| C[illegible] | | 12,688,704 | 12,688,704 |
| Total current assets | | 820,718,729 | 892,026,100 |
| Non-current assets | | | |
| A[illegible] | 4(6) | 50,000,000 | 50,000,000 |
| L[illegible] | 4(7) | 60,198,228 | 22,429,070 |
| I[illegible] | 4(8) | 72,191,872 | 72,191,872 |
| F[illegible] | 4(9) | 188,059,052 | 97,666,540 |
| C[illegible] | 4(10) | 257,092,404 | 198,066,153 |
| I[illegible] | 4(11) | 153,162,424 | 125,865,371 |
| G[illegible] | 4(12) | 8,533,389 | 8,533,389 |
| L[illegible] | 4(13) | 109,388,448 | 88,855,792 |
| D[illegible] | 4(14) | 20,707,981 | 20,300,383 |
| O[illegible] | 4(16) | 17,333,178 | 27,447,253 |
| Total non-current assets | | 936,666,976 | 711,355,823 |
| TOTAL ASSETS | | 1,757,385,705 | 1,603,381,923 |

# Consolidated Balance Sheet

A[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

| | Note | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|---|
| LIABILITIES AND OWNERS' EQUITY | | | |
| Current liabilities | | | |
| S[illegible] | 4(17) | 120,000,000 | 30,000,000 |
| A[illegible] | 4(18) | 80,476,871 | 43,271,014 |
| A[illegible] | 4(19) | [illegible] | [illegible] |
| E[illegible] | 4(20) | [illegible] | [illegible] |

# Consolidated Balance Sheet

A[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

| | Note | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|---|
| **Owners' equity** | | | |
| S[illegible] | 4(27) | 73,040,000 | 73,040,000 |
| C[illegible] | 4(28) | 795,919,512 | 795,604,861 |
| S[illegible] | 4(29) | 18,548,942 | 18,548,942 |
| R[illegible] | 4(30) | 134,640,863 | 121,190,550 |
| Total equity attributable to owners of the parent company | | 1,022,149,317 | 1,008,384,353 |
| Non-controlling interests | | 45,572,551 | 32,985,630 |
| Total owners' equity | | 1,067,721,868 | 1,041,369,983 |
| TOTAL LIABILITIES AND OWNERS' EQUITY | | 1,757,385,705 | 1,603,381,923 |

T[illegible]

L[illegible]: P[illegible]: H[illegible]:

# Company Balance Sheet

A[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

| | N[illegible] | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|---|
| ASSETS | | | |
| Current assets | | | |
| C[illegible] | | 310,987,232 | 445,980,786 |
| A[illegible] | 15(1) | 94,014,286 | 82,359,131 |
| A[illegible] | | 6,425,929 | 4,941,566 |
| O[illegible] | 15(2) | 411,296,181 | 263,651,111 |
| I[illegible] | | 7,662,978 | 6,115,311 |
| D[illegible] | | — | 10,000,000 |
| C[illegible] | | 12,688,704 | 12,688,704 |
| Total current assets | | 843,075,310 | 825,736,609 |
| Non-current assets | | | |
| A[illegible] | 4(6) | 50,000,000 | 50,000,000 |
| L[illegible] | 15(3) | 115,241,073 | 115,854,920 |
| L[illegible] | | — | . |
| F[illegible] | | 61,421,643 | 59,318,225 |
| C[illegible] | | 245,122,053 | 165,085,994 |
| I[illegible] | | 103,775,836 | 106,549,041 |
| L[illegible] | | 22,802,514 | 25,035,472 |
| D[illegible] | | 5,398,840 | 4,833,044 |
| O[illegible] 98,84098,8 | | | |

# Company Balance Sheet

A[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

| | N[illegible] | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|---|
| **LIABILITIES AND OWNERS' EQUITY** | | | |
| **Current liabilities** | | | |
| S[illegible] | | 80,000,000 | 30,000,000 |
| A[illegible] | | 25,349,824 | 21,549,595 |
| A[illegible] | | 5,467,815 | 2,997,368 |
| E[illegible] | | 11,546,147 | 15,533,171 |
| T[illegible] | | 5,381,943 | 18,302,075 |
| O[illegible] | | 54,381,886 | 22,931,803 |
| D[illegible] | | 18,260,000 | - |
| N[illegible] | | 17,480,304 | 17,480,304 |
| **Total current liabilities** | | 217,867,919 | 128,794,316 |
| **Non-current liabilities** | | | |
| L[illegible] | | 129,000,000 | 130,000,000 |
| L[illegible] | | 89,463,200 | 86,738,600 |
| D[illegible] | | 10,632,800 | 10,632,800 |
| **Total non-current liabilities** | | 229,096,000 | 227,371,400 |
| **Total liabilities** | | 446,963,919 | 356,165,716 |

# Company Balance Sheet

A[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

| | Note | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|---|
| **Owners' equity** | | | |
| S[illegible] | | 73,040,000 | 73,040,000 |
| C[illegible] | | 800,028,177 | 799,821,777 |
| S[illegible] | | 18,548,942 | 18,548,942 |
| R[illegible] | | 108,256,231 | 108,895,141 |
| **Total owners' equity** | | 999,873,350 | 1,000,305,860 |
| **TOTAL LIABILITIES AND OWNERS' EQUITY** | | 1,446,837,269 | 1,356,471,576 |

T[illegible]

L[illegible]: P[illegible]: H[illegible]:

# Consolidated Income Statement

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

Six months ended 82T0 0 0 1 k/GS2 Tm60 9

# Company Income Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

| Item | N[illegible] | Six months ended 30 June 2017 | 2016 |
|---|---|---|---|
| 1. Revenue | 15(4) | 148,646,233 | 131,103,331 |
| L[illegible]: C[illegible] | 15(4) | (94,337,473) | (87,595,906) |
| T[illegible] | | (576,431) | - |
| S[illegible] | | (150,812) | (546,136) |
| G[illegible] | | (19,463,125) | (19,166,368) |
| F[illegible] ([illegible])/[illegible] | | (9,850,566) | 9,756,565 |
| A[illegible] | | (1,441,742) | (420,780) |
| A[illegible]: I[illegible] | 15(5) | (613,847) | (2,199,509) |
| O[illegible] | | 2,692,900 | - |
| 2. Operating profit | | 24,905,137 | 30,931,197 |
| A[illegible]: N[illegible] | | 5,342,360 | 169,893 |
| L[illegible]: N[illegible] | | (1,094,127) | (1,183,356) |
| I[illegible]: G[illegible] | | (88,205) | (78,240) |
| 3. Total profit | | 29,153,370 | 29,917,734 |
| L[illegible]: I[illegible] | | (7,921,980) | (8,283,832) |
| 4. Net profit | | 21,231,390 | 21,633,902 |
| 5. Total comprehensive income | | 21,231,390 | 21,633,902 |

T[illegible]

L[illegible]: P[illegible]: H[illegible]:

# Consolidated Statements of Cash Flows

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

| Item | N[illegible] | Six months ended 30 June 2017 | 2016 |
|---|---|---|---|
| 1. Cash flows from operating activities | | | |
| C[illegible] | | 218,044,330 | 185,216,096 |
| C[illegible] | 4(44) ( ) | 16,104,834 | 13,577,071 |
| Sub-total of cash inflows | | 234,149,164 | 198,793,167 |
| C[illegible] | | (84,493,508) | (57,860,296) |
| C[illegible] | | (74,861,390) | (60,575,485) |
| P[illegible] | | (33,608,262) | (14,053,392) |
| C[illegible] | 4(44) ( ) | (37,714,356) | (28,319,590) |
| Sub-total of cash outflows | | (230,677,516) | (160,808,763) |
| Net cash flows generated from operating activities | | 3,471,648 | 37,984,404 |
| 2. Cash flows used in investing activities | | | |
| C[illegible] | | 3,225,000 | . |
| N[illegible] | 4(44) ( ) | — | 2,039,728 |
| C[illegible] | 4(44) ( ) | 91,007,687 | 898,631 |
| Sub-total of cash inflows | | 94,232,687 | 2,938,359 |
| C[illegible] | | (158,053,650) | (71,372,976) |
| C[illegible] | | (37,878,286) | (88,096,114) |
| C[illegible] | 4(44) ( ) | (33,000,000) | (2,500,000) |
| Sub-total of cash outflows | | (228,931,936) | (161,969,090) |
| Net cash flows used in investing activities | | (134,699,249) | (159,030,731) |

# Consolidated Statements of Cash Flows

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

| Item | N[illegible] | Six months ended 30 June 2017 | 2016 |
|---|---|---|---|

# Company Statements of Cash Flows

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

| Item | N[illegible] | Six months ended 30 June 2017 | 2016 |
|---|---|---|---|
| 1. Cash flows from operating activities | | | |
| C[illegible] | | 138,290,861 | 133,520,211 |
| C[illegible] | | 12,987,817 | 15,641,017 |
| Sub-total of cash inflows | | 151,278,678 | 149,161,228 |
| C[illegible] | | (51,345,969) | (42,855,139) |
| C[illegible] | | (48,111,926) | (44,515,564) |
| P[illegible] | | (20,784,880) | (7,441,244) |
| C[illegible] | | (164,067,042) | (51,366,039) |
| Sub-total of cash outflows | | (284,309,817) | (146,177,986) |
| Net cash flows (used in)/generated from operating activities | | (133,031,139) | 2,983,242 |
| 2. Cash flows used in investing activities | | | |
| C[illegible] | | 3,225,000 | 10,400,000 |
| C[illegible] | | 10,000,000 | 21,700,000 |
| C[illegible] | | 91,533,764 | 852,986 |
| Sub-total of cash inflows | | 104,758,764 | 32,952,986 |
| C[illegible] | | (54,850,765) | (32,914,353) |
| C[illegible] | | — | (131,118,614) |
| C[illegible] | | (30,000,000) | . |
| Sub-total of cash outflows | | (84,850,765) | (164,032,967) |
| Net cash flows (used in)/generated from investing activities | | 19,907,999 | (131,079,981) |

# Company Statements of Cash Flows

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

| Item | | N[illegible] | Six months ended 30 June 2017 | 2016 |
|---|---|---|---|---|
| 3. | Cash flows from financing activities | | | |
| | C[illegible] | | 50,000,000 | 50,000,000 |
| | Sub-total of cash inflows | | 50,000,000 | 50,000,000 |
| | C[illegible] | | (1,000,000) | (30,000,000) |
| | C[illegible] | | (1,348,500) | . |
| | C[illegible] | | (2,758,166) | . |
| | Sub-total of cash outflows | | (5,106,666) | (30,000,000) |
| | Net cash flows generated from financing activities | | 44,893,334 | 20,000,000 |
| 4. | Effect of changes in foreign exchange rate | | (7,312,748) | 2,896,587 |
| 5. | Net decrease in cash and cash equivalents | | (75,542,554) | (105,200,152) |
| | A[illegible]: C[illegible] | | 356,529,786 | 339,907,374 |
| 6. | Cash and cash equivalents at end of the period | | 280,987,232 | 234,707,222 |

T[illegible]

L[illegible]: P[illegible]: H[illegible]:

# Consolidated Statement of Changes in Equity

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

| | | Equity attributable to owners of the parent company | | | | | |
|---|---|---|---|---|---|---|---|
| | N[illegible] | Share capital | Capital surplus | Surplus reserve | Retained earnings | Non-controlling interests | Total owners' equity |
| Balance at 1 January 2017 | | 73,040,000 | 795,604,861 | 18,548,942 | 121,190,550 | 32,985,630 | 1,041,369,983 |
| Movements for the six months ended 30 June 2017 | | | | | | | |
| T[illegible] | | | | | | | |
| N[illegible] | | | | | | | |

# Consolidated Statement of Changes in Equity

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

| | | E[illegible] | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | N[illegible] | T[illegible] |
| | | S[illegible] | C[illegible] | S[illegible] | R[illegible] | [illegible] | [illegible] |
| | N[illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Balance at 1 January 2016 | | 73,040,000 | 797,510,642 | 11,343,566 | 77,824,436 | 2,512,383 | 962,231,027 |
| Movements for the six months ended 30 June 2016 | | | | | | | |
| T[illegible] | | | | | | | |
| N[illegible] | | - | - | - | 28,208,189 | (1,920,926) | 26,287,263 |
| C[illegible] | | | | | | | |
| C[illegible] | | - | - | - | - | 2,400,000 | 2,400,000 |
| S[illegible] | 9 | - | 1,155,567 | - | - | - | 1,155,567 |
| Q[illegible] | | - | - | - | - | 11,729,151 | 11,729,151 |
| P[illegible] | | | | | | | |
| P[illegible] | 4(31) | - | - | - | (18,260,000) | - | (18,260,000) |
| Balance at 30 June 2016 | | 73,040,000 | 798,666,209 | 11,343,566 | 87,772,625 | 14,720,608 | 985,543,008 |

T[illegible]

L[illegible]: P[illegible]: H[illegible]:

# Company Statement of Changes in Equity

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

| | N[illegible] | Share capital | Capital surplus | Surplus reserve | Retained earnings | Total owners' equity |
|---|---|---|---|---|---|---|
| Balance at 1 January 2017 | | 73,040,000 | 799,821,777 | 18,548,942 | 108,895,141 | 1,000,305,860 |
| Movements for the six months ended 30 June 2017 | | | | | | |
| T[illegible] | | | | | | |
| N[illegible] | | — | — | — | 21,231,390 | 21,231,390 |
| C[illegible] | | | | | | |
| S[illegible] | 9 | — | 206,400 | — | — | 206,400 |
| P[illegible] | | | | | | |
| P[illegible] | 4(31) | — | — | — | (18,260,000) | (18,260,000) |
| Balance at 30 June 2017 | | 73,040,000 | 800,028,177 | 18,548,942 | 111,866,531 | 1,003,483,650 |
| Balance at 1 January 2016 | | 73,040,000 | 797,510,642 | 11,343,566 | 62,306,757 | 944,200,965 |
| Movements for the six months ended 30 June 2016 | | | | | | |
| T[illegible] | | | | | | |
| N[illegible] | | . | . | . | 21,633,902 | 21,633,902 |
| C[illegible] | | | | | | |
| S[illegible] | 9 | . | 1,155,567 | . | . | 1,155,567 |
| P[illegible] | | | | | | |
| P[illegible] | 4(31) | . | . | . | (18,260,000) | (18,260,000) |
| Balance at 30 June 2016 | | 73,040,000 | 798,666,209 | 11,343,566 | 65,680,659 | 948,730,434 |

T[illegible]

L[illegible]: P[illegible]: H[illegible]:

# Notes to the Financial Statements

F... 30 J... 2017

(A... RMB Y... )

## 1. G...

T... C... W... C... K... P... R... H... (溫州市康寧精神康復醫院) ... PRC ... 7 F... 1996. T... C... S... R..., H... R... D..., W..., ..., PRC.

O... 15 O... 2014, ... C... C... W... K... H... C..., L... (溫州康寧醫院股份有限公司).

T... C... ( ... Group ) ... PRC.

T... C... T... S... E... H... K... L... 20 N... 2015.

T... C... B... D... 18 A... 2017. T...

## 2. S...

T... G... T... (N... 2(10)), ... (N... 2(11)), ... (N... 2(23)).

T... G... N... 2(28)

### (1) Basis of preparation

T... A... S... B... E... B... S... 38 ... M... F... 15 F... 2006 ( ... the Accounting Standards for Business Enterprises ... CAS ) ... D... G... R... C... S... R... C...

T...

T... C... O... H... K... 2015. S...

# Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

## 2. S[illegible]

### (2) Statement of compliance with the Accounting Standards for Business Enterprises

T[illegible] C[illegible] 30 J[illegible] 2017 [illegible] A[illegible] S[illegible] B[illegible] E[illegible] C[illegible] 30 J[illegible] 2017 [illegible].

### (3) Accounting year

T[illegible] C[illegible] 1 J[illegible] 31 D[illegible].

### (4) Recording currency

T[illegible] R[illegible] (RMB).

### (5) Business combination

B[illegible]

T[illegible] W[illegible] C[illegible] T[illegible].

# Notes to the Financial Statements

[illegible]

## 2. [illegible]

### (6) Preparation of consolidated financial statements

[illegible]

# Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

## 2. S[illegible] ([illegible])

### (7) Cash and cash equivalents

C[illegible]

### (8) Foreign currency translation

F[illegible] RMB [illegible]

A[illegible] RMB [illegible]

## 2. S[illegible]

### (9) Financial instruments (continued)

( ) F[illegible] (continued)

( ) C[illegible] (continued)

A[illegible]

A[illegible] 12 [illegible]

( ) R[illegible]

F[illegible]

A[illegible]

# Notes to the Financial Statements

## 2.

### (9) Financial instruments (continued)

# Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

## 2. S[illegible]

### (9) Financial instruments (continued)

*( ) F[illegible]*

F[illegible] T[illegible] T[illegible] G[illegible]

P[illegible]

B[illegible]

Q[illegible] 0.783 [illegible] 0.280 0.375 [illegible]

# Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

## 2. S[illegible]

### (10) Receivables

R[illegible] T[illegible]

M[illegible]

( ) R[illegible]

T[illegible] G[illegible]

T[illegible]

( ) R[illegible]

F[illegible] W[illegible] G[illegible]

M[illegible]

( ) R[illegible]

T[illegible] G[illegible]

M[illegible]

## 2. S[illegible]

(10) Receivables (continued)

([illegible]) R[illegible]

F[illegible] G[illegible]

[illegible]

# Notes to the Financial Statements

F... 30 J... 2017

(A... RMB Y... )

## 2. S...

### (12) Long-term equity investments

## 2. S[illegible]

### (12) Long-term equity investments (continued)

[illegible]

## 2. S[illegible]

### (13) Investment properties

I[illegible]

T[illegible] G[illegible]

W[illegible]

A[illegible]

# Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

## 2. S[illegible]

### (14) Fixed assets

*( ) R[illegible]*

F[illegible]

F[illegible] G[illegible] F[illegible] G[illegible]

S[illegible] T[illegible] G[illegible] T[illegible] A[illegible]

*( ) D[illegible]*

D[illegible] F[illegible]

T[illegible]:

| | E[illegible] | E[illegible] | A[illegible] |
|---|---|---|---|
| B[illegible] | 35 [illegible] | 5% | 2.7% |
| M[illegible] | 3-10 [illegible] | 0%-5% | 9.5%-33.3% |
| M[illegible] | 4-10 [illegible] | 5% | 9.5%-23.8% |
| E[illegible] | 3-10 [illegible] | 0%-5% | 9.5%-33.3% |

## 2. S[illegible] (continued)

### (14) Fixed assets (continued)

*( ) D[illegible] (continued)*

T[illegible]

T[illegible] (N[illegible] 2(19)).

*( ) D[illegible]*

A[illegible] T[illegible]

### (15) Construction in progress

C[illegible] A[illegible] C[illegible] T[illegible] (N[illegible] 2(19)).

## 2. S[illegible] ([illegible])

### (16) Borrowings costs

T[illegible]

T[illegible] C[illegible] 3 [illegible]

F[illegible]

F[illegible] 3 [illegible] 4.861 [illegible] 3.6 [illegible]

## 2. S[illegible] ([illegible])

### (17) Intangible assets (continued)

*( ) S[illegible]*

S[illegible] 5[illegible].

*( ) C[illegible]*

C[illegible].

A[illegible]:

| | Contractual terms |
|---|---|
| Y[illegible] F[illegible] I[illegible] T[illegible] C[illegible] W[illegible] M[illegible] H[illegible] ( Yanjiao Furen Hospital ) | 19.75 [illegible] |
| P[illegible] H[illegible] P[illegible] H[illegible] ( Pujiang Hospital ) | 30 [illegible] |
| C[illegible] H[illegible] K[illegible] H[illegible] ( Chunan Hospital ) | 30 [illegible] |
| Y[illegible] M[illegible] H[illegible] C[illegible] ( Yiwu Health Center ) | 20 [illegible] |

*( ) P[illegible]*

F[illegible].

*( ) I[illegible]*

T[illegible] (N[illegible] 2(19)).

## 2. S[illegible]

### (18) Long-term prepaid expenses

L[illegible]

### (19) Impairment of long-term assets

F[illegible]

G[illegible]

O[illegible]

# Notes to the Financial Statements

F 30 J 2017

(A RMB Y )

## 2. S

### (20) Employee benefits

## 2. S[illegible]

### (21) Dividend distribution

C[illegible]

### (22) Share-based payments

*( ) T[illegible]*

S[illegible] W[illegible] G[illegible] W[illegible] G[illegible] F[illegible] 30 J[illegible] 2017, G[illegible]

T[illegible] G[illegible] G[illegible] T[illegible] T[illegible] G[illegible] B[illegible] G[illegible]

*( ) M[illegible]*

T[illegible]

*( ) B[illegible]*

A[illegible] G[illegible] I[illegible]

## 2. S[illegible] ([illegible])

### (23) Revenue recognition

T[illegible] G[illegible] R[illegible]

R[illegible] G[illegible]

( ) S[illegible] T[illegible]

R[illegible] G[illegible] T[illegible]

( ) P[illegible]

R[illegible] T[illegible]

( ) M[illegible]

M[illegible] G[illegible]

( ) R[illegible]

R[illegible]

( ) S[illegible]

R[illegible] D[illegible]

## 2. S[illegible] ([illegible])

### (24) Government grants

G[illegible]

A[illegible] ( )T. (-)T. ( )T. 1.65 0 T817 0 ( )T. 1.038 0

(25) Deferred tax assets and deferred tax liabilities

## 2. S[illegible]

### (26) Leases

A[illegible]
A[illegible]

( ) Q[illegible]

L[illegible]

L[illegible]

( ) F[illegible]

T[illegible] T[illegible] A[illegible]

### (27) Segment information

T[illegible] G[illegible]

A[illegible] G[illegible]: (1)[illegible]; (2)[illegible] G[illegible] (3)[illegible] T[illegible] G[illegible] I[illegible]

# Notes to the Financial Statements

F 30 J 2017

(A RMB Y )

## 2. S

### (28) Critical accounting estimates and judgements

T G

( ) G

T

( ) E

A 30 J 2017,

Y F H RMB82,535,100 ( 31 D 2016: RMB84,839,100).

M

Y F H

T

T

| | |
|---|---|
| A * | 419 |
| A * | 240 |
| A * | 152,894 |
| G * | 40.1% |
| D | 14.0% |

* I

A 30 J 2017,

## 2. S[illegible] (continued)

### (28) Critical accounting estimates and judgements (continued)

( ) G[illegible] (continued)

( ) P[illegible]

I[illegible] T[illegible] P[illegible] G[illegible] W[illegible]

T[illegible] G[illegible] T[illegible] T[illegible]

F[illegible] B[illegible] G[illegible] RMB10,382,663 (31 D[illegible] 2016: RMB8,104,505).

A[illegible] T[illegible] G[illegible] RMB1,477,073 [illegible] 30 J[illegible] 2017 (31 D[illegible] 2016: RMB1,210,030).

( ) U[illegible]

T[illegible] G[illegible] I[illegible] I[illegible]

# Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

## 2. S[illegible] ([illegible])

### (28) Critical accounting estimates and judgements (continued)

*( ) G[illegible] ([illegible])*

( ) R[illegible]

A[illegible] N[illegible] 5(1), T[illegible] G[illegible] 51% [illegible] W[illegible] G[illegible] I[illegible] C[illegible] ( Wenzhou Guoda Investment ). T[illegible] G[illegible] F[illegible] F[illegible] T[illegible]

T[illegible] G[illegible] W[illegible] H[illegible] A[illegible] E[illegible] C[illegible].,L[illegible] T[illegible]

T[illegible]:

| | 30 June 2017 Fair value | Technical of valudation | Unobservable materially inputs<br>Item | <br>Scope/ Weighted Average | <br>Relationship with the fair value | <br>Observable/ Unobservable |
|---|---|---|---|---|---|---|
| I[illegible] | 72,191,872 | I[illegible] | R[illegible]/ | 4.65% | ( ) | U[illegible] |
| | | | M[illegible] (RMB/ [illegible]) | 32-40.84 | | |
| | | | V[illegible] | 2.74% | | |

T[illegible]

- T[illegible]
- T[illegible]
- T[illegible]

## 2. S... (...)

### (28) Critical accounting estimates and judgements (continued)

## Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

## 3. T[illegible]

T[illegible] G[illegible]:

| Category | Tax rate | Tax base |
|---|---|---|
| C[illegible] | 25% | T[illegible] |
| V[illegible] ( ) | 3%, 5% [illegible] 6% | T[illegible] |
| B[illegible] ( ) | 5% | T[illegible] |
| C[illegible] | 7% | T[illegible] |
| E[illegible] | 3% | T[illegible] |
| L[illegible] | 2% | T[illegible] |
| P[illegible] | 1.2% [illegible] 12% | T[illegible] 70% [illegible] |
| L[illegible] ( ) | 5[illegible] | T[illegible] |
| L[illegible] | 30%-60% | T[illegible] |

( ) P[illegible] C[illegible] O[illegible] P[illegible] L[illegible] VAT P[illegible] B[illegible] T[illegible] (C[illegible] S[illegible] 2016 N[illegible] 36) [illegible] M[illegible] F[illegible] S[illegible] A[illegible] T[illegible], [illegible] 1 M[illegible] 2016, [illegible] C[illegible] Q[illegible] K[illegible] H[illegible] C[illegible]., L[illegible] ([illegible] Qingtian Kangning Hospital ), C[illegible] K[illegible] H[illegible] C[illegible]., L[illegible] (C[illegible] K[illegible] H[illegible]), Y[illegible] K[illegible] H[illegible] C[illegible]., L[illegible] (Y[illegible] K[illegible] H[illegible]), Y[illegible] K[illegible] H[illegible] C[illegible]., L[illegible] (Y[illegible] K[illegible] H[illegible]), L[illegible] K[illegible] H[illegible] C[illegible]., L[illegible] (L[illegible] K[illegible] H[illegible]) [illegible] W[illegible] Y[illegible] G[illegible] H[illegible] C[illegible]., L[illegible] (W[illegible] Y[illegible] G[illegible] H[illegible]) [illegible].

P[illegible] S[illegible] N[illegible] S[illegible] P[illegible] T[illegible] T[illegible] P[illegible] M[illegible] S[illegible] B[illegible] T[illegible] V[illegible] A[illegible] T[illegible] P[illegible] T[illegible] S[illegible] (C[illegible] S[illegible] 2012 N[illegible] 86) [illegible] C[illegible] O[illegible] P[illegible] L[illegible] VAT P[illegible] B[illegible] T[illegible] (C[illegible] S[illegible] 2016 N[illegible] 36) [illegible] M[illegible] F[illegible] S[illegible] A[illegible] T[illegible], [illegible] C[illegible] W[illegible] K[illegible] J[illegible] F[illegible] C[illegible] (J[illegible] F[illegible] C[illegible]) [illegible] 3%.

## 3. T... (...)

( ) (...)

P... B... VAT ... C... O... B... P... B... L... VAT P... B... T... (C... S... 2016 N... 36) ... M... F... S... A... T... A... S... A... T... I... I... M... (A... S... A... T... 2016 N... 16) ... S... A... T... 1 M... 2016, ... C... W... G... I... 30 A... 2016 ... 5%. P... B... VAT ... C... O... B... P... B... L... VAT P... B... T... (C... S... 2016 N... 36) ... M... F... S... A... T... A... S... A... T... I... I... M... (A... S... A... T... 2016 N... 18) ... S... A... T... 30 A... 2016 ... 5%. T... 3% ...

P... B... R... P... R... C... B... T... (S... C... D... N... 540), ... C... Q... K... H... C... K... H... Y... K... H... Y... K... H... 1 J... 2013 ... 30 A... 2016.

S... 1 J... 2016, P... K... H... L... L... C... 3 ... N... T... A... (P... D... S... K... T... 2017 N... 930 ... P... D... S... K... T... 2017 N... 931) ... P... C... L... T... B... K... B... 13 A... 2017.

P... I... W... W... M... P... G... O... 9 M... 2016 ... N... (W... D... L... Y... P... T... 2016 N... 173 ... W... D... T... 2017 N... 45068) ... W... L... T... B... L... T... B... C... 100% ... 2015 ... 2016.

## 4. N[illegible]

### (1) Cash at bank and on hand

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| C[illegible] | | |
| | | |

## 4. N[illegible] ([illegible])

### (2) Accounts receivable (continued)

( ) T[illegible]:

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| W[illegible] 1 [illegible] | 183,388,513 | 137,552,824 |
| 1 - 2 [illegible] | 17,675,862 | 10,835,771 |
| 2 - 3 [illegible] | 3,227,627 | 2,211,065 |
| O[illegible] 3 [illegible] | 1,304,247 | 443,285 |
| | 205,596,249 | 151,042,945 |

A[illegible] G[illegible].

A[illegible] 30 J[illegible] 2017, [illegible] G[illegible] RMB143,950,330 (31 D[illegible] 2016: RMB128,826,301). T[illegible]. M[illegible]. T[illegible]:

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| W[illegible] 1 [illegible] | 127,696,129 | 119,860,159 |
| 1 - 2 [illegible] | 16,004,781 | 6,900,829 |
| 2 - 3 [illegible] | 249,420 | 2,065,313 |
| | 143,950,330 | 128,826,301 |

## Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

### 4. N[illegible] ([illegible])

#### (2) Accounts receivable (continued)

( ) A[illegible]:

| | Unaudited 30 June 2017 | | | | A[illegible] 31 D[illegible] 2016 | | | |
|---|---|---|---|---|---|---|---|---|
| | Ending balance | | Provision for bad debts | | E[illegible] | | P[illegible] | |
| | Amount | % of total balance | Amount | % of total balance | A[illegible] | %[illegible] | A[illegible] | %[illegible] |
| B[illegible] | 44,276,416 | 22% | — | — | 13,109,257 | 9% | [illegible] | [illegible] |
| R[illegible] [illegible] [illegible] | 62,032,955 | 30% | — | — | 64,937,971 | 43% | [illegible] | [illegible] |
| R[illegible] [illegible] | 11,540,890 | 6% | 10,382,663 | 90% | 9,052,068 | 6% | 8,104,505 | 90% |
| R[illegible] | 62,167,652 | 29% | — | — | 49,472,011 | 32% | [illegible] | [illegible] |
| M[illegible] | 19,749,723 | 10% | — | — | 14,471,638 | 10% | [illegible] | [illegible] |
| R[illegible] [illegible] | 5,828,613 | 3% | — | — | [illegible] | [illegible] | [illegible] | [illegible] |
| | 205,596,249 | 100% | 10,382,663 | / | 151,042,945 | 100% | 8,104,505 | / |

( ) I[illegible] 30 J[illegible] 2017, [illegible] RMB2,556,107 ([illegible] 30 J[illegible] 2016: RMB1,056,981). N[illegible] 30 J[illegible] 2017 ([illegible] 30 J[illegible] 2016: N[illegible]).

T[illegible] G[illegible] G[illegible] [illegible].

( ) I[illegible] 30 J[illegible] 2017, [illegible] RMB277,949 ([illegible] 30 J[illegible] 2016: RMB311,391) [illegible].

## 4. N[illegible] ([illegible])

### (2) Accounts receivable (continued)

([illegible]) T[illegible]

| | 30 June 2017 (Unaudited) | | |
|---|---|---|---|
| | Balance | Provision for bad debts | % of total balance |
| T[illegible] | | | |

BDC B[illegible] 9 124.7244Q/S[illegible] LS ([illegible])T[illegible] XEMC /SD4235 BDC BT/T1 1 T[illegible]9 0 0[illegible]

## 4. N… (…)

### (3) Other receivables (continued)

( ) T… :

| | 30 June 2017 (Unaudited) | 31 D… 2016 (A…) |
|---|---|---|
| W… 1… | 39,563,140 | 39,382,666 |
| 1 - 2… | 5,027,989 | 14,816,163 |
| 2 - 3… | 11,322,944 | 884,508 |
| O… 3… | 1,662,625 | 799,426 |
| | 57,576,698 | 55,882,763 |

A… 30 J… 2017 … 31 D… 2016, … G… C… R… H… 3,225,000. T… C… R… H…

( ) Q… :

| 30 June 2017 (Unaudited) | Balance | Provision for bad debt | % of provision | Reason |
|---|---|---|---|---|
| R… G… X… H… M… | 2,156,116 | 1,210,030 | 56% | (i) |
| R… W… M… R… E… D… C… L… (… Wenzhou Mingou Co., Ltd…) | 267,043 | 267,043 | 100% | e(iii) |
| | 2,423,159 | 1,477,073 | | |

( ) A… 30 J… 2017 … 31 D… 2016, … G…

( ) I… 30 J… 2017, … RMB267,043 (… 30 J… 2016: RMB131,972). N… 30 J… 2017 (… 30 J… 2016: N…).

## 4. N[illegible] ([illegible])

### (3) Other receivables (continued)

([illegible]) T[illegible] 30 J[illegible] 2017 ([illegible] 30 J[illegible] 2016: N[illegible]).

([illegible]) A[illegible] 30 J[illegible] 2017, [illegible]:

| | Natrure | Balance | Aging | % of total balance | Provision for bad debts |
|---|---|---|---|---|---|
| | | 30 June 2017 | | | |
| C[illegible] R[illegible] H[illegible] ([illegible]) | B[illegible] | 10,983,642 | Within 3 years | 19% | — |
| P[illegible] H[illegible] ([illegible]) | B[illegible] | 8,832,388 | Within 2 years | 15% | — |
| Y[illegible] F[illegible] H[illegible] | D[illegible] | 6,652,219 | Within 2 years | 12% | — |
| H[illegible] Q[illegible] | G[illegible] | 5,000,000 | Within 1 years | 9% | — |
| C[illegible] H[illegible] | B[illegible] | 3,628,323 | Within 2 years | 6% | — |
| | | 35,096,572 | | 61% | — |

([illegible]) T[illegible] C[illegible] S[illegible] H[illegible] P[illegible] C[illegible] L[illegible] ([illegible] Sichuan Hongji[illegible]), [illegible] M[illegible] 2015 [illegible]

## 4. N[illegible] ([illegible])

### (3) Other receivables (continued)

(c) A[illegible] 30 J[illegible] 2017, [illegible]: ([illegible])

([illegible]) T[illegible] C[illegible] W[illegible] M[illegible] C[illegible] A[illegible] W[illegible] M[illegible] RMB1,500,000 [illegible] W[illegible] M[illegible] N[illegible] 2009 [illegible] 24 [illegible] 2[illegible] W[illegible] 2013. U[illegible] W[illegible] L[illegible] D[illegible] P[illegible] C[illegible] W[illegible] M[illegible] U[illegible] 30 J[illegible] 2017, [illegible] C[illegible] RMB1,232,957 [illegible] RMB267,043 [illegible] 3[illegible]. T[illegible] 100%[illegible].

### (4) Advances to suppliers

([illegible]) T[illegible]:

| | 30 June 2017 (Unaudited) Amount | % of total balance |
|---|---|---|
| W[illegible] 1 [illegible] | 19,293,120 | 98% |
| 1 - 2 [illegible] | 424,464 | 2% |
| | 19,717,584 | 100% |

| | 31 D[illegible] 2016 (A[illegible]) A[illegible] | % [illegible] |
|---|---|---|
| W[illegible] 1 [illegible] | 22,267,736 | 100% |
| 1 - 2 [illegible] | 16,251 | 0% |
| | 22,283,987 | 100% |

A[illegible] 30 J[illegible] 2017, [illegible] RMB424,464 (31 D[illegible] 2016: RMB16,251) [illegible] A[illegible] IPO [illegible].

## 4. N[illegible] ([illegible])

### (4) Advances to suppliers (continued)

( ) A[illegible] 30 J[illegible] 2017, [illegible]

| | 30 June 2017 | |
|---|---|---|
| | Amount | % of total balance |
| T[illegible] | 12,991,804 | 66% |

### (5) Inventories

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| P[illegible] | 10,262,343 | 7,564,623 |
| M[illegible] | 4,253,603 | 1,740,424 |
| P[illegible] | — | 153,522,647 |
| P[illegible] ( ) | 162,051,463 | [illegible] |
| | 176,567,409 | 162,827,694 |

A[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible]

( ) F[illegible]

| | Starting day | Completed day | Total amount of investment | Opening balance | Closing balance |
|---|---|---|---|---|---|
| T[illegible] H[illegible] E[illegible] | N[illegible] 2012 | J[illegible] 2017 | 173,507,594 | [illegible] | 162,051,463 |

A[illegible] 30 J[illegible] 2017, [illegible] RMB80,000,000 [illegible] C[illegible] M[illegible] B[illegible] (N[illegible] 4(25)) [illegible] W[illegible] G[illegible] I[illegible] RMB74,000,000. I[illegible] W[illegible] M[illegible] U[illegible] A[illegible] M[illegible] C[illegible] RMB20,000,000. T[illegible] 29 D[illegible] 2015 [illegible] 29 D[illegible] 2018. A[illegible] 30 J[illegible] 2017, [illegible] RMB19,950,190. T[illegible] 30 J[illegible] 2017 [illegible] RMB883,356. (30 J[illegible] 2016: N[illegible]).

## 4. N ( )

### (6) Available-for-sale financial assets

| | 30 June 2017 (Unaudited) | 31 D 2016 (A ) |
|---|---|---|
| M | | |
| Q ( ) | 50,000,000 | 50,000,000 |

( ) O 22 F 2016, C S J J E I M C ., L ( Jinpu Jianfu ) ( LLP ) PRC. T RMB1,386,000,000. T C RMB50,000,000 O 3.61% C J J LLP, C LLP. T G

### (7) Long-term equity investment

| | 30 June 2017 (Unaudited) | 31 D 2016 (A ) |
|---|---|---|
| A ( ) | 60,198,228 | 22,429,070 |
| L : P | — | . |
| | 60,198,228 | 22,429,070 |

T G

## 4. N... (...)

### (7) Long-term equity investment (continued)

( ) A...

| | 31 D... 2016 (A...) | I... | S... .../(...) ... | O... | 30 June 2017 (Unaudited) |
|---|---|---|---|---|---|
| S... Y... H... C., L... (Shandong Yining ) ( ) | 14,565,336 | . | 535,193 | . | 15,100,529 |
| B... Y... H... ( ) | 3,890,715 | . | (1,289,536) | 5,243,377 | 7,844,556 |
| H... H... I... T... C., L... (Hangzhou Honglan ) ( ) | 2,096,698 | . | (1,149,040) | . | 947,658 |
| C... H... K... H... C., L... (Hechuan Kangning ) ( ) | 1,876,321 | 7,804,000 | (1,031,752) | . | 8,648,569 |
| S... S... H... M... C., L... (Shanxi Shanda ) ( ) | . | 25,714,286 | 192,555 | . | 25,906,841 |
| H... Y... H... C., L... (Heze Yining Hospital ) ( ) | . | 1,860,000 | (109,925) | . | 1,750,075 |
| | 22,429,070 | 35,378,286 | (2,852,505) | 5,243,377 | 60,198,228 |

( ) S... Y... A... 2016 ... G... T... RMB14,700,000 ... G... 49% ...

( ) B... Y... A... 2015 ... G... T... RMB14,700,000 ... G... 49% ... I J... 2017, ... C... B... Y... H... N... M... B... P... K... I... M... P... (L... L... P...) ... C... J... M... &H... S... I... E... I... F... P... (L... L... P...) (... Chongqing Jinpu ), ... B... Y... C... J... F... B...

## 4. N ( )

### (7) Long-term equity investment (continued)

( ) A ( )

( ) O 14 S 2016 C 30% N M B P A H I M P (L L P ) ( Ningbo Meishan ) RMB1,500,000. O 20 S 2016, N M RMB5,000,000 A T G H H 35% H H

( ) I O 2016, G 40% H K A 30 J 2016, G RMB9,812,000.

( ) T G 30% S S H M C ., L RMB25,714,286 27 M 2017.

( ) H Y H C ., L A 2017, G 31% RMB1,860,000.

### (8) Investment properties

| | Properties and land use right |
|---|---|
| C | |
| 31 D 2016 30 J 2017 | 72,191,872 |

A 30 J 2017, G RMB40,000,000 K H M L B M 2015 (N 4(18)) T RMB106,520,000. T 9 M 2017 9 M 2018. A 30 J 2017, RMB40,000,000.

A 31 D 2016, G RMB40,000,000 K H M L B D 2012 (N 4(25)) T RMB220,490,000. T 17 D 2012 7 F 2017. A 31 D 2016, RMB36,700,000.

## Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

### 4. N[illegible] ([illegible])

#### (9) Fixed assets

| | Bulidings | Medical equitment | Motor vehicles | electronic and other equitment | Total |
|---|---|---|---|---|---|
| C[illegible] | | | | | |
| 31 D[illegible] 2016 | 81,833,617 | 41,309,353 | 3,577,462 | 23,613,424 | 150,333,856 |
| A[illegible] | | | | | |
| P[illegible] | 56,571,429 | 12,394,886 | 554,920 | 4,537,462 | 74,058,697 |
| T[illegible] [illegible] | 24,034,569 | - | - | - | 24,034,569 |
| D[illegible] | | | | | |
| D[illegible] | - | (320,922) | | (571,984) | (892,906) |
| 30 J[illegible] 2017 | 162,439,615 | 53,383,317 | 4,132,382 | 27,578,902 | 247,534,216 |
| A[illegible] | | | | | |
| 31 D[illegible] 2016 | 17,281,554 | 20,011,884 | 1,583,698 | 13,790,180 | 52,667,316 |
| A[illegible] | | | | | |
| C[illegible] | 1,689,888 | 3,669,726 | 251,663 | 1,993,786 | 7,605,063 |
| D[illegible] | | | | | |
| D[illegible] | - | (301,569) | - | (495,646) | (797,215) |
| 30 J[illegible] 2017 | 18,971,442 | 23,380,041 | 1,835,361 | 15,288,320 | 59,475,164 |
| N[illegible] | | | | | |
| 30 J[illegible] 2017 (U[illegible]) | 143,468,173 | 30,003,276 | 2,297,021 | 12,290,582 | 188,059,052 |
| 31 D[illegible] 2016 (A[illegible]) | 64,552,063 | 21,297,469 | 1,993,764 | 9,823,244 | 97,666,540 |

Notes to the Financial Statements

F 30 J 2017

(A RMB Y )

## 4. N ( )

### (9) Fixed assets (continued)

T 30 J 2017 RMB7,605,063 ( 30 J 2016: RMB4,775,340) RMB4,123,194 RMB3,481,869 ( 30 J 2016: RMB2,741,206 RMB2,034,134).

D 30 J 2017, RMB24,034,569 ( 30 J 2016: N ).

A 30 J 2017 31 D 2016, G .

F :

| 30 June 2017 | Net book value | Reason |
|---|---|---|
| B | 58,291,056 | (i) (ii) |

( ) T 24 N .7 H T L D W RMB2,220,000 .

( ) T E P 3 R N H R L T C C W RMB56,571,429, 30 J 2017. T .

## 4. N[illegible] ([illegible])

### (10) Construction in progress

| | 30 June 2017 (Unaudited) | | |
|---|---|---|---|
| | Balance | Provision | Net book value |
| T[illegible] W[illegible] K[illegible] H[illegible] | 244,254,548 | — | 244,254,548 |
| T[illegible] H[illegible] Y[illegible] H[illegible] C[illegible]., L[illegible] ([illegible] Hangzhou Yining Hospital [illegible]) | 10,240,028 | — | 10,240,028 |
| T[illegible] C[illegible] K[illegible] H[illegible] C[illegible]., L[illegible] ([illegible] Cangnan Kangning Hospital [illegible]) | 290,572 | — | 290,572 |
| T[illegible] S[illegible] K[illegible] H[illegible] C[illegible]., L[illegible] ([illegible] Sihui Kangning Hospital [illegible]) | 400,922 | — | 400,922 |
| T[illegible] S[illegible] Y[illegible] H[illegible] C[illegible]., L[illegible] ([illegible] Shenzhen Yining Hospital [illegible]) | 144,000 | — | 144,000 |
| T[illegible] L[illegible] Y[illegible] H[illegible] C[illegible]., L[illegible] ([illegible] Langfang Yining Hospital Management [illegible]) | 894,829 | — | 894,829 |
| O[illegible] | 867,505 | — | 867,505 |
| | 257,092,404 | — | 257,092,404 |

| | 31 D[illegible] 2016 (A[illegible]) | | |
|---|---|---|---|
| | B[illegible] | P[illegible] | N[illegible] |
| T[illegible] W[illegible] K[illegible] H[illegible] | 164,228,489 | [illegible] | 164,228,489 |
| T[illegible] P[illegible] K[illegible] | 16,285,626 | [illegible] | 16,285,626 |
| T[illegible] S[illegible] Y[illegible] | 10,248,479 | [illegible] | 10,248,479 |
| T[illegible] W[illegible] Y[illegible] G[illegible] H[illegible] | 668,020 | [illegible] | 668,020 |
| T[illegible] Q[illegible] Y[illegible] | 4,878,405 | [illegible] | 4,878,405 |
| O[illegible] | 1,757,134 | [illegible] | 1,757,134 |
| | 198,066,153 | [illegible] | 198,066,153 |

A[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible] G[illegible].

D[illegible] 30 J[illegible] 2017, [illegible] RMB3,115,208 (31 D[illegible] 2016: RMB4,169,562).

## 4. N[illegible] ([illegible])

### (10) Construction in progress (continued)

#### ( ) T[illegible]

| Project name | The budget | 31 December 2016 | Increase in the six months ended 30 June 2017 | Transfer to fixed assets/ long-term prepaid expenses | 30 June 2017 | Proportion of project investment to budget | Project schedule | Accumulative amount of capitalised borrowings costs | Including: Borrowings costs capitalised in the six months ended 30 June 2017 | Capitalisation rate | The source of the money |
|---|---|---|---|---|---|---|---|---|---|---|---|
| T[illegible] W[illegible] K[illegible] H[illegible] | 289,640,000 | 164,228,489 | 80,026,059 | - | 244,254,548 | 71% | 84% | 8,349,520 | 3,115,208 | - | O[illegible] |
| T[illegible] W[illegible] Y[illegible] G[illegible] H[illegible] | 45,000,000 | 668,020 | 580,365 | (1,248,385) | - | 83% | 100% | - | - | - | O[illegible] |
| T[illegible] P[illegible] K[illegible] | 27,000,000 | 16,285,626 | 7,748,943 | (24,034,569) | - | 84% | 100% | - | - | - | O[illegible] |
| T[illegible] S[illegible] Y[illegible] | 20,000,000 | 10,248,479 | 9,267,485 | (19,371,964) | 144,000 | 74% | 98% | - | - | - | O[illegible] |
| T[illegible] Q[illegible] Y[illegible] | 10,000,000 | 4,878,405 | 3,611,838 | (8,490,243) | - | 84% | 100% | - | - | - | O[illegible] |
| T[illegible] H[illegible] Y[illegible] H[illegible] | 15,000,000 | 458,670 | 9,781,358 | - | 10,240,028 | 51% | 68% | - | - | - | |
| | | 196,767,689 | 111,016,048 | (53,145,161) | 254,638,576 | | | 8,349,520 | 3,115,208 | - | |

A[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible] G[illegible]

## 4. N[illegible] ([illegible])

### (11) Intangible assets

| | Land use rights | Software | Contractual right to provide the management service | Total |
|---|---|---|---|---|
| C[illegible] | | | | |
| 31 D[illegible] 2016 | 23,602,729 | 3,312,145 | 112,863,219 | 139,778,093 |
| A[illegible] ( ) | . | 959,851 | 30,000,000 | 30,959,851 |
| 30 J[illegible] 2017 | 23,602,729 | 4,271,996 | 142,863,219 | 170,737,944 |
| A[illegible] | | | | |
| 31 D[illegible] 2016 | 3,336,274 | 1,830,033 | 8,746,415 | 13,912,722 |
| A[illegible] | 236,027 | 365,161 | 3,061,610 | 3,662,798 |
| 30 J[illegible] 2017 | 3,572,301 | 2,195,194 | 11,808,025 | 17,575,520 |
| N[illegible] | | | | |
| 30 J[illegible] 2017 (U[illegible]) | 20,030,428 | 2,076,802 | 131,055,194 | 153,162,424 |
| 31 D[illegible] 2016 (A[illegible]) | 20,266,455 | 1,482,112 | 104,116,804 | 125,865,371 |

T[illegible] 30 J[illegible] 2017 [illegible] RMB3,662,798 ([illegible] 30 J[illegible] 2016: RMB3,005,935) [illegible] RMB3,224,603 [illegible] RMB438,195 [illegible] ([illegible] 30 J[illegible] 2016: RMB2,669,255 [illegible] RMB336,680).

A[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible] G[illegible].

A[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible] G[illegible].

T[illegible] 30 J[illegible] 2017 [illegible] RMB684,207 ([illegible] 30 J[illegible] 2016: RMB1,934,005), [illegible] RMB684,207 [illegible] ([illegible] 30 J[illegible] 2016: RMB1,934,005).

# Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

## 4. N[illegible]

### (11) Intangible assets (continued)

( ) T[illegible] G[illegible] Y[illegible] H[illegible] C[illegible] Y[illegible] H[illegible] F[illegible] P[illegible] C[illegible] M[illegible] T[illegible] G[illegible] RMB30,000,000 [illegible] Y[illegible] H[illegible] C[illegible] Y[illegible] H[illegible] C[illegible] T[illegible] A[illegible] 2017 [illegible] M[illegible] 2037, [illegible] T[illegible] Y[illegible] T[illegible] G[illegible] RMB30,000,000, [illegible]

### (12) Goodwill

| | 31 D[illegible] 2016 (A[illegible]) | A[illegible] | D[illegible] | 30 June 2017 (Unaudited) |
|---|---|---|---|---|
| G[illegible] | | | | |
| W[illegible] G[illegible] I[illegible] | 8,533,389 | - | - | 8,533,389 |

T[illegible] G[illegible] 30 J[illegible] 2017 [illegible] T[illegible] [illegible]

### (13) Long-term prepaid expense

| | 31 D[illegible] 2016 (A[illegible]) | A[illegible] | A[illegible] | 30 June 2017 (Unaudited) |
|---|---|---|---|---|
| L[illegible] | 88,125,992 | 30,131,530 | (9,484,274) | 108,773,248 |
| Q[illegible] | 729,800 | - | (114,600) | 615,200 |
| | 88,855,792 | 30,131,530 | (9,598,874) | 109,388,448 |

## 4. N[illegible] ([illegible])

### (14) Deferred tax assets and deferred tax liabilities

*( ) D[illegible]*

| | 30 June 2017 (Unaudited) | | 31 D[illegible] 2016 (A[illegible]) | |
|---|---|---|---|---|
| | Deductible temporary differences | Deferred tax assets | D[illegible] | D[illegible] |
| A[illegible] [illegible] | 1,428,782 | 357,195 | - | - |
| P[illegible] | 11,859,736 | 2,964,934 | 10,190,840 | 2,547,710 |
| D[illegible] | 55,767,731 | 13,941,932 | 58,113,688 | 14,528,423 |
| P[illegible] | 5,115,896 | 1,278,974 | 5,115,896 | 1,278,974 |
| S[illegible] | 5,797,360 | 1,449,340 | 5,590,960 | 1,397,740 |
| A[illegible] | 2,862,420 | 715,605 | 2,190,144 | 547,536 |
| | 82,831,925 | 20,707,981 | 81,201,528 | 20,300,383 |
| I[illegible]: | | | | |
| E[illegible] [illegible] ([illegible]) | | 3,871,374 | | 8,423,811 |
| E[illegible] [illegible] | | 16,836,607 | | 11,876,572 |
| | | 20,707,981 | | 20,300,383 |

## 4. N[illegible] ([illegible])

### (14) Deferred tax assets and deferred tax liabilities (continued)

#### ( ) D[illegible]

| | 30 June 2017 (Unaudited) | | 31 D[illegible] 2016 (A[illegible]) | |
|---|---|---|---|---|
| | Taxable temporary differences | Deferred tax liabilities | T[illegible] | D[illegible] |
| A[illegible] | 53,123,352 | 13,444,342 | 65,681,732 | 16,420,433 |
| I[illegible]: | | | | |
| E[illegible] ([illegible]) | | 2,920,416 | | 2,351,146 |
| E[illegible] | | 10,523,926 | | 14,069,287 |
| | | 13,444,342 | | 16,420,433 |

#### ( ) D[illegible]:

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| D[illegible] | 7,532,393 | 5,914,753 |

#### ( ) D[illegible]:

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| 2021 | 4,982,645 | 5,914,753 |
| 2022 | 2,549,748 | - |
| | 7,532,393 | 5,914,753 |

# Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

## 4. N[illegible] ([illegible])

### (15) Provision for assets impairment

| | 31 D[illegible] 2016 (A[illegible]) | A[illegible] | D[illegible] R[illegible] | D[illegible] W[illegible] | 30 June 2017 (Unaudited) |
|---|---|---|---|---|---|
| B[illegible] | 9,314,535 | 2,823,150 | - | (277,949) | 11,859,736 |
| I[illegible] [illegible] | 8,104,505 | 2,556,107 | - | (277,949) | 10,382,663 |
| [illegible] | 1,210,030 | 267,043 | - | - | 1,477,073 |
| | 9,314,535 | 2,823,150 | - | (277,949) | 11,859,736 |

### (16) Other non-current assets

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| P[illegible] | 1,214,124 | 3,864,010 |
| P[illegible] | 12,526,610 | 14,913,078 |
| P[illegible] | 536,694 | 8,670,165 |
| P[illegible] | 555,750 | - |
| I[illegible] ( ) | 2,500,000 | - |
| | 17,333,178 | 27,447,253 |

( ) T[illegible] L[illegible] M[illegible] I[illegible] H[illegible], H[illegible] L[illegible] H[illegible] X[illegible] 29 M[illegible] 2017, [illegible] RMB4,500,000 [illegible]. T[illegible] H[illegible] L[illegible] RMB1,000,000 [illegible] RMB1,500,000 [illegible] 29 M[illegible] 2017 [illegible] 6 J[illegible] 2017[illegible].

## Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

## 4. N[illegible] ([illegible])

### (17) Short-term borrowings

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| G[illegible] (N[illegible] 8(4) ( )) | 80,000,000 | 30,000,000 |
| P[illegible] ( ) | 40,000,000 | [illegible] |
| | 120,000,000 | 30,000,000 |

( ) T[illegible] RMB40,000,000 [illegible] (N[illegible] 4(9)) [illegible] W[illegible] G[illegible] RMB72,192,000, [illegible] W[illegible] G[illegible], W[illegible] G[illegible] L[illegible] W[illegible] C[illegible]

A[illegible] 30 J[illegible] 2017, [illegible] 4.35%-6.003% [illegible] (31 D[illegible] 2016: 4.35%).

### (18) Accounts payable

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| P[illegible] | 27,427,167 | 19,318,370 |
| P[illegible] | 10,223,558 | 10,227,427 |
| P[illegible] | 42,826,146 | 13,451,955 |
| O[illegible] | — | 273,262 |
| | 80,476,871 | 43,271,014 |

## 4. N[illegible] ([illegible])

### (18) Accounts payable (continued)

T[illegible]:

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| W[illegible] 1[illegible] | 79,907,931 | 42,823,093 |
| 1 - 2[illegible] | 568,940 | 447,921 |
| | 80,476,871 | 43,271,014 |

T[illegible]. T[illegible].

### (19) Advances from customers

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| A[illegible] ( ) | 52,473,265 | 67,375,827 |
| A[illegible] | 8,182,097 | 3,772,073 |
| | 60,655,362 | 71,147,900 |

( ) I[illegible] W[illegible] G[illegible] I[illegible].

A[illegible] 30 J[illegible] 2017, [illegible] RMB38,340,370 (31 D[illegible] 2016: RMB29,299,970) [illegible] W[illegible] G[illegible] I[illegible].

# Notes to the Financial Statements

For the six months ended 30 June 2017

(All amounts in RMB Yuan unless otherwise stated)

## 4. Notes to the consolidated financial statements (continued)

### (20) Employee benefits payable

| | 30 June 2017 (Unaudited) | 31 December 2016 (Audited) |
|---|---|---|
| Short-term employee benefits payable (a) | 9,368,961 | 13,537,978 |
| Defined contribution plans payable (b) | 5,947,134 | 6,014,372 |
| | 15,316,095 | 19,552,350 |

(a) Short-term employee benefits payable

| | 31 December 2016 (Audited) | Increase | Decrease | 30 June 2017 (Unaudited) |
|---|---|---|---|---|
| Wages and salaries, bonuses, allowances and subsidies | 13,286,552 | 60,486,900 | (64,846,518) | 8,926,934 |
| Staff welfare | — | 1,368,435 | (1,366,251) | 2,184 |
| Social security contributions | 251,426 | 2,348,073 | (2,159,656) | 439,843 |
| Including: Medical insurance | 210,780 | 2,077,400 | (1,894,395) | 393,785 |
| Work injury insurance | 25,325 | 105,176 | (116,356) | 14,145 |
| Maternity insurance | 15,321 | 165,497 | (148,905) | 31,913 |
| Housing funds | — | 3,052,749 | (3,052,749) | — |
| Labour union funds and employee education funds | — | 400,000 | (400,000) | — |
| | 13,537,978 | 67,656,157 | (71,825,174) | 9,368,961 |

# Notes to the Financial Statements

For the six months ended 30 June 2017

(All amounts in RMB Yuan unless otherwise stated)

## 4. Notes to the consolidated financial statements (continued)

### (20) Employee benefits payable (continued)

*(b) Defined contribution plans*

| | 31 December 2016 (Audited) | Increase | Decrease | 30 June 2017 (Unaudited) |
|---|---|---|---|---|
| Basic pensions | 5,998,514 | 3,445,891 | (3,519,791) | 5,924,614 |
| Unemployment insurance | 15,858 | 175,542 | (168,880) | 22,520 |
| | 6,014,372 | 3,621,433 | (3,688,671) | 5,947,134 |

*(c) Termination benefits*

During the six months ended 30 June 2017 and 30 June 2016, The Group [illegible]

### (21) Taxes payable

| | 30 June 2017 (Unaudited) | 31 December 2016 (Audited) |
|---|---|---|
| Corporate income tax payable | 11,245,354 | 27,734,872 |
| [illegible] | 753,397 | 605,565 |
| VAT payable | 424,085 | 48,208 |
| [illegible] | 14,343,585 | 12,436,229 |
| Others | 402,139 | 370,781 |
| | 27,168,560 | 41,195,655 |

## 4. N[illegible] ([illegible])

### (22) Other payables

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| P[illegible] | 52,152,951 | 14,573,424 |
| A[illegible] H[illegible] | — | 1,039,887 |
| C[illegible] ( ) | 15,000,000 | . |
| A[illegible] ( ) | 3,410,000 | 3,110,000 |
| R[illegible] | 3,128,507 | 2,112,614 |
| I[illegible] ( ) | 7,000,000 | 7,000,000 |
| G[illegible] ( ) | 1,153,870 | 1,008,870 |
| D[illegible] ( ) | 2,200,234 | 4,467,433 |
| I[illegible] | 347,069 | 789,686 |
| P[illegible] (N[illegible] 8(5) ) | 60,221 | . |
| O[illegible] | 3,363,261 | 4,820,780 |
| | 87,816,113 | 38,922,694 |

A[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, T[illegible] G[illegible] [illegible] ( ), ( ), ( ), ( ).

( ) I[illegible] Y[illegible] H[illegible] C[illegible]

( ) I[illegible] G[illegible]'[illegible]

( ) I[illegible] W[illegible] G[illegible] I[illegible] T[illegible] 6.16%[illegible]

( ) I[illegible] W[illegible] G[illegible] I[illegible]

( ) I[illegible] W[illegible] G[illegible] I[illegible]

## 4. N[illegible] ([illegible])

### (23) Current portion of non-current liabilities

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| C[illegible] (N[illegible] 4(24)) | — | 36,700,000 |
| C[illegible] (N[illegible] 4(25)) | 17,480,304 | 17,480,304 |
| | 17,480,304 | 54,180,304 |

### (24) Long-term borrowings

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| P[illegible] ([illegible]) | 19,950,190 | 56,650,190 |
| G[illegible] ([illegible]) | 129,000,000 | 130,000,000 |
| | 148,950,190 | 186,650,190 |
| L[illegible]: C[illegible] (N[illegible] 4(23)) | | |
| M[illegible] ([illegible]) | — | (36,700,000) |
| | 148,950,190 | 149,950,190 |

## 4. N[illegible] ([illegible])

### (24) Long-term borrowings (continued)

( ) I A[illegible] 2016, T[illegible] G[illegible] W[illegible] G[illegible] I[illegible] W[illegible] G[illegible] I[illegible] RMB80,000,000 [illegible] 5.7% [illegible] C[illegible] M[illegible] B[illegible] D[illegible] 2015. T[illegible] 29 D[illegible] 2015 [illegible] 29 D[illegible] 2018. A[illegible] 30 J[illegible] 2017, [illegible] RMB19,950,190. T[illegible] W[illegible] G[illegible] I[illegible] (N[illegible] 4 (5)) [illegible] RMB74,000,000. I[illegible], W[illegible] M[illegible] U[illegible] A[illegible] M[illegible] C[illegible]., L[illegible] RMB20,000,000 [illegible].

( ) I J[illegible] 2016, [illegible] C[illegible] [illegible] RMB130,000,000 [illegible] 4.75%. T[illegible] 5 J[illegible] 2016 [illegible] 5 J[illegible] 2021. A[illegible] 30 J[illegible] 2017, [illegible] RMB129,000,000 (31 D[illegible] 2016: RMB130,000,000), [illegible] W[illegible] G[illegible], L[illegible] W[illegible] H[illegible] W[illegible] C[illegible].

A[illegible] 30 J[illegible] 2017, [illegible] 4.94% (31 D[illegible] 2016: 5.61%)

### (25) Long-term payable

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| G[illegible] ( ) | 12,688,704 | 12,688,704 |
| L[illegible] (N[illegible] 4(11)) | 94,254,800 | 91,530,200 |
| | 106,943,504 | 104,218,904 |
| L[illegible]: C[illegible] | (17,480,304) | (17,480,304) |
| | 89,463,200 | 86,738,600 |

( ) T[illegible] G[illegible]. T[illegible]

## 4. N[illegible] ([illegible])

### (26) Deferred income

| | 31 D[illegible] 2016 (A[illegible]) | I[illegible] | D[illegible] | 30 June 2017 (Unaudited) |
|---|---|---|---|---|
| G[illegible] | 10,632,800 | - | - | 10,632,800 |

| G[illegible] | 31 D[illegible] 2016 (A[illegible]) | I[illegible] | A[illegible] | 30 June 2017 (Unaudited) | R[illegible] |
|---|---|---|---|---|---|
| T[illegible] ( ) | 10,632,800 | - | - | 10,632,800 | R[illegible] |

( ) T[illegible] RMB10,632,800 [illegible] C[illegible] W[illegible] F[illegible] B[illegible] 2013. T[illegible] C[illegible] A[illegible] 30 J[illegible] 2017, [illegible].

### (27) Share capital

| | 31 D[illegible] 2016 (A[illegible]) | I[illegible] | 30 June 2017 (Unaudited) |
|---|---|---|---|
| S[illegible] | 73,040,000 | - | 73,040,000 |

| | 31 D[illegible] 2015 (A[illegible]) | I[illegible] | 31 D[illegible] 2016 (U[illegible]) |
|---|---|---|---|
| S[illegible] | 73,040,000 | - | 73,040,000 |

## 4. N[illegible] ([illegible])

### (28) Capital surplus

| | 31 D[illegible] 2016 (A[illegible]) | I[illegible] | D[illegible] | 30 June 2017 (Unaudited) |
|---|---|---|---|---|
| S[illegible] | 760,289,830 | . | . | 760,289,830 |
| Q[illegible] | | | | |
| S[illegible] (N[illegible] 9) | 5,590,960 | 206,400 | . | 5,797,360 |
| Q[illegible] ( ) | 29,724,071 | 108,251 | . | 29,832,322 |
| | 795,604,861 | 314,651 | . | 795,919,512 |

| | 31 D[illegible] 2015 (A[illegible]) | I[illegible] | D[illegible] | 30 J[illegible] 2016 (U[illegible]) |
|---|---|---|---|---|
| S[illegible] | 760,289,830 | . | . | 760,289,830 |
| Q[illegible] | | | | |
| S[illegible] (N[illegible] 9) | 3,279,825 | 1,155,567 | . | 4,435,392 |
| Q[illegible] | 33,940,987 | . | . | 33,940,987 |
| | 797,510,642 | 1,155,567 | . | 798,666,209 |

( ) T[illegible] C[illegible] H[illegible] Y[illegible] C[illegible] J[illegible] F[illegible] M[illegible] 2017, [illegible] C[illegible] J[illegible] H[illegible] Y[illegible] RMB16,000,000, [illegible] RMB16,000,000 [illegible] RMB1[illegible] 1[illegible]. T[illegible] G[illegible]'[illegible] 100%[illegible] 60% [illegible]. T[illegible] G[illegible] RMB108,251 [illegible].

## 4. N[illegible] ([illegible])

### (29) Surplus reserve

| | 31 D[illegible] 2016 (A[illegible]) | A[illegible] | D[illegible] | 30 June 2017 (Unaudited) |
|---|---|---|---|---|
| S[illegible] | 18,548,942 | . | . | 18,548,942 |

| | 31 D[illegible] 2015 (A[illegible]) | A[illegible] | D[illegible] | 2016 (U[illegible]) |
|---|---|---|---|---|
| S[illegible] | 11,343,566 | 7,205,376 | . | 18,548,942 |

I[illegible] C[illegible] L[illegible] A[illegible] A[illegible] C[illegible] C[illegible] 10% [illegible] C[illegible] 50% [illegible] T[illegible] 0.338 0[illegible]

## 4. N[illegible] ([illegible])

### (30) Retained earning

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U[illegible]) |
| R[illegible] | 121,190,550 | 77,824,436 |
| A[illegible]: N[illegible] | 31,710,313 | 28,208,189 |
| O[illegible] ( ) | (18,260,000) | (18,260,000) |
| R[illegible] | 134,640,863 | 87,772,625 |

( ) A[illegible] 14 J[illegible] 2017, [illegible] C[illegible] 2016 [illegible] RMB18,260,000 [illegible] RMB0.25 [illegible] 73,040,000. T[illegible].

A[illegible] 14 J[illegible] 2016, [illegible] C[illegible] 2015 [illegible] RMB18,260,000 [illegible] RMB0.25 [illegible] 73,040,000. T[illegible] J[illegible] 2016.

## 4. N[illegible] (C[illegible])

### (31) Revenue and cost of sales

| | Six months ended 30 June 2017 | | S[illegible] 30 J[illegible] 2016 | |
|---|---|---|---|---|
| | Revenue (Unaudited) | Cost (Unaudited) | R[illegible] (U[illegible]) | C[illegible] (U[illegible]) |
| R[illegible] | 238,108,930 | 156,885,868 | 187,817,343 | 118,945,305 |
| R[illegible] | 45,027,377 | 34,267,178 | 1,862,962 | 633,295 |
| | 283,136,307 | 191,153,046 | 189,680,305 | 119,578,600 |

( ) R[illegible]

| | Six months ended 30 June 2017 | | S[illegible] 30 J[illegible] 2016 | |
|---|---|---|---|---|
| | Revenue (Unaudited) | Cost (Unaudited) | R[illegible] (U[illegible]) | C[illegible] (U[illegible]) |
| P[illegible] | 60,303,304 | 49,515,173 | 49,563,165 | 40,834,453 |
| T[illegible] | 166,226,213 | 102,118,496 | 129,416,332 | 73,791,802 |
| M[illegible] | 11,579,413 | 5,252,199 | 8,837,846 | 4,319,050 |
| | 238,108,930 | 156,885,868 | 187,817,343 | 118,945,305 |

( ) R[illegible]

| | Six months ended 30 June 2017 | | S[illegible] 30 J[illegible] 2016 | |
|---|---|---|---|---|
| | Revenue (Unaudited) | Cost (Unaudited) | R[illegible] (U[illegible]) | C[illegible] (U[illegible]) |
| R[illegible] | 41,353,888 | 33,683,175 | . | . |
| R[illegible] | 2,686,536 | — | . | . |
| O[illegible] | 986,953 | 584,003 | 1,862,962 | 633,295 |
| | 45,027,377 | 34,267,178 | 1,862,962 | 633,295 |

# Notes to the Financial Statements

For the six months ended 30 June 2017

(All amounts in RMB Yuan thousands unless otherwise stated)

## 4. Notes to the consolidated financial statements (continued)

### (32) Taxes and surcharges

| | Six months ended 30 June 2017 (Unaudited) | 2016 (Unaudited) | Basis |
|---|---|---|---|
| Business tax | — | 30,564 | Refer to Note 3 |
| City maintenance and construction tax | 115,922 | 2,139 | Refer to Note 3 |
| Educational surcharge | 48,397 | 842 | Refer to Note 3 |
| Local educational surcharge | 32,264 | 562 | Refer to Note 3 |
| Property tax (a) | 884,304 | . | Refer to Note 3 |
| Land use tax (a) | 41,925 | . | Refer to Note 3 |
| Land appreciation tax | 2,765,489 | . | Refer to Note 3 |
| Other (a) | 48,777 | . | |
| | 3,937,078 | 34,107 | |

(a) A[illegible] *R[illegible] V[illegible] T[illegible] (C[illegible] K[illegible] 2016 N[illegible] 22)* [illegible] M[illegible] F[illegible] D[illegible] 2016, [illegible] C[illegible] [illegible] 2016.

### (33) Selling and distribution expenses

| | Six months ended 30 June 2017 (Unaudited) | 2016 (Unaudited) |
|---|---|---|
| P[illegible] | 445,240 | 1,017,758 |

## 4. N[illegible] ([illegible])

### (34) General and administrative expenses

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U[illegible]) |
| E[illegible] | 17,968,176 | 14,822,551 |
| Q[illegible] | 7,955,709 | 8,477,054 |
| D[illegible] | 3,481,869 | 2,034,134 |
| C[illegible] | 2,667,140 | 1,790,618 |
| A[illegible] | 79,456 | 1,337,465 |
| T[illegible] | 1,614,509 | 1,491,713 |
| C[illegible] | 1,118,455 | 1,147,411 |
| O[illegible] | 898,289 | 969,139 |
| S[illegible] (N[illegible] 9) | 82,152 | 424,555 |
| A[illegible] | 418,194 | 336,680 |
| Q[illegible] | 3,530,394 | 3,527,921 |
| | 39,814,343 | 36,359,241 |

## 4. N[illegible] ([illegible])

### (35) Expenses by nature

T[illegible]:

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U[illegible]) |
| E[illegible] | 70,625,136 | 55,243,032 |
| T[illegible] | 59,291,198 | 49,233,787 |
| C[illegible] | 33,683,175 | - |
| D[illegible] | 7,605,063 | 4,775,340 |
| A[illegible] | 3,662,798 | 3,005,935 |
| A[illegible] | 9,598,874 | 5,712,058 |
| Q[illegible] | 17,812,635 | 13,261,976 |
| C[illegible] | 8,120,070 | 6,543,945 |
| U[illegible] | 3,911,618 | 3,076,390 |
| O[illegible] | 665,154 | - |
| T[illegible] | 4,181,975 | 2,180,389 |
| C[illegible] | 2,758,580 | 1,911,718 |
| R[illegible] | 516,940 | 1,017,758 |
| T[illegible] | 2,065,846 | 1,749,510 |
| O[illegible] | 1,301,775 | 1,342,556 |
| S[illegible] (N[illegible] 9) | 206,400 | 1,155,567 |
| Q[illegible] | 5,405,392 | 6,745,638 |
| | 231,412,629 | 156,955,599 |

## 4. N[illegible] ([illegible])

### (36) Financial (expenses)/income- net amount

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U[illegible]) |
| N[illegible] ([illegible])/[illegible] | (7,730,248) | 9,592,376 |
| I[illegible] | 1,907,398 | 3,101,872 |
| I[illegible] | (5,689,153) | (2,257,917) |
| L[illegible]: [illegible] | 3,998,564 | 2,257,917 |
| T[illegible] ( ) | (2,724,600) | (2,776,747) |
| O[illegible] | (198,512) | (131,710) |
| | (10,436,551) | 9,785,791 |

( ) T[illegible] (N[illegible] 4(25)).

### (37) Investment losses

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U[illegible]) |
| S[illegible] (N[illegible] 4 (7)) | 2,852,505 | 2,199,509 |
| N[illegible] ( ) | (5,243,377) | . |
| | (2,390,872) | 2,199,509 |

( ) T[illegible] RMB5,423,377 [illegible] 16.33% [illegible] B[illegible] Y[illegible] 30 J[illegible] 2017.

## 4. N[illegible] (Continued)

### (38) Assets impairment losses

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U[illegible]) |
| B[illegible] | 2,823,150 | 1,188,953 |

### (39) Non-operating income

| | Six months ended 30 June 2017 (Unaudited) | The amount charged to non-recurring profit an loss (Unaudited) |
|---|---|---|
| G[illegible] ( ) | 5,245,868 | 5,245,868 |
| Q[illegible] | 131,583 | 131,583 |
| | 5,377,451 | 5,377,451 |

| | S[illegible] 30 J[illegible] 2016 (U[illegible]) | T[illegible] (U[illegible]) |
|---|---|---|
| G[illegible] ( ) | 142,968 | 142,968 |
| Q[illegible] | 41,847 | 41,847 |
| | 184,815 | 184,815 |

## 4. N[illegible] ([illegible])

### (39) Non-operating income (continued)

*( ) I[illegible]*

| | Six months ended 30 June 2017 (Unaudited) | 2016 (U[illegible]) | Related to assets/income |
|---|---|---|---|
| N[illegible] | — | 127,968 | R[illegible] |
| G[illegible] ( ) | 4,835,868 | . | R[illegible] |
| G[illegible] ( ) | 400,000 | . | R[illegible] |
| O[illegible] | 10,000 | 15,000 | R[illegible] |
| | 5,245,868 | 142,968 | |

( ) T[illegible] C[illegible] RMB490,000 [illegible] RMB4,345,868 [illegible] W[illegible] L[illegible] D[illegible] P[illegible] G[illegible] F[illegible] A[illegible] O[illegible] F[illegible] 2017 [illegible] M[illegible] 2017[illegible] N[illegible] I[illegible] I[illegible] P[illegible] C[illegible] M[illegible] (W[illegible] C[illegible] S[illegible] 2016 N[illegible] .573) [illegible] W[illegible] M[illegible] F[illegible] P[illegible] G[illegible] F[illegible] A[illegible] O[illegible].

( ) T[illegible] C[illegible] RMB400,000 [illegible] 2015 [illegible] W[illegible] L[illegible] D[illegible] M[illegible] B[illegible] M[illegible] 2017, [illegible] N[illegible] P[illegible] W[illegible] F[illegible] I[illegible] A[illegible] F[illegible] 2015 (W[illegible] C[illegible] S[illegible] 2016 N[illegible] .634) [illegible] W[illegible] M[illegible] F[illegible] B[illegible].

# Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

## 4. N[illegible] ([illegible])

### (40) Non-operating expenses

| | Six months ended 30 June 2017 (Unaudited) | The amount charged to non-recurring profit an loss (Unaudited) |
|---|---|---|
| D[illegible] ( ) | 2,247,255 | 2,247,255 |
| M[illegible] | 260,000 | 260,000 |
| L[illegible] | 95,691 | 95,691 |
| I[illegible]: L[illegible] | 95,691 | 95,691 |
| Q[illegible] | 65,965 | 65,965 |
| | 2,668,911 | 2,668,911 |

| | S[illegible] 30 J[illegible] 2016 (U[illegible]) | T[illegible] (U[illegible]) |
|---|---|---|
| D[illegible] ( ) | 1,935,018 | 1,935,018 |
| L[illegible] | 84,100 | 84,100 |
| I[illegible]: L[illegible] | 84,100 | 84,100 |
| Q[illegible] | 435,152 | 435,152 |
| | 2,454,270 | 2,454,270 |

( ) A[illegible] C[illegible] W[illegible] C[illegible] F[illegible] W[illegible] R[illegible]-G[illegible] C[illegible] S[illegible] F[illegible]. T[illegible] C[illegible] F[illegible] F[illegible]. T[illegible] G[illegible]

## 4. N[illegible] ([illegible])

### (41) Other gains

| | Six months ended 30 June 2017 (Unaudited) | Revalant to assets/income |
|---|---|---|
| S[illegible] ( ) | 1,020,000 | Relavant to income |
| P[illegible] ( ) | 1,672,900 | Relavant to income |
| | 2,692,900 | |

( ) T[illegible] C[illegible] RMB1,020,000 [illegible] W[illegible] F[illegible] B[illegible] A[illegible] 2017, [illegible] *N[illegible] P[illegible] G[illegible] T[illegible] S[illegible] H[illegible] F[illegible] P[illegible] 2017* [illegible] W[illegible] H[illegible] F[illegible] P[illegible] C[illegible].

( ) T[illegible] C[illegible] RMB1,672,900 [illegible] A[illegible] 2017, [illegible] *N[illegible] I[illegible] M[illegible] G[illegible] S[illegible] F[illegible] B[illegible] M[illegible] I[illegible] 2016* (W[illegible] C[illegible] S[illegible] 2016 N[illegible] .600) [illegible] W[illegible] F[illegible] B[illegible] W[illegible] H[illegible] F[illegible] P[illegible] C[illegible].

### (42) Income tax expenses

| | Six months ended 30 June 2017 (Unaudited) | 2016 (U[illegible]) |
|---|---|---|
| C[illegible] | 14,743,399 | 13,915,240 |
| D[illegible] | (2,729,673) | (3,384,030) |
| | 12,013,726 | 10,531,210 |

## 4. N[illegible] ([illegible])

### (43) Earning per share (continued)

*( ) D[illegible]*

D[illegible] C[illegible] T[illegible] C[illegible] 30 J[illegible] 2017. A[illegible].

### (44) Notes to the statement of cash flows

*( ) C[illegible]*

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U[illegible]) |
| C[illegible] | 7,086,718 | 12,960,272 |
| G[illegible] | 7,938,768 | 15,000 |
| O[illegible] | 1,079,348 | 601,799 |
| | 16,104,834 | 13,577,071 |

*( ) C[illegible]*

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U[illegible]) |
| P[illegible] | 9,766,354 | 9,372,828 |
| A[illegible] | 3,507,204 | 1,999,307 |
| P[illegible] | 4,379,623 | 2,754,145 |
| A[illegible] | 1,798,565 | 2,020,542 |
| P[illegible] | 531,720 | - |
| P[illegible] | 2,758,580 | 3,290,618 |
| G[illegible] | 2,275,200 | - |
| P[illegible] | 2,065,846 | 1,491,713 |
| P[illegible] | 962,180 | 1,017,758 |
| O[illegible] | 9,669,084 | 6,372,679 |
| | 37,714,356 | 28,319,590 |

## 4. N[illegible] ([illegible])

### (44) Notes to the statement of cash flows (continued)

([illegible]) C[illegible]

| | Six months ended 30 June 2017 (Unaudited) | Six months ended 30 June 2016 (U[illegible]) |
|---|---|---|
| I[illegible] | 1,556,687 | 898,631 |
| T[illegible] | 89,451,000 | . |
| | 91,007,687 | 898,631 |

([illegible]) C[illegible]

| | Six months ended 30 June 2017 (Unaudited) | Six months ended 30 June 2016 (U[illegible]) |
|---|---|---|
| L[illegible] ( ) | 3,000,000 | 2,500,000 |
| T[illegible] (N[illegible] 4(1)) | 30,000,000 | . |
| | 33,000,000 | 2,500,000 |

( ) F[illegible] 30 J[illegible], 2017, RMB3,000,000 [illegible] P[illegible] H[illegible] RMB1,000,000 [illegible] C[illegible] H[illegible] RMB2,000,000 [illegible] 7.2% [illegible] H[illegible].

([illegible]) C[illegible]

| | Six months ended 30 June 2017 (Unaudited) | Six months ended 30 June 2016 (U[illegible]) |
|---|---|---|
| T[illegible] [illegible] (N[illegible] 4(23)) | 300,000 | . |

## 4. N[illegible] ([illegible])

### (44) Notes to the statement of cash flows (continued)

*([illegible]) C[illegible]*

| | Six months ended 30 June 2017 (Unaudited) | 2016 (U[illegible]) |
|---|---|---|
| C[illegible] A[illegible] | 1,718,279 | 338,363 |
| C[illegible] H[illegible] | 1,039,887 | [illegible] |
| | 2,758,166 | 338,363 |

*([illegible]) C[illegible]*

A[illegible] C[illegible] B[illegible] Y[illegible] H[illegible], B[illegible] Y[illegible] H[illegible] [illegible] RMB24,773,012, [illegible] RMB10,306,594 [illegible] T[illegible] C[illegible] [illegible] RMB8,266,866 [illegible] RMB2,039,728 [illegible] S[illegible] 2015 [illegible] M[illegible] 2016[illegible]

### (45) Supplementary information to the statement of cash flows

*([illegible]) S[illegible]*

R[illegible]

| | Six months ended 30 June 2017 (Unaudited) | 2016 (U[illegible]) |
|---|---|---|
| N[illegible] | 30,305,485 | 26,287,263 |
| A[illegible]: A[illegible] | 2,823,150 | 1,188,953 |
| D[illegible] | 7,605,063 | 4,775,340 |
| A[illegible] | 3,662,798 | 3,005,935 |
| A[illegible] | 9,598,874 | 5,712,058 |
| N[illegible] | 95,691 | 84,100 |
| F[illegible]/([illegible]) | 9,820,539 | (8,289,294) |
| I[illegible] ([illegible])/[illegible] | (2,390,872) | 2,199,509 |
| D[illegible] D[illegible] | — | (127,968) |
| I[illegible] | (407,598) | (3,384,030) |
| D[illegible] | (2,976,091) | [illegible] |
| I[illegible] | (13,739,715) | (1,805,595) |
| S[illegible] | 206,401 | 1,155,567 |
| (I[illegible])/[illegible] | (47,078,441) | 9,130,173 |
| I[illegible]/([illegible])[illegible] | 5,946,364 | (1,947,607) |
| N[illegible] | 3,471,648 | 37,984,404 |

## 4. N[illegible] ([illegible])

### (45) Supplementary information to the statement of cash flows (continued)

( ) S[illegible] ([illegible])

S[illegible]

F[illegible] 30 J[illegible] 2017 [illegible] 2016, [illegible] G[illegible] RMB98,610,800 (I[illegible] 30 J[illegible] 2016: RMB93,187,500)[illegible] Y[illegible] F[illegible] H[illegible]

## 4. N[illegible] ([illegible])

(46) Monetary items dominated in foreign currency

| | 30 June 2017 (Unaudited) | | |
|---|---|---|---|
| | Amount in the original currency | Exchange rate | Equivalent to RMB |
| C[illegible] | | | |
| USD | 2,396,175 | 6.7744 | 16,232,648 |
| HKD | 255,752,199 | 0.8679 | 221,972,449 |

| | 31 D[illegible] 2016 (A[illegible]) | | |
|---|---|---|---|
| | A[illegible] | E[illegible] | E[illegible] RMB |
| C[illegible] | | | |
| USD | 2,482,702 | 6.937 | 17,222,504 |
| HKD | 307,691,469 | 0.8945 | 275,233,096 |

## 5. C[illegible]

T[illegible] L[illegible] Y[illegible] H[illegible] C[illegible]., L[illegible] (L[illegible] Y[illegible] H[illegible]) [illegible] 12 D[illegible] 2016 [illegible] RMB10,000,000.

T[illegible] Y[illegible] K[illegible] H[illegible] M[illegible] L[illegible] L[illegible] C[illegible] ( Yiwu Kangning Hospital Management

# Notes to the Financial Statements

For the six months ended 30 June 2017
(All amounts in RMB Yuan unless otherwise stated)

## 6. Interests in other entities

### (1) Interests in subsidiaries

*(a) The Group composition*

| Name of the subsidiaries | Major business location | Place of registration | Nature of business | Shareholding (%) | | Method of acquisition |
|---|---|---|---|---|---|---|
| | | | | Direct | Indirect | |

## 6. I[illegible] ([illegible])

### (1) Interests in subsidiaries (continued)

*( ) T[illegible] G[illegible] ([illegible])*

| Name of the subsidiaries | Major business location | Place of registration | Nature of business | Shareholding (%) Direct | Shareholding (%) Indirect | Method of acquisition |
|---|---|---|---|---|---|---|
| S[illegible] K[illegible] H[illegible] | S[illegible] | S[illegible] | M[illegible] | [illegible] | 51% | I[illegible] |
| [illegible] K[illegible] | N[illegible] | N[illegible] | H[illegible] M[illegible] | 100% | [illegible] | I[illegible] |
| H[illegible] Y[illegible] H[illegible] | H[illegible] | H[illegible] | M[illegible] | [illegible] | 60% | I[illegible] |
| Q[illegible] Y[illegible] H[illegible] | Q[illegible] | Q[illegible] | M[illegible] | [illegible] | 60% | I[illegible] |
| W[illegible] Y[illegible] G[illegible] H[illegible] | W[illegible] | W[illegible] | M[illegible] | [illegible] | 100% | I[illegible] |
| P[illegible] K[illegible] H[illegible] | P[illegible] | P[illegible] | M[illegible] | [illegible] | 100% | I[illegible] |
| T[illegible] K[illegible] H[illegible] | T[illegible] | T[illegible] | M[illegible] | [illegible] | 51% | B[illegible] |
| W[illegible] G[illegible] I[illegible] | W[illegible] | W[illegible] | R[illegible] | [illegible] | 75% | B[illegible] |
| L[illegible] Y[illegible] H[illegible] | T[illegible] | T[illegible] | M[illegible] | [illegible] | 100% | S[illegible] |
| Y[illegible] K[illegible] H[illegible] M[illegible] | Y[illegible] | Y[illegible] | H[illegible] M[illegible] | [illegible] | 100% | I[illegible] |

## 6. Interests in other entities (continued)

### (1) Interests in subsidiaries (continued)

*(b) Subsidiaries with significant non-controlling interests*

| Subsidiaries | Shareholding % of non-controlling shareholders | Net profit or loss attributable to non-controlling shareholders for six month ended 30 June 2017 | Dividends paid to non-controlling shareholders for six month ended 30 June 2017 | Non-controlling interests as at 30 June 2017 |
|---|---|---|---|---|
| [illegible] H[illegible] | 48.78% | 406,787 | — | 13,406,214 |
| W[illegible] G[illegible] I[illegible] | 25% | 978,974 | — | 13,349,254 |
| | | 1,385,761 | — | 26,755,468 |

1ID 7808 BDC BT/T11 1 Tf9 0 0 9 313.8587 Tl428.3318

T[illegible] G

# Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

## 6. I[illegible] ([illegible])

### (2) Interests in associates

( ) S[illegible]

| | Principal Place of Business | Registry Place | Bustiness Nature | Is it Strategic to Group Business | Shareholding ratio Direct | Shareholding ratio Indirect |
|---|---|---|---|---|---|---|
| S[illegible] S[illegible] | X[illegible] | X[illegible] | H[illegible] | N[illegible] | [illegible] | 30% |

( ) F[illegible]

| | Six months ended 30 June 2017 (Unaudited) |
|---|---|
| C[illegible] | 27,571,709 |
| N[illegible] | 59,561,064 |
| T[illegible] | 87,132,773 |
| C[illegible] | 776,636 |
| N[illegible] | — |
| T[illegible] | 776,636 |
| N[illegible] | 14,980,954 |
| E[illegible] | 71,375,183 |
| N[illegible] ( ) | 21,412,555 |
| A[illegible] | |
| G[illegible] | 4,494,286 |
| C[illegible] | 25,906,841 |

| | Six months ended 30 June 2017 |
|---|---|
| R[illegible] | 5,051,287 |
| N[illegible] R[illegible] | 711,811 |

( ) T[illegible] -US)//S[illegible] 8/S[illegible] 1-US)/MCID608 T ((  )T ( )T ())T ( )T 2.52 [illegible]

## Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

# 6. [illegible]

### (2) Interests in associates (continued)

[illegible]

T[illegible] C[illegible] N[illegible] 4(7) [illegible] G[illegible]

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U[illegible]) |
| A[illegible] | 34,291,387 | 6,223,428 |
| A[illegible]: | | |
| N[illegible] ( ) | (2,659,950) | (2,199,509) |
| Q[illegible] ( ) | — | [illegible] |
| T[illegible] | (2,659,950) | (2,199,509) |

( ) N[illegible]

# 7. S[illegible]

T[illegible] G[illegible] D[illegible] T[illegible] G[illegible]

T[illegible] G[illegible]:

H[illegible];

P[illegible]

T[illegible]

T[illegible] T[illegible] I[illegible]

## 7. S[illegible] ([illegible])

( ) T[illegible] 30 J[illegible] 2017 [illegible]:

| Unaudited | Healthcare and related service | Property investment and development | Total |
|---|---|---|---|
| R[illegible] | 239,095,883 | 44,040,424 | 283,136,307 |
| C[illegible] | (156,885,868) | (33,683,175) | (190,569,043) |
| I[illegible] | 1,893,739 | 13,659 | 1,907,398 |
| I[illegible] | (1,690,589) | — | (1,690,589) |
| I[illegible] | 2,390,872 | — | 2,390,872 |
| I[illegible] | (2,823,150) | — | (2,823,150) |
| D[illegible] | (20,815,778) | (50,957) | (20,866,735) |
| P[illegible] | 36,315,270 | 6,003,941 | 42,319,211 |
| I[illegible] | (9,925,681) | (2,088,045) | (12,013,726) |
| N[illegible] | 26,389,589 | 3,915,896 | 30,305,485 |
| T[illegible] | 1,497,291,800 | 260,093,905 | 1,757,385,705 |
| T[illegible] | (483,620,965) | (206,042,872) | (689,663,837) |
| Q[illegible] D[illegible] | (2,311,135) | — | (2,311,135) |
| I[illegible] | 60,198,228 | — | 60,198,228 |
| A[illegible] ( ) | 184,433,554 | (2,700,843) | 187,134,397 |

( ) N[illegible]

F[illegible] 30 J[illegible] 2016, [illegible] G[illegible]

( ) T[illegible] G[illegible].

## 8. R[illegible]

### (1) General information of the Company

T[illegible] C[illegible] I[illegible] C[illegible] G[illegible] W[illegible] W[illegible] L[illegible] 30%[illegible]

### (2) The information of the subsidiaries

T[illegible] N[illegible] 6(1).

### (3) The information of other related party

T[illegible]:

| | Relationship |
|---|---|
| W[illegible] S[illegible] S[illegible] C[illegible] | N[illegible] C[illegible] |
| P[illegible] S[illegible] S[illegible] C[illegible] | N[illegible] C[illegible] |
| C[illegible] S[illegible] S[illegible] C[illegible] | N[illegible] C[illegible] |
| Y[illegible] S[illegible] S[illegible] C[illegible] | N[illegible] C[illegible] |
| Q[illegible] S[illegible] S[illegible] C[illegible] | N[illegible] C[illegible] |
| W[illegible] K[illegible] M[illegible] H[illegible] I[illegible] | N[illegible] C[illegible] |
| H[illegible] Y[illegible] Y[illegible] D[illegible] C[illegible] C[illegible] | N[illegible] C[illegible] |
| Q[illegible] K[illegible] | N[illegible] |
| Q[illegible] | I[illegible] |

### (4) Related party transactions

*( ) R[illegible]*

T[illegible]

## 8. R[illegible] ([illegible])

### (4) Related party transactions (continued)

*( ) M[illegible]*

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U[illegible]) |
| B[illegible] Y[illegible] H[illegible] | — | 1,700,000 |

*( ) R[illegible]*

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U[illegible]) |
| Q[illegible] | 14,400 | 14,400 |

*( ) K[illegible]*

# Notes to the Financial Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

## 8. R[illegible] ([illegible])

### (4) Related party transactions (continued)

*([illegible]) P[illegible]*

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U[illegible]) |
| N[illegible] G[illegible] | 1,405,303 | 366,619 |
| B[illegible] Y[illegible] H[illegible] | 328,964 | 1,653,923 |
| | 1,734,267 | 2,020,542 |

*([illegible]) R[illegible]*

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U[illegible]) |
| N[illegible] G[illegible] | 777,482 | 1,353,493 |
| B[illegible] Y[illegible] H[illegible] | 6,309,236 | 15,064,006 |
| | 7,086,718 | 16,417,499 |

*([illegible]) P[illegible] G[illegible]*

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U[illegible]) |
| H[illegible] H[illegible] | 60,221 | [illegible] |

## 8. R[illegible] ([illegible])

### (4) Related party transactions (continued)

*( ) B[illegible]*

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| Q[illegible] | 45,087 | 50,219 |

*( ) A[illegible]*

T[illegible] C[illegible] G[illegible] W[illegible], W[illegible] L[illegible] W[illegible] H[illegible] C[illegible] B[illegible] C[illegible]., L[illegible] 6 J[illegible] 2016. A[illegible] G[illegible] W[illegible], W[illegible] L[illegible] W[illegible] H[illegible] C[illegible] C[illegible] B[illegible] C[illegible]., L[illegible] RMB252,000,000.

T[illegible] C[illegible] G[illegible] W[illegible], W[illegible] L[illegible] W[illegible] H[illegible] B[illegible] C[illegible]., L[illegible] 19 A[illegible] 2017. A[illegible] G[illegible] W[illegible], W[illegible] L[illegible] W[illegible] H[illegible] C[illegible] B[illegible] C[illegible]., L[illegible] RMB44,000,000.

*( ) E[illegible]*

T[illegible] K[illegible] H[illegible] 30 J[illegible] 2016 [illegible] C[illegible] Y[illegible] X[illegible] 51% [illegible] A[illegible] 28 J[illegible] 2016, Y[illegible] X[illegible] 51% [illegible] T[illegible] K[illegible] H[illegible] K[illegible] T[illegible] G[illegible] Y[illegible] X[illegible] T[illegible] K[illegible] H[illegible].

## 8. R[illegible] ([illegible])

### (4) Related party transactions (continued)

( ) A[illegible]

| | Six months ended 30 June 2017 (Unaudited) | 2016 (U[illegible]) |
|---|---|---|
| Q K[illegible] | 300,000 | . |

### (5) Balances with related parties

( ) Q[illegible]

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| B[illegible] Y[illegible] H[illegible] | 326,620 | 6,306,892 |
| N[illegible] G[illegible] | 2,163,787 | 1,535,966 |
| | 2,490,407 | 7,842,858 |

( ) Q[illegible]

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| Q K[illegible] | 3,410,000 | 3,110,000 |
| H[illegible] H[illegible] | 60,221 | . |
| | 3,470,221 | 3,110,000 |

T[illegible]

## 9. S…

F… 21 J… 2014, … C… Restricted Shares Scheme ).

T… R… S… S… :

(1) I… S… : T… R… S… S… 0.374 … 0.394 … 31 … 0.505 … 078.1584 …

## 10. C[illegible]

### (1) Capital commitments

C[illegible] T[illegible] G[illegible] [illegible]:

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| B[illegible] | 145,259,995 | 153,326,228 |

### (2) Operating lease commitments

T[illegible]:

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| W[illegible] 1[illegible] | 19,040,349 | 27,197,148 |
| 1[illegible] 2[illegible] | 25,619,691 | 23,537,604 |
| 2[illegible] 3[illegible] | 24,518,699 | 21,793,250 |
| O[illegible] 3[illegible] | 262,837,022 | 116,902,176 |
| | 332,015,761 | 189,430,178 |

## 11. E[illegible]

A[illegible]

## 12. F [illegible]

T [illegible] G [illegible] [illegible] T [illegible] G [illegible] [illegible] G [illegible]

### (1) Market risk

*( ) F [illegible]*

T [illegible] G [illegible] M [illegible] C [illegible] RMB. T [illegible] G [illegible]

A [illegible] 30 J [illegible] 2017 [illegible] 31 D [illegible] 2016, [illegible] G [illegible] RMB):

| | 30 June 2017 (Unaudited) | | |
|---|---|---|---|
| | HKD | USD | Total |
| F [illegible] - C [illegible] | 221,972,449 | 16,232,648 | 238,205,097 |

| | 31 D [illegible] 2016 (A [illegible]) | | |
|---|---|---|---|
| | HKD | USD | T [illegible] |
| F [illegible] - C [illegible] | 275,233,096 | 17,222,504 | 292,455,600 |

A [illegible] 30 J [illegible] 2017, [illegible] RMB [illegible] 3% [illegible] HKD [illegible] G [illegible] RMB4,994,380 (31 D [illegible] 2016: RMB6,193,000) [illegible] HKD.

## 12. F[illegible] ([illegible])

### (1) Market risk (continued)

*( ) I[illegible]*

T[illegible] G[illegible] F[illegible] G[illegible] F[illegible] G[illegible] T[illegible] G[illegible] A[illegible] 30 J[illegible] 2017, T[illegible] G[illegible] RMB-[illegible] RMB148,950,190 (31 D[illegible] 2016: RMB179,950,190).

T[illegible] G[illegible] G[illegible] I[illegible] G[illegible] G[illegible] T[illegible] G[illegible]

### (2) Credit risk

G[illegible] G[illegible]

T[illegible] G[illegible] M[illegible]

T[illegible] G[illegible] H[illegible] G[illegible] C[illegible] T[illegible] T[illegible] G[illegible] T[illegible] G[illegible] F[illegible] B[illegible] G[illegible] RMB10,382,663 [illegible] RMB8,105,000 [illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible] (N[illegible] 4(2) ( )).

## 13. F[illegible]

T[illegible]

Level 1: Q[illegible]

Level 2: I[illegible] Level 1 [illegible]

Level 3: U[illegible]

### (1) Assets and liabilities measured at fair value on a recurring basis

A[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible]:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| F[illegible] - | | | | |
| A[illegible] | - | - | 50,000,000 | 50,000,000 |
| N[illegible] | | | | |
| I[illegible] | - | - | 72,191,872 | 72,191,872 |
| T[illegible] | - | - | 122,191,872 | 122,191,872 |

T[illegible] G[illegible] W[illegible] H[illegible] A[illegible] V[illegible] C[illegible] L[illegible]. T[illegible] R[illegible] N[illegible] 2(28) ( ) ( ) [illegible].

T[illegible] G[illegible]. T[illegible] G[illegible].

### (2) Assets and liabilities not measured at fair value but disclosed

T[illegible] G[illegible]

T[illegible]

## 14. C [illegible]

T [illegible] G [illegible]

I [illegible] G [illegible]

T [illegible] G [illegible]

## 15. N[illegible] C[illegible] ([illegible])

### (1) Accounts receivable (continued)

( ) T[illegible]:

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| W[illegible] 1[illegible] | 92,691,944 | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| R[illegible] | 1,77,25 | 2% | — | — | 0534.2943 34943 380.23(5)T (,)T 130 | | . | . |

## 15. N[illegible] C[illegible] ([illegible])

### (1) Accounts receivable (continued)

( ) A[illegible]:

| R[illegible] | Unaudited 30 June 2017 | | | | A[illegible] 31 D[illegible] 2016 | | | |
|---|---|---|---|---|---|---|---|---|
| | Ending balance | | Provision for bad debts | | E[illegible] | | P[illegible] | |
| | Amount | % of total balance | Amount | % of total balance | A[illegible] | % [illegible] | A[illegible] | % [illegible] |
| R[illegible] | 25,848,193 | 26% | — | — | 10,567,765 | 12% | . | . |
| R[illegible] | 31,081,359 | 31% | — | — | 39,872,555 | 46% | . | . |
| R[illegible] | 7,896,283 | 8% | 6,342,610 | 80% | [illegible] | | | |
| | | | — | — | | | . | . |

87% ,225,4

% 2,7 % 727

## 15. N[illegible] C[illegible] ([illegible])

### (1) Accounts receivable (continued)

(.) A[illegible] 30 J[illegible] 2017, [illegible]:

| | 30 June 2017 | | |
|---|---|---|---|
| | Balance | The amount of provision | % of the balance of total account receivables |
| T[illegible] | 33,539,706 | — | 33% |

### (2) Other receivables

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| A[illegible] | 388,504,928 | 242,839,985 |
| L[illegible] | 8,600,000 | 11,825,000 |
| A[illegible] * | 10,854,756 | 8,543,379 |
| D[illegible] | 1,463,043 | 1,463,843 |
| O[illegible] | 3,350,527 | 188,934 |
| | 412,773,254 | 264,861,141 |
| L[illegible]: P[illegible] | (1,477,073) | (1,210,030) |
| | 411,296,181 | 263,651,111 |

* T[illegible] Y[illegible] F[illegible] H[illegible] C[illegible] R[illegible] H[illegible] C[illegible], L[illegible] (C[illegible] R[illegible] H[illegible]) [illegible] G[illegible] X[illegible] H[illegible] M[illegible] (N[illegible] ( )).

## 15. N[illegible] C[illegible] ([illegible])

### (2) Other receivables (continued)

( ) T[illegible]:

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| W[illegible] 1[illegible] | 355,754,644 | 217,412,037 |
| 1 - 2[illegible] | 36,459,748 | 33,513,442 |
| 2 - 3[illegible] | 20,113,661 | 13,935,662 |
| O[illegible] 3[illegible] | 445,200 | [illegible] |
| | 412,773,253 | 264,861,141 |

A[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible] C[illegible] [illegible].

( ) Q[illegible]

| 30 June 2017 | Balance | Provision for bad debt | % of provision | Reason |
|---|---|---|---|---|
| R[illegible] F[illegible] G[illegible] X[illegible] H[illegible] M[illegible] | 2,156,116 | 1,210,030 | 56% | (i) |
| R[illegible] W[illegible] M[illegible] R[illegible] E[illegible] D[illegible] C[illegible]., L[illegible] ([illegible] Wenzhou Mingou Co., Ltd ) | 267,043 | 267,043 | 100% | e(iii) |
| | 2,423,159 | 1,477,073 | | |

( ) A[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible] G[illegible] [illegible].

## 15. N[illegible] C[illegible] ([illegible])

### (2) Other receivables (continued)

([illegible]) I[illegible] 30 J[illegible] 2017, [illegible] RMB267,043 ([illegible] 30 J[illegible] 2016: RMB131,972). N[illegible] 30 J[illegible] 2017 ([illegible] 30 J[illegible] 2016: N[illegible]).

([illegible]) T[illegible] 30 J[illegible] 2017 ([illegible] 30 J[illegible] 2016: N[illegible])

([illegible]) A[illegible] 30 J[illegible] 2017, [illegible]:

| | | 30 June 2017 (Unaudited) | | | |
|---|---|---|---|---|---|
| | Nature | Balance | aging | % of total amount of other receivable | provision for bad debts |
| [illegible] K[illegible] | R[illegible] | 95,999,004 | Within one year | 23% | — |
| W[illegible] Y[illegible] G[illegible] H[illegible] | R[illegible] | 65,865,097 | Within one year | 16% | — |
| C[illegible] K[illegible] H[illegible] | R[illegible] | 65,367,853 | Within one year | 16% | — |
| W[illegible] G[illegible] I[illegible] | R[illegible] | 36,700,000 | Within one year | 9% | — |
| P[illegible] K[illegible] H[illegible] | R[illegible] | 31,853,982 | Within two years | 8% | — |
| | | 295,785,936 | | 72% | — |

### (3) Long-term equity investment

| | 30 June 2017 (Unaudited) | 31 D[illegible] 2016 (A[illegible]) |
|---|---|---|
| S[illegible] ( ) | 100,782,135 | 100,782,135 |
| A[illegible] ( ) | 14,458,938 | 15,072,785 |
| | 115,241,073 | 115,854,920 |

T[illegible] G[illegible]

## 15. N... C... (continued)

### (3) Long-term equity investment (continued)

*( ) S...*

| | 31 D... 2016 | Increase | Decrease | Accrual for provision for impairment | Others | 30 June 2017 | Provision for impairment | Cash dividends declared in the current period |
|---|---|---|---|---|---|---|---|---|
| | | The change in the six months ended 30 June | | | | | | |
| Q... K... H... | 1,000,000 | - | - | - | - | 1,000,000 | - | - |
| Y... K... H... | 1,000,000 | - | - | - | - | 1,000,000 | - | - |
| C... K... H... | 1,000,000 | - | - | - | - | 1,000,000 | - | - |
| Y... K... H... | 1,000,000 | - | - | - | - | 1,000,000 | - | - |
| J... F... C... | 500,000 | - | - | - | - | 500,000 | - | - |
| S... Y... M... I... C... | 10,000,000 | - | - | - | - | 10,000,000 | - | - |
| L... K... H... | 1,600,000 | - | - | - | - | 1,600,000 | - | - |
| L... Y... H... M... C... | 10,000,000 | - | - | - | - | 10,000,000 | - | - |
| Z... H... C... | 24,682,135 | - | - | - | - | 24,682,135 | - | - |
| Z... K... | 50,000,000 | - | - | - | - | 50,000,000 | - | - |
| | 100,782,135 | - | - | - | - | 100,782,135 | - | - |

## 15. N[illegible] C[illegible] ([illegible])

### (3) Long-term equity investment (continued)

*( ) A[illegible]*

| | | | | The change in the six months ended 30 June | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 31 D[illegible] 2016 | Initial investment | Decrease | Share of net profit/ (loss) under equity method | the adjustment of other comprehensive income | the change of other equity | Cash dividends declared in the current period | Accrual for provision for impairment | Others | 30 June 2017 | The closing amount of provision for impairment |
| H[illegible] H[illegible] ( ) | 507,450 | . | . | (1,149,040) | . | . | . | . | . | (641,590) | . |
| S427[illegible] Y[illegible] H[illegible] ( ) | [illegible] | | | | | | | | | | |

## 15. N[illegible] C[illegible] ([illegible])

### (4) Revenue and cost of sales (continued)

*( ) R[illegible]*

| | Six months ended 30 June 2017 | | S[illegible] 30 J[illegible] 2016 | |
|---|---|---|---|---|
| | Revenue | Cost | R[illegible] | C[illegible] |
| | (Unaudited) | (Unaudited) | (U[illegible]) | (U[illegible]) |
| P[illegible] | 42,430,403 | 35,779,303 | 39,051,448 | 30,281,560 |
| T[illegible] [illegible] | 97,002,193 | 54,009,581 | 84,015,433 | 53,200,980 |
| M[illegible] | 9,165,461 | 4,548,589 | 8,012,930 | 4,113,366 |
| | 148,598,057 | 94,337,473 | 131,079,811 | 87,595,906 |

*( ) R[illegible]*

| | Six months ended 30 June 2017 | | S[illegible] 30 J[illegible] 2016 | |
|---|---|---|---|---|
| | Revenue | Cost | R[illegible] | C[illegible] |
| | (Unaudited) | (Unaudited) | (U[illegible]) | (U[illegible]) |
| Q[illegible] | 48,176 | — | 23,520 | [illegible] |

### (5) Investment income

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U[illegible]) |
| S[illegible] | (613,847) | (2,199,509) |
| | (613,847) | (2,199,509) |

T[illegible] C[illegible]

## Supplementary Information of Financial Statement

F... 30 J... 2017

(A... RMB Y... )

### 1. T...

| | Six months ended 30 June | |
|---|---|---|
| | 2017 | 2016 |
| | (Unaudited) | (U...) |
| N... | 95,691 | 84,100 |
| T... | (7,938,768) | (142,968) |
| L... | (350,711) | . |
| D... | 2,247,255 | 1,935,018 |
| N... | 194,382 | 393,305 |
| S... | (5,752,151) | 2,269,455 |
| L... : | 1,573,716 | (333,609) |
| L... : | — | . |
| N... | (4,178,435) | 1,935,846 |

Basis of preparation for the non-recurring profit and loss statement

A... P... N... N... 1 - ... 2008 ... C... S... R... C...

W... K... H... C..., L... ( ... C... ) ... RMB ... P...

## 2. R[illegible]

W[illegible] K[illegible] H[illegible] C[illegible]., L[illegible] ([illegible] C[illegible]) [illegible] RMB [illegible] P[illegible] N[illegible]. 9 -[illegible] 2010 [illegible] C[illegible]

| | Weighted average return on equity(%) 2017 | 2016 |
|---|---|---|
| T[illegible] C[illegible] | 3.12 | 6.99 |
| T[illegible] C[illegible] | 2.71 | 6.72 |

| | Earning per share six months ended 30 June 2017 | | 2016 | |
|---|---|---|---|---|
| | Basic earning per share | Diluted earning per share | B[illegible] | D[illegible] |
| T[illegible] C[illegible] | 0.43 | 0.43 | 0.94 | 0.94 |
| T[illegible] C[illegible] | 0.38 | 0.38 | 0.91 | 0.91 |

# Definitions

| | |
|---|---|
| AGM | C 2016 J 14, 2017 |
| A C | B |
| B Y H | B Y H C ., L . (北京怡寧醫院有限公司), PRC A 17, 2015 32.67% G |
| B D B | C |
| C K H | C K H C ., L . (蒼南康寧醫院有限公司), PRC J 15, 2012, C |
| C R W | C R H C L (成都仁一醫院有限公司), PRC J 29, 2010 C J H C L (成都濟宏醫院有限公司) J 28, 2015 |
| C H K H | C H K H C ., L . (重慶合川康寧醫院有限公司), PRC J 5, 2015 40% G |
| C ' H | C ' H K ' H (淳安黃鋒康恩醫院) |
| C W K H | W K H C ., L ., PRC, H S M B H K S E (S C : 2120) |
| CG C | C G |

# Definitions

| | |
|---|---|
| G | C [illegible] |
| H S ( ) | ( ) ( ) C [illegible] RMB1.00 M B H K S E |
| H H I | H H I T C ., L . (杭州宏瀾信息科技有限公司), PRC N 20, 2015 35% G |
| H Y H | H Y H C ., L . (杭州怡寧醫院有限公司), PRC A 25, 2016, C |
| HK$ HKD H K | H K H K |
| H K | H K S A R PRC |
| H K L R | R G L S T S E H K L |
| H K S E | T S E H K L |
| L Y H | L Y H M C ., L . (廊坊市怡寧醫院管理有限公司), PRC D 2, 2015, C |
| L K H | L K H C ., L . (臨海康寧醫院有限公司), PRC F 2, 2015, C |
| M | M S A R PRC |
| M C | M C S T D L I A 10 H K L R |
| N C | B |
| P K H | P K H C ., L . (平陽康寧醫院有限公司), PRC N 2, 2015, C |
| P C W | P C H C ., L (平陽縣長庚醫院有限責任公司) |

# Definitions

# Definitions

| | |
|---|---|
| S K H | S K H C ., L . (四會康寧醫院有限公司), PRC A 19, 2016, C - |
| S R M C | B |
| | C O (C 622 H K ) |
| ( ) | H K L R |
| S ( ) | S C |
| S C | C S C PRC C L |
| US$ USD | U S |
| W G | W G I C ., L . (溫州國大投資有限公司), PRC F 9, 2002, C - |
| Y F H | Y F H T C W M (燕郊輔仁中西醫結合醫院) C M 26, 2015 Y F H T C W M C |
| Y K H | Y K H C ., L . (永嘉康寧醫院有限公司), PRC D 12, 2012, C |
| Y K H | Y K H C ., L . (樂清康寧醫院有限公司), PRC S 3, 2013, C |
| % | |

溫州康寧醫院股份有限公司
Wenzhou Kangning Hospital Co., Ltd.